

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



建業實業有限公司
Chinney Investments, Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)



漢國置業有限公司
Hon Kwok Land Investment Company, Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 160)

JOINT ANNOUNCEMENT
DISCLOSEABLE AND CONNECTED TRANSACTIONS

ACQUISITION OF

- (1) THE ENTIRE ISSUED SHARE CAPITAL OF UNITY WISE INTERNATIONAL LIMITED
(TOGETHER WITH THE ASSIGNMENT OF RELATED SHAREHOLDERS' LOANS)**
AND
**(2) 50% OF THE ISSUED SHARE CAPITAL OF AMPLE JOY INTERNATIONAL LIMITED
(TOGETHER WITH THE ASSIGNMENT OF RELATED SHAREHOLDER'S LOAN)**

The directors of Hon Kwok and Chinney would like to announce that on 11 May, 2007, Cheerworld as purchaser has entered into (1) the Unity Wise Agreement with Enhancement, Galantine and Sharp-View as vendors for the acquisition of the entire issued share capital of Unity Wise and the assignment of the shareholders' loans to Cheerworld at an aggregate cash consideration of HK\$90,000,000; and (2) the Ample Joy Agreement with Enhancement as vendor in relation to the acquisition of 50% of the issued share capital of Ample Joy and the assignment of the shareholder's loan to Cheerworld at an aggregate cash consideration of HK\$12,000,000.

Unity Wise is an investment holding company and the sole asset of significance held by the Unity Wise Group is the Unity Wise Property. The Unity Wise Property is a commercial development site located at Lot No. B-01-3, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-3號地塊) with a total usable site area of approximately 21,674.8 square metres.

Ample Joy is an investment holding company and the sole asset of significance held by the Ample Joy Group is the Ample Joy Property. The Ample Joy Property is a development site located at Lot No. B-01-2, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-2號地塊) with a total usable site area of approximately 12,181.1 square metres.

Enhancement is a connected person of Hon Kwok and Chinney under the Listing Rules by virtue of the fact that it is a company controlled by Mr. James Sai-Wing Wong, a director and substantial shareholder of both Hon Kwok and Chinney. Accordingly, the Acquisitions constitute connected transactions for both Hon Kwok and Chinney under Chapter 14A of the Listing Rules. As the consideration for each of the Acquisitions exceeds HK\$10 million and therefore, each of the Acquisitions is subject to the approval of the independent shareholders of Hon Kwok and Chinney at their respective general meetings by poll. Since the aggregate applicable percentage ratios of the Acquisitions exceed 5% but are less than 25% pursuant to Rule 14.22 of the Listing Rules, the Acquisitions also constitute discloseable transactions for both Hon Kwok and Chinney under Rule 14.06(2) of the Listing Rules.

A circular containing, among other things, (i) details of the Acquisitions, (ii) a letter from the independent financial adviser containing its advice to the independent board committee of Hon Kwok and the independent shareholders of Hon Kwok; (iii) recommendation from the independent board committee of Hon Kwok; and (iv) a notice convening the Hon Kwok EGM will be despatched to the shareholders of Hon Kwok as soon as practicable.

A circular containing, among other things, (i) details of the Acquisitions, (ii) a letter from the independent financial adviser containing its advice to the independent board committee of Chinney and the independent shareholders of Chinney; (iii) recommendation from the independent board committee of Chinney; and (iv) a notice convening the Chinney EGM will be despatched to the shareholders of Chinney as soon as practicable.

UNITY WISE AGREEMENT

Pursuant to the Unity Wise Agreement, Enhancement, Galantine and Sharp-View agreed to sell and Cheerworld agreed to purchase the entire issued share capital of Unity Wise and to assign the shareholders' loans to Cheerworld:

1. Date

11 May, 2007

2. Parties

(a) Vendors : (i) Enhancement
(ii) Galantine
(iii) Sharp-View

(b) Purchaser : Cheerworld, an indirect wholly-owned subsidiary of Hon Kwok

3. Information of Unity Wise and the Unity Wise Property

As at the date of the Unity Wise Agreement, the shareholdings and the total amount of shareholders' loans of Unity Wise are as follows:-

| Shareholders | No. of Shares | Percentage of Shareholdings | Amount of Shareholders' Loans HK\$ |
|--------------|---------------|-----------------------------|---------------------------------------|
| Enhancement | 2 | 50 | 29,999,984 |
| Galantine | 1 | 25 | 14,999,992 |
| Sharp-View | 1 | 25 | 14,999,992 |
| | <hr/> | <hr/> | <hr/> |
| Total | 4 | 100 | 59,999,968 |

Unity Wise is an investment holding company. The Unity Wise Group is engaged in property development and the sole asset of significance held by the Unity Wise Group is the Unity Wise Property. The Unity Wise Property is a commercial development site located at Lot No. B-01-3, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-3號地塊) with a total usable site area of approximately 21,674.8 square metres. The Unity Wise Property is planned to develop into high-rise commercial and office buildings. A valuation report on the Unity Wise Property will be included in the circular to be despatched to the shareholders of Hon Kwok and Chinney.

Unity Wise is set up in February 2007. The net asset value of Unity Wise as at 31st March, 2007 is minimal. The net asset value of the subsidiaries of Unity Wise and the carrying value of the Unity Wise Property as at 31st March, 2007 were HK\$62 million and HK\$59 million respectively.

There was no operating results for Unity Wise for the period ended 31st March, 2007. The operating losses sustained by the subsidiaries of Unity Wise for the year ended 31st March, 2007 and for the period ended 31st March, 2006 were HK\$2,000 and HK\$35,000 respectively.

Upon completion of the Unity Wise Agreement, Unity Wise shall become a wholly-owned subsidiary of Cheerworld, which in turn is an indirect wholly-owned subsidiary of Hon Kwok and Chinney.

4. Consideration and Payment Terms

The aggregate cash consideration for the acquisition of the entire issued share capital of Unity Wise and the assignment of the shareholders' loans is HK\$90,000,000 and was agreed at after arm's length negotiations between the parties, taking reference to the property market situation in Chongqing and potentials of the underlying development.

The aggregate cash consideration of HK\$90,000,000 will be payable in the following manner:

- (a) an initial deposit of HK\$45,000,000 has been paid upon signing of the Unity Wise Agreement; and
- (b) the balance of the consideration of HK\$45,000,000 will be paid upon completion of the Unity Wise Agreement.

5. Completion

Completion of the Unity Wise Agreement is subject to and conditional on the following conditions being fulfilled or waived:

- (a) the passing of an ordinary resolution by the shareholders of Hon Kwok at the Hon Kwok EGM to approve the Unity Wise Agreement;
- (b) the passing of an ordinary resolution by the shareholders of Chinney at the Chinney EGM to approve the Unity Wise Agreement;
- (c) all necessary waiver and/or approval regarding the execution of and to give effect to the transactions contemplated under the Unity Wise Agreement and each of the documents to be executed on or before completion of the Unity Wise Agreement have been obtained by the vendors and/or the purchaser;
- (d) the warranties given by the vendors remain true and correct in all material respect at all times from the date of the Unity Wise Agreement and up to the date of completion of the Unity Wise Agreement; and
- (e) the Ample Joy Agreement being unconditional.

Completion of the Unity Wise Agreement shall take place within seven business days immediately after all of the conditions are fulfilled or waived (or such other date as the parties may agree in writing).

AMPLE JOY AGREEMENT

Pursuant to the Ample Joy Agreement, Enhancement agreed to sell and Cheerworld agreed to purchase 50% of the issued share capital of Ample Joy and to assign the related shareholder's loan to Cheerworld:

1. Date

11 May, 2007

2. Parties

- (a) Vendor : Enhancement
- (b) Purchaser : Cheerworld, an indirect wholly-owned subsidiary of Hon Kwok

3. Information of Ample Joy and the Ample Joy Property

As at the date of the Ample Joy Agreement, the shareholdings and the total amount of shareholders' loans of Ample Joy are as follows:–

| Shareholders | No. of Shares | Percentage of Shareholdings | Amount of Shareholders' Loans HK\$ |
|--------------|---------------|-----------------------------|---------------------------------------|
| Enhancement | 1 | 50 | 7,409,992 |
| Sharp-View | 1 | 50 | 7,409,992 |
| Total | <u>2</u> | <u>100</u> | <u>14,819,984</u> |

Ample Joy is an investment holding company. The Ample Joy Group is engaged in property development and the sole asset of significance held by the Ample Joy Group is the Ample Joy Property. The Ample Joy Property is a development site located at Lot No. B-01-2, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-2號地塊) with a total usable site area of approximately 12,181.1 square metres. At present, the Ample Joy Property is a bare site. A valuation report on the Ample Joy Property will be included in the circular to be despatched to the shareholders of Hon Kwok and Chinney.

Ample Joy is set up in February 2007. The net asset value of Ample Joy as at 31st March, 2007 is minimal. The net asset value of the subsidiaries of Ample Joy and the carrying value of the Ample Joy Property as at 31st March, 2007 were both approximately HK\$15 million.

There was no operating results for Ample Joy for the period ended 31st March, 2007. The operating loss sustained by the subsidiaries of Ample Joy for the period ended 31st March, 2007 was HK\$26,000.

Upon completion of the Ample Joy Agreement, Ample Joy shall become a jointly-controlled entity owned as to 50% by Cheerworld and 50% by Sharp-View.

4. Consideration and Payment Terms

The aggregate cash consideration for the acquisition of 50% of the issued share capital of Ample Joy and the assignment of the related shareholder's loan is HK\$12,000,000 and was agreed at after arm's length negotiations between the parties, taking reference to the property market situation in Chongqing and potentials of the underlying development.

The aggregate cash consideration of HK\$12,000,000 will be payable in the following manner:

- (a) an initial deposit of HK\$6,000,000 has been paid upon signing of the Ample Joy Agreement; and
- (b) the balance of the consideration of HK\$6,000,000 will be paid upon completion of the Ample Joy Agreement.

5. Completion

Completion of the Ample Joy Agreement is subject to and conditional on the following conditions being fulfilled or waived:

- (a) the passing of an ordinary resolution by the shareholders of Hon Kwok at the Hon Kwok EGM to approve the Ample Joy Agreement;
- (b) the passing of an ordinary resolution by the shareholders of Chinney at the Chinney EGM to approve the Ample Joy Agreement;
- (c) all necessary waiver and/or approval regarding the execution of and to give effect to the transactions contemplated under the Ample Joy Agreement and each of the documents to be executed on or before completion of the Ample Joy Agreement have been obtained by the vendor and/or the purchaser;
- (d) the warranties given by the vendor remain true and correct in all material respect at all times from the date of the Ample Joy Agreement and up to the date of completion of the Ample Joy Agreement; and
- (e) the Unity Wise Agreement being unconditional.

Completion of the Ample Joy Agreement shall take place within seven business days immediately after all of the conditions are fulfilled or waived (or such other date as the parties may agree in writing).

REASONS AND BENEFITS FOR THE ACQUISITIONS

The Hon Kwok Group's core business strategy is to develop and invest in properties, either by itself or with appropriate partners. The Acquisitions are opportunities for the Hon Kwok Group to replenish its landbank.

The directors of Hon Kwok (excluding the independent non-executive directors who will opine on the terms of the Acquisitions after considering the advice from the independent financial adviser) believe that the terms of the Acquisitions are fair and reasonable and in the interests of Hon Kwok and its shareholders as a whole.

The directors of Chinney (excluding the independent non-executive directors who will opine on the terms of the Acquisitions after considering the advice from the independent financial adviser) believe that the terms of the Acquisitions are fair and reasonable and in the interests of Chinney and its shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

Enhancement is a connected person of Hon Kwok and Chinney under the Listing Rules by virtue of the fact that it is a company controlled by Mr. James Sai-Wing Wong, a director and substantial shareholder of both Hon Kwok and Chinney. Accordingly, the Acquisitions constitute connected transactions for both Hon Kwok and Chinney under Chapter 14A of the Listing Rules. As the consideration for each of the Acquisitions exceeds HK\$10 million and therefore, each of the Acquisitions is subject to the approval of the independent shareholders of Hon Kwok and Chinney at their respective general meetings by poll. Since the aggregate applicable percentage ratios of the Acquisitions exceed 5% but are less than 25% pursuant to Rule 14.22 of the Listing Rules, the Acquisitions also constitute discloseable transactions for both Hon Kwok and Chinney under Rule 14.06(2) of the Listing Rules.

An independent board committee of Hon Kwok has been appointed to advise the independent shareholders of Hon Kwok as to whether or not the terms of the Acquisitions are fair and reasonable and in the interests of Hon Kwok and its shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee of Hon Kwok in respect of such terms.

An independent board committee of Chinney has been appointed to advise the independent shareholders of Chinney as to whether or not the terms of the Acquisitions are fair and reasonable and in the interests of Chinney and its shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee of Chinney in respect of such terms.

HON KWOK EGM

The Hon Kwok EGM will be convened as soon as practicable at which resolutions will be proposed to approve the Acquisitions. Chinney, a substantial shareholder of Hon Kwok and being a company controlled by Mr. James Sai-Wing Wong, and its associates (if any) will abstain from voting at the Hon Kwok EGM in respect of the resolutions to be proposed to approve the Acquisitions, as required by the Listing Rules.

A circular containing, among other things, (i) details of the Acquisitions, (ii) a letter from the independent financial adviser containing its advice to the independent board committee of Hon Kwok and the independent shareholders of Hon Kwok; (iii) recommendation from the independent board committee of Hon Kwok; and (iv) a notice convening the Hon Kwok EGM will be despatched to the shareholders of Hon Kwok as soon as practicable.

CHINNEY EGM

The Chinney EGM will be convened as soon as practicable at which resolutions will be proposed to approve the Acquisitions. Chinney Holdings, a substantial shareholder of Chinney and being a company controlled by Mr. James Sai-Wing Wong, and its associates (if any) will abstain from voting at the Chinney EGM in respect of the resolutions to be proposed to approve the Acquisitions, as required by the Listing Rules.

A circular containing, among other things, (i) details of the Acquisitions, (ii) a letter from the independent financial adviser containing its advice to the independent board committee of Chinney and the independent shareholders of Chinney; (iii) recommendation from the independent board committee of Chinney; and (iv) a notice convening the Chinney EGM will be despatched to the shareholders of Chinney as soon as practicable.

INFORMATION ON HON KWOK

Hon Kwok is an investment holding company. Its subsidiaries are mainly engaged in property development, property investment and property related businesses.

As at the date of this announcement, Chinney is holding approximately 52.62% of the issued share capital of Hon Kwok.

INFORMATION ON CHINNEY

Chinney is an investment holding company. Its subsidiaries (excluding the Hon Kwok Group) are mainly engaged in superstructure construction work, foundation piling, garment manufacturing and trading and general investment.

As at the date of this announcement, Chinney Holdings is holding approximately 55.67% of the issued share capital of Chinney.

INFORMATION ON THE VENDORS

Enhancement is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company.

Galantine is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company.

Sharp-View is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company.

To the best of the knowledge, information and belief of the directors of Hon Kwok and Chinney having made all reasonable enquiries, Galantine and Sharp-View and its ultimate beneficial owners are independent third parties of Hon Kwok and Chinney and are not connected persons (as defined in the Listing Rules) of Hon Kwok or Chinney.

DIRECTORS OF HON KWOK

As at the date of this announcement, the directors are Mr. James Sai-Wing Wong, Ms. Madeline May-Lung Wong, Mr. Herman Man-Hei Fung, Mr. Yuen-Keung Chan and Mr. Kwok-Wing Cheung and the independent non-executive directors are Mr. Daniel Chi-Wai Tse, Mr. Patrick Yen-Tse Tsai and Mr. Kenneth Kin-Hing Lam.

DIRECTORS OF CHINNEY

As at the date of this announcement, the directors are Mr. James Sai-Wing Wong, Ms. Madeline May-Lung Wong, Mr. William Chung-Yue Fan and Mr. Herman Man-Hei Fung and the independent non-executive directors are Mr. Clement Kwok-Hung Young, Mr. Johnny Chung-Ah Wong and Mr. Peter Man-Kong Wong.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|-----------------------|--|
| “Acquisitions” | the acquisition of (1) the entire issued share capital of Unity Wise and the assignment of related shareholders’ loans; and (2) 50% of the issued share capital of Ample Joy and the assignment of related shareholder’s loan |
| “Ample Joy” | Ample Joy International Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Ample Joy Agreement” | the sale and purchase agreement dated 11 May, 2007 entered into between Cheerworld as purchaser and Enhancement as vendor for the acquisition of 50% of the issued share capital of Ample Joy and the assignment of the related shareholder’s loan to Cheerworld |
| “Ample Joy Group” | Ample Joy and its subsidiaries |
| “Ample Joy Property” | Lot No. B-01-2, Jinshanpianqu, Jinkaiyuan, Beibusinq, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-2號地塊) |

| | |
|------------------------|---|
| “Cheerworld” | Cheerworld Group Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Chinney” | Chinney Investments, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange and which is the holding company of Hon Kwok |
| “Chinney EGM” | the extraordinary general meeting of Chinney to be convened for approving the Unity Wise Agreement and the Ample Joy Agreement |
| “Chinney Holdings” | Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability and which is the holding company of Chinney |
| “Enhancement” | Enhancement Investments Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Galantine” | Galantine Management Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Hon Kwok” | Hon Kwok Land Investment Company, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange |
| “Hon Kwok EGM” | the extraordinary general meeting of Hon Kwok to be convened for approving the Unity Wise Agreement and the Ample Joy Agreement |
| “Hon Kwok Group” | Hon Kwok and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Sharp-View” | Sharp-View Group Inc., a company incorporated in the British Virgin Islands with limited liability |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Unity Wise” | Unity Wise International Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Unity Wise Agreement” | the sale and purchase agreement dated 11 May, 2007 entered into between Cheerworld as purchaser and Enhancement, Galantine and Sharp-View as vendors for the acquisition of the entire issued share capital of Unity Wise and the assignment of the related shareholders’ loans to Cheerworld |

“Unity Wise Group”

Unity Wise and its subsidiaries

“Unity Wise Property”

Lot No. B-01-3, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing,
PRC (中國重慶北部新區經開園金山片區B-01-3號地塊)

By Order of the Board
Chinney Investments, Limited
Wendy Yuk-Ying Chan
Company Secretary

By Order of the Board
Hon Kwok Land Investment Company, Limited
Wendy Yuk-Ying Chan
Company Secretary

Hong Kong, 11 May, 2007

Please also refer to the published version of this announcement in The Standard.