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**建業實業有限公司**  
**Chinney Investments, Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code 216)**



**漢國置業有限公司**  
**Hon Kwok Land Investment Company, Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code 160)**

**MAJOR TRANSACTION**

**DISCLOSEABLE TRANSACTION**

**JOINT ANNOUNCEMENT  
DISPOSAL OF PROPERTY  
PLAZA AMPANG**

The directors of Chinney and Hon Kwok would like to announce that on 12th June, 2006, Spark Eagle as vendor has entered into the Agreement with the Purchaser in relation to the sale of Plaza Ampang at a cash consideration of RM70,000,000 (equivalent to HK\$142,100,000).

Plaza Ampang is a commercial and shopping complex situated at Jalan Tun Razak and Jalan Ampang, Kuala Lumpur, Malaysia with a total gross floor area of approximately 401,777 square feet.

The Disposal constitutes a discloseable transaction for Hon Kwok and a major transaction for Chinney under the Listing Rules.

Chinney has obtained from Chinney Holdings Limited, which holds 55.67% of the issued share capital of Chinney, written approval of the Disposal. Pursuant to Rule 14.44 of the Listing Rules, the Disposal which constitutes a major transaction for Chinney has been approved by way of written shareholders' approval in lieu of holding a general meeting of Chinney.

A circular containing further information on the Disposal will be sent to the shareholders of Hon Kwok as soon as possible.

A circular containing further information on the Disposal will be sent to the shareholders of Chinney as soon as possible.

**THE AGREEMENT**

Pursuant to the Agreement, Spark Eagle agreed to sell Plaza Ampang to the Purchaser.

**1. Date**

12th June, 2006

**2. Parties**

Vendor : Spark Eagle Development Limited, a direct wholly-owned subsidiary of Hon Kwok  
Purchaser : Capitol Hotel Sdn. Bhd.

### **3. Information on Plaza Ampang**

Plaza Ampang is a commercial and shopping complex situated at Jalan Tun Razak and Jalan Ampang, Kuala Lumpur, Malaysia with a total gross floor area of approximately 401,777 square feet. It is free from encumbrances.

The carrying value of Plaza Ampang as at 31st March, 2006 was approximately HK\$142 million and it had been valued at RM70,000,000 by an independent valuer as at 31st March, 2005. Plaza Ampang is currently leased out for rental income. The net loss before and after tax attributable to Plaza Ampang for the year ended 31st March, 2005 were both approximately HK\$22 million and the net profit before and after tax attributable to Plaza Ampang for the year ended 31st March, 2004 were approximately HK\$4 million and HK\$3 million respectively. A valuation report on Plaza Ampang will be included in the circular of Chinney.

### **4. Consideration**

The consideration for the Disposal is RM70,000,000 (equivalent to HK\$142,100,000) and was agreed after arm's length negotiations between the parties, taking reference to the market price of commercial complex in the vicinity.

The consideration of RM70,000,000 will be payable in the following manner:

- a. a sum of RM700,000 has been paid to Spark Eagle;
- b. a further sum of RM2,800,000 was paid upon execution of the Agreement;
- c. the first balance sum of RM56,500,000 will be paid on the Completion Date; and
- d. the final balance sum of RM10,000,000 will be paid within 24 months from the date of execution of the Agreement.

As security for the payment of the consideration for the Disposal, (i) Low Yat Construction Company Sdn. Berhad, a fellow subsidiary of the Purchaser, has executed a corporate guarantee in favour of Spark Eagle to guarantee the due payment of the first balance sum and the final balance sum of an aggregate amount of RM66,500,000 by the Purchaser; and (ii) Mr. Low Gee Teong, a shareholder of the Purchaser, has executed a personal guarantee in favour of Spark Eagle to guarantee the due payment of the final balance sum of RM10,000,000 by the Purchaser.

### **5. Completion**

Completion of the Agreement is subject to the satisfaction of the procurement of obtaining the shareholders' approval of Spark Eagle and its holding companies and shall take place on the expiry of 6 months from the date of the Agreement. The Purchaser may elect to complete earlier by giving 3 months prior notice in writing to Spark Eagle.

## **REASONS AND BENEFITS FOR THE DISPOSAL**

The directors of Hon Kwok believe that the Disposal represents a good opportunity for the Hon Kwok Group to realise its investment in Malaysia and reallocate its resources to the property activities in Hong Kong and Mainland China. The Disposal will further strengthen the financial position of the Hon Kwok Group and enhance its cashflow. The preliminary loss on disposal of Plaza Ampang is estimated to be approximately HK\$4 million in the books of Hon Kwok and approximately HK\$2.4 million in the books of Chinney. The proceeds from the Disposal will be used as general working capital for the Hon Kwok Group. No new projects have been identified which will command usage of the proceeds from the Disposal.

The directors of Hon Kwok believe that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of Hon Kwok as a whole. The directors of Chinney believe that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of Chinney as a whole.

## **GENERAL**

The Disposal constitutes a discloseable transaction for Hon Kwok and a major transaction for Chinney under the Listing Rules. As the Purchaser is an independent third party, no shareholder of Chinney is required to abstain from voting in the general meeting for approving the Disposal. Chinney has obtained from Chinney Holdings Limited, which holds 55.67% of the issued share capital of Chinney, written approval of the Disposal. Pursuant to Rule 14.44 of the Listing Rules, the Disposal which constitutes a major transaction for Chinney has been approved by way of written shareholders' approval in lieu of holding a general meeting of Chinney.

A circular containing further information on the Disposal will be sent to the shareholders of Hon Kwok as soon as possible.

A circular containing further information on the Disposal will be sent 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.

Chinney is currently the holding company of Hon Kwok holding approximately 58.81% of the issued share capital of Hon Kwok.

## **INFORMATION ON THE PURCHASER**

The Purchaser is a company incorporated in Malaysia and is engaged in hotel business, investment holding and letting of property.

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

## **DIRECTORS OF HON KWOK**

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:

“Agreement”	the sale and purchase agreement dated 12th June, 2006 entered into between Spark Eagle and the Purchaser in relation to the sale of Plaza Ampang to the Purchaser at a cash consideration of RM70,000,000
“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
“Completion Date”	on the expiry of 6 months from the date of the Agreement or such an earlier date as the Purchaser may elect by giving 3 months prior notice in writing to Spark Eagle
“Disposal”	the sale of Plaza Ampang by Spark Eagle to the Purchaser 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 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
“Purchaser”	Capitol Hotel Sdn. Bhd., a company incorporated in Malaysia
“RM”	the Ringgit Malaysia, the lawful currency of Malaysia
“Spark Eagle”	Spark Eagle Development Limited, a company incorporated in Hong Kong with limited liability and which is a direct wholly-owned subsidiary of Hon Kwok
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*For illustration purpose, RM has been translated into HK\$ at the exchange rate of RM1=HK\$2.03. Such translation should not be construed as a representation that any amounts in RM 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, 12th June, 2006

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