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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in **Chinney Investments, Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

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)**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

Nuada Limited

Corporate Finance Advisory

A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee containing its recommendation in respect of the Acquisitions is set out on pages 12 and 13 of this circular. A letter from Nuada Limited containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 2308, 23/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Wednesday, 27 June 2007 at 12:00 noon is set out on pages 32 and 33 of this circular.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so wish.

11 June 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

“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 related shareholder’s loan to Cheerworld
“Ample Joy Group”	Ample Joy and its subsidiaries
“Ample Joy Property”	Lot No. B-01-2, Jinshanpianqu, Jinkaiyuan, Beibusingu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-2號地塊)
“Announcement”	the joint announcement of the Company and Hon Kwok dated 11 May 2007 in relation to the Acquisitions
“Board”	the board of directors of the Company
“Cheerworld”	Cheerworld Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Chinney Alliance”	Chinney Alliance Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Chinney Holdings”	Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability, which is the holding company of the Company holding approximately 55.67% of the issued share capital of the Company as at the Latest Practicable Date
“Company” or “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 holding approximately 52.62% of the issued share capital of Hon Kwok as at the Latest Practicable Date
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for approving the Unity Wise Agreement and the Ample Joy Agreement
“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

DEFINITIONS

“Group”	the Company and its 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 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
“Independent Board Committee”	the committee of the Board consisting of all the independent non-executive directors, namely Messrs. Clement Kwok-Hung Young, Johnny Chung-Ah Wong and Peter Man-Kong Wong, formed to advise the Independent Shareholders in respect of the Acquisitions
“Independent Financial Adviser” or “Nuada”	Nuada Limited, a licensed corporation for type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions
“Independent Shareholders”	Shareholders (other than Chinney Holdings and its associates) who are not required under the Listing Rules to abstain from voting at the EGM to approve the Acquisitions
“Latest Practicable Date”	4 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lucky Year”	Lucky Year Finance Limited, a company incorporated in the British Virgin Islands with limited liability
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC”	the People’s Republic of China
“RMB”	the Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholders of the Company
“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

DEFINITIONS

“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 related shareholders’ loans to Cheerworld
“Unity Wise Group”	Unity Wise and its subsidiaries
“Unity Wise Property”	Lot No. B-01-3, Jinshanpianqu, Jinkaiyuan, Beibusingu, Chongqing, PRC (中國重慶北部新區經開園金山片區B-01-3號地塊)

LETTER FROM THE BOARD



建業實業有限公司 Chinney Investments, Limited

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

Directors:

James Sai-Wing Wong (*Chairman*)
Madeline May-Lung Wong
William Chung-Yue Fan
Herman Man-Hei Fung (*Managing Director*)
Clement Kwok-Hung Young*
Johnny Chung-Ah Wong*
Peter Man-Kong Wong*

Registered Office:

23rd Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

* *Independent non-executive directors*

11 June 2007

To the Shareholders

Dear Sirs,

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)**

1. INTRODUCTION

Reference is made to the Announcement in which the Board announced 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 related 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 related shareholder's loan to Cheerworld at an aggregate cash consideration of HK\$12,000,000.

The Acquisitions constitute discloseable and connected transactions for the Company under the Listing Rules. The purpose of this circular is to provide you with (i) details of the terms of the Acquisitions; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions; (iv) notice of the EGM; and (v) other information required by the Listing Rules.

LETTER FROM THE BOARD

2. 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 related shareholders' loans to Cheerworld:

(a) **Date**

11 May 2007

(b) **Parties**

(i) Vendors : (1) Enhancement
(2) Galantine
(3) Sharp-View

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

(c) **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
Total	<u>4</u>	<u>100</u>	<u>59,999,968</u>

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, Beibusingu, 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 net site area of approximately 21,674.8 square metres. The Unity Wise Property is planned to develop into high-rise commercial and office buildings.

Unity Wise was set up in February 2007. The net asset value of Unity Wise as at 30 April 2007 was minimal. The net asset value of the subsidiaries of Unity Wise and the carrying value of the Unity Wise Property as at 30 April 2007 were HK\$63 million and HK\$73 million respectively. The carrying value of the Unity Wise Property of RMB71 million (equivalent to HK\$73 million) comprises of the land grant fee of RMB32 million less refund of RMB11 million and the development expenditure of RMB50 million incurred up to 30 April 2007.

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

LETTER FROM THE BOARD

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 the Company.

(d) Consideration and Payment Terms

The aggregate cash consideration for the acquisition of the entire issued share capital of Unity Wise and the assignment of related 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:

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

(e) Completion

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

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Unity Wise Agreement;
- (ii) the passing of an ordinary resolution by the shareholders of Hon Kwok at the Hon Kwok EGM to approve the Unity Wise Agreement;
- (iii) 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;
- (iv) 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
- (v) 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).

LETTER FROM THE BOARD

3. 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:

(a) **Date**

11 May 2007

(b) **Parties**

(i) Vendor : Enhancement

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

(c) **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, Beibusingu, 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 net site area of approximately 12,181.1 square metres. At present, the Ample Joy Property is a bare site.

Ample Joy was set up in February 2007. The net asset value of Ample Joy as at 30 April 2007 was minimal. The net asset value of the subsidiaries of Ample Joy and the carrying value of the Ample Joy Property as at 30 April 2007 were HK\$15 million and HK\$14 million respectively. The carrying value of the Ample Joy Property of RMB14 million (equivalent to HK\$14 million) comprises of the land grant fee of RMB16 million less refund of RMB5 million and other costs of RMB3 million incurred up to 30 April 2007.

There were no operating results for Ample Joy for the period ended 31 March 2007. The operating loss sustained by the subsidiaries of Ample Joy for the period ended 31 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.

LETTER FROM THE BOARD

(d) 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 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:

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

(e) Completion

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

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Ample Joy Agreement;
- (ii) the passing of an ordinary resolution by the shareholders of Hon Kwok at the Hon Kwok EGM to approve the Ample Joy Agreement;
- (iii) 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;
- (iv) 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
- (v) 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).

4. FINANCIAL EFFECTS OF THE ACQUISITIONS

The financial effects of the Acquisitions on the Group are expected to be (a) an increase in non-current assets of approximately HK\$105 million; (b) a decrease in current assets of approximately HK\$41 million; (c) an increase in bank borrowings of approximately HK\$51 million; and (d) an increase in other current liabilities of approximately HK\$13 million. The Acquisitions have no immediate effect on the earnings of the Group.

LETTER FROM THE BOARD

5. 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 consider that the terms of the Acquisitions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. INFORMATION ON THE COMPANY AND HON KWOK

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

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

As at the Latest Practicable Date, Chinney Holdings is holding approximately 55.67% of the issued share capital of the Company and the Company is holding approximately 52.62% of the issued share capital of Hon Kwok.

7. 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 having made all reasonable enquiries, Galantine and Sharp-View and its ultimate beneficial owners are independent third parties of the Company and are not connected persons (as defined in the Listing Rules) of the Company.

8. IMPLICATIONS OF THE LISTING RULES

Enhancement is a connected person of the Company 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 the Company. Accordingly, the Acquisitions constitute connected transactions for the Company 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 at the EGM 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 the Company under Rule 14.06(2) of the Listing Rules.

LETTER FROM THE BOARD

9. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders regarding the fairness and reasonableness of the terms of the Acquisitions.

Nuada has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

10. EGM

The Company will convene the EGM at 2308, 23/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Wednesday, 27 June 2007 at 12:00 noon for the purpose of considering, and if thought fit, approving the Unity Wise Agreement and the Ample Joy Agreement. A notice of the EGM is set out on pages 32 and 33 of this circular.

Pursuant to the Listing Rules, the votes to be taken in respect of the ordinary resolutions to approve the Unity Wise Agreement and the Ample Joy Agreement must be taken by poll. Chinney Holdings, a substantial shareholder of the Company and being a company controlled by Mr. James Sai-Wing Wong, and its associates (if any) will abstain from voting at the EGM in respect of the resolutions to be proposed to approve the Unity Wise Agreement and the Ample Joy Agreement.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

11. PROCEDURE FOR DEMANDING A POLL

Pursuant to article 75 of the articles of association of the Company, a resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded or, in the case of paragraph (v), required:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring the right; or
- (e) by the relevant provisions of the Listing Rules.

12. RECOMMENDATION

Your attention is drawn to (a) the “Letter from the Independent Board Committee” as set out on pages 12 and 13 of this circular, which contains its recommendation to the Independent Shareholders; and (b) the “Letter from Nuada Limited” as set out on pages 14 to 18 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions.

Having taken into account the recommendation and advice from Nuada in respect of the Acquisitions, the Independent Board Committee are of the view that the terms of the Acquisitions are fair and reasonable so far as the Independent shareholders are concerned and the entering into of the Acquisitions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the Unity Wise Agreement and the Ample Joy Agreement.

13. ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendix of this circular.

Yours faithfully,
By Order of the Board
James Sai-Wing Wong
Chairman



建業實業有限公司
Chinney Investments, Limited

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

Registered Office:
23rd Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

11 June 2007

To the Independent Shareholders

Dear Sirs,

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)**

We refer to the circular of which this letter forms part. Terms defined in the circular shall have the same meanings when used herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in our opinion, the entering into of the Acquisitions in accordance with the terms set out in the Unity Wise Agreement and the Ample Joy Agreement, are in the interests of the Company and its Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Nuada has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisitions.

We wish to draw your attention to the "Letter from Nuada Limited" as set out on pages 14 to 18 of the circular. We have considered the terms of the Unity Wise Agreement and the Ample Joy Agreement, the advice of Nuada and the other factors contained in the "Letter from the Board" as set out on pages 4 to 11 of the circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the information contained in the “Letter from the Board” and the recommendation and advice of Nuada, we are of the opinion that the terms of the Unity Wise Agreement and the Ample Joy Agreement are fair and reasonable so far as Independent Shareholders are concerned and the entering into of the Acquisitions, in accordance with the terms set out in the Unity Wise Agreement and the Ample Joy Agreement, are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions for approving the Unity Wise Agreement and the Ample Joy Agreement at the EGM.

Yours faithfully,
For and on behalf of
Independent Board Committee of
Chinney Investments, Limited
Clement Kwok-Hung Young
Johnny Chung-Ah Wong
Peter Man-Kong Wong

LETTER FROM NUADA LIMITED

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited setting out its opinion regarding the Acquisitions prepared for the purpose of incorporation in this circular.

Nuada Limited
Corporate Finance Advisory

7th Floor, New York House
60 Connaught Road Central
Hong Kong

11 June 2007

*To the Independent Board Committee and
the Independent Shareholders of
Chinney Investments, Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Acquisitions, details of which are set out in the letter from the Board (the “Letter”) contained in the circular of the Company dated 11 June 2007 to the Shareholders (the “Circular”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular. For illustration purposes, amounts denominated in Reminbi is translated into Hong Kong dollars at an exchange rate of HK\$1.00 to RMB0.98 in this letter.

On 11 May 2007, Cheerworld (an indirectly wholly-owned subsidiary of Hon Kwok, which in turn was owned as to approximately 52.62% by Chinney) as purchaser, 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 related shareholders’ loans to Cheerworld; and (2) the Ample Joy Agreement with Enhancement as vendor for the acquisition of 50% of issued share capital of Ample Joy and the assignment of the related shareholder’s loan to Cheerworld. Completion of the Unity Wise Agreement and the Ample Joy Agreement is inter-conditional.

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 Hon Kwok and Chinney under Chapter 14A of the Listing Rules and are subject to the approval of the independent shareholders of Hon Kwok and Chinney at their respective general meetings by poll. The Acquisitions also constitute discloseable transactions for Hon Kwok and Chinney under Rule 14.06(2) of the Listing Rules. Mr. James Sai-Wing Wong and his associates shall abstain from voting in respect of the relevant resolutions to be proposed at the respective general meetings to be held by Hon Kwok and Chinney to approve the Acquisitions.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the terms of the Acquisitions are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM NUADA LIMITED

BASES AND ASSUMPTIONS

In formulating our opinion, we have relied on the accuracy of the information and facts supplied, and the opinions and representations expressed to us by the Company. We have assumed that all statements of belief, contained or referred to in the Circular were reasonably made after due and careful enquiry and are based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations referred to in the Circular and provided to us by the Company, and have been advised by the Company that no material facts have been omitted from the information provided to us and referred to in the Circular. We have also assumed that all statements of intention of the Company as set out in the Circular will be implemented.

In formulating our opinion, we have obtained and reviewed relevant information and documents provided by the Company in connection with the Acquisitions and discussed with the management of the Group so as to assess the fairness and reasonableness of the terms of the Acquisitions. Relevant information and documents, included, among other things, (i) the Unity Wise Agreement; (ii) the Ample Joy Agreement; and (iii) the valuation report dated 11 June 2007 by Savills Valuation and Professional Services Limited (the “Valuer”) in respect of the valuation of the Unity Wise Property and Ample Joy Property (the “Valuation Report”). We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Acquisitions.

We have assumed that all information and representations made or referred to in the Circular and provided to us by the Company were true, complete and accurate at the time they were made and continue to be true, complete and accurate at the date of the EGM. We have not, however, carried out any independent verification of the information and representations provided to us nor have we conducted any form of independent investigation into the businesses and affairs, financial position or the future prospects of the Company, the Unity Wise Group, the Ample Joy Group and/or their respective subsidiaries or associates. We have not studied, investigated nor verified the validity of all legal aspects of, and procedural aspects for, the Unity Wise Agreement and Ample Joy Agreement. We have further assumed that all material governmental, regulatory or other consents, rights, waivers, authorisations, clearances and approvals necessary for the effectiveness and implementation of the Unity Wise Agreement and the Ample Joy Agreement have been or will be obtained and will not be withdrawn without any adverse effect on the Group, the assets and liabilities of the Group or the contemplated benefits to the Group as derived from the Unity Wise Agreement and the Ample Joy Agreement.

Our opinion is necessarily based upon the financial, economic (including exchange rates and interest rates), market, regulatory and other conditions as they exist on, and the facts, information, representations and opinions made available to us as of the Latest Practicable Date. Our opinion does not in any manner address the Company’s own decision to proceed with the Acquisitions. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date.

LETTER FROM NUADA LIMITED

PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the Acquisitions and in giving our advice to the Independent Board Committee and the Independent Shareholders are set out below:

Reasons for entering into the Acquisitions

The Group (excluding the Hon Kwok Group) is principally engaged in superstructure construction work, foundation piling, garment manufacturing and trading and general investment, while the Hon Kwok Group is principally engaged in property development, property investment and property related businesses. It is the Hon Kwok Group's core business strategy to develop and invest in properties.

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, the PRC (中國重慶北部新區經開園金山片區B-01-3號地塊) with a net site area of approximately 21,674.8 square metres and is currently planned to develop into high-rise commercial and office buildings. As stated in the Letter, Unity Wise was set up in February 2007. The Unity Wise Group recorded an accumulated loss of approximately HK\$37,000 for the period from its date of incorporation to 31 March 2007, which was mainly attributable to general operating expenses incurred since its establishment.

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 currently a bare site located at Lot No. B-01-2, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, the PRC (中國重慶北部新區經開園金山片區B-01-2號地塊) with a net site area of approximately 12,181.1 square metres. As stated in the Letter, Ample Joy was set up in February 2007. The Ample Joy Group recorded an accumulated loss of approximately HK\$26,000 for the period from its date of incorporation to 31 March 2007, which was mainly attributable to general operating expenses incurred since its establishment.

As advised by Hon Kwok, the consideration for the Acquisitions would be settled by cash using internal resources, including cash resources and available banking facilities. As such, upon completion of the Acquisitions, the gearing level of the Hon Kwok Group would be increased by the amount of the banking facilities utilized for the Acquisitions. Nevertheless, the Acquisitions would replenish the landbank of the Hon Kwok Group and thus enhance the development of the Hon Kwok Group's business. Taking into account the principal businesses of the Hon Kwok Group, the Unity Wise Group and the Ample Joy Group in property development and the sole assets of significance held by the Unity Wise Group and the Ample Joy Group are the Unity Wise Property and the Ample Joy Property respectively, we consider that the entering into of the Unity Wise Agreement and the Ample Joy Agreement is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole.

LETTER FROM NUADA LIMITED

Principal terms of the Unity Wise Agreement

Pursuant to the Unity Wise Agreement, the aggregate cash consideration for the acquisition of the entire issued share capital of Unity Wise and the assignment of the related shareholders' loan is HK\$90,000,000 (the "Unity Wise Consideration"), of which an initial deposit of HK\$45,000,000 was paid upon the signing of the Unity Wise Agreement and the balance will be paid upon completion of the Unity Wise Agreement.

In assessing the fairness and reasonableness of the consideration for the acquisition of Unity Wise, we have made reference to the Valuation Report. According to the Valuation Report, the fair market value of the Unity Wise Property as at 11 May 2007 was RMB106.0 million (equivalent to approximately HK\$108.2 million) (the "Unity Wise Property Value"). According to the management account of the Unity Wise Group as at 30 April 2007, the consolidated net asset value of the Unity Wise Group was approximately HK\$3.1 million (the "Unity Wise Net Asset Value"), the total amount of the shareholders' loans of Unity Wise (the "Unity Wise Loans") were approximately HK\$60.0 million and the carrying value of the Unity Wise Property was approximately HK\$72.7 million (the "Unity Wise Carrying Value"). Taking into account the Unity Wise Net Asset Value, the Unity Wise Loans and the surplus amount of approximately HK\$35.5 million arising out of the difference between the Unity Wise Property Value and the Unity Wise Carrying Value, the net book value of the Unity Wise Group was approximately HK\$98.6 million (the "Unity Wise Net Book Value"). The Unity Wise Consideration of HK\$90,000,000 represents a discount of approximately 8.7% to the Unity Wise Net Book Value. As such, we consider that the Unity Wise Consideration is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Principal terms of the Ample Joy Agreement

Pursuant to the Ample Joy Agreement, 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 (the "Ample Joy Consideration"), of which an initial deposit of HK\$6,000,000 was paid upon the signing of the Ample Joy Agreement and the balance will be paid upon completion of the Ample Joy Agreement.

In assessing the fairness and reasonableness of the consideration for the acquisition of Ample Joy, we have made reference to the Valuation Report. According to the Valuation Report, the fair market value of the Ample Joy Property as at 11 May 2007 was RMB56.0 million (equivalent to approximately HK\$57.1 million) (the "Ample Joy Property Value"). According to the management account of the Ample Joy Group as at 30 April 2007, the consolidated net asset value of the Ample Joy Group was approximately HK\$0.5 million (the "Ample Joy Net Asset Value"), the total amount of the shareholders' loans of Ample Joy (the "Ample Joy Loans") were approximately HK\$14.8 million and the carrying value of the Ample Joy Property was approximately HK\$13.8 million (the "Ample Joy Carrying Value"). Taking into account the Ample Joy Net Asset Value, the Ample Joy Loans and the surplus amount of approximately HK\$43.3 million arising out of the difference between the Ample Joy Property Value and the Ample Joy Carrying Value, the net book value of the Ample Joy Group was approximately HK\$58.6 million (the "Ample Joy Net Book Value"). The Ample Joy Consideration of HK\$12,000,000 represents a discount of approximately 59.0% to 50% of the Ample Joy Net Book Value. As such, we consider that the Ample Joy Consideration is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM NUADA LIMITED

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we are of the view that the Acquisitions are in the ordinary course of business of the Group and in the interest of the Company and the Shareholders as a whole, and the terms of the Acquisitions are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in respect of the Acquisitions.

Yours faithfully,
For and on behalf of
Nuada Limited

Alvin So
*Responsible Officer &
Head of Strategic Investments*

Po Chan
*Responsible Officer &
Executive Director*

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their opinion of values of the properties of the Group as at 11 May 2007.

The Directors
Chinney Investments, Limited
Hon Kwok Land Investment Company, Limited
23rd Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

11 June 2007

Dear Sirs

In accordance with the instructions from Chinney Investments, Limited (“Chinney”) and Hon Kwok Land Investment Company, Limited (“Hon Kwok”) (collectively referred to as the “Companies”) for us to value the properties situated in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 11 May 2007 for public circular purpose.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In the course of our valuation of the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. We have relied on the information regarding the title to each of the properties. In valuing the properties, unless otherwise stated, we have assumed that the Companies have an enforceable title to each of the properties and has free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

In respect of Property Nos. 1 and 2 which are held under development and for development by the Companies, we have valued these properties on the basis that they will be developed and completed in accordance with the Companies’ latest development proposals provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion of values, we have adopted the direct comparison approach by making reference to the comparable sales transactions as available in the relevant market and have also taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.



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We have been provided with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Companies and their legal adviser, Guang Dong G & Z Law Office, on PRC laws, regarding the titles to the properties. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development proposals, estimated construction costs, estimated completion dates, site and floor areas and all relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Companies which is material to the valuation. We were also advised by the Companies that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior of the properties and did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

We have not been able to carry out detailed on-site measurements to verify the areas of the properties and have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all money amounts are stated in Renminbi.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Charles C K Chan
Chartered Estate Surveyor
MSc FRICS FHKIS MCI Arb RPS(GP)
Managing Director

Note: Charles C K Chan, MSc, FRICS, FHKIS, MCI Arb, RPS (GP), has been a qualified valuer and has about 22 years' experience in the valuation of properties in Hong Kong and has about 17 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUES

No.	Property	Market value in existing state as at 11 May 2007
(1)	Site located at Lot No. B-01-03, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC	RMB106,000,000
(2)	Site located at Lot No. B-01-02, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC	RMB56,000,000
	Grand-total:	<hr/> <u><u>RMB162,000,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 11 May 2007
(1)	Site located at Lot No. B-01-03, Jinshanpianqu, Jinkaiyuan, Beibusingu, Chongqing, PRC	<p>The property comprises a parcel of land with a net site area of approximately 21,674.8 sq.m. (233,308 sq.ft.) on which a commercial development is being constructed.</p> <p>The proposed development will comprise two 21-storey office towers erected on a 4-storey commercial podium and a 2-level basement for car parking purposes. Upon completion, the proposed development will provide a total gross floor area of approximately 108,312.25 sq.m. (1,165,873 sq.ft.), the breakdown of which is as follows:</p>	The property is currently under construction.	RMB106,000,000

Usage	Approximate gross floor area	
	sq.m.	sq.ft.
Office	56,152.72	604,428
Retail	32,099.96	345,524
Car Parking spaces and Ancillary Facilities	20,059.57	215,921
Total	<u>108,312.25</u>	<u>1,165,873</u>

The land use rights of the property have been granted for a term of 40 years commencing on 28 January 2005 and expiring on 27 January 2045 for commercial uses.

Notes:

- (1) Pursuant to the Real Estate Ownership Certificate (100 Fang Tei Zheng 2006 Zi Te No. 1280) issued by Chongqing State-owned Land Resources and Housing Administration Bureau on 29 December 2006, the land use rights of a parcel of land with a net site area of 21,674.8 sq.m. have been granted to Hotfield Land Investment (Chongqing) Co., Ltd (浩輝地產(重慶)有限公司) (“Hotfield”) for a term commencing on 28 January 2005 and expiring on 27 January 2045 for commercial uses.
- (2) Pursuant to the Modification Contract for Transfer of State-owned Land Use Rights (Yu Tei He Bian (2006) (Jin Kai Yuan) No. 55) entered into between Chongqing State-owned Land Resources and Housing Administration Bureau (“Assignor”), 重慶經濟技術開發區土地儲備整治中心 (“Transferor”) and Hotfield (“Assignee”) on 16 November 2006, the Assignor has agreed the Transferor to transfer the land use rights of a parcel of land with an area of 26,827.6 sq.m. (in which 5,152.8 sq.m. are allocated for road use) to the Assignee at a land grant fee of RMB31,651,058.
- (3) Pursuant to the Construction Works Planning Permit (Yu Gui Jin Zheng (2006) Jing Kai Bei Zi Te No. 0037) issued by Chongqing City Planning Bureau on 6 June 2006, the construction works of a project with a scale of 108,312.2 sq.m. is in compliance with the planning requirements and are approved to construct.
- (4) As advised by the Companies, the estimated outstanding construction cost to be spent to complete the proposed development as at 11 May 2007 was approximately RMB180,500,000. We have taken into account the said amounts in our valuation.
- (5) The capital value when completed under the development proposal as described above as at 11 May 2007 was RMB428,000,000.
- (6) We have been provided with a legal opinion on the title to the property issued by the Companies’ PRC legal adviser, which contains, inter-alia, the following information:
 - (i) Hotfield has obtained the Real Estate Ownership Certificate of the property; and
 - (ii) Hotfield is entitled to occupy, use or receive income arising from the property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 11 May 2007
(2)	Site located at Lot No. B-01-02, Jinshanpianqu, Jinkaiyuan, Beibusinqu, Chongqing, PRC	<p>The property comprises a parcel of land with a net site area of approximately 12,181.1 sq.m. (131,117 sq.ft.).</p> <p>The property is planned to be developed into a commercial/ serviced apartment/hotel development with a planned total gross floor area of approximately 133,795 sq.m. (1,440,169 sq.ft.), the breakdown of which is as follows:</p>	The property is a bare land.	RMB56,000,000

Usage	Approximate gross floor area	
	sq.m.	sq.ft.
Office	56,495	608,112
Retail	17,634	189,812
Serviced Apartment	25,731	276,968
Hotel	26,341	283,535
Ancillary	7,594	81,742
Total	133,795	1,440,169

The land use rights of the property have been granted for a term of 40 years commencing on 28 January 2005 and expiring on 27 January 2045 for commercial uses.

Notes:

- (1) Pursuant to the Real Estate Ownership Certificate (100 Fang Tei Zheng 2007 Zi Te No. 29) issued by Chongqing State-owned Land Resources and Housing Administration Bureau on 11 January 2007, the land use rights of a parcel of land with a net site area of 12,181.1 sq.m. have been granted to Vast Champ Investment (Chongqing) Co., Ltd. (浩昌地產(重慶)有限公司) (“Vast Champ”) for a term commencing on 28 January 2005 and expiring on 27 January 2045 for commercial uses.
- (2) Pursuant to the Modification Contract for Transfer of State-owned Land Use Rights (Yu Tei He Bian (2006) (Jin Kai Yuan) No. 54) entered into between Chongqing State-owned Land Resources and Housing Administration Bureau (“Assignor”), 重慶經濟技術開發區土地儲備整治中心 (“Transferor”) and Vast Champ (“Assignee”) on 16 November 2006, the Assignor has agreed the Transferor to transfer the land use rights of a parcel of land with an area of 14,662.8 sq.m. (in which 2,481.7 sq.m. are allocated for road use) to the Assignee at a land grant fee of RMB15,972,127.
- (3) We have been provided with a legal opinion on the title to the property issued by the Companies’ PRC legal adviser, which contains, inter-alia, the following information:
 - (i) Vast Champ has obtained the Real Estate Ownership Certificate of the property; and
 - (ii) Vast Champ is entitled to occupy, use or receive income arising from the property.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' interests and short positions in the shares and underlying shares of the Company

As at the Latest Practicable Date, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered into the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of director	Note	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	1	Corporate	306,959,324	55.67
Madeline May-Lung Wong	1	Corporate	306,959,324	55.67
William Chung-Yue Fan		Personal	1,882,285	0.34

(b) Long positions in the ordinary shares of associated corporations of the Company

Name of director	Notes	Name of associated corporation	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	2	Hon Kwok	Corporate	252,726,553	52.62
	3	Chinney Alliance	Corporate	218,138,283	55.00
	4	Chinney Holdings	Corporate	9,900,000	99.00
		Chinney Holdings	Personal	100,000	1.00
		Lucky Year	Personal	10,000	50.00
Madeline May-Lung Wong	2	Hon Kwok	Corporate	252,726,553	52.62
	2	Chinney Alliance	Corporate	115,395,797	29.10
	4	Chinney Holdings	Corporate	9,900,000	99.00
		Lucky Year	Personal	10,000	50.00
William Chung-Yue Fan	5	Wise Pacific Investment Limited	Corporate	2,000	20.00

(c) Interests in the underlying shares of associated corporation of the Company

Pursuant to the share option scheme of Chinney Alliance, Mr. Herman Man-Hei Fung has options to subscribe for 800,000 shares in Chinney Alliance at an exercise price of HK\$0.70 per share, subject to adjustment. The options were granted on 13 July 1999 and can be exercised up to 12 July 2009.

Notes:

1. *These shares are beneficially held by Chinney Holdings which is a subsidiary of Lucky Year. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors and beneficially own more than one third of the equity capital of Lucky Year.*
2. *These shares are beneficially held by the Company or its wholly-owned subsidiary. By virtue of note 1, Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are deemed to be interested in these shares.*
3. *Out of the 218,138,283 shares, 115,395,797 shares are held by a wholly-owned subsidiary of the Company and the remaining 102,742,486 shares are held by Enhancement, a company controlled by Mr. James Sai-Wing Wong. By virtue of note 1 and the interest in Enhancement, Mr. James Sai-Wing Wong is deemed to be interested in these shares.*
4. *These shares are beneficially held by Lucky Year. By virtue of note 1, Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are deemed to be interested in these shares.*
5. *These shares are held by Gold Sound Enterprises Limited, of which Mr. William Chung-Yue Fan is both a director and shareholder.*

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

2.2 Other persons' interests and short positions in shares and underlying shares of the Company and other members of the Group

As at the Latest Practicable Date and so far as is known to the Directors, the following persons (not being the Directors) had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of ordinary shares held	Approximate percentage of shareholding
Chinney Holdings	306,959,324	55.67
Lucky Year	306,959,324	55.67

All the interests stated above represent long positions. Chinney Holdings and Lucky Year are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.

As at the Latest Practicable Date and so far as is known to the Directors, the following persons (not being the Directors) who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of Shareholder	Name of member of the Group in which interest held	Approximate percentage of equity interested
Zuric Yuen-Keung Chan	Chinney Contractors Company Limited	13.95
Shenzhen Yujianye Development Co., Ltd.	Guangzhou Honkwok Fuqiang Land Development Limited	30
Sharp Billion Development Limited	Guangzhou Honkwok Fuqiang Land Development Limited	10
Guangzhou Hengsheng Group Co., Ltd.	Guangzhou Honkwok Hengsheng Land Development Limited	25
Gold Sound Enterprises Limited	Wise Pacific Investment Limited	20
Lee Nam	Wise Pacific Investment Limited	20

Save as disclosed herein and as at the Latest Practicable Date, none of the Directors was aware of any person (not being the Directors) had or was deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND IN COMPETING BUSINESSES

The Hon Kwok Group has obtained bank loan facilities of HK\$150 million under cash collateral from Lucky Year. In consideration of Lucky Year's provision of the cash security, Hon Kwok Group agreed to indemnify and pay Lucky Year a commission of 1.75% per annum on the average principal amount of the cash security outstanding during the term of the bank loans. Unless prepaid or extended, the bank loans will mature in January 2009. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors and shareholders of Lucky Year. Mr. Herman Man-Hei Fung is also a director of Lucky Year.

The Company has entered into a management contract with Hon Kwok for the provision of general corporate management services. The contract is for an unspecified duration and may be terminated by either party by giving two months' written notice. A management fee of HK\$6,000,000 was received from Hon Kwok for the year ended 31 March 2007. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors of and have beneficial interests in Hon Kwok through their interests in the Company. Mr. Herman Man-Hei Fung is also a director of Hon Kwok.

The Company, through providing administration and general services, received a management fee of HK\$2,000,000 from Chinney Alliance for the year ended 31 March 2007. Mr. James Sai-Wing Wong and Mr. Herman Man-Hei Fung are directors of Chinney Alliance. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong have beneficial interests in Chinney Alliance.

Mr. William Chung-Yue Fan is the consultant of Messrs. Fan & Fan which provides legal and professional services to the Group and receive normal professional fees for such services. Total fees paid by the Group during the year ended 31 March 2007 was approximately HK\$135,000.

The Company entered into an agreement on 24 July 2006 to sell the entire issued share capital of Gateway Group Holdings Limited and Royal Treasure Limited and to assign related shareholder's loan to Grow Ahead Enterprises Limited for a cash consideration of HK\$8,600,000. Mr. James Sai-Wing Wong is a director of and beneficially owns the entire issued share capital of Grow Ahead Enterprises Limited. The transaction constituted a connected and discloseable transaction to the Company, but was exempted from independent shareholders' approval. The transaction was completed on 24 October 2006.

Madam Madeline May-Lung Wong is a director of HKR International Limited. HKR International Limited carries out property development, property investment, property management services, healthcare services, treasury investment and manufacturing. Madam Madeline May-Lung Wong is therefore regarded as being interested in a competing business of the Group.

So far as the Directors are aware and, save as disclosed as aforesaid, as at the Latest Practicable Date:

- (a) none of the Directors or their associates had any direct or indirect interest in any assets which have been, since 31 March 2006 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (b) none of the Directors or their associates was materially interested in any contract or arrangement entered into by any member of the Group and subsisting at the date of this circular which was significant in relation to the business of the Group; and
- (c) none of the Directors or their associates have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2006, being the date to which the latest published audited financial statements of the Group were made up.

6. LITIGATION

Certain subsidiaries of Chinney Contractors Company Limited (a 86.05% owned subsidiary of the Company) were involved in legal proceedings or claims against them in the ordinary course of their respective business activities. The aggregate amount of claims, including estimated legal costs, resulting from such contingent liabilities was approximately HK\$31,004,000 as at the Latest Practicable Date. The Directors consider that, after taking into account of the legal advices obtained, these proceedings and claims were made without valid grounds and accordingly, no provision for any potential liabilities is considered necessary.

Save as disclosed aforesaid, as at the Latest Practicable Date, the Directors are not aware that any of the respective members of the Group were engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened by or against any respective members of the Group.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinions and advice which are included in this circular:

Name	Qualification
Nuada	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Savills Valuation and Professional Services Limited	Property valuer

- (a) As at the Latest Practicable Date, neither Nuada nor Savills Valuation and Professional Services Limited has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) Each of Nuada and Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter or references to its name in the form and context in which they are included.
- (c) Neither Nuada nor Savills Valuation and Professional Services Limited has any direct or indirect interest in any assets which have been, since 31 March 2006 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (a) The company secretary of the Company is Ms. Wendy Yuk-Ying Chan. She is a fellow of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (b) The qualified accountant of the Company is Ms. Louisa Kai-Nor Siu. She is a fellow of the Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.

- (c) The registered office of the Company is at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The Company's share registrar is Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong from the date of this circular up to and including 27 June 2007:

- (a) the Unity Wise Agreement;
- (b) the Ample Joy Agreement;
- (c) the letter from the Independent Board Committee as set out on pages 12 and 13 of this circular;
- (d) the letter of advice from Nuada as set out on pages 14 to 18 of this circular;
- (e) the valuation report from Savills Valuation and Professional Services Limited on the Unity Wise Property and the Ample Joy Property as set out in Appendix I to this circular; and
- (f) the written consents referred to under the section headed "Experts and Consents" in this Appendix II.

NOTICE OF EGM



建業實業有限公司 Chinney Investments, Limited

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Chinney Investments, Limited (the “Company”) will be held at 2308, 23/F., Wing On Centre, 111 Connaught Road Central, Hong Kong on Wednesday, 27 June 2007 at 12:00 noon for considering and if thought fit passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the sale and purchase agreement dated 11 May 2007 (the “Unity Wise Agreement”) entered into between Cheerworld Group Limited as purchaser, Enhancement Investments Limited, Galantine Management Limited and Sharp-View Group Inc. as vendors for the acquisition of the entire issued share capital of Unity Wise International Limited and the assignment of the related shareholders’ loans to Cheerworld Group Limited at an aggregate cash consideration of HK\$90,000,000 (a copy of which has been produced to the meeting and marked “A” and initialled by the Chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised for and on behalf of the Company to execute (whether under the seal or under hand) all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated therein or relating to the Unity Wise Agreement and completion thereof as he may consider necessary, desirable or expedient to give effect to the Unity Wise Agreement and the transactions contemplated thereunder.”

2. **“THAT**

- (a) the sale and purchase agreement dated 11 May 2007 (the “Ample Joy Agreement”) entered into between Cheerworld Group Limited as purchaser and Enhancement Investments Limited as vendor for the acquisition of 50% of the issued share capital of Ample Joy International Limited and the assignment of the related shareholder’s loan to Cheerworld Group Limited at an aggregate cash consideration of HK\$12,000,000 (a copy of which has been produced to the meeting and marked “B” and initialled by the Chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed; and

NOTICE OF EGM

- (b) any director of the Company be and is hereby authorised for and on behalf of the Company to execute (whether under the seal or under hand) all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated therein or relating to the Ample Joy Agreement and completion thereof as he may consider necessary, desirable or expedient to give effect to the Ample Joy Agreement and the transactions contemplated thereunder.”

By Order of the Board
Wendy Yuk-Ying Chan
Company Secretary

Hong Kong, 11 June 2007

Notes:

1. *Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the articles of association of the Company. A proxy need not be a member of the Company.*
2. *A form of proxy for use at the meeting is enclosed.*
3. *To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be completed and deposited at the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
4. *In the case of joint holders of a share, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the above meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.*