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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 TRANSACTION ACQUISITION OF THE REMAINING 20% EQUITY INTEREST IN SHENZHEN HONKWOK HUAYE DEVELOPMENT CO., LTD.

The directors of Chinney and Hon Kwok would like to announce that on 16th March, 2006, Hopmate as purchaser has entered into the Agreement with the Vendor for the acquisition of the remaining 20% equity interest in Honkwok Huaye for a cash consideration of RMB10,000,000 (equivalent to approximately HK\$9,662,000).

Hopmate currently holds 80% equity interest in Honkwok Huaye and the remaining 20% equity interest is held by the Vendor. Honkwok Huaye is the developer of the Property. The Property is a completed development property known as City Square (城市天地廣場) situated at Jia Bin Lu, Luo Hu District, Shenzhen, Guangdong Province, PRC (中國廣東省深圳市羅湖區嘉賓路).

The Vendor is a connected person of both Hon Kwok and Chinney by virtue of the fact that it is a substantial shareholder of Honkwok Huaye. 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 are less than 25% and the consideration is less than HK\$10 million, the Acquisition is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

THE AGREEMENT

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

1. Date

16th March, 2006

2. Parties

Purchaser	:	Hopmate International Development Limited, an indirect wholly-owned subsidiary of Hon Kwok
Vendor	:	Neimenggu Huaye Property Co., Ltd. (內蒙古華業地產股份有限公司)

3. Assets involved

Honkwok Huaye was established in 1997 in which Hopmate holds 80% equity interest since its establishment. The Sale Interest represents the remaining 20% equity interest in Honkwok Huaye. Honkwok Huaye is the developer of the Property.

The Property, a completed development property known as City Square (城市天地廣場), is situated at Jia Bin Lu, Luo Hu District, Shenzhen, Guangdong Province, PRC (中國廣東省深圳市羅湖區嘉賓路) with the occupation permit being issued in June 2005.

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

4. Consideration

The consideration for the Sale Interest is RMB10,000,000 (equivalent to approximately HK\$9,662,000). The consideration for the Sale Interest was agreed after arm's length negotiations between the parties, taking reference to the shareholders' fund of Honkwok Huaye of approximately RMB57 million as at 31st January, 2006, adjusted for the dividend of RMB27.5 million declared prior to the signing of the Agreement. The consideration of RMB10,000,000 will be payable in the following manner:

- i. the deposit of RMB1,000,000 will be paid within seven business days after signing of the Agreement; and
- ii. the balance of the consideration of RMB9,000,000 will be paid upon completion of the Agreement.

5. Completion

Completion of the Agreement shall take place within seven business days immediately after a new business licence, new certificate of approval and approval for transfer of the equity interest in Honkwok Huaye from the local authorities have been obtained.

FINANCIAL EFFECTS OF THE ACQUISITION

The unaudited net profit before and after taxation and extraordinary items of Honkwok Huaye for the financial year ended 31st March, 2005 were both approximately HK\$400,000. The unaudited net loss before and after taxation and extraordinary items of Honkwok Huaye for the financial year ended 31st March, 2004 were both approximately HK\$166,000. The unaudited net profit before and after taxation and extraordinary items of Honkwok Huaye for the six months ended 30th September, 2005 were approximately HK\$125 million and HK\$106 million respectively. The relevant financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards.

In the books of Hon Kwok, the net asset value of Honkwok Huaye and the carrying value of the Property as at 31st March, 2005 were approximately HK\$46 million and HK\$724 million respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION

The Acquisition provides an opportunity for Hon Kwok to unify its shareholding in Honkwok Huaye.

The directors of Hon Kwok (including the independent non-executive directors) 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 (including the independent non-executive directors) 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 Honkwok Huaye. 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 are less than 25% and the consideration is less than HK\$10 million, the Acquisition is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules.

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 property development.

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:

“Acquisition”	the acquisition of the Sale Interest under the Agreement
“Agreement”	the agreement dated 16th March, 2006 entered into between Hopmate 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
“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
“Honkwok Huaye “	Shenzhen Honkwok Huaye Development Co., Ltd. (深圳漢國華業發展有限公司), a company incorporated in the PRC and which is currently an 80% subsidiary of Hopmate
“Hopmate”	Hopmate International Development Limited, a company incorporated in Hong Kong with limited liability and which is an indirect wholly-owned subsidiary of Hon Kwok
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Property”	a completed development property known as City Square (城市天地廣場) situated at Jia Bin Lu, Luo Hu District, Shenzhen, Guangdong Province, PRC (中國廣東省深圳市羅湖區嘉賓路)
“RMB”	the Renminbi, the lawful currency of the PRC
“Sale Interest”	20% equity interest in Honkwok Huaye held by the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Neimenggu Huaye Property Co., Ltd. (內蒙古華業地產股份有限公司), a company incorporated in the PRC

For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1=RMB1.035. 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, 16th March, 2006

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