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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 ASAKUSA TOKYO**

On 6 April 2026, The Bauhinia Hotels Group Japan 2 entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Property at the consideration of JPY2,722.5 million (equivalent to approximately HK\$133.4 million), inclusive of local consumption tax.

The Bauhinia Hotels Group Japan 2 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 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 are below 5%) for Hon Kwok. Accordingly, the Disposal constitutes a discloseable transaction for 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.

Except for the consideration ratio, all other applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are below 5% for CIL. CIL considered that the consideration ratio produces an anomalous result and applied to the Stock Exchange to apply an alternative size test. The Stock Exchange exercised its discretion under Rule 14.20 of the Listing Rules to adopt such alternative size test, and as the same is also below 5% for CIL, the Disposal does not constitute a notifiable transaction for CIL under Chapter 14 of the Listing Rules. Nevertheless, CIL makes this announcement on a voluntary basis jointly with Hon Kwok.

On 6 April 2026, The Bauhinia Hotels Group Japan 2 entered into the Sale and Purchase Agreement with the Purchaser in relation to the disposal of the Property at the consideration of JPY2,722.5 million (equivalent to approximately HK\$133.4 million), inclusive of local consumption tax.

The Bauhinia Hotels Group Japan 2 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 non wholly-owned subsidiary of CIL.

## **THE SALE AND PURCHASE AGREEMENT**

**Date:** 6 April 2026

**Parties:** (i) The Bauhinia Hotels Group Japan 2, being the Seller; and  
(ii) Daiwa House Industry Co., Ltd., being 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 and its controlling shareholder(s) are third parties independent of CIL, Hon Kwok and their respective connected persons.

**Assets to be disposed of:** The Property is located at Kaminarimon 1, Taito-ku, Tokyo, Japan with a total gross floor area of approximately 1,316 sq.m. and consists of 161 capsules and 5 guest hotel rooms. The Property shall be delivered to the Purchaser with vacant possession.

**Consideration:** The entire amount of the Consideration shall be paid and satisfied by the Purchaser upon completion of the Disposal.

The Consideration, comprising consideration for the land and the building erected thereon, is determined after arm's length negotiations between the JV Company and the Purchaser on normal commercial terms with reference to the valuation of the Property as at 1 March 2026 of JPY2,500 million (equivalent to approximately HK\$122.5 million) conducted by an independent property valuer.

**Completion:** Completion of the Disposal is expected to take place on 8 July 2026. The Seller may, at its sole direction, request an extension of the completion date to a date no later than 7 October 2026.

**Termination:** The Seller or the Purchaser may terminate the Sale and Purchase Agreement if either of them breaches the terms thereon and does not perform remedial actions within a reasonable period (except for the removal or obtain of consents from neighboring landlords relating to certain encroachment structures by the Seller prior to the completion of the Disposal as allowed under the Sale and Purchase Agreement), under which the defaulting party shall pay 20% of the Consideration to the other party as compensation, plus any excess amount if the liquidated damages exceed such compensation.

## **INFORMATION OF THE PROPERTY**

The Property is located at Kaminarimon 1, Taito-ku, Tokyo, Japan with a total gross floor area of approximately 1,316 sq.m. and consists of 161 capsules and 5 guest hotel rooms. It was acquired by The Bauhinia Hotels Group Japan 2 in August 2023 at a consideration (inclusive of local consumption tax) of approximately JPY1,572.5 million (equivalent to approximately HK\$77.1 million). The market value of the Property as at 1 March 2026 was JPY2,500 million (equivalent to approximately HK\$122.5 million) based on the valuation conducted by an independent property valuer.

The Property is currently under a lease with an independent hotel operator in Japan expiring on 31 July 2038. For the purpose of the Sale and Purchase Agreement, The Bauhinia Hotels Group Japan 2 entered into a termination agreement with the hotel operator of the Property on 6 April 2026, pursuant to which the hotel operator agreed to move out from the Property not later than 30 June 2026 and The Bauhinia Hotels Group Japan 2 will pay for an early termination fee of JPY162.8 million (equivalent to approximately HK\$8.0 million).

## **FINANCIAL EFFECT OF THE DISPOSAL AND THE INTENDED USE OF PROCEEDS**

Based on the consideration of JPY2,722.5 million (equivalent to approximately HK\$133.4 million), the associated estimated direct costs (including the early termination fee to the existing hotel operator) and other relevant expenses of approximately JPY367.9 million (equivalent to approximately HK\$18.0 million), and the carrying value of the Property as at 1 March 2026, it is expected that upon completion of the Disposal, Hon Kwok Group will realise a loss of approximately JPY145 million (equivalent to approximately HK\$7.1 million), and CIL Group will record a loss of approximately JPY99 million (equivalent to approximately HK\$4.9 million). The exact amount of the loss on the Disposal to be recorded in the consolidated financial statements of the CIL Group and Hon Kwok Group respectively for the year ending 31 March 2027, which is subject to audit and therefore may differ from the estimated amount of loss set out above.

The rental income and net profit attributable to the Property for (i) the period from 30 August 2023, being the completion of the acquisition of the Property by The Bauhinia Hotels Group Japan 2, to 31 March 2024; (ii) the financial year ended 31 March 2025; and (iii) the nine months period ended 31 December 2025 were as follows:

	For the period from 30 August 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 period ended 31 December 2025 (unaudited) <i>HK\$'000</i>
Rental Income	1,904	3,631	2,891
Net profit before taxation	245	4,156	1,352
Net profit after taxation	245	4,156	1,352

The Property is currently under a mortgage with a Japanese bank. It is intended that the net cash proceeds arising from the Disposal, after repayment of the mortgage, the early termination fee and the relevant expenses, of approximately JPY1,453.7 million (equivalent to approximately HK\$71.2 million) will be partly repatriated to Hong Kong as general working capital of Hon Kwok Group and partly retained in Japan for future investment purpose.

## **INFORMATION ABOUT CIL, HON KWOK AND THE BAUHINIA HOTELS GROUP JAPAN 2**

CIL is an investment holding company incorporated in Hong Kong with limited liability. CIL Group (excluding Hon Kwok 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 2 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 non wholly-owned subsidiary of CIL, and 40% by Long View Japan.

## **INFORMATION ABOUT THE PURCHASER**

The Purchaser, namely, Daiwa House Industry Co., Ltd., is a company incorporated in Japan with limited liability, and the issued shares of which are listed on the Tokyo Stock Exchange and Osaka Securities Exchange (Stock Code: DWAHY) and being a constituent of the Nikkei 225 stock indices. It is an international construction conglomerate specializing in prefabricated houses and its businesses also cover the management and operation of resort hotels, golf courses and fitness clubs. It is one of the largest construction companies in Japan.

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 controlling shareholder(s) 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 2 in August 2023 at a consideration (inclusive of local consumption tax) of approximately JPY1,572.5 million (equivalent to approximately HK\$77.1 million). Later in May 2024, the Property was disposed of at a consideration of approximately JPY1,872.5 million (equivalent to approximately HK\$91.8 million). However, since the then purchaser was unable to obtain financing for the settlement of the consideration, the disposal was terminated on 31 October 2024 (please refer to the joint announcements of CIL and Hon Kwok on 30 August 2023, 28 May 2024 and 31 October 2024 respectively).

The management of the JV Company has been continuously seeking the opportunity to dispose of the Property as it is a capsule hotel focused on low budget customers, which is not in line with the brand position of all other hotels owned by the JV Company. The Consideration represented a premium of about 8.9% over the market valuation of the Property of JPY2,500 million (equivalent to approximately HK\$122.5 million) as at 1 March 2026. Compared with the original acquisition price of the Property in 2023, and the previous consideration for disposal in 2024, the Consideration represented an increase of approximately 73.1% and 45.4% respectively. Thus, the JV Company considers the Disposal an excellent opportunity to realise an attractive gain from the Property.

Having regard to the prevailing market conditions, in particular the uncertainties due to the recent armed conflict in the Middle East, the management of CIL Group and Hon Kwok Group are of the view that the Disposal represents a good opportunity to realise this investment to free up the capital for future deployment in other opportunities.

CIL Board is of the view that 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 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 Hon Kwok. Therefore, the Disposal constitutes a discloseable transaction for 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.

Except for the consideration ratio, all other applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are below 5% for CIL. CIL considered that the consideration ratio produces an anomalous result and applied to the Stock Exchange to apply an alternative size test. The Stock Exchange exercised its discretion under Rule 14.20 of the Listing Rules to adopt such alternative size test, and as the same is also below 5% for CIL, the Disposal does not constitute a notifiable transaction for CIL under Chapter 14 of the Listing Rules. Nevertheless, CIL makes this announcement on a voluntary basis jointly with Hon Kwok.

## 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 JPY2,722.5 million (equivalent to approximately HK\$133.4 million) payable by the Purchaser to The Bauhinia Hotels Group Japan 2 for the Disposal

“Disposal”	the disposal of the Property by The Bauhinia Hotels Group Japan 2 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 the land and a 9-storey hotel building situated at Kaminarimon 1, Taito-ku, Tokyo, Japan
“Purchaser”	Daiwa House Industry Co., Ltd., a company incorporated in Japan with limited liability, and the issued shares of which are listed on the Tokyo Stock Exchange and Osaka Securities Exchange (Stock Code: DWAHY) and being a constituent of the Nikkei 225 stock indices

“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 April 2026 entered into between The Bauhinia Hotels Group Japan 2 and the Purchaser in respect of the Disposal
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Bauhinia Hotels Group Japan 2” or “Seller”	The Bauhinia Hotels Group Japan 2 合同会社 (Godo Kaisha), a limited liability corporation formed by 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\$0.049. 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, 6 April 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.*