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建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)

VOLUNTARY ANNOUNCEMENT

IN RELATION TO THE DISPOSAL OF THE TARGET GROUP

THE DISPOSAL

CIL Board announces that on 28 October 2025 (after trading hours), the Vendor, an indirect non wholly-owned subsidiary of CIL and a direct wholly-owned subsidiary of Hon Kwok, and the Purchaser entered into the Provisional Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and take assignment of, the Sale Share and the Sale Loans. The Consideration for the Sale Share and the Sale Loans shall be the aggregate of (i) the Agreed Property Value of the Property of HK$338,000,000; and (ii) the Completion Net Asset Value of the Target Group. For the purpose of determing the Consideration under the Provisional Sale and Purchase Agreement, the Net Asset Value of the Target Group shall exclude the carrying value of the Property, the Sale Loans, any inter-company balances which shall be repaid, set-off, novated, terminated or otherwise eliminated or assigned and transferred to the Vendor before Completion, and any deferred tax liabilities (if any). As at 31 March 2025, the unaudited combined Net Asset Value of the Target Group was approximately HK$2,349,500, which comprised of current assets of approximately HK$3,506,800 and current liabilities of approximately HK$1,157,300. As such, it is estimated that the Consideration shall be approximately HK$340,349,500.

The Target Group comprises of Oseling Investments, King Capital and The Bauhinia Hotel (TST). Oseling Investments is an investment holding company holding 100% equity interests of King Capital and The Bauhinia Hotel (TST), whereas each of King Capital and The Bauhinia Hotel (TST) holds the Property and the Hotel Licence respectively.

As at the date of this announcement, Hon Kwok, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 160), is directly owned as to 68.09% by CIL.

LISTING RULES IMPLICATIONS

Except for the consideration ratio, all other applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is below 5% for CIL. CIL considered that the consideration ratio produces an anomalous result and applied to the Stock Exchange to apply an alterative size test. The Stock Exchange exercised its discretion under Rule 14.20 of the Listing Rules to adopt such alternative size test, and as the same is also below 5% for CIL, the Disposal does not constitute a notifiable transaction for CIL under Chapter 14 of the Listing

Rules. Nevertheless, CIL makes this announcement on a voluntary basis to provide shareholders and potential investors of CIL with further information about the Disposal.

Completion of the Provisional Sale and Purchase Agreement is subject to the fulfilment of certain conditions precedent and terms thereof, and therefore, the Disposal may or may not take place. The CIL Shareholders and potential investors of CIL should exercise caution when dealing in the shares of CIL.

THE DISPOSAL

CIL Board announces that on 28 October 2025 (after trading hours), the Vendor, an indirect non wholly-owned subsidiary of CIL and a direct wholly-owned subsidiary of Hon Kwok, and the Purchaser entered into the Provisional Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and take assignment of, the Sale Share and the Sale Loans.

PROVISIONAL SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Provisional Sale and Purchase Agreement:

Date

28 October 2025

Parties

(1) HKL Holdings (BVI), an indirect non wholly-owned subsidiary of CIL and a direct wholly-owned subsidiary of Hon Kwok, as Vendor;

(2) Brightwood Management Limited as Purchaser; and

(3) Hon Kwok as guarantor to guarantee the performance of obligations of the Vendor

Subject Matter

Pursuant to the Provisional Sale and Purchase Agreement, the assets to be disposed of by the Vendor to the Purchaser comprise (i) the Sale Share; and (ii) the Sale Loans. The Vendor has conditionally agreed to sell the Sale Share and assign the Sale Loans to the Purchaser free from the Encumbrances. Further details of the Target Group are set out in the section headed ‘‘Information on the Target Group, the Property and the Hotel’’ below.

Consideration and Payment Terms

The Consideration to be paid by the Purchaser for the Sale Shares and the benefit of the Sale Loans shall be an amount equal to the amount of the Agreed Property Value of HK$338,000,000 plus the Completion Net Asset Value of the Target Group.

For the purpose of determining the Consideration under the Provisional Sale and Purchase Agreement, Net Asset Value means the total consolidated current assets of the Target Group (for avoidance of doubt, including utilities deposits and accounts receivables but other than the value of the Property) minus the total consolidated current liabilities of the Target Group except for the Sale Loans, any inter-company balances which shall be repaid, set-off, novated, terminated or

otherwise eliminated or assigned and transferred to the Vendor before Completion, and deferred tax liabilities (if any).

The Consideration was determined primarily based on the Agreed Property Value, which was agreed after arm's length negotiations between the Vendor and the Purchaser by reference to, among others, market values of comparable properties of this type. The preliminary market valuation of the Property as at 31 March 2025 as appraised by an independent valuer appointed by Hon Kwok based on market approach was approximately HK$351,000,000. The Agreed Property Value represented a discount of about 3.7% to the preliminary market valuation of the Property as aforesaid.

The Consideration will be payable in the following manner:

(i) deposit in the sum of HK$33,800,000 representing 10% of the Agreed Property Value shall be paid to the Vendor's solicitors upon signing of the Provisional Sale and Purchase Agreement (the "Deposit");

(ii) an amount representing the balance of the Initial Consideration (being the aggregate of the Agreed Property Value plus the Proforma Net Asset Value of the Target Group) after deducting the Deposit shall be paid to the Vendor (or its designated party) on the Completion Date; and

(iii) an amount representing the adjustment being the difference of the Completion Net Asset Value and the Proforma Net Asset Value to be paid by the Purchaser (if the Completion Net Asset Value is larger than the Proforma Net Asset Value) or the Vendor (if the Completion Net Asset Value is smaller than the Proforma Net Asset Value).

Conditions Precedent

Completion is conditional upon the following conditions being satisfied (and/or waived by the Purchaser):

(a) King Capital being able to show and give title to the Property in accordance with the applicable laws in Hong Kong pursuant to the provisions of the Provisional Sale and Purchase Agreement;

(b) the Purchaser having undertaken the due diligence investigation on the business, financial and legal aspects of the Target Group (other than in respect of the title of the Property) and the Purchaser has not identified any issue(s) as specified in accordance with the terms of the Provisional Sale and Purchase Agreement;

(c) the warranties as set out in the Provisional Sale and Purchase Agreement remaining true and accurate in all material respects on the date on which Completion would take place; and

(d) the transaction contemplated under the Provisional Sale and Purchase Agreement being transacted in accordance with the requirements under the Listing Rules.

The Purchaser may at any time before the Longstop Date waive in writing any of the conditions precedent set out above (except for (d)).

If any of the conditions precedent set out in the Provisional Sale and Purchase Agreement has not been satisfied (or waived) on or before the Longstop Date, then unless the parties thereto agree in writing, either the Vendor or the Purchaser may, at its option, by notice to the other party:

(i) postpone the Longstop Date to a date falling not more than 20 Business Days after the original Longstop Date; or (ii) terminate the Provisional Sale and Purchase Agreement.

Completion

Completion shall take place in Hong Kong on the 3rd Business Day following satisfaction or waiver of all conditions precedent as set out in the Provisional Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing.

Following Completion, CIL Group will cease to have any interests in the Target Group and the financial results and assets and liabilities of the Target Group will no longer be consolidated into the consolidated financial statements of CIL Group. Upon Completion, the Property will be delivered on an as-is basis and in relation to premises of the Property not subject to any tenancy, with vacant possession to the Purchaser, and both Hon Kwok Group and CIL Group will no longer be interested in or operating the Hotel, which will then be operated by the Purchaser.

INFORMATION ON THE TARGET GROUP, THE PROPERTY AND THE HOTEL

Oseling Investments Limited

Oseling Investments is a company incorporated in BVI with limited liability and is an indirect wholly-owned subsidiary of Hon Kwok as at the date of this announcement. Oseling Investments is principally engaged in investment holding.

King Capital Development Limited

King Capital is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Oseling Investments as at the date of this announcement. King Capital is principally engaged in property investment and is the owner of the Property.

The Bauhinia Hotel (TST) Management Limited

The Bauhinia Hotel (TST) is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Oseling Investments as at the date of this announcement. The Bauhinia Hotel (TST) is principally engaged in hotel operation and management. It owns the Hotel Licence and is operating and managing the Hotel.

The Property and The Hotel

The Property is located at Knutsford Place, Nos.5, 7 and 9 Observatory Court, Kowloon, Hong Kong. It is a 23-storey building erected over a site area of approximately 3,937 sq. ft., having a total gross floor area of approximately 60,894 sq. ft. and is operating as the Hotel under the name of The Bauhinia Hotel (TST) 寶軒酒店 (尖沙咀).

Financial information of the Target Group

Set out below is a summary of the unaudited combined accounts of the Target Group for the two financial years ended 31 March 2025 and 31 March 2024:

	For the financial year ended	
	31 March 2025 *(unaudited)* HK$	**31 March 2024** *(unaudited)* HK$
Revenues	6,518,472	9,417,783
Operating cost	(2,317,458)	(9,860,116)
Operating profit/(loss)	4,201,014	(442,333)
Fair value gains/(losses) on investment properties	(37,100,000)	6,917,460
Profit/(loss) before taxation	(32,898,986)	6,475,127
Tax	-	-
Profit/(loss) after taxation	(32,898,986)	6,475,127

The unaudited combined net liabilities of the Target Group as at 31 March 2025 was approximately HK$166,600,000 (including the amount of Sale Loans of approximately HK$519,900,000) and the unaudited combined net liabilities of the Target Group as at 31 March 2024 was approximately HK$133,800,000 (including the amount of Sale Loans of approximately HK$526,800,000).

Currently the Property is mortgaged to a licensed bank in Hong Kong for the Bank Loan granted to Hon Kwok with an outstanding balance of HK$198,000,000. Part of the Consideration will be directly utilized to repay the Bank Loan in full at Completion so as to release and discharge the securities on the Property.

INFORMATION ON THE VENDOR AND CIL GROUP

The Vendor is HKL Holdings (BVI) Limited. HKL Holdings (BVI) is a company incorporated in BVI, and is a direct wholly-owned subsidiary of Hon Kwok which is then owned as to 68.09% by CIL as at the date of this announcement. HKL Holdings (BVI) is principally engaged in investment holding.

CIL is incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 216). CIL is an investment holding company and CIL Group (including Hon Kwok Group) is mainly engaged in property investment.

INFORMATION OF THE PURCHASER

The Purchaser is a private company incorporated in Hong Kong with limited liability and is controlled by Mr. Wong Man Li, who is engaging in business in furniture industry.

As at the date of this announcement, to the best of the knowledge, information and belief of the directors of CIL, having made reasonable enquiries, the Purchaser and Mr. Wong are third parties independent of CIL and its connected persons.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Both the CIL Group and Hon Kwok Group aim at rationalizing the property portfolio and resource allocations to prepare for the next phase of growth. As such, the CIL Board considers that the Disposal provides a valuable opportunity to unlock the value of its investment in the Property with a positive cash inflow to the Hon Kwok Group. Furthermore, the Disposal will also enable the Hon Kwok Group to reduce its bank borrowings, improve its liquidity and strengthen the overall financial position for the Hon Kwok Group.

CIL Board is of the view that the Disposal is in the ordinary course of business of CIL Group, and the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interests of CIL and its shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

As at 31 March 2025, the unaudited combined net assets of the Target Group was approximately HK$353,349,500 (comprising the carrying value of the Property of approximately HK$351,000,000 and the the net current assets of approximately HK$2,349,500). Based on the Initial Consideration of HK$340,349,500 and the estimated expenses in relation to the Disposal of approximately HK$1,000,000, it is expected that CIL Group, holding approximately 68.09% of Hon Kwok, would record an estimated loss of approximately HK$9,532,600. However, the actual net losses from the Disposal are subject to audit by the auditors of CIL and Hon Kwok.

Following Completion, CIL Group will cease to have any interests in the Target Group and the financial results and assets and liabilities of the Target Group will no longer be consolidated into the consolidated financial statements of CIL Group.

INTENDED USE OF PROCEEDS

Based on the estimated Consideration of HK$340,349,500, the net proceeds for the Disposal (after repayment of the Bank Loan in full) are estimated to be approximately HK$141,000,000. The net cash proceeds from the Disposal will replenish the working capital of Hon Kwok Group, improve its liquidity and strengthen the overall financial position for the Hon Kwok Group.

LISTING RULES IMPLICATIONS

Except for the consideration ratio, all other applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Provisional Sale and Purchase Agreement are below 5% for CIL. CIL consider that the consideration ratio produces an anomalous result and applied to the Stock Exchange to apply an alternative size test. The Stock Exchange exercised its discretion under Rule 14.20 of the Listing Rules to adopt such alternative size test, and as the same is also below 5% for CIL, the Disposal does not constitute a notifiable transaction for CIL under Chapter 14 of the Listing Rules. Nevertheless, CIL makes this announcement on a voluntary basis to provide shareholders and potential investors of CIL with further information about the Disposal.

Completion of the Provisional Sale and Purchase Agreement is subject to the fulfilment of certain conditions precedent and terms thereof, and therefore, the Disposal may or may not take place. The CIL Shareholders and potential investors of CIL should exercise caution when dealing in the shares of CIL.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

"Agreed Property Value"	the agreed property value of the Property of HK$338,000,000 under the Provisional Sale and Purchase Agreement
''Bank Loan''	the total outstanding principal amount of the loan secured by the Property owed by Hon Kwok to a Licensed bank in Hong Kong as at the Completion Date and any interest accrued thereon
''Business Day''	a day (other than a Saturday or Sunday) on which no ''black rainstorm warning'' or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day and on which licensed banks are open in Hong Kong to the general public for business
"BVI"	the British Virgin Islands
"CIL"	Chinney Investments, Limited (建業實業有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 216), and is the holding company of Hon Kwok
"CIL Board"	the board of directors of CIL
"CIL Group"	CIL and its subsidiaries (including Hon Kwok Group)
"CIL Shareholder(s)"	the shareholder(s) of CIL
'Completion''	completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans in accordance with the terms and conditions of the Provisional Sale and Purchase Agreement
"Completion Date"	the date on which Completion takes place, being the 3rd Business Day following satisfaction or waiver of all conditions precedent as set out in the Provisional Sale and Purchase Agreement, or such other date as the Vendor and the Purchaser may agree in writing
''Completion Net Asset Value''	the Net Asset Value based on the completion accounts of the Target Group to be prepared by the Vendor at its own costs and delivered to the Purchaser no later than 40 Business Days after the Completion Date
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration payable by the Purchaser to the Vendor for the Sale Share and the Sale Loans under the Provisional Sale and Purchase Agreement
"Disposal"	the proposed disposal of the Sale Share and the assignment of the Sale Loans by the Vendor to the Purchaser pursuant to the terms and conditions of the Provisional Sale and Purchase Agreement

Encumbrances	means a mortgage, charge, pledge, lien, option, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, having similar effect and any agreement or obligation to create or grant any of the aforesaid, other than those security documents under the Bank Loan and any tenancies relating to the Property
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hon Kwok"	Hon Kwok Land Investment Company, Limited (漢國置業有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 160), and is directly owned as to 68.09% by CIL
"Hon Kwok Group"	Hon Kwok and its subsidiaries
"Hon Kwok Shareholders"	the shareholder(s) of Hon Kwok
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
''Hotel''	the hotel being currently operated at the Property under the name of "The Bauhinia Hotel (TST) 寶軒酒店 (尖沙咀)"
''Hotel Licence''	the hotel licences issued by the Hotel and Guesthouse Accommodation Authority in respect of the Hotel
"Initial Consideration"	the initial Consideration being the aggregate of the Agreed Property Value plus the Proforma Net Asset Value of the Target Group, subject to adjustment in respect of the Completion Net Asset Value
"King Capital"	King Capital Development Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Oseling Investments as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
''Longstop Date''	31 December 2025 (or such later date as may be agreed in writing between the Vendor and the Purchaser)
''Net Asset Value''	an amount equal to (a) the total consolidated current assets of the Target Group (for avoidance of doubt, including utilities deposits and accounts receivables but other than the value of the Property) minus (b) the total consolidated current liabilities of the Target Group except for the Sale Loans, any inter-company balances which shall be repaid, set-off, novated, terminated or otherwise eliminated or assigned and transferred to the Vendor before Completion, and deferred tax liabilities (if any)
"Oseling Investments"	Oseling Investments Limited, a company incorporated in BVI with limited liability and is an indirect wholly-owned subsidiary of Hon Kwok as at the date of this announcement

"Proforma Net Asset Value"	the Net Asset Value based on the proforma completion accounts of the Target Group to be delivered by the Vendor to the Purchaser at least before 5 Business Days prior to (but excluding) the Completion Date
"Property"	all those pieces or parcels of ground registered in the Land Registry as Kowloon Inland Lots Nos. 8806, 8860 and 9357 together with all messuages erections and buildings thereon known as Knutsford Place, Nos. 5, 7 and 9 Observatory Court, Kowloon, Hong Kong
"Provisional Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 28 October 2025 entered into amongst the Vendor and the Purchaser in relation to the Disposal
"Purchaser"	Brightwood Management Limited, a company incorporated under the laws of Hong Kong with limited liability
"Sale Loans''	the shareholder's loan owing by Oseling Investments to the Vendor as at Completion
''Sale Share''	the one issued ordinary share of and in Oseling Investments to be sold by the Vendor to the Purchaser pursuant to the Provisional Sale and Purchase Agreement, representing the entire equity interest in Oseling Investments
"sq. ft."	square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Group"	Oseling Investments, King Capital and The Bauhinia Hotel (TST)
"The Bauhinia Hotel (TST)"	The Bauhinia Hotel (TST) Management Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Oseling Investments as at the date of this announcement
"Vendor" or "HKL Holdings (BVI)"	HKL Holdings (BVI) Limited, a company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of Hon Kwok as at the date of this announcement
"%"	per cent.

By Order of the Board
Ka-Yee Wan
Company Secretary

Hong Kong, 28 October 2025

At the date of this announcement, the directors of CIL are Mr. James Sing-Wai Wong (Chairman), Mr. Yuen-Keung Chan (Vice Chairman), Mr. Raymond Ming-Joe Chow (Managing Director) and Mr. Donald Yin-Shing Lam as executive directors; Dr. Emily Yen Wong as non-executive director; and Mr. Richard Chi-Ho Lo, Mr. Winfred Wai-Lap Fan, Mr. Randall Todd Turney and Mr. Stephen Henry Chu as independent non-executive directors.