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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

DISCLOSEABLE TRANSACTIONS

DISPOSAL OF 50% OF THE SHARE CAPITAL OF RICH CENTRAL LIMITED (TOGETHER WITH ASSOCIATED SHAREHOLDER'S LOAN) AND ENTRY INTO JOINT VENTURE AGREEMENT

The directors of Chinney and Hon Kwok would like to announce that on 21 October 2005, Hon Kwok China entered into the S&P Agreement with the Purchaser in relation to the sale of the Sale Shares, representing 50% of the issued share capital of Rich Central, and the assignment of the Debt to the Purchaser at an aggregate cash consideration of HK\$45,658,619.46.

Following completion of the S&P Agreement, Rich Central will cease to be a subsidiary of the Hon Kwok Group and become a jointly-controlled entity of the Hon Kwok Group. Rich Central is the parent company of the JV Group and the sole asset of significance held by the JV Group is the Property. Hon Kwok China and the Purchaser have also entered into the JV Agreement which sets out certain terms relating to the management of Rich Central and the remainder of the JV Group and the development of the Property.

Chinney is currently the holding company of Hon Kwok holding approximately 57.83% of the issued share capital of Hon Kwok. Chinney Holdings Limited is currently the holding company of Chinney holding approximately 55.67% of the issued share capital of Chinney.

The Transaction constitutes a discloseable transaction for Hon Kwok and for Chinney under the Listing Rules. Circulars containing further information on the Transaction will be sent to the shareholders of Hon Kwok and to the shareholders of Chinney as soon as possible.

THE S&P AGREEMENT

Pursuant to the S&P Agreement, Hon Kwok China agreed to sell the Sale Shares and assign the Debt to the Purchaser.

1. Date

21 October 2005

2. Parties

Vendor: Hon Kwok China
Purchaser: Gateway China Fund I

3. Sale Shares and the Property

The Sale Shares represent 50% of the issued share capital of Rich Central. Rich Central is the parent company of the JV Group (the JV Group consists of Rich Central, New System and Guangzhou Lian Cheng). The sole asset of significance held by the JV Group is the Property. The Property was acquired by the JV Group for consideration of RMB90,500,000 pursuant to an affirmation agreement entered into between the JV Group and the Guangzhou Land Bureau after a successful bid was made by the JV Group at a land auction held on 21 July 2005. The JV Group proposes to construct a commercial/residential development on the Property. The Property is currently a vacant lot and the JV Group is considering the development plan and timetable.

4. Consideration

The consideration for the Sale Shares is HK\$695,185.96. The consideration for the Debt is HK\$44,963,433.50. The aggregate consideration of HK\$45,658,619.46 will be paid in cash at completion of the S&P Agreement and was arrived at after arm's length negotiations between the parties and represents 50% of the costs incurred to date by the JV Group in acquiring the Property. Therefore the Transaction will not result in any significant gain or loss for the Hon Kwok Group.

5. Completion

The S&P Agreement is unconditional. Completion of the transfer of the Sale Shares and assignment of the Debt will take place on 28 October 2005. Following completion of the S&P Agreement, Rich Central will cease to be a subsidiary of Hon Kwok and Chinney and become a jointly-controlled entity of Hon Kwok and Chinney. Each of Hon Kwok China and the Purchaser will appoint two directors to the board of Rich Central.

THE JV AGREEMENT

The JV Agreement sets out certain terms relating to the management of Rich Central and the remainder of the JV Group and the development of the Property

1. Date

21 October 2005

2. Parties

Hon Kwok China

Gateway China Fund I

3. Principal Terms

Each party to the JV Agreement will have the right to appoint an equal number of directors of Rich Central. No director will have a casting vote at board meetings. The quorum for board meetings will be one director appointed by each shareholder of Rich Central. These arrangements for directors and board meetings will also apply to each of the other members of the JV Group. Hon Kwok China and the Purchaser must contribute funding required by the JV Group from shareholders for the development of the Property in equal portions. It is currently estimated that the total funding required by the JV Group for the development of the Property will be approximately HK\$173 million.

USE OF PROCEEDS

The proceeds to be received by Hon Kwok China at the completion of the S&P Agreement will be used as general working capital for Hon Kwok Group.

FINANCIAL INFORMATION ON RICH CENTRAL

Based on the most recent management accounts of Rich Central, as at 30 September 2005, the consolidated net asset value of Rich Central together with all outstanding shareholder's loan is approximately HK\$89,900,000. Rich Central was recently established to hold the Property and has generated no net profits to date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

The Hon Kwok Group's core business strategy is to develop and invest in properties, either by itself or with appropriate partners. The Transaction is consistent with this strategy and the directors of Chinney and Hon Kwok believe the Transaction will be beneficial to the Hon Kwok Group as, by introducing the Purchaser as a partner for the development of the Property, it will enable the Hon Kwok Group to diversify risk and enable the JV Group to benefit from a pooling of the resources and talents of both joint venture partners.

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

CIRCULAR

The Transaction constitutes a discloseable transaction for Hon Kwok and for Chinney under the Listing Rules. Circulars containing further information on the Transaction will be sent to the shareholders of Hon Kwok and 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 57.83% of the issued share capital of Hon Kwok.

Chinney Holdings Limited is currently the holding company of Chinney holding approximately 55.67% of the issued share capital of Chinney.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Cayman Islands with limited liability which principally engages in property investment in Macau, Hong Kong and the PRC. It is an investment vehicle which is ultimately beneficially held by its investors.

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. William Chung-Yue Fan, Mr. Herman Man-Hei Fung and Mr. Chan Yuen-Keung 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:

“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
“Debt”	HK\$44,963,433.50, being 50% of the total sum owing by the JV Group to Hon Kwok China prior to completion of the S&P Agreement
“Guangzhou Lian Cheng”	Guangzhou Lian Cheng Real Estate Co., Ltd. (廣州市聯成房地產有限公司), a company incorporated in the PRC and which is a wholly owned subsidiary of New System
“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 China”	Hon Kwok Land Investment (China) Limited, a company incorporated in Hong Kong with limited liability and which is a wholly owned subsidiary of Hon Kwok
“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
“JV Agreement”	the joint venture agreement dated 21 October 2005 between Hon Kwok China and the Purchaser
“JV Group”	Rich Central, New System and Guangzhou Lian Cheng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New System”	New System Development Limited, a company incorporated in Hong Kong which is a wholly owned subsidiary of Rich Central and owns the entire equity interest in Guangzhou Lian Cheng
“PRC”	The People’s Republic of China
“Property”	a plot of land with a site area of approximately 4,817 sq.m. and a gross floor area of approximately 46,494 sq.m. situated at Sansheng Sixiang, Wuxiang, Fushifang, 459-471 Longjinzong Road, Liwan District, Guangzhou, PRC (中國廣州市荔灣區龍津中路459-471號、三聖四巷、五巷、福施坊等地塊)
“Purchaser”	Gateway China Fund I, a company incorporated in the Cayman Islands
“Rich Central”	Rich Central Limited, a company incorporated in the British Virgin Islands and which is, prior to completion of the S&P Agreement, a wholly owned subsidiary of Hon Kwok China.
“RMB”	the Renminbi, the lawful currency of the PRC
“S&P Agreement”	the agreement dated 21 October 2005 entered into between Hon Kwok China and the Purchaser in relation to the sale of the Sale Shares and the assignment of the Debt to the Purchaser at an aggregate cash consideration of HK\$45,658,619.46
“Sale Shares”	50 shares of US\$1 each in Rich Central, representing 50% of the issued share capital of Rich Central
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale of the Sale Shares by Hon Kwok China to the Purchaser, the assignment of the Debt by Hon Kwok China to the Purchaser and the entry into of the JV Agreement

“US\$”

the United States dollar, the lawful currency of the United States of America

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, 21 October 2005

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