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**興勝創建控股有限公司**  
**HANISON CONSTRUCTION HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 896)

**CONNECTED TRANSACTION**  
**ACQUISITION OF SHARES**

The Directors are pleased to announce that on 21 March 2005, Media Group, a wholly-owned subsidiary of the Company, entered into the Agreement with HKR, an indirect wholly-owned subsidiary of HKRI (a substantial shareholder of the Company) in relation to the acquisition by Media Group of the entire issued share capital of General Target from HKR for a consideration of HK\$4,000,000 subject to adjustments on the prepayments and accruals in the accounts of General Target. The Consideration will be satisfied in cash at completion and will be financed by internal source of funds of the Group.

As HKRI is a substantial shareholder and a connected person of the Company, the entering into of the Agreement and the Acquisition contemplated therein will constitute a connected transaction for the Company under the Listing Rules. As the relevant percentage ratios represented by the Consideration are more than 0.1% but less than 2.5%, the entering into of the Agreement and the Acquisition is pursuant to Rule 14A.32 of the Listing Rules exempt from the independent shareholders' approval requirements and is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

**THE AGREEMENT**

*Date:*

21 March 2005

*Parties:*

HKR as the vendor

Media Group as the purchaser

*Assets to be acquired:*

Pursuant to the Agreement, Media Group has agreed, amongst other things, to acquire the entire issued share capital of General Target from HKR for a consideration of HK\$4,000,000 subject to adjustments on the prepayments and accruals in the accounts of General Target.

General Target is a property leasing company which owns a leasehold interest from an independent third party not connected with the Company and its connected persons in respect of the Property for a term of 30 years commencing from 1 December 1989, with an option to renew for a further term of 30 years upon expiry on 30 November 2019. The Property is currently sub-leased by General Target to third parties independent of the Company and its connected persons. At present, the net annual rental income (before expenses) from the Property is HK\$360,000, generating a yield of approximately 9% p.a..

For the year ended 31 March 2003, the audited net profit before and after taxation and extraordinary items of General Target were HK\$38,243 and HK\$22,240. For the year ended 31 March 2004, the audited net loss before and after taxation and extraordinary items of General Target were HK\$246,605 and HK\$279,037. As at 31 March 2004, the audited net asset value was HK\$1,076,336. General Target including its underlying leasehold interests were previously acquired by HKRI from independent third parties on 2 December 2000 and 24 December 2001 for a total cost of HK\$3,267,798.

The Directors, including the independent non-executive Directors, consider that the terms of the Agreement have been entered into on normal commercial terms, on an arm's length basis and are fair and reasonable so far as the shareholders of the Company (including the independent shareholders) as a whole are concerned.

## **CONSIDERATION AND PAYMENT TERMS**

The Consideration for the Acquisition is HK\$4,000,000 and is subject to adjustments on the prepayments and accruals in the accounts of General Target as at 21 March 2005. The net amount payable by the Company after these adjustments is HK\$3,859,750. The Directors consider that the Consideration is fair and reasonable so far as the shareholders of the Company as a whole are concerned as it had been arrived at after arm's length negotiations between the parties to the Agreement with reference to the net asset value of General Target and the value of HK\$4,000,000 as per a valuation by Jones Lang LaSalle, an independent professional surveyor dated 25 November 2004 of the leasehold interest in the Property held by General Target. The Consideration will be satisfied in cash at completion on or before 31 March 2005 (or such other date as Media Group and HKR may agree) and will be financed by internal resources of the Group.

## **REASONS FOR THE PROPOSED ACQUISITION**

The Directors are of the view that the Acquisition provides a desirable opportunity for the Group to broaden the portfolio of its property investment division and represents a stable rental income source for the Group.

## **GENERAL**

The Company is an investment holding company. The Group is principally engaged in the business of building construction, interior and renovation works, supply and installation of building materials, trading of health products and property investment and development.

HKRI is an investment holding company. Its subsidiaries are principally engaged in the development, management and provision of essential and recreational services for residential housing and leisure project in Discovery Bay, Lantau Island, other property development, property investment, hotel operation, manufacturing and other investments.

None of the Directors is interested in the Agreement and the Acquisition other than their respective shareholding interests in the Company and HKRI, where applicable. HKR is an indirect wholly-owned subsidiary of HKRI. As HKRI is a substantial shareholder and a connected person of the Company, the entering into of the Agreement and the Acquisition contemplated therein will constitute a connected transaction for the Company under the Listing Rules. As the relevant percentage ratios represented by the Consideration are more than 0.1% but less than 2.5%, the entering into of the Agreement and the Acquisition is according to Rule 14A.32 of the Listing Rules exempt from the independent shareholders' approval requirements and is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“Acquisition”	the acquisition by Media Group of the entire issued share capital of General Target from HKR pursuant to the terms of the Agreement
“Agreement”	the agreement for sale and purchase of shares dated 21 March 2005 entered into between Media Group and HKR in relation to the Acquisition
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person”	has the same meanings ascribed to it in the Listing Rules
“Consideration”	the total consideration for the Acquisition pursuant to the Agreement being HK\$4,000,000
“Directors”	the directors of the Company
“General Target”	General Target Limited, a company incorporated in Hong Kong with limited liability whose entire issued share capital is held by HKR and an indirect wholly-owned subsidiary of HKRI
“Group”	the Company and its subsidiaries
“HKR”	HKR Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HKRI
“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on The Stock Exchange of Hong Kong Limited, and a substantial shareholder and connected person of the Company, which indirectly owns 49% of the entire issued share capital of the Company as at the date hereof
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Media Group” Media Group International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Property” the property is situated at Inland Lot No. 5472 together with the building thereon known as GT House, No. 31 Wing Wo Street, Sheung Wan, Hong Kong. It is a 4-storey building with floor areas of approximately 2,730.8 sq. ft.

By order of the Board  
**Lo Kai Cheong, Casey**  
Company Secretary

Hong Kong, 21 March 2005

*As at the date of this announcement, the executive directors of the Company are Mr. Wong Sue Toa, Stewart, Mr. Tai Sai Ho, Dr. Lam Chat Yu and Mr. Shen Tai Hing; the non-executive directors of the Company are Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin; and the independent non-executive directors of the Company are Mr. Chan Pak Joe, Dr. Sun Tai Lun and Dr. Lau Tze Yiu, Peter.*

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