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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)

**CONNECTED TRANSACTION**  
**ACQUISITION OF PROPERTY**

**CONNECTED TRANSACTION**  
**ACQUISITION OF PROPERTY**



**建聯集團有限公司\***  
**Chinney Alliance Group Limited**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 385)

**CONNECTED TRANSACTION**  
**DISPOSAL OF PROPERTY**

On 31 December 2012, the Vendor, an indirect wholly-owned subsidiary of CAG, and the Purchaser, an indirect wholly-owned subsidiary of Hon Kwok, entered into the Agreement pursuant to which the Vendor will dispose and the Purchaser will acquire the Property for a cash consideration of HK\$9,383,000 (equivalent to approximately RMB7,600,000).

Dr. James Sai-Wing Wong is the chairman of CIL, Hon Kwok and CAG. He is the controlling shareholder of CIL which in turn holds approximately 55.77% of the issued share capital of Hon Kwok. CIL is indirectly holding approximately 29.10% of the issued share capital of CAG. Dr. James Sai-Wing Wong is also the controlling shareholder of CAG holding approximately 72.87% of the issued share capital of CAG (including those 29.10% interests held through CIL). Thus CIL, Hon Kwok and CAG are connected persons to each other within the meaning of the Listing Rules. Pursuant to the Listing Rules, the Acquisition/Disposal constitutes a connected transaction to CIL, Hon Kwok and CAG. As each of the applicable percentage ratios in respect of the Acquisition/Disposal is less than 5% and the consideration involved is less than HK\$10,000,000, the Acquisition/Disposal is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval for CIL, Hon Kwok and CAG under Chapter 14A of the Listing Rules.

## **THE AGREEMENT**

On 31 December 2012, the Vendor, an indirect wholly-owned subsidiary of CAG, and the Purchaser, an indirect wholly-owned subsidiary of Hon Kwok, entered into the Agreement pursuant to which the Vendor will dispose and the Purchaser will acquire the Property for a cash consideration of HK\$9,383,000 (equivalent to approximately RMB7,600,000). The principal terms of the Agreement are set out below.

### **Date**

31 December 2012 (after trading hours)

### **Parties**

Purchaser : China Parking Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Hon Kwok

Vendor : Lindeteves Jacoberg (China) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of CAG

## **Property**

The Property is located at 中華人民共和國廣東省深圳市龍崗區植物園綠色山莊S幢別墅 (House S, Green Mountain Village, Longgang Botanical Garden, Longgang, Shenzhen, Guangdong Province, the PRC) with a gross floor area of approximately 237.49 square meters and is vacant.

## **Consideration**

The consideration for the Acquisition/Disposal is HK\$9,383,000 (equivalent to approximately RMB7,600,000) which was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the prevailing market value of other residential premises of comparable size and quality in the area where the Property is located and professional valuation of the Property of RMB7,600,000 (equivalent to approximately HK\$9,383,000) as at 30 November 2012.

The original purchase cost of the Property by the Vendor was RMB2,265,655 (equivalent to approximately HK\$2,797,000) as in 2003.

The Consideration for the Acquisition/Disposal will be settled by the Purchaser in cash in the following manner:

- (1) HK\$938,300 to be paid upon signing of the Agreement as deposit and/or part payment of the Consideration; and
- (2) HK\$8,444,700 to be paid within one month after signing of the Agreement.

## **Completion**

Completion shall take place when the Consideration is fully settled.

## **INFORMATION ON CIL, HON KWOK AND CAG**

CIL is an investment holding company. Its subsidiaries (excluding the Hon Kwok Group) are mainly engaged in garment manufacturing and trading and general investment. At the date of this announcement, Chinney Holdings, a company controlled by Dr. James Sai-Wing Wong who is the chairman of CIL, Hon Kwok and CAG, is holding 320,759,324 shares of CIL, representing approximately 58.18% of its issued share capital.

Hon Kwok is an investment holding company. Its subsidiaries are mainly engaged in property development, property investment and property related businesses. At the date of this announcement, CIL is holding 267,846,553 shares of Hon Kwok, representing approximately 55.77% of its issued share capital.

CAG is an investment holding company. Its subsidiaries are principally engaged in trading of plastic and chemical products, provision of building related contracting services, provision of foundation piling works and sub-structure works, building construction works for both public and private sectors, and distribution of aviation system and energy saving products. At the date of this announcement, CIL is indirectly holding 173,093,695 shares of CAG, representing approximately 29.10% of its issued share capital. Dr. James Sai-Wing Wong is indirectly holding 433,500,216 shares of CAG (including those 173,093,695 shares of CAG held indirectly by CIL), representing approximately 72.87% of the issued share capital of CAG.

## **REASONS FOR AND BENEFITS OF THE AGREEMENT**

Hon Kwok Group is currently holding a villa adjacent to the Property. It is the current intention of the Hon Kwok Board that the existing villa is being and the Property, upon Completion, will be held by Hon Kwok Group for investment purpose.

The Hon Kwok Board, including the independent non-executive directors of Hon Kwok, considers that the terms of the Agreement are on normal commercial terms and fair and reasonable after arm's length negotiation and the Acquisition is in the interests of Hon Kwok and its shareholders as a whole.

The CIL Board, including the independent non-executive directors of CIL, considers that the terms of the Agreement are on normal commercial terms and fair and reasonable after arm's length negotiation and the Acquisition is in the interests of CIL and its shareholders as a whole.

The CAG Board considers the prevailing property market conditions in PRC is a good opportunity for the Disposal which will enhance the liquidity of the CAG Group. It has been the strategy of the CAG Board to focus more resources on its main business. The CAG Board, including the independent non-executive directors of CAG, considers that the terms of the Agreement are on normal commercial terms and fair and reasonable after arm's length negotiation and the Disposal is in the interests of CAG and its shareholders as a whole.

The proceeds from the Disposal will be used as general working capital of the CAG Group.

Upon Completion, it is estimated that CAG Group will have no material gain or loss on disposal of the Property based on the Consideration and the carrying value of the Property of RMB7,600,000 (equivalent to approximately HK\$9,383,000) as at 30 November 2012 but before deduction of estimated costs and related taxes incurred. Shareholders of CAG and investors should note that the figure is subject to final audit of the CAG Group.

Under the articles of association of CIL, a director should not vote (nor be counted in the quorum) on any resolution of the CIL Board in respect of any contract or arrangement in which he is to his knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions approving the Acquisition.

Under the articles of association of Hon Kwok, a director should not vote (nor be counted in the quorum) on any resolution of the Hon Kwok Board in respect of any contract or arrangement in which he is to his knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions approving the Acquisition.

Under the bye-laws of CAG, a director should not vote (nor be counted in the quorum) on any resolution of the CAG Board in respect of any contract or arrangement in which he is to his knowledge materially interested. Accordingly, Dr. James Sai-Wing Wong has not voted or been counted in the quorum on the resolutions approving the Disposal.

## **DIRECTORS OF CIL, HON KWOK AND CAG**

As at the date of this announcement,

### **CIL**

The directors of CIL are Dr. James Sai-Wing Wong, Madam Madeline May-Lung Wong, Mr. William Chung-Yue Fan, Mr. Herman Man-Hei Fung and Mr. Paul Hon-To Tong and the independent non-executive directors are Dr. Clement Kwok-Hung Young, Mr. Peter Man-Kong Wong and Mr. James C. Chen.

### **Hon Kwok**

The directors of Hon Kwok are Dr. James Sai-Wing Wong, Madam Madeline May-Lung Wong, Mr. Herman Man-Hei Fung, Mr. Yuen-Keung Chan, Mr. Xiao-Ping Li and Dr. Emily Yen Wong (alternate director to Madam Madeline May-Lung Wong) and the independent non-executive directors are Dr. Daniel Chi-Wai Tse, Mr. Kenneth Kin-Hing Lam and Professor Hsin-Kang Chang.

## CAG

The directors of CAG comprises of twelve directors, of which six are executive directors, namely Dr. James Sai-Wing Wong, Mr. Yuen-Keung Chan, Mr. James Sing-Wai Wong, Mr. Philip Bing-Lun Lam, Mr. Wai-Hong Ling and Mr. Lawrence Koo-Siong Chong; and two are non-executive directors, namely Mr. Herman Man-Hei Fung and Mr. Frank Kwok-Kit Chu; and four are independent non-executive directors, namely Mr. Anthony Siu-Wing Lau, Mr. Yuen-Tin Ng, Mr. Chi-Chiu Wu and Mr. Alexander Yan-Zau Fang.

## LISTING RULES IMPLICATION

As at the date of this announcement, Dr. James Sai-Wing Wong is the chairman of CIL, Hon Kwok and CAG. He is the controlling shareholder of CIL which in turn holds approximately 55.77% of the issued share capital of Hon Kwok. CIL is indirectly holding approximately 29.10% of the issued share capital of CAG. Dr. James Sai-Wing Wong is also the controlling shareholder of CAG holding approximately 72.87% of the issued share capital of CAG (including those 29.10% interests held through CIL). Thus CIL, Hon Kwok and CAG are connected persons to each other within the meaning of the Listing Rules. Pursuant to the Listing Rules, the Acquisition/Disposal constitutes a connected transaction to CIL, Hon Kwok and CAG. As each of the applicable percentage ratios in respect of the Acquisition/Disposal is less than 5% and the consideration involved is less than HK\$10,000,000, the Acquisition/Disposal is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval for CIL, Hon Kwok and CAG under Chapter 14A of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the agreement dated 31 December 2012 entered into between the Vendor and the Purchaser for the Disposal of the Property
“CAG”	Chinney Alliance Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (Stock Code: 385)
“CAG Board”	the board of directors of CAG
“CAG Group”	CAG and its subsidiaries
“Chinney Holdings”	Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability and is the holding company of CIL
“CIL”	Chinney Investments, Limited, a company incorporated in Hong Kong with limited liability, the 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
“Completion”	the completion of the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$9,383,000 (equivalent to approximately RMB7,600,000) under the Agreement

“Disposal”	the disposal of the Property to the Purchaser by the Vendor pursuant to the Agreement
“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 main board of the Stock Exchange (Stock Code: 160)
“Hon Kwok Group”	Hon Kwok and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at 中華人民共和國廣東省深圳市龍崗區植物園綠色山莊S幢別墅 (House S, Green Mountain Village, Longgang Botanical Garden, Longgang, Shenzhen, Guangdong Province, the PRC)
“PRC”	the People’s Republic of China
“Purchaser”	China Parking Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Hon Kwok
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Vendor”	Lindeteves Jacoberg (China) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of CAG
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1.00 = RMB0.81. 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.*

<p>By Order of the Board  <b>Chinney Investments, Limited</b>  <b>Louisa Kai-Nor Siu</b>  <i>Company Secretary</i></p>	<p>By Order of the Board  <b>Hon Kwok Land Investment Company, Limited</b>  <b>Thomas Hang-Cheong Ma</b>  <i>Company Secretary</i></p>	<p>By Order of the Board  <b>Chinney Alliance Group Limited</b>  <b>Yun-Sang Lo</b>  <i>Company Secretary</i></p>
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Hong Kong, 31 December 2012

\* For identification purpose only