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建業實業有限公司

Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)



漢國置業有限公司

Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)
(Stock Code: 160)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

DISPOSAL OF A HOTEL PROPERTY IN OSAKA, JAPAN

On 4 March 2026, The Bauhinia Hotels Group Japan I entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Property at the consideration of JPY1,542 million (equivalent to approximately HK\$77.1 million), inclusive of local consumption tax.

The Bauhinia Hotels Group Japan I is solely funded and controlled by the JV Company which is owned as to 60% by Best Range Global, a direct wholly-owned subsidiary of Hon Kwok and an indirect non-wholly owned subsidiary of CIL.

One of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25% (and all other applicable percentage ratios being below 5%) for both CIL and Hon Kwok. Therefore, the Disposal constitutes a discloseable transaction for each of CIL and Hon Kwok and is subject to the notification and publication requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

On 4 March 2026, The Bauhinia Hotels Group Japan I entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Property at the consideration of JPY1,542 million (equivalent to approximately HK\$77.1 million), inclusive of local consumption tax.

The Bauhinia Hotels Group Japan I is solely funded and controlled by the JV Company which is owned as to 60% by Best Range Global, a direct wholly-owned subsidiary of Hon Kwok and an indirect non-wholly owned subsidiary of CIL.

THE SALE AND PURCHASE AGREEMENT

Date: 4 March 2026

Parties: (i) The Bauhinia Hotels Group Japan I; and
(ii) the Purchaser

To the best of the knowledge, information and belief of the respective directors of CIL and Hon Kwok, having made all reasonable enquiries, the Purchaser, its shareholders and their respective ultimate beneficial owners are third parties independent of CIL, Hon Kwok and their respective connected persons.

Assets to be disposed of: The Property is located at 1-18-2, Bakuromachi, Chuo-ku, Osaka, Japan. It is a 10-storey hotel building with a total gross floor area of approximately 1,017.05 square meters and consists of 55 hotel rooms. The Property has been leased to and is now operating as a boutique hotel by an independent hotel operator.

Consideration and basis of determination: The Consideration shall be paid and satisfied by the Purchaser in the following manner:

- JPY10 million (equivalent to approximately HK\$500,000), has been paid in cash upon signing of the Sale and Purchase Agreement as deposit; and
- the balance of JPY1,532 million (equivalent to approximately HK\$76.6 million), shall be paid in cash upon completion of the Disposal.

The appraised market value of the Property as at 31 December 2025 was JPY1,510 million (equivalent to approximately HK\$75.5 million) based on the valuation by an independent property valuer. The Consideration of JPY1,542 million (equivalent to approximately HK\$77.1 million) represented a premium of approximately 2.1% of the valuation of the Property as of 31 December 2025.

The Consideration is determined after arm's length negotiations between the JV Company and the Purchaser on normal commercial terms with reference to the valuation report prepared by an independent property valuer, after considering the prevailing market value of the Property and, amongst others, the view of CIL and Hon Kwok on the upcoming trend of the property market in Japan and the decision to fine-tune the overall investment strategy. Please refer to the paragraph headed "Reasons for and benefits of the Disposal" below.

Completion: Completion of the Disposal is expected to take place on or before 22 May 2026.

INFORMATION OF THE PROPERTY

The Property has a total gross floor area of approximately 1,017.05 square meters and consists of 55 hotel rooms. The rental income and net (loss)/profit attributable to the Property for (i) the period from 12 October 2023, being the completion of the acquisition of the Property by The Bauhinia Hotels Group Japan I to 31 March 2024; (ii) the financial year ended 31 March 2025; and (iii) the nine months ended 31 December 2025 were as follows:

	For the period from 12 October 2023 to 31 March 2024 (audited) <i>HK\$'000</i>	For the year ended 31 March 2025 (audited) <i>HK\$'000</i>	For the nine months ended 31 December 2025 (unaudited) <i>HK\$'000</i>
Rental Income	355	2,875	4,376
Net (loss)/profit before taxation	(1,110)	1,522	3,483
Net (loss)/profit after taxation	(1,110)	1,522	3,483

FINANCIAL EFFECT OF THE DISPOSAL AND THE INTENDED USE OF PROCEEDS

Subject to review and confirmation by the respective auditors of CIL Group and Hon Kwok Group, it is estimated that upon completion of the Disposal, Hon Kwok Group will realise a loss of approximately JPY127.1 million (equivalent to approximately HK\$6.4 million), and CIL Group will record a loss (after deducting the relevant expenses and charges) of approximately JPY86.5 million (equivalent to approximately HK\$4.3 million) which will be accounted for in the consolidated financial statements of Hon Kwok Group and CIL Group respectively. The estimated loss is made on the basis of the Consideration, the carrying values of the Property, the estimated amount of expenses incurred and to be incurred in connection with the Disposal, and the estimated amount of taxes relating to the Disposal. Such calculation is only an estimate provided for illustrative purposes and the actual financial effect in respect of the Disposal is subject to review by the respective auditors of CIL Group and Hon Kwok Group.

The net proceeds from the Disposal of approximately JPY1,382 million (equivalent to approximately HK\$69.1 million) is intended to be utilized as general working capital of Hon Kwok Group.

INFORMATION ABOUT CIL, HON KWOK AND THE BAUHINIA HOTELS GROUP JAPAN I

CIL is an investment holding company incorporated in Hong Kong with limited liability. CIL Group is mainly engaged in property investment.

Hon Kwok is an investment holding company incorporated in Hong Kong with limited liability. Hon Kwok Group is mainly engaged in property development, property investment and property related businesses.

The Bauhinia Hotels Group Japan I is solely funded and controlled by the JV Company which is in turn 60% owned by Best Range Global, a direct wholly-owned subsidiary of Hon Kwok and an indirect subsidiary of CIL, and 40% by Long View Japan.

INFORMATION ABOUT PURCHASER

The Purchaser is a limited liability company incorporated in Japan principally engaged in real estate investment, and operating under the name of “Totsu Group” which businesses comprises of real estate investment, development and construction, hotel and real estate management, and architectural design.

The Purchaser is beneficially owned as to 50% by Mr. Chiang Kin Tong (鄭建東) and 50% by Mr. Chiang Kin Nam Bernardo (鄭建南).

To the best of the knowledge, information and belief of the respective directors of CIL and Hon Kwok, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of CIL, Hon Kwok and their respective connected persons.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was acquired by The Bauhinia Hotels Group Japan I on 6 September 2023 at a consideration (inclusive of local consumption tax) of approximately JPY899.8 million (equivalent to approximately HK\$45 million). The Property is being leased and operated by an independent hotel operator under a designated hotel chain named “R Hotel”. This hotel chain is positioned as boutique hotel focusing on middle class customers.

The Consideration represented a premium of about 2.1% of the market valuation of the Property of JPY1,510 million (equivalent to approximately HK\$75.5 million) as at 31 December 2025. Nevertheless, compared with the original acquisition price of the Property by the JV Company in 2023, the Consideration represented an increase of approximately 71.4% over the acquisition price.

The management of the JV Company also considers the minor premium of the Consideration over the market value as of 31 December 2025 reasonable due to the fact that a property with an existing lease would limit the flexibility when negotiating with potential buyers. Also, as stated

above, the JV Company is now fine-tuning its overall investment strategy in Japan after the blooming of Japan's real estate market in the past few years. As such, the JV Company considers it is beneficial to dispose of the Property to unload part of its investments in Japan in order to free up the capital for other opportunities.

CIL Group and Hon Kwok Group monitor the market environment continuously and review its property portfolio from time to time with the aim of maximizing the return to the shareholders on its property investment business. Based on the above, the management of CIL Group and Hon Kwok Group are of the view that the Disposal represents a good opportunity to realise a satisfactory return from the investments in Japan, and to consolidate the resources and rationalize the property portfolio of CIL Group and Hon Kwok Group.

CIL Board is of the view that the Disposal is in the ordinary and usual course of business of CIL Group, and the terms of the Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interests of CIL and its shareholders as a whole.

Hon Kwok Board is of the view that the Disposal is in the ordinary and usual course of business of Hon Kwok Group, and the terms of the Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interests of Hon Kwok and its shareholders as a whole.

LISTING RULES IMPLICATIONS

One of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25% (and all other applicable percentage ratios being below 5%) for both CIL and Hon Kwok. Therefore, the Disposal constitutes a discloseable transaction for each of CIL and Hon Kwok and is subject to the notification and publication requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Best Range Global”	Best Range Global Limited, a company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of Hon Kwok
“BVI”	the British Virgin Islands
“CIL”	Chinney Investments, Limited (建業實業有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 216), and is the holding company of Hon Kwok

“CIL Board”	the board of directors of CIL
“CIL Group”	CIL and its subsidiaries (including Hon Kwok Group)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration in the sum of approximately JPY1,542 million (equivalent to approximately HK\$77.1 million) payable by the Purchaser to The Bauhinia Hotels Group Japan I for the Disposal
“Disposal”	the disposal of the Property (including its trust beneficiary right) by The Bauhinia Hotels Group Japan I to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hon Kwok”	Hon Kwok Land Investment Company, Limited (漢國置業有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 160), and is directly owned as to 68.09% by CIL
“Hon Kwok Board”	the board of directors of Hon Kwok
“Hon Kwok Group”	Hon Kwok and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“JPY”	Japanese Yen, the lawful currency of Japan
“JV Company”	Optimal Trade Holdings Limited (貿旺控股有限公司), a company incorporated in BVI with limited liability and is owned as to 60% by Best Range Global and 40% by Long View Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long View Japan”	Long View Japan Limited (恆景日本有限公司), a company incorporated in BVI with limited liability and is 100% owned by Mr. Hui Ka Leung, Thomas

“Property”	comprises land and a 10-storey hotel building situated at 1-18-2, Bakuromachi, Chuo-ku, Osaka, Japan
“Purchaser”	東通不動産投資株式会社 (Trust East Real Estate Investment Company Limited), a limited liability company incorporated in Japan and is beneficially owned as to 50% by Mr. Chiang Kin Tong (鄭建東) and 50% by Mr. Chiang Kin Nam Bernardo (鄭建南)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 March 2026 entered into between The Bauhinia Hotels Group Japan I and the Purchaser in respect of the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Bauhinia Hotels Group Japan I”	The Bauhinia Hotels Group Japan I 合同会社 (Godo Kaisha), a limited liability corporation formed by agreement with the JV Company (being the investor) under the laws of Japan
“%”	per cent.

For the purpose of this announcement, amounts denominated in JPY have been translated into HK\$ at an exchange rate of JPY1.00 = HK\$0.050. No representation is made that any amounts in JPY and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By Order of the Board
Chinney Investments, Limited
(建業實業有限公司)
Ka-Yee Wan
Company Secretary

By Order of the Board
Hon Kwok Land Investment Company, Limited
(漢國置業有限公司)
Ka-Yee Wan
Company Secretary

Hong Kong, 4 March 2026

At the date of this announcement, the directors of CIL are Mr. James Sing-Wai Wong (Chairman), Mr. Yuen-Keung Chan (Vice Chairman), Mr. Raymond Ming-Joe Chow (Managing Director) and Mr. Winfred Wai-Lap Fan (Finance Director) as executive directors; Dr. Emily Yen Wong as non-executive director; and Mr. Richard Chi-Ho Lo, Mr. Randall Todd Turney and Mr. Stephen Henry Chu as independent non-executive directors.

At the date of this announcement, the directors of Hon Kwok are Mr. James Sing-Wai Wong (Chairman) and Mr. Donald Yin-Shing Lam (Managing Director) as executive directors; Dr. Emily Yen Wong and Mr. Philip Bing-Lun Lam as non-executive directors; and Ms. Janie Fong, Mr. James C. Chen and Ms. Rui-Hua Chang as independent non-executive directors.