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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)



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

**MAJOR AND CONNECTED
TRANSACTION**

**DISCLOSEABLE AND CONNECTED
TRANSACTION**

JOINT ANNOUNCEMENT

**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF GURU STAR INVESTMENTS LIMITED
TOGETHER WITH THE ASSIGNMENT OF RELATED SHAREHOLDER'S LOAN**

THE AGREEMENT

The directors of Hon Kwok and Chinney would like to announce that on 17 September 2008, Join Ally, as purchaser, has entered into the Agreement with Enhancement, as vendor, for the acquisition of the entire issued share capital of Guru Star and the assignment of related shareholder's loan to Join Ally for an aggregate cash consideration of HK\$135,000,000.

Guru Star is an investment holding company and the sole asset of significance held by the Guru Star Group is the Property. The Property is a completed 20-storey commercial and office building situated at the junction of Beijing Road (北京路), Nanti Er Road (南堤二馬路) and Baqi Er Road (八旗二馬路), Yuexiu District, Guangzhou, Guangdong Province, PRC and known as Newsun Commercial Building (新光商務大廈).

The carrying value of the Property as at 31 March 2008 was RMB179,000,000 (equivalent to approximately HK\$205,747,000) as revalued by an independent valuer. The Property is currently mortgaged to a bank and the outstanding mortgage loan amount as at 31 August 2008 was approximately RMB42,333,000 (equivalent to approximately HK\$48,659,000).

Enhancement is a connected person of Hon Kwok and Chinney by virtue of the fact that it is a company controlled by Mr. James Sai-Wing Wong, the Chairman and substantial shareholder of both Hon Kwok and Chinney. Accordingly, the Acquisition constitutes a connected transaction for both Hon Kwok and Chinney under Chapter 14A of the Listing Rules. As the consideration exceeds HK\$10 million, the Acquisition is subject to the approval of the independent shareholders of Hon Kwok and Chinney at their respective general meetings by poll.

As the applicable percentage ratios of the Acquisition exceed 5% but less than 25% for Hon Kwok, the Acquisition also constitutes a discloseable transaction for Hon Kwok under Rule 14.06(2) of the Listing Rules.

As the applicable percentage ratios of the Acquisition exceed 25% but less than 100% for Chinney, the Acquisition also constitutes a major transaction for Chinney under Rule 14.06(3) of the Listing Rules.

GENERAL

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 Acquisition 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 Acquisition 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.

A circular containing, among other things, (i) details of the Acquisition; (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 Acquisition; (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.

THE AGREEMENT

Pursuant to the Agreement, Enhancement agreed to sell and Join Ally agreed to purchase the entire issued share capital of Guru Star and Enhancement also agreed to assign the related shareholder's loan to Join Ally.

1. Date

17 September 2008

2. Parties

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

3. **Information of Guru Star and the Property**

Guru Star is an investment holding company and the sole asset of significance held by the Guru Star Group is the Property. The Property is a completed 20-storey commercial and office building situated at the junction of Beijing Road (北京路), Nanti Er Road (南堤二馬路) and Baqi Er Road (八旗二馬路), Yuexiu District, Guangzhou, Guangdong Province, PRC and known as Newsun Commercial Building (新光商務大廈) with a gross floor area of approximately 13,000 square metres. The Property is currently leased out for rental income with occupancy rate of 93%.

The carrying value of the Property as at 31 March 2008 was RMB179,000,000 (equivalent to approximately HK\$205,747,000) as revalued by an independent valuer. A valuation report on the Property will be included in the respective circulars of Hon Kwok and Chinney. The original cost of the Property acquired by the Guru Star Group was approximately RMB95,000,000 (equivalent to approximately HK\$109,000,000).

The Property is currently mortgaged to a bank and the outstanding mortgage loan amount as at 31 August 2008 was approximately RMB42,333,000 (equivalent to approximately HK\$48,659,000).

As at 31 August 2008, the unaudited consolidated net assets of the Guru Star Group (which has already taken into account of the revaluation of the Property to its market value) was approximately HK\$92,000,000 and the amount of related shareholder's loan was approximately HK\$43,000,000.

The unaudited net profit before and after tax attributable to the Guru Star Group for the year ended 31 March 2007 were approximately HK\$20,560,000 and HK\$20,437,000 respectively. The unaudited net profit before and after tax attributable to the Guru Star Group for the year ended 31 March 2008 were approximately HK\$14,864,000 and HK\$11,026,000 respectively.

Upon completion of the Agreement, Guru Star shall become a wholly-owned subsidiary of Join Ally, which in turn is an indirect wholly-owned subsidiary of Hon Kwok.

4. **Consideration and Payment Terms**

The aggregate cash consideration for the acquisition of the entire issued share capital of Guru Star and the assignment of related shareholder's loan is HK\$135,000,000 which is determined by reference to the unaudited consolidated net assets of the Guru Star Group together with the shareholder's loan as at 31 August 2008 and was agreed at after arm's length negotiations between the parties.

The aggregate cash consideration of HK\$135,000,000 will be payable in the following manners:

- (a) an initial deposit of HK\$13,500,000 has been paid upon signing of the Agreement; and
- (b) the balance of the consideration of HK\$121,500,000 will be paid upon completion of the Agreement.

5. Completion

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

- (a) the passing of an ordinary resolution by the independent shareholders of Hon Kwok at the Hon Kwok EGM to approve the Acquisition;
- (b) the passing of an ordinary resolution by the independent shareholders of Chinney at the Chinney EGM to approve the Acquisition;
- (c) if applicable, the granting of consent from bank or other third parties which are necessary in connection with the execution of and to give effect to the transactions contemplated under the Agreement and each of the documents to be executed on or before the completion of the Acquisition have been obtained by the vendor and/or the purchaser;
- (d) there having been no breach by the vendor of any obligations, undertakings, representations and warranties under the Agreement;
- (e) there having been no breach by the purchaser of any obligations, undertakings, representations and warranties under the Agreement; and
- (f) the purchaser having been reasonably satisfied with the results of the due diligence review on the Guru Star Group.

Completion of the Agreement shall take place within five 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 ACQUISITION

The Hon Kwok Group's core business is to develop real estate properties for sale and to hold investment properties for rental income. The Property is a completed 20-storey commercial and office building very well situated at the junction of Beijing Road (北京路), Nanti Er Road (南堤二馬路) and Baqi Er Road (八旗二馬路), Yuexiu District, Guangzhou, Guangdong Province, PRC.

The Hon Kwok Group owns a commercial and residential building in the course of completion, known as "No. 5 Residence" which is adjoining to the Property along Beijing Road plus two development sites situated right next to "No. 5 Residence". The Property, together with "No. 5 Residence" and the two development sites currently owned by the Hon Kwok Group for development, when wholly completed, will command a total shop frontage of well over 200 meters along Beijing Road (北京路) and Nanti Er Road (南堤二馬路). The Hon Kwok Group intends to develop a composite project with a commercial podium, comprising shops, commercial and offices with river view residential units on top of the commercial podium in order to enhance the overall merger value of the "No. 5 Residence" and the two sites already owned and to be developed by the Hon Kwok Group upon acquisition of the well situated Property, with the commercial podium in particular.

The directors of Hon Kwok (excluding the independent non-executive directors who will opine on the terms of the Acquisition after considering the advice from the independent financial adviser) believe that the terms of the Acquisition 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 Acquisition after considering the advice from the independent financial adviser) believe that the terms of the Acquisition 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 by virtue of the fact that it is a company controlled by Mr. James Sai-Wing Wong, the Chairman and substantial shareholder of both Hon Kwok and Chinney. Accordingly, the Acquisition constitutes a connected transaction for both Hon Kwok and Chinney under Chapter 14A of the Listing Rules. As the consideration exceeds HK\$10 million, the Acquisition is subject to the approval of the independent shareholders of Hon Kwok and Chinney at their respective general meetings by poll.

As the applicable percentage ratios of the Acquisition exceed 5% but less than 25% for Hon Kwok, the Acquisition also constitutes a discloseable transaction for Hon Kwok under Rule 14.06(2) of the Listing Rules.

As the applicable percentage ratios of the Acquisition exceed 25% but less than 100% for Chinney, the Acquisition also constitutes a major transaction for Chinney under Rule 14.06(3) 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 Acquisition 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 Acquisition 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 resolution will be proposed to approve the Acquisition. Mr. James Sai-Wing Wong together with its associates (if any), currently holding 256,210,553 shares (representing approximately 53.35% of the issued share capital) of Hon Kwok will abstain from voting at the Hon Kwok EGM in respect of the resolution to be proposed to approve the Acquisition, as required by the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition; (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 resolution will be proposed to approve the Acquisition. Mr. James Sai-Wing Wong together with and its associates (if any), currently holding 306,959,324 shares (representing approximately 55.67% of the issued share capital) of Chinney will abstain from voting at the Chinney EGM in respect of the resolution to be proposed to approve the Acquisition, as required by the Listing Rules.

A circular containing, among other things, (i) details of the Acquisition; (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 53.35% 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 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 VENDOR

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

DIRECTORS OF HON KWOK

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. Kwok-Wing Cheung and Mr. Yuen-Keung Chan and the independent non-executive directors are Dr. Daniel Chi-Wai Tse, Mr. Kenneth Kin-Hing Lam and Professor Hsin-Kang Chang.

DIRECTORS OF CHINNEY

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 Dr. Clement Kwok-Hung Young, Mr. Peter Man-Kong Wong and Mr. James C. Chen.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital of Guru Star and the assignment of related shareholder’s loan
“Agreement”	the sale and purchase agreement dated 17 September 2008 entered into between Join Ally, as purchaser, and Enhancement, as vendor, for the acquisition of the entire issued share capital of Guru Star and the assignment of the related shareholder’s loan to Join Ally
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 Acquisition
“Chinney Holdings”	Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability and which is the holding company of Chinney
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Enhancement”	Enhancement Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is owned by Mr. James Sai-Wing Wong
“Guru Star”	Guru Star Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Guru Star Group”	Guru Star and its two wholly-owned subsidiaries
“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 Acquisition
“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
“Join Ally”	Join Ally Limited, a company incorporated in the British Virgin Islands with limited liability and which is an indirect wholly-owned subsidiary of Hon Kwok
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a completed 20-storey commercial and office building situated at 3 Beijing Road (北京路), Yuexiu District, Guangzhou, Guangdong Province, PRC and known as Newsun Commercial Building (新光商務大廈)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1.00 = RMB0.87. Such translation should not be construed as a representation that any amounts in RMB or HK\$ have been, could have been, or could be, converted at the above rate or any other rates or at all.

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, 17 September 2008