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CNQC Development Limited

青建發展有限公司

*(Incorporated in the British Virgin Islands
with limited liability)*

Sunley Holdings Limited

新利控股有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 1240)

JOINT ANNOUNCEMENT

- (1) ACQUISITION OF SHARES IN SUNLEY HOLDINGS LIMITED
BY CNQC DEVELOPMENT LIMITED**
- (2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED
ON BEHALF OF
CNQC DEVELOPMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
IN THE ISSUED SHARE CAPITAL OF
SUNLEY HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED
BY CNQC DEVELOPMENT LIMITED AND/OR PARTIES ACTING
IN CONCERT WITH IT)
AND**
- (3) RESUMPTION OF TRADING IN SHARES
IN SUNLEY HOLDINGS LIMITED**

Financial Adviser to CNQC Development Limited



THE SHARE PURCHASE AGREEMENT

The Target was notified by the Vendor that on 11 February 2014, the Vendor, the Guarantors, the Offeror and the Offeror Guarantor entered into the Share Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase 225,000,000 Shares, representing 75% of the entire issued share capital of the Target as at the date of this announcement, for a total cash consideration of HK\$540,000,000 (being HK\$2.40 per Share).

Subject to the conditions to Completion under the Share Purchase Agreement being satisfied (or waived), Completion is expected to take place by end of March 2014 (or such other date as may be separately agreed among the parties to the Share Purchase Agreement).

THE POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of the Share Purchase Agreement, none of the Offeror and parties acting in concert with it owns any Shares, convertible securities, options, warrants or derivatives in the Target. Immediately following Completion, the Offeror and parties acting in concert with it will own in aggregate 225,000,000 Shares, representing 75% of the entire issued share capital of the Target. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it.

Subject to Completion, HSBC will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share HK\$2.40 in cash

As at the date of this announcement, there are 300,000,000 Shares in issue and the Target does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

Principal terms of the Offer are set out in the section headed “Possible Mandatory Unconditional Cash Offer” below. The Offeror intends to finance the Acquisition and the Offer by external financing. HSBC, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Purchase Shares under the Share Purchase Agreement and the full acceptance of the Offer.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

WARNING

The Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place, which is conditional upon satisfaction (or waiver by the Offeror, where applicable) of the conditions summarised in the section headed “Conditions of the Share Purchase Agreement” below. Completion may or may not take place and accordingly, the Offer may or may not proceed. Shareholders and potential investors in the Target are advised to exercise caution when dealing in the Shares.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, the terms of the Offer, should normally be posted to the Shareholders within 21 days of the date of this announcement. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive’s consent is required if the making of the general offer is subject to prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. As it is expected that the conditions to the Share Purchase Agreement will not be satisfied within 21 days from the date of this announcement, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of posting of the composite document to a date falling within seven days of fulfilment of the conditions or such other date as the Executive may approve.

INDEPENDENT BOARD COMMITTEE OF THE TARGET

An independent board committee, comprising all the independent non-executive directors of the Target, namely, Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond will be formed to advise the Offer Shareholders in respect of the Offer. Mr. Leung, a non-executive director of the Target, will not form part of the Independent Board Committee as he is also a Guarantor and a shareholder of Join Together. An independent financial adviser will be appointed to advise the Independent Board Committee and the Offer Shareholders. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee and the Offer Shareholders is appointed.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the requests of the Target, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 11 February 2014 pending the release of this announcement. Application has been made by the Target for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 February 2014.

THE SHARE PURCHASE AGREEMENT

Date: 11 February 2014

Parties: Vendor: Leading Win Management Limited, which is the sole legal and beneficial owner of 225,000,000 Shares, representing 75% of the total issued Shares as at the date of this announcement

Guarantors: Dr. Ho, Mr. Cheng, Mr. Leung, Mr. Tsui and Mr. Wong, who, together are, the ultimate beneficial owners of the Vendor as at the date of this announcement

Purchaser: CNQC Development Limited, the Offeror

Purchaser's guarantor: Hyday (South Pacific) Investment Pte Ltd, the indirect holding company of the Offeror, the Offeror Guarantor

The Vendor and its ultimate beneficial owners, the Guarantors, are third parties independent of, and not connected with, either the Offeror or its connected persons.

The Offeror, the Offeror Guarantor and the Offeror's ultimate parent company are third parties independent of, and not connected with, either the Target or any of its connected persons, save that the Offeror will become a controlling shareholder of the Target upon Completion.

The Purchase Shares

The Purchase Shares comprise a total of 225,000,000 Shares, representing 75% of the entire issued share capital of the Target as at the date of this announcement. Pursuant to the terms of the Share Purchase Agreement, the Purchase Shares, representing 75% of the entire issued share capital of the Target as at the date of this announcement, will be acquired by the Offeror, free from all Encumbrances and together with all rights and benefits attached and accrued to them at the Completion Date (save that the Offeror shall not be entitled to the Special Dividend).

The Vendor and the Offeror shall not be obliged to complete the Acquisition unless the sale and purchase of all the Purchase Shares is completed simultaneously.

Purchase price and payment terms

The total purchase price for the Purchase Shares pursuant to the Share Purchase Agreement shall be HK\$540,000,000 (being HK\$2.40 per Share) which is, as to HK\$510,000,000 (being the amount of the total purchase price less the Retention Sum) payable to the Vendor at Completion and as to the balance of HK\$30,000,000 to be deposited into the Escrow Account at Completion as Retention Sum. The total purchase price for the Purchase Shares was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account the NAV, the listing status of the Target and the fact that the Offeror is able to obtain a controlling interest in the Target.

The Retention Sum and the accrued interest shall be released to the Vendor if the Contract Receivables Balance has been settled in accordance with the terms and at such times as set out in the Share Purchase Agreement. If none of the Contract Receivables Balance has been settled by the Final Payment Date, the Retention Sum, together with the accrued interest retained in the Escrow Account shall be returned to the Offeror.

Conditions of the Share Purchase Agreement

Completion is conditional upon the satisfaction (or waiver by the Offeror, where applicable) of the following conditions:

- (a) a Special Dividend having been approved and declared by the Target and the identity of the Shareholders entitled to such Special Dividend having been determined on the record date in accordance with the Listing Rules and all applicable laws and regulations;
- (b) (i) the current listing of the Shares not having been withdrawn and the Shares continuing to be traded on the Stock Exchange (save for any temporary suspension pending any announcement in connection with the Share Purchase Agreement or the transactions contemplated thereunder or other temporary suspension pending release of an announcement for a period of not more than 5 business days (being any day (other than a Saturday) which banks are open for general business in Hong Kong); (ii) no indication having been received on or before the Completion Date from the Stock Exchange or the SFC to the effect that the listing of the Shares may be withdrawn or objected to including without limitation as a result of Completion or in connection with the terms of the Share Purchase Agreement or for any reason other than an inadequate percentage of the issued Shares being held in public hands following the close of the Offer; and (iii) no other event having arisen on or before Completion which may adversely affect the listing status of the Target on the Stock Exchange;
- (c) the warranties and representations set out in the Share Purchase Agreement given by the Vendor and the Guarantors shall remain true and accurate in all material respects and not misleading in any material respect on and as of the Completion Date; and
- (d) no objection having been received on or before the Completion Date from the Stock Exchange or the SFC in respect of the Acquisition.

The Offeror may waive in whole or in part the condition set out in paragraph (c) above by written notice to the Vendor but not the conditions set out in paragraphs (a), (b) and (d) above. In the event that any of the above conditions shall not have been fulfilled or waived by the Offeror by 31 March 2014, the Offeror may (i) defer Completion to a later date not later than 30 June 2014; (ii) proceed to Completion after waiving the relevant condition (except for the conditions set out in paragraphs (a), (b) and (d)); or (iii) terminate the Share Purchase Agreement and exercise the applicable rights and remedies that have accrued to it prior to such termination.

Guarantors' guarantee

Each of the Guarantors has jointly and severally guaranteed to the Offeror the full, prompt and complete performance by the Vendor of all the Vendor's obligations, commitments and undertakings under the Share Purchase Agreement and any document in the agreed form, including the proper and punctual payment of all sums due and payable by the Vendor to the Offeror under the Share Purchase Agreement when the same become due. Each of the Guarantors has jointly and severally agreed to indemnify the Offeror from and against all losses suffered or incurred by the Offeror or any members of the Target Group as a consequence of or which would not have arisen but for any breach by the Vendor of its obligations, commitments and undertakings under or pursuant to the Share Purchase Agreement and any document in the agreed form.

Offeror Guarantor's guarantee

The Offeror Guarantor has guaranteed to the Vendor the full, prompt and complete performance by the Offeror of all the Offeror's obligations, commitments and undertakings under the Share Purchase Agreement and any document in the agreed form, including the proper and punctual payment of all sums due and payable by the Offeror to the Vendor under the Share Purchase Agreement when the same become due. The Offeror Guarantor has agreed to indemnify the Vendor from and against all losses suffered or incurred by the Vendor as a consequence of or which would not have arisen but for any breach by the Offeror of its obligations, commitments and undertakings under or pursuant to the Share Purchase Agreement and any document in the agreed form.

Indemnity

The Vendor and the Guarantors agreed to jointly and severally indemnify, defend and hold harmless the Offeror from and against all losses suffered or incurred by the Offeror and any member of the Target Group as a consequence of, among others, any material breach or inaccuracy of any warranties and representations made by the Vendor and the Guarantors in the Transaction Documents; and any non-compliances of the Target Group's business, operations and corporate affairs with applicable laws on or before the Completion Date, including litigation and claims against any member of the Target Group in respect of any incidents taken place on or before the Completion Date.

The Vendor and the Guarantors also agreed to jointly and severally enter into the Deed of Indemnity in favour of the Offeror at Completion under which they would jointly and severally covenant and agree to fully and effectually indemnify each of the Offeror on demand from and against certain potential tax liabilities of the members of the Target Group and any and all costs (including all legal costs), expenses or other liabilities which the Offeror, the Target or any of the other members of the Target Group may incur in connection with the potential tax liabilities.

Completion of the Share Purchase Agreement

Subject to the conditions to Completion under the Share Purchase Agreement being satisfied (or waived), Completion shall take place on the Completion Date. An announcement will be made upon Completion, which is expected to take place by end of March 2014 (or such other date as may be separately agreed among the parties to the Share Purchase Agreement).

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

The Offer

Immediately following Completion and based on the issued share capital of the Target as at the date of this announcement, the Offeror and parties acting in concert with it will hold in aggregate 225,000,000 Shares, representing 75% of the entire issued share capital of the Target. The Offeror will therefore upon Completion be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned and/or agreed to be acquired by it and/or parties acting in concert with it.

Subject to Completion, HSBC will, on behalf of the Offeror, make the Offer on the following basis:

For each Offer Share HK\$2.40 in cash

As at the date of this announcement, there are 300,000,000 Shares in issue and the Target does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

Based on the offer price of HK\$2.40 per Share, the entire issued share capital of the Target is valued at HK\$720,000,000. The Offer will be made to the Offer Shareholders. As the Offeror and parties acting in concert with it will hold in aggregate 225,000,000 Shares immediately after Completion, 75,000,000 Shares will be subject to the Offer. Based on the offer price of HK\$2.40 per Share, the total consideration of the Offer would be HK\$180,000,000.

Offer Price

The offer price of HK\$2.40 per Offer Share represents:

- a discount of approximately 27.9% to the closing price of HK\$3.33 per Share as quoted on the Stock Exchange on 11 February 2014, being the Last Trading Day;
- a discount of approximately 26.6% to the average closing price of approximately HK\$3.27 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 25.2% to the average closing price of approximately HK\$3.21 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;

- a discount of approximately 18.9% to the average closing price of approximately HK\$2.96 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 166.7% to the audited consolidated net assets per Share of approximately HK\$0.90 as at 31 March 2013 (being the date to which the latest audited consolidated annual results of the Target Group were made up), calculated based on the Target Group's audited consolidated net assets of approximately HK\$270,942,000 as at 31 March 2013 and 300,000,000 Shares in issue as at the date of this announcement; and
- a premium of approximately 135.3% to the unaudited consolidated net assets per Share of approximately HK\$1.02 as at 30 September 2013 (being the date to which the latest unaudited consolidated interim results of the Target Group were made up), calculated based on the Target Group's unaudited consolidated net assets of approximately HK\$306,413,000 as at 30 September 2013 and 300,000,000 Shares in issue as at the date of this announcement.

Confirmation of financial resources

The Offeror intends to finance the total consideration payable by the Offeror in respect of the Purchase Shares under the Share Purchase Agreement and the Offer by external financing. HSBC, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Purchase Shares under the Share Purchase Agreement and the full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Offer Shareholders shall sell their Shares free from all Encumbrances and with all rights and benefits at any time accruing and attached to them, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, except the Special Dividend.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but within seven (7) Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

Overseas Shareholders

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in

connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Offer Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Offer. The Offeror will then pay the stamp duty so deducted to the Stamp Office. The Offeror will bear buyer's ad valorem stamp duty.

OFFEROR'S INTERESTS IN SECURITIES OF THE TARGET

The Offeror confirms that, save as disclosed in this announcement, as at the date of this announcement:

- (a) save for the Purchase Shares, none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, nor any person acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Target or any derivatives in respect of such securities;
- (b) none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Target or any derivatives in respect of such securities in the 6 months prior to the date of this announcement;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, or any person acting in concert with any of them, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, nor any person acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (f) none of the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, nor any person acting in concert with any of them has received any irrevocable commitment to accept the Offer; and

- (g) there is no outstanding derivative in respect of the securities in the Target entered into by the Offeror, the Offeror Parent, the ultimate beneficial owners of the Offeror Parent, nor any person acting in concert with any of them.

INFORMATION ON THE TARGET GROUP

The principal activity of the Target is investment holding. The Target Group is principally engaged in the foundation business and machinery rental business in Hong Kong and Macau.

The following table sets out the shareholding structure of the Target immediately before and after the Acquisition:

	Immediately before the Acquisition		Immediately after the Acquisition and before the Offer	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Offeror and parties acting in concert with it (<i>Note 1</i>)	—	—	225,000,000	75.0
Vendor	225,000,000	75.0	—	—
Public	<u>75,000,000</u>	<u>25.0</u>	<u>75,000,000</u>	<u>25.0</u>
Total	<u><u>300,000,000</u></u>	<u><u>100.0</u></u>	<u><u>300,000,000</u></u>	<u><u>100.0</u></u>

Note 1: HSBC, being the financial adviser of the Offeror, is presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code. Details of holdings or borrowings or lendings of Shares (or options, rights over Shares, warrants or derivatives in respect of them) held by or entered into by other parts of the HSBC group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code. The statements in this announcement as to holdings or borrowings or lendings of, or voting of Shares (or options, rights over Shares, warrants or derivatives in respect of them) by parties presumed to be acting in concert under the Takeovers Code with Offeror are subject to the holdings, borrowings or lendings (if any) of the other parts of the HSBC group.

FINANCIAL INFORMATION ON THE TARGET GROUP

Set out below is a summary of the audited consolidated financial results of the Target for the financial years ended 31 March 2012 and 31 March 2013, prepared in accordance with the relevant accounting principles and financial regulations applicable to the Hong Kong Financial Reporting Standards:

	For the financial year ended	
	31 March 2012	31 March 2013
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	313,122	597,991
Profits before income tax	31,882	78,149
Profits after income tax	25,756	65,181
Net assets	165,451	270,942

Based on the interim report of the Target Group prepared in accordance with the relevant accounting principles and financial regulations applicable to the Hong Kong Financial Reporting Standards, the unaudited consolidated net asset value of the Target Group as at 30 September 2013 was HK\$306,413,000.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by the Offeror Guarantor, which in turn is indirectly wholly-owned by the Offeror Parent. The Offeror Parent was established in the PRC, which, together with its key operating subsidiary in the PRC, Qingjian, is primarily engaged in domestic and international construction projects and investment, real estate development, capital management, logistics and design consulting businesses. Qingjian was named as one of the “China Top 500 Enterprises” by China Enterprise Confederation in 2013 and was one of the first 15 enterprises in the PRC with buildings construction main contractor top grade qualification. As one of the leading construction enterprises in the PRC, Qingjian has won numerous honours and awards. The Offeror Guarantor is an investment holding company incorporated in the Republic of Singapore, which has invested in certain private construction projects in Asia and certain infrastructure projects in the PRC. As at the date of this announcement, the Offeror Parent is held as to (i) 41.3% by Qingjian Staff Union (through its wholly-owned subsidiary) whose major decisions are determined by a group of 13 member representatives of the Qingjian Staff Union, none of whom is a director of the Offeror or the Offeror Parent, and such member representatives make decision by voting on behalf of all members; (ii) as to 30% by 上海和利源投資有限公司 (Shanghai Heliyuan Investment Co Ltd*), a company incorporated in the PRC, which is majority controlled by Mr. Du Bo; (iii) as to 15% by Qingdao City Construction; and (iv) as to 13.7% by Qingdao Bohai Construction.

REASONS FOR THE ACQUISITION AND THE OFFER AND INTENTIONS OF THE OFFEROR REGARDING THE TARGET GROUP

The Offeror intends to continue the existing business of the Target Group immediately following Completion. However, the Offeror also intends to review the operations and business activities of the Target Group to formulate a long-term business strategy for the Target Group. The Offeror plans to leverage on its parent's experience and network in construction and real estate development business in the PRC and other overseas countries and to seek to expand into the Hong Kong construction industry. The Offeror considers that the Acquisition and the Offer provide a platform to the Offeror and its parents for its construction and real estate development and investment business.

Save as in connection with the Offeror's intention regarding the Target Group as set out above and the potential changes to the members of the board of directors of the Target, the Offeror has no plan to terminate the employment of any other employees or other personnel of the Target Group.

Should there be any change to the board of directors of the Target, it will be made in compliance with the Takeovers Code and the Listing Rules. A further announcement will be made upon any appointment of new directors of the Target.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE TARGET

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Target, being 25% of the issued Shares, are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Each of the Offeror and the Target will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror intends to maintain the listing of the Shares on the Stock Exchange.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the composite offer document setting out, among other things, the terms of the Offers, should normally be posted to the Shareholders within 21 days of the date of this announcement. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the general offer is subject to prior fulfilment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. As it is expected that the conditions to the Share Purchase Agreement will not be satisfied within 21 days from the date of this announcement, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for his consent to extend the date of posting of the composite document to a date falling within seven days of fulfilment of the conditions or such other date as the Executive may approve.

Offer Shareholders are advised to review carefully the composite document to be despatched to the Shareholders, which will set out, among others, the terms and conditions of the Offer (including the expected timetable), the recommendation from the Independent Board Committee and advice from the independent financial adviser in respect of the Offer.

INDEPENDENT BOARD COMMITTEE OF THE TARGET

An Independent Board Committee, comprising all the independent non-executive directors of the Target, namely, Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond will be formed to advise the Offer Shareholders in respect of the Offer. Mr. Leung, a non-executive director of the Target, will not form part of the Independent Board Committee as he is also a Guarantor and a shareholder of Join Together. An independent financial adviser will be appointed to advise the Independent Board Committee and the Offer Shareholders. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee and the Offer Shareholders is appointed.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Target or the Offeror (including persons holding 5% or more of a class of relevant securities of the Target or the Offeror) are reminded to disclose their dealings in the securities of the Target pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

The Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place, which is conditional upon satisfaction (or waiver by the Offeror, where applicable) of the conditions summarised in the section headed “Conditions of the Share Purchase Agreement” above. Completion may or may not take place and accordingly, the Offer may or may not proceed. Shareholders and potential investors in the Target are advised to exercise caution when dealing in the Shares.

TRADING SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the requests of the Target, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 11 February 2014 pending the release of this announcement. Application has been made by the Target for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 February 2014.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the purchase of the Purchase Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Share Purchase Agreement
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the fourth business day (being a day other than a Saturday on which banks are open for general business in Hong Kong) immediately after the date on which the last of the conditions to Completion pursuant to the Share Purchase Agreement is fulfilled or waived (or such other date as shall be agreed among the parties to the Share Purchase Agreement)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Contract Receivables Balance”	the contract receivables of the Target Group which were outstanding as at 31 December 2013 but remained unsettled as at 10 February 2014
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Deed of Indemnity”	the deed of indemnity to be entered into by the Vendor and the Guarantors in favour of the Offeror in respect of certain tax liabilities of the Target Group at Completion

“Dr. Ho”	Dr. Ho Kar Chung, the Chairman and an executive Director of the Target, and one of the Guarantors
“Encumbrances”	(i) any valid mortgage, pledge, charge, lien, rights of pre-emption, guarantee, trust arrangements or any other similar restriction on rights securing, or conferring any priority of payment in respect of, any obligation of any person, (ii) any valid lease, sub-lease, occupancy agreement or covenant granting a right of use or occupancy to any person, (iii) any valid proxy, power of attorney, voting trust agreement, beneficial interest, option, right of first offer or refusal or other transfer restriction in favour of any person and (iv) any adverse, legal and valid claim as to title, possession or use, but exclude any rights created by the Share Purchase Agreement
“Escrow Account”	an escrow account which is to be opened in the joint names of the Offeror and the Vendor and to be operated under the joint signatories of the Offeror and the Vendor
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Final Payment Date”	31 December 2014
“Guarantors”	Dr. Ho, Mr. Cheng, Mr. Leung, Mr. Tsui and Mr. Wong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Independent Board Committee”	the independent board committee of the board of directors of the Target, comprising Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond, being all the independent non-executive directors of the Target, to be formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Join Together”	Join Together Management Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 70% by Mr. Leung and as to 30% by Dr. Ho

“Last Trading Day”	11 February 2014, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheng”	Mr. Cheng Wing On, Michael, the Chief Executive and an executive Director of the Target and one of the Guarantors
“Mr. Leung”	Mr. Leung Chee Hon, a non-executive director of the Target and one of the Guarantors
“Mr. Tsui”	Mr. Tsui Kwok Kin, a member of the senior management of the Target Group and one of the Guarantors
“Mr. Wong”	Mr. Wong Ling, Eddie, a member of the senior management of the Target Group and one of the Guarantors
“NAV”	the net asset value of the Target Group
“Offer”	the possible mandatory unconditional cash offer to be made by HSBC, on behalf of the Offeror, to acquire all the issued Shares not already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it subject to the conditions summarised in this announcement and in accordance with the Takeovers Code
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Offer Share”	any of the 75,000,000 Shares that are subject to the Offer
“Offeror”	CNQC Development Limited (青建發展有限公司), a company incorporated in the British Virgin Islands with limited liability on 14 January 2014
“Offeror Guarantor”	Hyday (South Pacific) Investment Pte Ltd (海鼎(南洋)投資有限公司), a company incorporated in the Republic of Singapore, the indirect holding company of the Offeror, which in turn is indirectly wholly-owned by the Offeror Parent
“Offeror Parent”	國清控股集團有限公司 (Guotsing Holding Group Co. Ltd.*), the ultimate parent company of the Offeror
“Overseas Shareholders”	Shareholder(s) whose address(es), as shown on the register of members of the Target, is/are outside Hong Kong

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchase Shares”	the 225,000,000 Shares, being such number of Shares as shall represent all the Shares that the Vendor holds or is otherwise interested in the Target as at the date of this announcement, and a “Purchase Share” means any of them
“Qingdao Bohai Construction”	青島博海建設集團有限公司 (Qingdao Bohai Construction Group Co Ltd*), a PRC company which in turn is controlled by 青島博海投資有限公司 (Qingdao Bohai Investment Co Ltd*), which is controlled by a group of employees of the Offeror Parent or its subsidiaries of which Mr. Du Bo is the single largest shareholder holding less than 30% interest in such company
“Qingdao City Construction”	青島城市建設投資(集團)有限責任公司 (Qingdao City Construction Investment (Group) Co Ltd*), which is wholly-owned by 青島市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Qingdao People’s Government*)
“Qingjian”	青建集團股份公司 (Qingjian Group Co., Ltd.*), a key operating subsidiary of the Offeror Parent
“Qingjian Staff Union”	青島青建控股有限公司工會持股會 (Qingdao Qingjian Holdings Co Staff Shareholding Union*), a legal entity comprising over 400 members who are employees of the Offeror Parent or its subsidiaries. As at the date of this announcement, each of Mr. Du Bo, Mr. Huang Jiagao and Mr. Zhang Tongbo holds 3.6% interest in Qingjian Staff Union, and each of the other members holds less than 3.6% interest
“Retention Sum”	the sum of HK\$30,000,000
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the issued share capital of the Target
“Share Purchase Agreement”	the conditional share purchase agreement dated 11 February 2014 and entered into among the Vendor, the Guarantors, the Offeror and the Offeror Guarantor in relation to the sale and purchase of the Purchase Shares

“Shareholder(s)”	holder(s) of Share(s)
“Special Dividend”	a special dividend of no more than HK\$0.50 per Share to be approved and declared by the Target in accordance with the Listing Rules and all applicable laws and regulations
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“Target”	Sunley Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1240)
“Target Group”	the Target and its subsidiaries
“Transaction Documents”	the Share Purchase Agreement, the Deed of Indemnity and any other agreement, document or certificate entered into in connection with the Acquisition as contemplated under the Share Purchase Agreement
“Vendor”	Leading Win Management Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 70% by Join Together, and as to 10% by each of Mr. Cheng, Mr. Wong and Mr. Tsui
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board of directors of
CNQC Development Limited
Du Bo
Director

By order of the board of directors of
Sunley Holdings Limited
Ho Kar Chung
Chairman

Hong Kong, 14 February 2014

The directors of the Offeror and the Offeror Parent jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Vendor, the Guarantors and the Target Group, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Vendor, the Guarantors and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

The directors of the Target jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Offeror and parties acting in concert with it, and confirm, having made all reasonable inquiries,

that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

*As at the date of this announcement, the directors of the Offeror are Mr. Du Bo, Mr. Zhang Zhihua and Mr. Ding Hongbin. As at the date of this announcement, the Chairman of the board of directors of the Offeror Parent is Mr. Du Bo, and the directors of the Offeror Parent are Mr. Zhang Zhenan, Mr. Zhang Zhihua, Mr. Ding Hongbin**, Mr. Yuan Hongjun, Mr. Cao Shujian and Ms. Hu Ming. As at the date of this announcement, the Target has (i) three executive directors, namely Dr. Ho Kar Chung, Mr. Cheng Wing On, Michael and Mr. Ho Chi Ling; (ii) one non-executive director, namely Mr. Leung Chee Hon and (iii) three independent non-executive directors, namely Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro and Mr. Tam Tak Kei, Raymond.*

** The English translation of the Chinese names of the PRC entities in this announcement, where indicated, is included for identification purpose only and is not the official English names for such PRC entities.*

*** Mr. Ding Hongbin was appointed as a director of the Offeror Parent by its shareholders on 20 December 2013. As at the date of this announcement, the Offeror Parent was in the course of completing the relevant registration procedures with the relevant PRC authorities in respect of his appointment.*