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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)

MAJOR TRANSACTION

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

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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 the Company and Hon Kwok dated 4th October, 2006 in relation to the Transaction
“Board”	the board of directors of the Company
“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 Holdings”	Chinney Holdings Limited, a company incorporated in Hong Kong with limited liability and which is the holding company of the Company holding approximately 55.67% of the issued share capital of the Company as at the Latest Practicable Date
“Company”	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 holding approximately 42.92% of the issued share capital of Hon Kwok as at the Latest Practicable Date
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“High Able”	High Able Group Limited, a company incorporated in the British Virgin Islands 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
“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 direct 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
“Hua Yin”	Guangzhou Hua Yin Land Development Co., Ltd., a company incorporated in the PRC and is the owner of a semi-completed property situated at 17-43 Beijing Road South, Yue Xiu District, Guangzhou, PRC

DEFINITIONS

“Join Ally”	Join Ally Limited, a company incorporated in the British Virgin Islands and which is, prior to completion of the S&P Agreement, a direct wholly-owned subsidiary of High Able
“Join Ally Group”	Join Ally and its subsidiaries
“Latest Practicable Date”	22nd November, 2006, 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
“Loan”	being 50% of the total shareholder’s loan owing by Join Ally to High Able as at completion of the S&P Agreement
“Long Stop Date”	31st March, 2007 or such later date as the parties may agree in writing
“Lucky Year”	Lucky Year Finance Limited, a company incorporated in the British Virgin Islands with limited liability
“PRC”	the People’s Republic of China
“Property”	the properties situated at 17-107 Beijing Road South, Yue Xiu District, Guangzhou, PRC to be held by Hua Yin and Zhong Lv upon completion of the S&P Agreement. The Property comprising a semi-completed property and bare lands to be re-developed for commercial and residential uses. The development plan for the Property is not yet finalised and thus the total cost of investment for the development of the Property is not yet determined
“Property A”	a completed commercial/office property with tenants and situated at 3-15 Beijing Road South, Yue Xiu District, Guangzhou, PRC with a site area of approximately 1,358 square metres
“Purchaser”	SGM Golem Investment Limited
“RMB”	the Renminbi, the lawful currency of the PRC
“S&P Agreement”	the sale and purchase agreement dated 30th September, 2006 entered into between High Able, the Purchaser and Hon Kwok China in relation to the sale and purchase of the Sale Shares and the assignment of the Loan to the Purchaser at an aggregate cash consideration of RMB245,215,100
“Sale Shares”	50 shares of US\$1 each in Join Ally, representing 50% of the issued share capital of Join Ally

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale of the Sale Shares by High Able to the Purchaser and the assignment of the Loan by High Able to the Purchaser
“Zhong Lv”	Guangzhou Zhong Lv Da Dao Real Estate Development Co., Ltd., a company incorporated in the PRC which shall hold the land use rights in relation to 45-107 Beijing Road South, Yue Xiu District, Guangzhou, PRC upon completion of the S&P Agreement

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.



建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code 216)

Directors:

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*

Registered office:

23rd Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

* *Independent Non-executive Directors*

27th November, 2006

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

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

1. INTRODUCTION

Reference is made to the Announcement in which the Board announced that on 30th September, 2006, High Able as vendor and Hon Kwok China as vendor's guarantor, have 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 Join Ally, and the assignment of the Loan to the Purchaser at an aggregate cash consideration of RMB245,215,100 (equivalent to HK\$241,591,232).

The Transaction constitutes a major transaction for the Company 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

Pursuant to the S&P Agreement, High Able agreed to sell and the Purchaser agreed to purchase the Sale Shares and High Able agreed to assign the Loan to the Purchaser.

(a) Date

30th September, 2006

LETTER FROM THE BOARD

(b) Parties

- Vendor : High Able Group Limited, an indirect wholly-owned subsidiary of Hon Kwok
- Vendor's Guarantor : Hon Kwok Land Investment (China) Limited, a direct wholly-owned subsidiary of Hon Kwok
- Purchaser : SGM Golem Investment Limited

(c) Sale Shares and the Loan

The Sale Shares represent 50% of the issued share capital of Join Ally and the Loan represents 50% of the total shareholder's loan owing by Join Ally to High Able as at completion of the S&P Agreement.

As at the date of the S&P Agreement, the total amount of shareholder's loan owing by Join Ally to High Able was HK\$33,334, subject to change on or before completion of the S&P Agreement.

(d) Information on Join Ally and the Property

Join Ally is an indirect wholly-owned subsidiary of Hon Kwok. Join Ally is an investment holding company.

Prior to the S&P Agreement, the Join Ally Group had entered into agreements to acquire interests in Hua Yin and Zhong Lv and was in the process of transferring interests in Hua Yin and Zhong Lv to the Join Ally Group. As at the date of the S&P Agreement, there were no assets of significance in the Join Ally Group. Upon completion of the S&P Agreement, Hua Yin and Zhong Lv shall become wholly-owned subsidiaries of the Join Ally Group, which in turn shall hold the legal and beneficial ownership of the land use rights of the Property, comprising three sites situated at 17-107 Beijing Road South, Yue Xiu District, Guangzhou, PRC with a total site area of approximately 9,455 square metres.

The cost for Join Ally to acquire the Property is currently estimated to be RMB350 million which will be funded by the shareholder's loan from High Able to Join Ally.

(e) Consideration

The aggregate consideration for the Sale Shares and the Loan is RMB245,215,100 (equivalent to HK\$241,591,232) and was agreed after arm's length negotiations between the parties, taking reference of the value of the Property to the market price of properties in the vicinity as indicated by property agent.

A deposit of HK\$24,137,241 (being the HK\$ equivalent to RMB24,500,000) has been received from the Purchaser within three business days from the date of signing of the S&P Agreement. The balance consideration of RMB220,715,100 in its HK\$ equivalent is payable by the Purchaser upon completion of the S&P Agreement.

(f) Completion

The completion of the S&P Agreement is subject to and conditional on the following conditions (amongst others) being fulfilled or waived:

- (i) Completion of the transfer of interest in Hua Yin and Zhong Lv to the Join Ally Group as evidenced by (aa) business licences and certificates of approval in relation to the transfer of the equity interest being effected by Hua Yin and Zhong Lv; and (bb) the legal opinion referred to in condition (iv) below.

LETTER FROM THE BOARD

- (ii) All necessary waivers and/or approvals (if any) regarding the execution of and giving effect to the transactions contemplated under the S&P Agreement and each of the documents that is required to be executed on or before completion of the S&P Agreement have been obtained and/or executed by High Able.
- (iii) The warranties given by High Able remain true and correct in all material respects at all times from the date of the S&P Agreement and up to the date of completion of the S&P Agreement.
- (iv) Issuance of legal opinions by qualified lawyers in PRC which confirm:
 - (aa) the transfer of interest in Hua Yin and Zhong Lv to the Join Ally Group have been duly completed; and
 - (bb) the legal and beneficial ownership of the land use rights of the Property is vested in the Join Ally Group.
- (v) A shareholders' agreement has been entered into between High Able and the Purchaser.

All of the above conditions (except condition (v)) can be waived by the Purchaser. Up to the date of this circular, the Purchaser has not notified High Able that any of the conditions will be waived.

Completion of the S&P Agreement shall take place within seven business days immediately after all of the conditions are fulfilled or waived.

In the event that completion does not take place before the Long Stop Date, the S&P Agreement will lapse. In such event, High Able will refund the deposit to the Purchaser without deduction or interest and neither party shall have any claim against the other in connection with the S&P Agreement.

(g) Use of Proceeds

The consideration for the S&P Agreement will be used as general working capital for Hon Kwok Group. The Hon Kwok Group has not identified any projects for the use of the proceeds.

(h) Put Option

It is intended that after completion of the S&P Agreement, Join Ally will acquire Property A at a price to be agreed. The cost for the acquisition of Property A will be funded by High Able and the Purchaser in equal portion. If Join Ally fails to enter into an agreement to acquire Property A within 6 months after completion of the S&P Agreement or such later date as the parties may agree in writing, the Purchaser shall have the right to require High Able to repurchase the Sale Shares and the Loan at an aggregate consideration of RMB245,215,100 together with interest calculated at a rate of 9% per annum and expenses. After completion of the S&P Agreement, Join Ally will cease to be a subsidiary of Hon Kwok and the Company and thus no announcement is required to be made for the acquisition. The Company will comply with the relevant Listing Rules if High Able has to repurchase the Sale Shares and the Loan.

LETTER FROM THE BOARD

3. SHAREHOLDINGS IN JOIN ALLY AFTER COMPLETION OF THE S&P AGREEMENT

Following completion of the S&P Agreement, Join Ally will cease to be a subsidiary of Hon Kwok and the Company and become a jointly-controlled entity owned as to 50% by High Able and 50% by the Purchaser. Hon Kwok and the Company through High Able will then indirectly hold 50% and approximately 31.46% of the total issued share capital of Join Ally.

High Able and the Purchaser will procure financing for the Join Ally Group and, failing which, contribute funding required by the Join Ally Group for the development of the Property in equal portion.

4. REASONS AND BENEFITS FOR 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 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 Join Ally 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 believe that the Transaction will also benefit the Group (as the holding company of the Hon Kwok Group).

The Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

5. FINANCIAL EFFECT OF THE TRANSACTION

Join Ally was established in July 2006. The corporate structuring which involves the acquisition of the relevant companies within the Join Ally Group has yet to be completed. Based on the accounts of the Join Ally Group as at the date of the S&P Agreement, there was no asset within the Join Ally Group other than cash and bank balances of HK\$130. The accumulated losses of Join Ally Group was HK\$33,984 as at the date of the S&P Agreement.

On 15th November, 2006, the Company and Hon Kwok entered into a placing, underwriting and subscription agreement pursuant to which the Company has (i) agreed to place through The Hongkong and Shanghai Banking Corporation Limited, on a fully underwritten basis, 80,047,700 existing shares of Hon Kwok to independent investors at a price of HK\$4.05 each (the "Placing"); and (ii) conditionally agreed to subscribe for 80,047,700 new shares of Hon Kwok also at a price of HK\$4.05 each (the "Subscription"). The Placing was completed on 21st November, 2006, thus reducing the shareholding of the Company in Hon Kwok from 62.92% to 42.92% as at the Latest Practicable Date. The Subscription is scheduled for completion on 29th November, 2006, following which the shareholding of the Company in Hon Kwok will be increased to 52.44%.

Assuming completion of the Subscription took place and there being no further changes on the shareholding of the Company in Hon Kwok, the financial effects of the Transaction on the Group, upon completion of the S&P Agreement, are expected to be (a) a decrease in non-current assets of approximately HK\$114.5 million; (b) an increase in current assets of approximately HK\$143.6 million; (c) a decrease in current liabilities of approximately HK\$36.3 million; and (d) an increase in minority interest of approximately HK\$31.4 million. The preliminary capital gain on disposal of Join Ally before tax (if any) expected to accrue to the consolidated accounts of the Company upon completion of the Transaction is currently estimated to be approximately HK\$34 million.

LETTER FROM THE BOARD

6. INFORMATION ON THE COMPANY AND HON KWOK

The Company 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.

Hon Kwok is an investment holding company. Its subsidiaries are mainly engaged in property development, property investment and property related businesses.

7. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Cayman Islands and is engaged in real estate investment.

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 the Company and are not connected persons (as defined in the Listing Rules) of the Company.

8. GENERAL

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

9. ADDITIONAL INFORMATION

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

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

1. INDEBTEDNESS

At the close of business on 30th September, 2006, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$2,753 million comprising:

- (a) secured bank loans of approximately HK\$1,792 million;
- (b) unsecured bank loans of approximately HK\$624 million;
- (c) obligations under finance leases of approximately HK\$6 million;
- (d) unsecured amount due to a minority shareholder of a subsidiary of approximately HK\$23 million;
- (e) unsecured loans from minority interests of approximately HK\$18 million;
- (f) unsecured amount due to a related company of HK\$10 million;
- (g) convertible bond with a principal amount of HK\$280 million.

Details of the Group's contingent liabilities of material importance are set out in Appendix III of this circular under the section headed "Litigation".

The Group's secured bank borrowings are secured by shares in an associate and a subsidiary, charges on certain inventories, trade debtors, bank balances and fixed charges on certain leasehold properties, properties under development, investment properties and property held for sale.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases, liabilities under acceptances or acceptance creditors or any guarantees or other material contingent liabilities outstanding at the close of business on 30th September, 2006.

For the purpose of this indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing as at 30th September, 2006.

The Directors are not aware of any material adverse changes in the Group's indebtedness position or contingent liabilities since 30th September, 2006.

2. WORKING CAPITAL

The Directors are of the opinion that, taking into account the Group's available credit facilities, cash on hand and the net proceeds from the Transaction, the Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirements.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Property is a development land bank to be held by the Hon Kwok Group. The Hon Kwok Group has other development land banks in Canada and the Mainland China as well as investment properties in Hong Kong. The Hon Kwok Group will actively seek opportunities to replenish its development land banks in the Mainland China and enlarge its investment property portfolio in Hong Kong, as and when appropriate. In view of the underlying strength of the economy, the directors of Hon Kwok are optimistic on the trading prospects of the Hon Kwok Group in the current financial year. The Directors share this optimistic view. As well as its property business conducted by the Hon Kwok Group, the Group also carries out construction, foundation piling, garment manufacturing and general trading activities. The Transaction has no impact on these activities and the Directors' view of the prospects for these activities in the current financial year is unchanged from that expressed in the Company's annual report for the year ended 31st March, 2006.

The following is the text of a valuation letter and valuation certificate in relation to the Property, prepared for the sole purpose of inclusion in this circular received from Savills Valuation and Professional Services Limited, an independent valuer:



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23/F Two Exchange Square
Central, Hong Kong

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savills.com

27th November, 2006

The Directors
Chinney Investments, Limited
Hon Kwok Land Investment Company, Limited
23rd Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Dear Sirs,

In accordance with the instructions from Chinney Investments, Limited (“Chinney”) and Hon Kwok Land Investment Company, Limited (“Hon Kwok”) (collectively referred to as the “Companies”) for us to value the properties in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 30th September, 2006.

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In the course of our valuation of the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. We have relied on the information regarding the title to each of the properties. In valuing the properties, unless otherwise stated, we have assumed that the Companies have an enforceable title to each of the properties and has free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

In respect of Property No. 1 which is held by the Companies under development, we have valued this property on the basis that it will be developed and completed in accordance with the Companies' latest development proposal provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposal have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to the comparable sales transactions as available in the relevant market and have also taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.

In respect of Property Nos. 2 and 3 which are held by the Companies for development, we have adopted the direct comparison approach by making reference to the comparable sales transactions as available in the market.

We have been provided with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Companies and their legal adviser, Guang Dong G&Z Law Office, on PRC laws, regarding the titles to the properties. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development schemes, site areas and all relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Companies which is material to the valuation. We were also advised by the Companies that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

We have inspected the exterior of the properties and did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services. We have not carried out investigations on site to determine the suitability of the ground conditions and the services for future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

We have not been able to carry out detailed on-site measurements to verify the areas of the properties and have assumed that the areas shown on the documents handed to us are correct.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all money amounts are stated in Renminbi.

We enclose herewith our summary of values and valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited
Charles C K Chan
Chartered Estate Surveyor
MSc FRICS FHKIS MCI Arb RPS(GP)
Managing Director

Note: Charles C K Chan, MSc, FRICS, FHKIS, MCI Arb, RPS (GP), has been a qualified valuer and has about 22 years' experience in the valuation of properties in Hong Kong and has about 17 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUES

No. Property	Market value in existing state as at 30th September, 2006
(1) 17-43 Beijing Road South, 2-8 An Fu Li and 1-15 Yu Yong Li, Yue Xiu District, Guangzhou, Guangdong Province, PRC	RMB220,000,000
(2) 45-65 Beijing Road South, 3-17 Tong Qing Fang and 2-12 De You Fang, Yue Xiu District, Guangzhou, Guangdong Province, PRC	No commercial value (see Note (i))
(3) 67-107 Beijing Road South, Yue Xiu District, Guangzhou, Guangdong Province, PRC	No commercial value (see Note (ii))
Grand-total:	RMB220,000,000

Notes:

- (i) *In the course of our valuation, we have ascribed no commercial value to the property as the State-owned Land Use Certificate has not been obtained. Had the Companies obtained a valid State-owned Land Use Certificate, the market value of the property as at 30th September, 2006 assuming that all land grant premium has been fully paid would be RMB70,000,000.*
- (ii) *In the course of our valuation, we have ascribed no commercial value to the property as the formal Contract for Grant of the State-owned Land Use Rights has not been entered into and the outstanding land grant premium has not been settled in full. Had the Companies obtained a valid State-owned Land Use Certificate, the market value of the property as at 30th September, 2006 assuming that all land grant premium has been fully paid would be RMB210,000,000.*

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30th September, 2006
(1)	17-43 Beijing Road South, 2-8 An Fu Li and 1-15 Yu Yong Li, Yue Xiu District, Guangzhou, Guangdong Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 2,915 sq.m. (31,377 sq.ft.) on which a composite development is proposed to be erected.</p> <p>The proposed development will comprise a 26-storey residential tower erected on a 4-storey commercial podium and a 3-level basement for car parking purposes. Upon completion, the proposed development will have a total gross floor area of approximately 34,077 sq.m. (366,805 sq.ft.).</p> <p>The land use rights of the property have been granted for terms of 70 years and 40 years for residential and commercial uses respectively from 26th March, 1997.</p>	The property is a semi-completed development pending for interior decoration.	RMB220,000,000

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (Sui Fu Guo Yong (2002) Zi Te No. 132) issued by Guangzhou Land Resources and Housing Administration Bureau on 21st August, 2002, the land use rights of a parcel of land with a site area of 2,451 sq.m. have been granted to Guangzhou Hua Yin Land Development Co., Ltd. (廣州華銀房地產開發有限公司) ("Hua Yin").
- (2) Pursuant to the Supplemental Contract for the Grant of State-owned Land Use Rights (Sui Jian Kai Chu He (92) No. 132) entered into between Guangzhou State-owned Land Bureau and Hua Yin on 1st September, 1998, the salient conditions are, inter-alia, summarized as follows:
- | | | | |
|------------------------------|---|-------------|----------------|
| Site area | : | | 2,915 sq.m. |
| Permissible gross floor area | : | Commercial | : 5,905 sq.m. |
| | | Residential | : 22,635 sq.m. |
| | | Underground | : 5,537 sq.m. |
- (3) Pursuant to the Pre-sale Permit (Sui Fang Yu Zi No. 19990009) issued by Guangzhou State-owned Land Resources and Housing Administration Bureau on 12th April, 2006, 238 residential units, 90 commercial units and 70 car parking spaces with a total gross floor area of 15,786 sq.m. were permitted to be pre-sold.
- (4) As advised by the Companies, commercial spaces of 183 sq.m. and residential spaces of 83 sq.m. will be delivered to the original residents upon completion of the proposed development. In the course of our valuation, we have taken into account the said areas.
- (5) We have been provided with a legal opinion on the title to the property issued by the Companies' PRC legal adviser, which contains, inter-alia, the following information:
- Hua Yin is in possession of the land use rights of a parcel of land with a site area of 2,451 sq.m.;
 - the State-owned Land Use Certificate as stated in Note 1 is still legal and valid;
 - Hua Yin is entitled to occupy, use, receive income from or dispose of the land use rights of the property;
 - the property is not subject to any mortgages; and
 - Hua Yin should execute the civil judgment to repay the outstanding construction cost in the sum of RMB8,420,000 to Guangzhou First Construction Engineering Co., Ltd so as to discharge the charging order against the 31 residential units of the proposed development. As advised by the Companies, they undertake to execute the judgment soon. In the course of our valuation, we have assumed that the said judgment was executed.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30th September, 2006
(2)	45-65 Beijing Road South, 3-17 Tong Qing Fang and 2-12 De You Fang, Yue Xiu District, Guangzhou, Guangdong Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 2,515 sq.m. (27,071 sq.ft.).</p> <p>The property is planned to be developed into a commercial/residential development with a planned gross floor area of approximately 25,003 sq.m. (269,132 sq.ft.).</p> <p>The land use rights of the property are expected to be granted for terms of 70 years for residential uses, 40 years for commercial uses and 50 years for composite or other uses commencing on the date of obtaining the State-owned Land Use Certificate.</p>	The property is a bare land pending for development.	No commercial value (see Note (6))

Notes:

- (1) Pursuant to the Contract for Grant of State-owned Land Use Rights (Sui Guo Di Chu He (2004) No. 72) entered into between Guangzhou State-owned Land Resources and Housing Administration Bureau (“Grantor”) and 廣州市金寶華房地產開發有限公司 (“Grantee”) (“金寶華”) on 9th April, 2004, the Grantor agreed to transfer the land use rights of a parcel of land with a site area of 2,515 sq.m. to the Grantee. The said contract contains, inter-alia, the salient conditions as follows:
- | | | | |
|------------------------------|---|-------------------------|------------|
| Usage | : | Commercial/Residential | |
| Land use term | : | Residential | : 70 years |
| | | Commercial | : 40 years |
| | | Composite or other uses | : 50 years |
| Land grant premium | : | RMB17,536,703 | |
| Permissible gross floor area | : | 25,003 sq.m. | |
| Building height | : | 21-31 storeys | |
- (2) Pursuant to the Permit for Construction Land (Sui Guo Tu Jian You Zi (2006) No. 282) issued by Guangzhou State-owned Land Resources and Housing Administration Bureau on 10th September, 2006, 金寶華 has been permitted to construct a commercial/residential building on the property for the period between September 2006 and September 2008.
- (3) As advised by the Companies, commercial spaces of 572 sq.m. and residential spaces of 673 sq.m. will be delivered to the original residents upon completion of the proposed development. In the course of our valuation, we have taken into account the said areas.
- (4) We have been provided with a legal opinion on the title to the property issued by the Companies’ PRC legal adviser, which contains, inter-alia, the following information:
- (i) 金寶華 is in possession of the land use rights of the property and is entitled to occupy, use or receive income arising from the said land use rights; and
- (ii) 金寶華 is applying for the State-owned Land Use Certificate and is not entitled to transfer the land use rights of the property now.
- (5) We have ascribed no commercial value to the property as the State-owned Land Use Certificate has not been obtained.
- (6) Had a valid State-owned Land Use Certificate been obtained, the market value of the property as at 30th September, 2006 assuming that all land grant premium has been fully paid would be RMB70,000,000.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30th September, 2006
(3)	67-107 Beijing Road South, Yue Xiu District, Guangzhou, Guangdong Province, PRC	<p>The property comprises a site with an area of approximately 4,025 sq.m. (43,325 sq.ft.).</p> <p>The property is planned to be developed into a commercial/office development with a planned gross floor area of approximately 45,453 sq.m. (489,256 sq.ft.).</p> <p>The land use rights of the property have been granted for terms of 40 years for commercial, tourism and entertainment uses and 50 years for other uses.</p>	The property is a bare land pending for development.	No commercial value (see Note (6))

Notes:

- (1) Pursuant to the State-owned Land Use Certificate (Sui Fu Guo Yong (1998) Zi Di Te No. 172), the land use rights of a parcel of land with a site area of 2,781 sq.m. have been granted to Guangzhou Zhong Lv Da Dao Real Estate Development Co., Ltd. (廣州中旅大道房地產開發有限公司) ("Zhong Lv") for composite uses. The land use terms are 40 years for commercial, tourism and entertainment uses and 50 years for other uses.
- (2) Pursuant to the Construction Design Guidelines of Guangzhou Urban Planning (Sui Cheng Gui Bei Pian Fa Zi (1995) No. 80) issued by Guangzhou Planning Bureau on 24th March, 1995, the construction planning requirements are, inter-alia, as follows:
- Building height : 28 storeys (portion 12 storeys)
Site coverage : Not exceeding 37.5%
Plot ratio : Not exceeding 10
- (3) Pursuant to the Permit for Construction Land (Sui Guo Tu Jian You Zi (1998) No. 604) issued by Guangzhou State-owned Land Bureau on 18th November, 1998, a commercial/office development was permitted to be constructed on a parcel of land with a site area of 4,025 sq.m.
- (4) We have been provided with a legal opinion on the title to the property issued by the Companies' PRC legal adviser, which contains, inter-alia, the following information:
- (i) Zhong Lv is in possession of the land use rights of a parcel of land with a site area of 2,781 sq.m. and is entitled to occupy, use or receive income arising from the said land use rights;
- (ii) the land use rights of the property was mortgaged to Guangdong Development Bank Holdings Company Limited ("Guangdong Development Bank");
- (iii) Hon Kwok Land Investment (Shenzhen) Co., Ltd. bought the debts as mentioned in (ii) through an auction on 5th June, 2006. It is advised that Hon Kwok Land Investment (Shenzhen) Co., Ltd. should urge the Guangdong Development Bank to execute the discharge of the debts so as to release the constraints from the said bank in connection with the transfer of the property; and
- (iv) Zhong Lv did not enter into the Contract for Grant of State-owned Land Use Rights with Guangzhou State-owned Land Resources and Housing Administration Bureau and the balance of the land grant premium had remained unpaid. In order not to affect the legal rights of Zhong Lv, they should enter into the said contract and settle the outstanding land grant premium.
- (5) We have ascribed no commercial value to the property as the land grant premium has not been settled in full.
- (6) Had a valid State-owned Land Use Certificate been obtained, the market value of the property as at 30th September, 2006 assuming that all land grant premium has been fully paid would be RMB210,000,000.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts 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 the Company**

As at the Latest Practicable Date, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company 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 the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of director	<i>Note</i>	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
James Sai-Wing Wong	<i>1</i>	Corporate	306,959,324	55.67
Madeline May-Lung Wong	<i>1</i>	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 the Company

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	171,800,853	42.92
	3	Chinney Alliance	Corporate	218,138,283	55.00
	4	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	Hon Kwok	Corporate	171,800,853	42.92
	2	Chinney Alliance	Corporate	115,395,797	29.10
	4	Chinney Holdings	Corporate	9,900,000	99.00
		Lucky Year	Personal	10,000	50.00
William Chung-Yue Fan	5	Wise Pacific Investment Limited	Corporate	2,000	20.00

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

Pursuant to the share option scheme of Chinney Alliance, Mr. Herman Man-Hei Fung has options to subscribe for 800,000 shares in Chinney Alliance at an exercise price of HK\$0.70 per share, subject to adjustment. The options were granted on 13th July, 1999 and can be exercised up to 12th July, 2009.

Notes:

- These shares are beneficially held by Chinney Holdings which is a subsidiary of Lucky Year. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors and beneficially own more than one third of the equity capital of Lucky Year.*
- These shares are beneficially held by the Company or its wholly-owned subsidiary. By virtue of note 1, Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are deemed to be interested in these shares.*
- Out of the 218,138,283 shares, 115,395,797 shares are held by a wholly-owned subsidiary of the Company and the remaining 102,742,486 shares are held by Enhancement Investments Limited, a company controlled by Mr. James Sai-Wing Wong. By virtue of note 1 and the interest in Enhancement Investments Limited, Mr. James Sai-Wing Wong is deemed to be interested in these shares.*
- These shares are beneficially held by Lucky Year. By virtue of note 1, Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are deemed to be interested in these shares.*
- These shares are held by Gold Sound Enterprises Limited, of which Mr. William Chung-Yue Fan is both a director and shareholder.*

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company 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 the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

2.2 Other persons' interests and short positions in shares and underlying shares of the Company and other members of the Group

As at the Latest Practicable Date and so far as is known to the Directors, the following persons (not being the Directors) had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company 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 Directors, the following persons (not being the Directors) 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 any other member of the Group or had any option in respect of such capital:

Name of Shareholder	Name of member of the Group in which interest held	Approximate percentage of equity interested
Zuric Yuen-Keung Chan	Chinney Contractors Company Limited	13.95
Shenzhen Yujianye Development Co., Ltd. (深圳市御建業實業發展有限公司)	Guangzhou Honkwok Fuqiang Land Development Limited	30
Sharp Billion Development Limited	Guangzhou Honkwok Fuqiang Land Development Limited	10
Guangzhou Hengsheng Group Co., Ltd. (廣州市恒生集團有限公司)	Guangzhou Honkwok Hengsheng Land Development Limited	25
Guangdong Guangkong Group Co., Ltd. (廣東廣控集團有限公司)	Shenzhen Guanghai Investment 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 was aware of any person (not being the Directors) had or was deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company 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 any other member of the Group or had any option in respect of such capital.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND IN COMPETING BUSINESSES

The Hon Kwok Group has obtained bank loan facilities of HK\$150 million with the support of cash collateral provided by Lucky Year. In consideration of Lucky Year's provision of the cash security, Hon Kwok Group agreed to indemnify and pay Lucky Year a commission of 1.75% per annum on the average principal amount of the cash security outstanding during the term of the bank loans. Unless prepaid or extended, the bank loans will mature in January 2009. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors and shareholders of Lucky Year. Mr. Herman Man-Hei Fung is also a director of Lucky Year.

The Company has entered into a management contract with Hon Kwok for the provision of general corporate management services. The contract is for an unspecified duration and may be terminated by either party by giving two months' written notice. A management fee of HK\$6,000,000 was received from Hon Kwok for the year ended 31st March, 2006. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong are directors of and have beneficial interests in Hon Kwok through their interests in the Company. Mr. Herman Man-Hei Fung is also a director of Hon Kwok.

The Company, through providing administration and general services, received a management fee of HK\$2,000,000 from Chinney Alliance for the year ended 31st March, 2006. Mr. James Sai-Wing Wong and Mr. Herman Man-Hei Fung are directors of Chinney Alliance. Mr. James Sai-Wing Wong and Madam Madeline May-Lung Wong have beneficial interests in Chinney Alliance through their interests in the Company.

Mr. William Chung-Yue Fan is the consultant of Messrs. Fan & Fan which provides legal and professional services to the Group and receive normal professional fees for such services. Total fees paid by the Group during the year ended 31st March, 2006 was approximately HK\$349,000.

The Company entered into an agreement on 24th July, 2006 to sell the entire issued share capital of Gateway Group Holdings Limited and Royal Treasure Limited and to assign related shareholder's loan to Grow Ahead Enterprises Limited for a cash consideration of HK\$8,600,000. Mr. James Sai-Wing Wong is a director of and beneficially owns the entire issued share capital of Grow Ahead Enterprises Limited. The transaction constituted a connected and discloseable transaction to the Company, but was exempted from independent shareholders' approval. The transaction was completed on 24th October, 2006.

Madam Madeline May-Lung Wong is a director of HKR International Limited. HKR International Limited carries out property development, property investment, property management services, healthcare services, treasury investment and manufacturing. Madam Madeline May-Lung Wong is therefore regarded as being interested in a competing business of the Group.

So far as the Directors are aware and, save as disclosed as aforesaid, as at the Latest Practicable Date:

- (a) none of the Directors or their associates had any direct or indirect interest in any assets which have been, since 31st March, 2006 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (b) none of the Directors or their associates was materially interested in any contract or arrangement entered into by any member of the Group and subsisting at the date of this circular which was significant in relation to the business of the Group; and
- (c) none of the Directors or their associates have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

Certain subsidiaries of Chinney Contractors Company Limited (a 86.05% owned subsidiary of the Company) 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\$31,004,000 as at the Latest Practicable Date. The Directors 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.

Reference was made to the valuation report on the Property in relation to a litigation involving Hua Yin in the amount of RMB8,420,000. Full provision for the liability has been made in the accounts of Hon Kwok, following a judgement from the court.

Save as disclosed aforesaid, as at the Latest Practicable Date, the Directors are not aware that any of the respective members of the 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 to be pending or threatened by or against any respective members of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Savills Valuation and Professional Services Limited	Property valuer

- (a) As at the Latest Practicable Date, Savills Valuation and Professional Services Limited did not has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (b) Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter or references to its name in the form and context in which they are included.
- (c) Savills Valuation and Professional Services Limited has no direct or indirect interest in any assets which have been, since 31st March, 2006 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL CONTRACTS

Within the two years immediately preceding the issue of this circular, the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group and are or may be material:

- (a) Placing, Underwriting and Subscription Agreement dated 15th November, 2006 entered into between the Company, Hon Kwok and The Hongkong and Shanghai Banking Corporation Limited in relation to the placing and subscription of 80,047,700 shares of Hon Kwok.
- (b) Deed of Assignment dated 24th October, 2006, entered into between the Company, Grow Ahead Enterprises Limited and Gateway Group Holdings Limited in relation to the assignment of the shareholder's loan owing by Gateway Group Holdings Limited.
- (c) the S&P Agreement.
- (d) Agreement dated 24th July, 2006 entered into between the Company and Grow Ahead Enterprises Limited in relation to the disposal of the entire issued share capital in Gateway Group Holdings Limited and Royal Treasure Limited and the assignment of the related shareholder's loan for a cash consideration of HK\$8,600,000.
- (e) Trust Deed dated 27th June, 2006 entered into between Hon Kwok, Hon Kwok Land Treasury IV Limited and J.P. Morgan Corporate Trustee Services Limited in connection with the issue of HK\$280,000,000 3.5% Convertible Bonds.
- (f) Paying, Conversion and Transfer Agency Agreement dated 27th June, 2006 entered into between Hon Kwok, Hon Kwok Land Treasury IV Limited and various parties in connection with the issue of HK\$280,000,000 3.5% Convertible Bonds.
- (g) Subscription Agreement dated 19th June, 2006 entered into between Hon Kwok, Hon Kwok Land Treasury IV Limited and various purchasers in connection with the issue of HK\$280,000,000 3.5% Convertible Bonds.
- (h) Sale and Purchase Agreement dated 12th June, 2006 entered into between Spark Eagle Development Limited and Capitol Hotel Sdn. Bhd. in relation to the sale of Plaza Ampang for a cash consideration of RM70,000,000.
- (i) Agreement dated 16th March, 2006 entered into between Hopmate International Development Limited and Neimenggu Huaye Property Co., Ltd. in relation to the acquisition of the remaining 20% equity interest in Shenzhen Honkwok Huaye Development Co., Ltd. for a cash consideration of RMB10,000,000.
- (j) Deed of Assignment dated 28th February, 2006, entered into between High Able Group Limited, MSR Asia Acquisitions VII, Inc. and Floralmist Holdings Ltd. in relation to the assignment of the shareholder's loan owing by Floralmist Holdings Ltd.

- (k) Agreement dated 24th January, 2006 entered into between Orient States Limited and Shenzhen Yujianye Development Co., Ltd. in relation to the acquisition of the remaining 20% equity interest in Foshan Nanhai XinDa Land Development Ltd. for a cash consideration of RMB53,568,000.
- (l) Shareholders' Agreement dated 17th December, 2005 entered into between High Able Group Limited, MSR Asia Acquisitions VII, Inc. and Floralmist Holdings Ltd. in relation to the joint development of the landed property through Floralmist Holdings Ltd.
- (m) Sale and Purchase Agreement dated 17th December, 2005 entered into between High Able Group Limited, Hon Kwok Land Investment (China) Limited and MSR Asia Acquisitions VII, Inc. in relation to the disposal of 50% of the issued share capital of Floralmist Holdings Ltd. and the assignment of related shareholder's loan at an aggregate consideration of RMB133,920,000.
- (n) Deed of Assignment dated 28th October, 2005 entered into between Hon Kwok Land Investment (China) Limited, Gateway China Fund I and Rich Central Limited in relation to the assignment of the shareholder's loan owing by Rich Central Limited.
- (o) Agreement for Sale and Purchase dated 26th October, 2005 entered into between Best Treasure Limited, Chinney Construction (BVI) Limited (a 86.05% owned subsidiary of the Company) and Chinney Alliance in relation to the acquisition of the entire issued share capital of Jackson Mercantile Trading Company Limited at an aggregate consideration of HK\$7,800,000.
- (p) Joint Venture Agreement dated 21st October, 2005 entered into between Hon Kwok Land Investment (China) Limited and Gateway China Fund I in relation to the joint development of the landed property through Rich Central Limited.
- (q) Sale and Purchase Agreement dated 21st October, 2005 entered into between Hon Kwok Land Investment (China) Limited and Gateway China Fund I in relation to the disposal of 50% of the issued share capital of Rich Central Limited and the assignment of related shareholder's loan at an aggregate consideration of HK\$45,658,619.46.

8. GENERAL

- (a) The company secretary of the Company 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.
- (b) The qualified accountant of the Company is Ms. Louisa Kai-Nor Siu. She is a fellow of the Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The Company's share registrar is Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) The English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong from the date of this circular up to and including 13th December, 2006:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated financial statements of the Company and its subsidiaries for each of the two years ended 31st March, 2006;
- (c) the valuation report on the Property from Savills Valuation and Professional Services Limited as set out in Appendix II to this circular;
- (d) the written consent referred to under the section headed “Expert and Consent” in this Appendix III;
- (e) the material contracts referred to under the section headed “Material Contracts” in this Appendix III;
- (f) the circular of the Company dated 15th August, 2006 in relation to the disposal of property – Plaza Ampang in Malaysia;
- (g) the circular of the Company dated 15th August, 2006 in relation to the disposal of the entire interests in Gateway Group Holdings Limited and Royal Treasure Limited (together with the assignment of related shareholder’s loan); and
- (h) this circular.