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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)

JOINT ANNOUNCEMENT
CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF THE REMAINING 20% EQUITY INTEREST IN
FOSHAN NANHAI XINDA LAND DEVELOPMENT LTD.

The directors of Chinney and Hon Kwok would like to announce that on 24th January, 2006, Orient States, as purchaser, has entered into the Agreement with the Vendor for the acquisition of the remaining 20% equity interest in Nanhai for a cash consideration of RMB53,568,000 (equivalent to approximately HK\$51,508,000).

Orient States currently holds 80% equity interest in Nanhai and the remaining 20% equity interest is held by the Vendor. Nanhai is an investment holding company and the sole asset of significance held by Nanhai is the Property. The Property is a residential development site located at Dali Yayao Lijiao, Nanhai District, Foshan, PRC (中國佛山市南海大瀝雅瑤立交) with a total site area of 247,987 square metres.

The Vendor is a connected person of both Hon Kwok and Chinney by virtue of the fact that it is a substantial shareholder of Nanhai. Accordingly, the Acquisition constitutes a connected transaction for both Hon Kwok and Chinney under the Listing Rules. As the applicable percentage ratios as defined in the Listing Rules exceeds 2.5% but less than 25% and the consideration is more than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

Hon Kwok has obtained from Chinney, which currently holds 58.81% of the issued share capital of Hon Kwok, written approval of the Acquisition. Pursuant to Rule 14A.43 of the Listing Rules, Hon Kwok has applied to the Stock Exchange for a waiver to approve the Acquisition, which constitutes a connected and discloseable transaction for Hon Kwok, by way of a written independent shareholders' approval in lieu of holding a general meeting of Hon Kwok.

Chinney has obtained from Chinney Holdings Limited, which currently holds 55.67% of the issued share capital of Chinney, written approval of the Acquisition. Pursuant to Rule 14A.43 of the Listing Rules, Chinney has applied to the Stock Exchange for a waiver to approve the Acquisition, which constitutes a connected and discloseable transaction for Chinney, by way of a written independent shareholders' approval in lieu of holding a general meeting of Chinney.

A circular containing further information on the Acquisition, the advice of the independent financial adviser to the independent board committee of Hon Kwok and the recommendation of the independent board committee of Hon Kwok will be dispatched to the shareholders of Hon Kwok as soon as possible.

A circular containing further information on the Acquisition, the advice of the independent financial adviser to the independent board committee of Chinney and the recommendation of the independent board committee of Chinney will be dispatched to the shareholders of Chinney as soon as possible.

THE AGREEMENT

Pursuant to the Agreement, Orient States agreed to acquire the Sale Interest from the Vendor.

1. Date

24th January, 2006

2. Parties

Purchaser: Orient States Limited, currently a wholly-owned subsidiary of Hon Kwok
Vendor: Shenzhen Yujianye Development Co., Ltd.
(深圳市御建業實業發展有限公司)

3. Assets involved

At present, Hon Kwok through Orient States holds 80% equity interest in Nanhai. The Sale Interest represents the remaining 20% equity interest in Nanhai. Nanhai is an investment holding company and the sole asset of significance held by Nanhai is the Property.

The Property is a residential development site located at Dali Yayao Lijiao, Nanhai District, Foshan, PRC (中國佛山市南海大瀝雅瑤立交) with a total site area of 247,987 square metres (approximately 372 mou). It is a site for low density residential development presently zoned with a maximum permitted plot ratio of 1.

Following completion of the Acquisition, Nanhai will become a wholly-owned subsidiary of Orient States. Hon Kwok and Chinney through Orient States will then indirectly hold 100% and approximately 58.81% interest in Nanhai respectively.

Following completion of the Acquisition and the Disposal, Nanhai will become a jointly-controlled entity of Hon Kwok and Chinney. Hon Kwok and Chinney will then indirectly hold 50% and approximately 29.40% interest in Nanhai respectively.

4. Consideration

The consideration for the Sale Interest is RMB53,568,000 (equivalent to approximately HK\$51,508,000). The consideration for the Sale Interest was agreed after arm's length negotiations between the parties, taking reference to the agreed land price of RMB720,000 per mou under the 1st Agreement. The total agreed land price of the Property is RMB267,840,000 (equivalent to approximately HK\$257,538,000) and 20% interest in the Property is RMB53,568,000 (equivalent to approximately HK\$51,508,000).

The aggregate consideration of RMB53,568,000 will be payable in the following manner:

- i. the deposit of RMB5,000,000 has been paid upon signing of the Agreement; and
- ii. the balance of the consideration of RMB48,568,000 will be paid within 30 business days after the date of completion of the 1st Agreement.

5. Completion

The completion of the Agreement is subject to and conditional on the following conditions being fulfilled:

- i. a new business licence, new certificate of approval and approval for transfer of equity interest from the local authority evidencing completion of the Acquisition have been obtained;
- ii. all other necessary approval, consent and authorisations, if any, regarding the Acquisition have been obtained; and
- iii. the representations, warranties and undertakings given by the Vendor remains true and correct in all material respect at all times from the date of the Agreement and up to the date of completion of the Agreement.

Completion of the Agreement shall take place within five business days immediately after all of the conditions are fulfilled and in any event shall not be later than 31st August, 2006 (or such later date as the parties may agree).

FINANCIAL EFFECTS OF THE ACQUISITION

There were minimal loss sustained by Nanhai for the financial year ended 31st December, 2005 and there were no operating results of Nanhai for the financial year ended 31st December, 2004.

The net asset value of Nanhai and the carrying value of the Property as at 31st December, 2005 which represent 100% interest were both approximately HK\$119 million in the books of Hon Kwok. The net asset value of Nanhai and the carrying value of the Property as at 31st December, 2005 which represent 20% interest were both approximately HK\$24 million in the books of Hon Kwok.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION

On 20th December, 2005, Hon Kwok announced that High Able Group Limited, an indirect wholly-owned subsidiary of Hon Kwok, has entered into the 1st Agreement for the sale of 50% of the issued share capital of Floralmist Holdings Ltd. and the assignment of the shareholder's loan at an aggregate cash consideration of RMB133,920,000 (equivalent to approximately HK\$128,769,000). The Acquisition is one of the conditions to be fulfilled for completion of the Disposal.

The directors of Hon Kwok (other than the independent non-executive directors whose views will be set out in the circular to be dispatched to the shareholders of Hon Kwok together with the advice of the independent financial adviser) considered 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 (other than the independent non-executive directors whose views will be set out in the circular to be dispatched to the shareholders of Chinney together with the advice of the independent financial adviser) considered that the terms of the Acquisition are fair and reasonable and in the interests of Chinney and its shareholders as a whole.

GENERAL

The Vendor is a connected person of both Hon Kwok and Chinney by virtue of the fact that it is a substantial shareholder of Nanhai. Accordingly, the Acquisition constitutes a connected transaction for both Hon Kwok and Chinney under the Listing Rules. As the applicable percentage ratios as defined in the Listing Rules exceeds 2.5% but less than 25% and the consideration is more than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

No shareholder of Hon Kwok is required to abstain from voting in the general meeting of Hon Kwok for approving the Acquisition and Hon Kwok has obtained from Chinney, which currently holds 58.81% of the issued share capital of Hon Kwok, written approval of the Acquisition. Pursuant to Rule 14A.43 of the Listing Rules, Hon Kwok has applied to the Stock Exchange for a waiver to approve the Acquisition, which constitutes a connected and discloseable transaction for Hon Kwok, by way of a written independent shareholders' approval in lieu of holding a general meeting of Hon Kwok.

No shareholder of Chinney is required to abstain from voting in the general meeting of Chinney for approving the Acquisition and Chinney has obtained from Chinney Holdings Limited, which currently holds 55.67% of the issued share capital of Chinney, written approval of the Acquisition. Pursuant to Rule 14A.43 of the Listing Rules, Chinney has applied to the Stock Exchange for a waiver to approve the Acquisition, which constitutes a connected and discloseable transaction for Chinney, by way of a written independent shareholders' approval in lieu of holding a general meeting of Chinney.

A circular containing further information on the Acquisition, the advice of the independent financial adviser to the independent board committee of Hon Kwok and the recommendation of the independent board committee of Hon Kwok will be dispatched to the shareholders of Hon Kwok as soon as possible.

A circular containing further information on the Acquisition, the advice of the independent financial adviser to the independent board committee of Chinney and the recommendation of the independent board committee of Chinney will be dispatched to the shareholders of Chinney as soon as possible.

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.

INFORMATION ON CHINNEY

Chinney 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.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the PRC which principally engages in investment and trading.

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. Zuric Yuen-Keung Chan and Mr. Dennis Kwok-Wing Cheung and the independent non-executive directors are Mr. Daniel Chi-Wai Tse, Mr. Patrick Yen-Tse Tsai and Mr. Kenneth Kin-Hing Lam.

DIRECTORS OF CHINNEY

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

DEFINITIONS

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

“1st Agreement”	the sale and purchase agreement dated 17th December, 2005 entered into between High Able Group Limited as vendor, MSR Asia Acquisitions VII, Inc. as purchaser and Hon Kwok Land Investment (China) Limited as vendor’s guarantor in relation to the Disposal
“Acquisition”	the acquisition of the Sale Interest under the Agreement
“Agreement”	the agreement dated 24th January, 2006 entered into between Orient States and the Vendor in relation to the acquisition of the Sale Interest
“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
“Disposal”	the sale of 50% of the issued share capital of Floralmist Holdings Ltd. by High Able Group Limited, an indirect wholly-owned subsidiary of Hon Kwok, to MSR Asia Acquisitions VII, Inc. and the assignment of the shareholder’s loan at an aggregate cash consideration of RMB133,920,000 (as announced on 20th December, 2005)
“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 Group”	Hon Kwok and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai “	Foshan Nanhai XinDa Land Development Ltd. (佛山市南海信達房地產有限公司), a company incorporated in the PRC and which is currently a 80% subsidiary of Orient States

“Orient States”	Orient States Limited, a company incorporated in Hong Kong with limited liability and which is currently an indirect wholly-owned subsidiary of Hon Kwok and will become an indirect jointly-controlled entity of Hon Kwok upon completion of the Disposal
“PRC”	The People’s Republic of China
“Property”	a residential development site located at Dali Yayao Lijiao, Nanhai District, Foshan, PRC (中國佛山市南海大瀝雅瑤立交) with a total site area of 247,987 square metres
“RMB”	the Renminbi, the lawful currency of the PRC
“Sale Interest”	20% equity interest in Nanhai held by the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shenzhen Yujianye Development Co., Ltd. (深圳市御建業實業發展有限公司), a company incorporated in the PRC

For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1=RMB1.04. 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, 25th January, 2006

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