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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

TERMINATION OF THE PROPOSED DISPOSAL OF 50% OF THE ISSUED SHARE CAPITAL OF JOIN ALLY LIMITED (TOGETHER WITH ASSOCIATED SHAREHOLDER'S LOAN)

On 4th October, 2006, the directors of Hon Kwok and Chinney announced that High Able, a wholly-owned subsidiary of Hon Kwok and Chinney, entered into a S&P Agreement in respect of the disposal of 50% of the issued share capital of Join Ally (together with associated shareholder's loan).

On 27th March, 2007, the parties to the S&P Agreement entered into a Termination Letter to terminate the S&P Agreement.

Reference is made to the joint announcement dated 4th October, 2006 (the "Joint Announcement") issued by Hon Kwok and Chinney, the circular dated 26th October, 2006 issued by Hon Kwok and the circular dated 27th November, 2006 issued by Chinney in respect of the disposal of 50% of the issued share capital of Join Ally (together with associated shareholder's loan). Capitalised terms in this announcement shall have the same meanings as those defined in the Joint Announcement unless defined otherwise.

BACKGROUND

Pursuant to the S&P Agreement, High Able agreed to sell and the Purchaser agreed to purchase 50% of the issued share capital of Join Ally (together with associated shareholder's loan) at a total consideration of RMB245,215,100 (equivalent to HK\$241,591,232). The completion of the S&P Agreement is conditional upon the fulfilment or waiver by the Purchaser of certain conditions precedent on or before 31st March, 2007, the Long Stop Date.

TERMINATION LETTER

Due to the unexpected delay in obtaining the relevant governmental approvals, certain conditions precedent under the S&P Agreement are expected not to be met by the Long Stop Date. After negotiation, the parties to the S&P Agreement being High Able as the vendor, Hon Kwok Land Investment (China) Limited as the vendor's guarantor and SGM Golem Investment Limited as the purchaser mutually agreed to enter into a Termination Letter on 27th March, 2007. Pursuant to the Termination Letter, the S&P Agreement has been terminated and ceased to be of any effect to all parties concerned, save for certain clauses such as the confidentiality and announcement clauses and the return of the deposit without interest in the amount of HK\$24,137,241 to the Purchaser within five business days after 27th March, 2007.

The directors of Hon Kwok and Chinney consider that the termination of the S&P Agreement has no material impact on the business and financial position of the Hon Kwok Group and the Chinney Group.

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. Yuen-Keung Chan and Mr. 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.

For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1=RMB1.015. 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, 27th March, 2007

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