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If you have sold or otherwise transferred all your shares in **Chinney Investments, Limited** and/or **Hon Kwok Land Investment Company, Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

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**

A joint letter from the Boards is set out on pages 4 to 7 of this circular.

14th November, 2005

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

“Announcement”	the joint announcement of Chinney and Hon Kwok dated 21st October, 2005 in relation to the disposal by Hon Kwok China of 50% of the share capital of Rich Central (together with associated shareholder’s loan) and entry into the JV Agreement
“Board(s)”	the board(s) of directors of Hon Kwok and Chinney
“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
“Chinney Alliance”	Chinney Alliance Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Chinney Group”	Chinney and its subsidiaries
“Chinney Holdings”	Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability and is currently the holding company of Chinney holding approximately 55.67% of the issued share capital of Chinney
“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
“Directors”	the directors of Chinney and Hon Kwok
“Gateway China Fund I” or “Purchaser”	Gateway China Fund I, a company incorporated in the Cayman Islands with limited liability
“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

DEFINITIONS

“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 21st October, 2005 between Hon Kwok China and the Purchaser
“JV Group”	Rich Central, New System and Guangzhou Lian Cheng
“Latest Practicable Date”	7th November, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lucky Year”	Lucky Year Finance Limited, a company incorporated in the British Virgin Islands with limited liability
“New System”	New System Development Limited, a company incorporated in Hong Kong with limited liability and 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)
“Rich Central”	Rich Central Limited, a company incorporated in the British Virgin Islands with limited liability and which was, 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 21st 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“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

JOINT LETTER FROM THE BOARDS



建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code 216)

Directors of Chinney Investments, Limited:
James Sai-Wing Wong (*Chairman*)
Madeline May-Lung Wong
William Chung-Yue Fan
Herman Man-Hei Fung (*Managing Director*)
Clement Kwok-Hung Young*
Johnny Chung-Ah Wong*
Peter Man-Kong Wong*

*Directors of Hon Kwok Land Investment
Company, Limited:*

James Sai-Wing Wong (*Chairman*)
Madeline May-Lung Wong
William Chung-Yue Fan
Herman Man-Hei Fung (*Vice-Chairman*)
Zuric Yuen-Keung Chan
Daniel Chi-Wai Tse*
Patrick Yen-Tse Tsai*
Kenneth Kin-Hing Lam*

* *Independent Non-executive Directors*



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

(Incorporated in Hong Kong with limited liability)

(Stock Code 160)

Registered office:
18th Floor
Hang Seng Building
77 Des Voeux Road Central
Hong Kong

Registered office:
18th Floor
Hang Seng Building
77 Des Voeux Road Central
Hong Kong

14th November, 2005

To the shareholders of Chinney and the shareholders of Hon Kwok

Dear Sir or Madam,

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

1. INTRODUCTION

Reference is made to the Announcement in which the Boards announced on 21st October, 2005 that Hon Kwok China had 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.

JOINT LETTER FROM THE BOARDS

Following completion of the S&P Agreement on 28th October, 2005, Rich Central ceased to be a subsidiary of the Hon Kwok Group and became a jointly-controlled entity of Hon Kwok and Chinney. 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.

The Transaction constitutes a discloseable transaction for both Hon Kwok and Chinney under the Listing Rules. The purpose of this circular is to provide you with further information regarding the Transaction in compliance with the requirements of the Listing Rules.

2. THE S&P AGREEMENT

On 21st October, 2005, Hon Kwok China (as vendor) entered into the S&P Agreement with Gateway China Fund I (as purchaser) whereby Hon Kwok China agreed to sell the Sale Shares and to assign the Debt to the Purchaser.

(a) 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, which 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 21st 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 for the Property.

(b) Consideration

The consideration for the Sale Shares was HK\$695,185.96. The consideration for the Debt is HK\$44,963,433.50. The aggregate consideration of HK\$45,658,619.46 was paid in cash at completion of the S&P Agreement on 28th October, 2005. The amount of the consideration 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.

(c) Completion

The S&P Agreement was unconditional and completion of the transfer of the Sale Shares and assignment of the Debt took place on 28th October, 2005. On completion of the S&P Agreement, Rich Central ceased to be a subsidiary of Hon Kwok and Chinney and became a jointly-controlled entity of Hon Kwok and Chinney. Each of Hon Kwok China and the Purchaser has appointed two directors to the board of Rich Central. As at the Latest Practicable Date, Chinney and Hon Kwok through Hon Kwok China indirectly hold approximately 29.20% and 50% respectively of the total issued share capital of Rich Central. Hon Kwok China intends to retain its current interest in Rich Central.

JOINT LETTER FROM THE BOARDS

3. THE JV AGREEMENT

On 21st October, 2005, Hon Kwok China entered into the JV Agreement with the Purchaser. 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.

Principal Terms

Each party to the JV Agreement has the right to appoint an equal number of directors of Rich Central. No director has a casting vote at board meetings. The quorum for board meetings is one director appointed by each shareholder of Rich Central. These arrangements for directors and board meetings 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 is approximately HK\$173 million.

4. USE OF PROCEEDS

The proceeds received by Hon Kwok China for the Sale Shares and the assignment of the Debt will be used as general working capital for the Hon Kwok Group.

5. FINANCIAL INFORMATION ON RICH CENTRAL AND FINANCIAL EFFECTS OF THE TRANSACTION

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

The financial effects of the Transaction on the Hon Kwok Group are expected to be (i) a decrease in non-current assets of approximately HK\$44.9 million; (ii) an increase in current assets of approximately HK\$45.7 million; and (iii) no change in current liabilities. It is expected that the Transaction will not result in any material gain or loss to the Hon Kwok Group.

The financial effects of the Transaction on the Chinney Group are expected to be (i) a decrease in non-current assets of approximately HK\$44.9 million; (ii) an increase in current assets of approximately HK\$45.7 million; and (iii) no change in current liabilities. It is expected that the Transaction will not result in any material gain or loss to the Chinney Group.

6. 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 Hon Kwok believe that 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. As a result of these benefits to the Hon Kwok Group, the directors of Chinney believe that the Transaction will also benefit Chinney (the holding company of the Hon Kwok Group).

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.

JOINT LETTER FROM THE BOARDS

7. 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.

8. 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.

As at the Latest Practicable Date, Chinney is the holding company of Hon Kwok holding approximately 58.39% of the issued share capital of Hon Kwok.

9. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the 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 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.

10. GENERAL

Your attention is also drawn to the general information set out in the appendix of this Circular.

Yours faithfully,
By Order of the Board
Chinney Investments, Limited
James Sai-Wing Wong
Chairman

Yours faithfully,
By Order of the Board
Hon Kwok Land Investment Company, Limited
James Sai-Wing Wong
Chairman

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to Chinney and Hon Kwok. The directors of Chinney collectively and individually accept full responsibility for the accuracy of the information contained in this Circular (so far as it relates to the Chinney Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts relating to the Chinney Group the omission of which would make any statement herein misleading. The directors of Hon Kwok collectively and individually accept full responsibility for the accuracy of the information contained in this Circular (so far as it relates to the Hon Kwok Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts relating to the Hon Kwok Group the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

2.1 Directors' interests and short positions in the shares and underlying shares of Hon Kwok

As at the Latest Practicable Date, the interests and short positions held by the directors of Hon Kwok in the shares, underlying shares and debentures of Hon Kwok or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to Hon Kwok and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered into the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to Hon Kwok and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of Hon Kwok

Name of director	Note	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	1	Corporate	233,710,553	58.39
Madeline May-Lung Wong	1	Corporate	233,710,553	58.39

(b) Long positions in the ordinary shares of associated corporations of Hon Kwok

Name of director	Notes	Name of associated corporation	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	2	Chinney	Corporate	306,959,324	55.67
	3	Chinney Holdings	Corporate	9,900,000	99.00
		Chinney Holdings	Personal	100,000	1.00
		Lucky Year	Personal	10,000	50.00
Madeline May-Lung Wong	2	Chinney	Corporate	306,959,324	55.67
	3	Chinney Holdings	Corporate	9,900,000	99.00
		Chinney Holdings	Personal	10,000	50.00
		Lucky Year	Personal	10,000	50.00
William Chung-Yue Fan	4	Chinney	Personal	1,882,285	0.34
		Wise Pacific Investment Limited	Corporate	2,000	20.00
Zuric Yuen-Keung Chan		Chinney Contractors Company Limited	Personal	2,645	13.95

Notes:

- These shares are beneficially held by Chinney which is a subsidiary of Chinney Holdings. More than one-third of the equity capital of Chinney Holdings is owned by Lucky Year of which James Sai-Wing Wong and Madeline May-Lung Wong are directors and have beneficial interest therein.*
- These shares are beneficially held by Chinney Holdings. By virtue of note 1, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*
- These shares are beneficially held by Lucky Year. By virtue of note 1, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*
- These shares are held by Gold Sound Enterprises Limited, of which William Chung-Yue Fan is a director and shareholder.*

Save as disclosed herein, as at the Latest Practicable Date, none of the directors of Hon Kwok had any interests or short positions in the shares, underlying shares or debentures of Hon Kwok or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to Hon Kwok and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by Hon Kwok under Section 352 of the SFO, or which were required to be notified to Hon Kwok and the Stock Exchange pursuant to the Model Code.

2.2 Other persons' interests and short positions in shares and underlying shares of Hon Kwok and other Hon Kwok Group Members

As at the Latest Practicable Date and so far as is known to the directors of Hon Kwok, the following persons (not being the directors of Hon Kwok) had or were deemed or taken to have interests or short positions in the shares and underlying shares of Hon Kwok which would fall to be disclosed to Hon Kwok and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Notes	Number of ordinary shares held	Approximate percentage of shareholding
Chinney	1 & 2	233,710,553	58.39
Chinney Holdings	1 & 2	233,710,553	58.39
Lucky Year	1 & 2	233,710,553	58.39
DJE Investment S.A.	1 & 3	20,102,000	5.02
Dr. Jens Ehrhardt Kapital AG	1 & 3	20,102,000	5.02
Dr. Jens Alfred Karl Ehrhardt	1 & 3	20,102,000	5.02

Notes:

1. All the interests stated above represent long positions.
2. Chinney, Chinney Holdings and Lucky Year are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.
3. DJE Investment S.A., Dr. Jens Ehrhardt Kapital AG and Dr. Jens Alfred Karl Ehrhardt are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.

As at the Latest Practicable Date and so far as is known to the directors of Hon Kwok, the following persons (not being the directors of Hon Kwok) who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of Hon Kwok or any other member of the Hon Kwok Group or had any option in respect of such capital:

Name of shareholder	Name of Hon Kwok Group member in which interest held	Approximate percentage of equity interested
Guangzhou Fuqiang Development Co., Ltd. (廣州福強實業發展有限公司)	Guangzhou Honkwok Fuqiang Land Development Ltd.	40
Guangzhou Hengsheng Group Co., Ltd. (廣州市恒生集團有限公司)	Guangzhou Honkwok Hengsheng Land Development Ltd.	25
Shenzhen Yujianye Development Co., Ltd. (深圳市御建業實業發展有限公司)	Nanhai Xin Da Real Estate Development Co., Ltd.	20
Neimenggu Huaye Property Co., Ltd. (內蒙古華業地產股份有限公司)	Shenzhen Honkwok Huaye Development Co., Ltd.	20
Gold Sound Enterprises Limited	Wise Pacific Investment Limited	20
Lee Nam	Wise Pacific Investment Limited	20

Save as disclosed herein and as at the Latest Practicable Date, none of the directors of Hon Kwok was aware of any person (not being the directors of Hon Kwok) had or was deemed or taken to have interests or short positions in the shares and underlying shares of Hon Kwok which would fall to be disclosed to Hon Kwok and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of Hon Kwok or any other member of the Hon Kwok Group or had any option in respect of such capital.

2.3 Directors' interests and short positions in the shares and underlying shares of Chinney

As at the Latest Practicable Date, the interests and short positions held by the directors of Chinney in the shares, underlying shares and debentures of Chinney or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to Chinney and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered into the register referred to therein, or which were required pursuant to the Model Code to be notified to Chinney and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of Chinney

Name of director	Note	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	1	Corporate	306,959,324	55.67
Madeline May-Lung Wong	1	Corporate	306,959,324	55.67
William Chung-Yue Fan		Personal	1,882,285	0.34

(b) Long positions in the ordinary shares of associated corporations of Chinney

Name of director	Notes	Name of associated corporation	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	2	Hon Kwok	Corporate	233,710,553	58.39
	2	Chinney	Corporate	46,158,319	29.10
	3	Alliance Chinney Holdings	Corporate	9,900,000	99.00
		Chinney Holdings	Personal	100,000	1.00
Madeline May-Lung Wong		Lucky Year	Personal	10,000	50.00
	2	Hon Kwok	Corporate	233,710,553	58.39
	2	Chinney	Corporate	46,158,319	29.10
	3	Alliance Chinney Holdings	Corporate	9,900,000	99.00
William Chung-Yue Fan		Lucky Year	Personal	10,000	50.00
	4	Wise Pacific Investment Limited	Corporate	2,000	20.00

(c) Interests in the underlying shares of associated corporation of Chinney

Pursuant to the share option scheme of Chinney Alliance, Herman Man-Hei Fung has options to subscribe for 320,000 shares in Chinney Alliance at an exercise price of HK\$1.75 per share, subject to adjustment. The options were granted on 13th July, 1999 and can be exercised up to 12th July, 2009.

Notes:

1. *These shares are beneficially held by Chinney Holdings which is a subsidiary of Lucky Year. James Sai-Wing Wong and Madeline May-Lung Wong are directors and beneficially own more than one-third of the equity capital of Lucky Year.*
2. *These shares are beneficially held by Chinney. By virtue of note 1, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*
3. *These shares are beneficially held by Lucky Year. By virtue of note 1, James Sai-Wing Wong and Madeline May-Lung Wong are deemed to be interested in these shares.*
4. *These shares are held by Gold Sound Enterprises Limited, of which William Chung-Yue Fan is both a director and shareholder.*

Save as disclosed herein, as at the Latest Practicable Date, none of the directors of Chinney had any interests or short positions in the shares, underlying shares or debentures of Chinney or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to Chinney and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by Chinney under Section 352 of the SFO or which were required to be notified to Chinney and the Stock Exchange pursuant to the Model Code.

2.4 Other persons' interests and short positions in shares and underlying shares of Chinney and other Chinney Group Members

As at the Latest Practicable Date and so far as is known to the directors of Chinney, the following persons (not being the directors of Chinney) had or were deemed or taken to have interests or short positions in the shares and underlying shares of Chinney which would fall to be disclosed to Chinney and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of ordinary shares held	Approximate percentage of shareholding
Chinney Holdings	306,959,324	55.67
Lucky Year	306,959,324	55.67

All the interests stated above represent long positions. Chinney Holdings and Lucky Year are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.

As at the Latest Practicable Date and so far as is known to the director of Chinney, the following persons (not being the directors of Chinney) who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of Chinney or any other member of the Chinney Group or had any option in respect of such capital:

Name of shareholder	Name of Chinney Group member in which interest held	Approximate percentage of equity interested
Guangzhou Fuqiang Development Co., Ltd. (廣州福強實業發展有限公司)	Guangzhou Honkwok Fuqiang Land Development Ltd.	40
Guangzhou Hengsheng Group Co., Ltd. (廣州市恒生集團有限公司)	Guangzhou Honkwok Hengsheng Land Development Ltd.	25
Shenzhen Yujianye Development Co., Ltd. (深圳市御建業實業發展有限公司)	Nanhai Xin Da Real Estate Development Co., Ltd.	20
Metro Corporation Indonesia Limited	Metro Gateway Concept (HK) Limited	49
Neimenggu Huaye Property Co., Ltd. (內蒙古華業地產股份有限公司)	Shenzhen Honkwok Huaye Development Co., Ltd.	20
Gold Sound Enterprises Limited	Wise Pacific Investment Limited	20
Lee Nam	Wise Pacific Investment Limited	20

Save as disclosed herein and as at the Latest Practicable Date, none of the directors of Chinney was aware of any person (not being the directors of Chinney) had or was deemed or taken to have interests or short positions in the shares and underlying shares of Chinney which would fall to be disclosed to Chinney and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of Chinney or any other member of the Chinney Group or had any option in respect of such capital.

3. DIRECTORS' INTERESTS OF HON KWOK IN COMPETING BUSINESSES

As at the Latest Practicable Date, Ms. Madeline May-Lung Wong was a director of HKR International Limited whose group's businesses consist of property development and property investment. In this respect, Ms. Madeline May-Lung Wong is regarded to be interested in a competing business of Hon Kwok.

Save as disclosed above, none of the directors of Hon Kwok is interested in any business, apart from Hon Kwok's business, which competes or is likely to compete, either directly or indirectly, with businesses of Hon Kwok.

4. DIRECTORS' INTERESTS OF CHINNEY IN COMPETING BUSINESSES

As at the Latest Practicable Date, Ms. Madeline May-Lung Wong was a director of HKR International Limited whose group's businesses consist of property development and property investment. In this respect, Ms. Madeline May-Lung Wong is regarded to be interested in a competing business of Chinney.

Save as disclosed above, none of the directors of Chinney is interested in any business, apart from Chinney's business, which competes or is likely to compete, either directly or indirectly, with businesses of Chinney.

5. LITIGATION OF HON KWOK GROUP

On 20th April, 1996, a writ was filed against a wholly-owned subsidiary of Hon Kwok, Joint Peace Investment Limited (“Joint Peace”), regarding an alleged disparity between the pavement and the ground floor level of the building at 18-22 Percival Street, junction of Jaffe Road, Causeway Bay, Hong Kong. The amount claimed, excluding minor construction and related costs, was either HK\$41,000,000 or HK\$69,300,000, representing the claim for a loss of rental income or a loss of interest on the purchase price, respectively, over a period of 12 months. A defence to contest this claim was filed on 22nd July, 1996.

On 2nd December, 1997, the plaintiff of this claim was allowed to amend the Writ of Summons and the Statement of Claim dated 20th April, 1996. As advised by its solicitors, Joint Peace filed an Amended Defence in respect thereof on 30th December, 1997. On the same date, a Request for Further and Better Particulars of the Amended Statement of Claim was sent by Joint Peace’s solicitors to the plaintiff’s solicitors.

Following consultation with legal advisers (in their capacity as the legal advisers of Joint Peace), the directors of Hon Kwok formed the view that the amended claim was unlikely to succeed and were therefore of the opinion that no provision regarding this claim is necessary. There has been no further progress of this claim so far up to the date of this Circular.

Save as disclosed, as at the Latest Practicable Date, the directors of Hon Kwok are not aware that any of the respective members of the Hon Kwok Group were engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material importance known to the directors of Hon Kwok to be pending or threatened by or against any respective members of the Hon Kwok Group.

6. LITIGATION OF CHINNEY GROUP

(a) Certain subsidiaries of Chinney Contractors Company Limited (a 86.05% owned subsidiary of Chinney) were involved in legal proceedings or claims against them in the ordinary course of their respective business activities. The aggregate amount of claims, including estimated legal costs, resulting from such contingent liabilities was approximately HK\$41,011,000 as at 31st March, 2005. The directors of Chinney consider that, after taking into account of the legal advices obtained, these proceedings and claims were made without valid grounds and accordingly, no provision for any potential liabilities is considered necessary.

(b) On 20th April, 1996, a writ was filed against a wholly-owned subsidiary of Hon Kwok, Joint Peace, regarding an alleged disparity between the pavement and the ground floor level of the building at 18-22 Percival Street, junction of Jaffe Road, Causeway Bay, Hong Kong. The amount claimed, excluding minor construction and related costs, was either HK\$41,000,000 or HK\$69,300,000, representing the claim for loss of rental income or loss of interest on the purchase price, over a period of 12 months. A defence to contest this claim was filed on 22nd July, 1996.

On 2nd December, 1997, the plaintiff of this claim was allowed to amend the Writ of Summons and the Statement of Claim dated 20th April, 1996. Under advice by Hon Kwok’s solicitors, an Amended Defence in respect thereof was filed by Joint Peace on 30th December, 1997. On the same date, a Request for Further and Better Particulars of the Amended Statement of Claim was sent by Joint Peace’s solicitors to the plaintiff’s solicitors.

Following consultation with Hon Kwok’s legal advisers (in their capacity as the legal advisers of Joint Peace), the directors of Chinney have formed the view that the amended claim was unlikely to succeed and were therefore of the opinion that no provision regarding this claim is necessary. There has been no further progress of this claim so far up to the date of this Circular.

Save as disclosed, as at the Latest Practicable Date, the directors of Chinney are not aware that any of the respective members of the Chinney Group were engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material importance known to the directors of Chinney to be pending or threatened by or against any respective members of the Chinney Group.

7. GENERAL

- (a) As at the Latest Practicable Date, none of the directors of Hon Kwok has any existing or proposed service contract with any member of the Hon Kwok Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (b) As at the Latest Practicable Date, none of the directors of Chinney has any existing or proposed service contract with any member of the Chinney Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (c) The company secretary of Hon Kwok and Chinney is Ms. Wendy Yuk-Ying Chan. She is a fellow of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (d) The qualified accountant of Hon Kwok is Mr. Thomas Hang-Cheong Ma. He is a fellow of the Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.
- (e) The qualified accountant of Chinney is Mr. Boris Kwok-Ming Lam. He is a fellow of the Association of Chartered Certified Accountants and an associate of The Hong Kong Institute of Certified Public Accountants.
- (f) The registered office of both Hon Kwok and Chinney is at 18th Floor, Hang Seng Building, 77 Des Voeux Road Central, Hong Kong.
- (g) The English language text of this Circular shall prevail over the Chinese language text.