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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)

ANNOUNCEMENT
MAJOR TRANSACTION

ACQUISITION OF PROPERTY INTEREST

The Directors announce that on 24 September 2007, the Company through a wholly-owned subsidiary, Sanney, was informed in writing that the Tender it submitted to purchase the Property had been accepted by the Vendor. The Consideration for the acquisition of the Property amounted to HK\$210 million. The Property will be held by the Company for investment purposes.

The Consideration exceeds 25% but is less than 75% of consideration ratio as defined in Rule 14.07 of the Listing Rules. Accordingly, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and approval from shareholders of the Company is required to be obtained under the Listing Rules. Great Wisdom and CCM Trust, being the closely allied group of shareholders of the Company (holding approximately 69.82% of its issued share capital in aggregate), and not having any interest in the transaction that is different from any other shareholders of the Company, have given their approval to the Acquisition. Since no shareholder of the Company is required to abstain from voting on the resolution to approve the Acquisition, the Company will not hold a physical shareholders' meeting to approve the transaction pursuant to Rule 14.44 of the Listing Rules.

A circular containing details of the Acquisition will be dispatched to shareholders of the Company as soon as practicable after the publication of this announcement in accordance with the Listing Rules.

The Acquisition

Acceptance Date

22 September 2007

Parties

Purchaser: Sanney

Vendor: Bright Company Limited

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, the Vendor and its ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons.

The Property was opened for tender on 1 September 2007 and the Company submitted the tender on 19 September 2007.

The major terms of the Tender set for sale by the Vendor are set out as below.

Details of the Property

The Property, built in the year 1995, is an 18-storey building known as Tak Hing Building and is located at Nos. 32, 34, 36, 38 and 40 Kwun Chung Street, Kowloon. It has a gross floor area of 45,076 square feet and a lease term of 75 years commencing from 9 May 1930 and renewable for a further term of 75 years. The Property is currently used for residential/commercial purposes with a split of 34,346 square feet for residential use and 10,730 square feet for commercial use and is partly leased with an occupancy rate of over 90%. The lease terms for the tenancies vary but the longest lease will expire in August 2009. The existing rental yield is 3.4% per annum. The Acquisition is subject to the existing tenancies of the Property.

Having perused the title deeds and documents of the Property by the Company's in-house counsel, the Vendor is able to give good title to the same.

The book value of the Property and the net profits attributable to the Property for the two financial years immediately preceding the transaction are not available as at the date of this announcement, since the Vendor has not disclosed these information to Sanney. The book value and the net profits attributable to the Property for the previous two years will be disclosed in the circular to be sent to the shareholders of the Company.

Consideration

The total consideration for the Acquisition is HK\$210 million. This has been arrived at after detailed financial analysis by the Company. The Directors consider the terms of the Acquisition to be normal commercial terms that are fair and reasonable and in the best interests of the Company, taking into consideration the current property market in Hong Kong. Although no valuation was carried out by independent valuers as at the date of this announcement, the Company has internally undertaken its own valuation exercise in respect of the Property which included an analysis of the transactions for comparable properties in the area in which the Property is situated. However, it is anticipated that a valuation report will be obtained for inclusion in the circular to be issued by the Company in respect of the Acquisition in compliance with the Listing Rules.

Payment Terms

The payment terms for the Property are as follows:

- (i) an initial deposit of HK\$10,000,000 was paid to the Vendor upon submission of the Tender;
- (ii) a further deposit of HK\$11,000,000 is payable in cash on or before 4 October 2007;
- (iii) the balance of HK\$189,000,000 is payable in cash on or before the Completion Date.

Completion Date

8 November 2007

Other Terms

- (1) The Property is sold to Sanny on an “as is” basis;
- (2) All stamp duties and land registration fees payable in connection with the Acquisition shall be borne by Sanney and each party shall bear its own legal costs.

Information on the Company, Sanney and the Vendor

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in building construction, interior and renovation works, supply and installation of building materials, trading of health products and property investment and development. Sanney is wholly owned by the Company.

As far as the Directors are aware, the Vendor is the registered owner of the Property which is currently occupied for residential/commercial purposes.

Reasons for the Acquisition

One of the principal businesses of the Group is property business. Its property portfolio comprises properties held for investment, properties under development and properties held for future development. The Acquisition allows the Group to enlarge its property portfolio with high quality assets. The Company intends to use the Property for investment purposes.

The Directors (including the independent non-executive Directors) believe that the Acquisition is fair and reasonable under the current market conditions, and that it is in the best interests of the Company and its shareholders as a whole.

Listing Rules Implications of the Acquisition

The Consideration exceeds 25% but is less than 75% of consideration ratio as defined in Rule 14.07 of the Listing Rules. Accordingly, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and approval from shareholders of the Company is required to be obtained under the Listing Rules. Great Wisdom and CCM Trust, being the closely allied group of shareholders of the Company (holding approximately 69.82% of its issued share capital in aggregate), and not having any interest in the transaction that is different from any other shareholders of the Company, have given their approval to the Acquisition. Since no shareholder of the Company is required to abstain from voting on the resolution to approve the Acquisition, the Company will not hold a physical shareholders’ meeting to approve the transaction pursuant to Rule 14.44 of the Listing Rules.

Great Wisdom and CCM Trust constitute a “closely allied group of shareholders” for the purposes of Rules 14.44 and 14.45 of the Listing Rules on the following basis:

- (1) Great Wisdom has remained a shareholder of the Company since its listing on the Stock Exchange on 10 January 2002 and CCM Trust became a shareholder of the Company on 31 January 2007;

- (2) CCM Trust and HKRI would together be regarded as “acting in concert” for the purposes of the Hong Kong Code on Takeovers and Mergers;
- (3) CCM Trust holds shares in the Company as the trustee of a discretionary trust of which members of the Cha family (comprising, *inter alia*, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors) are among the discretionary objects; and
- (4) CCM Trust holds approximately 41.01% of the issued share capital of HKRI as at the date hereof whilst Great Wisdom is a wholly-owned subsidiary of HKRI.

The Acquisition constitutes a major transaction under the Listing Rules for the Company. A circular containing, amongst other things, details of this transaction will be sent to shareholders of the Company as soon as practicable.

Definitions

In this announcement, the following terms have the following meanings:

“Acquisition”	the acquisition of the Property;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“CCM Trust”	CCM Trust (Cayman) Limited, the trustee of a discretionary trust directly holding approximately 17.63% and indirectly holding approximately 52.19% (through HKRI and CDW Holdings Limited) of the shares in the Company and of which members of the Cha family (comprising, <i>inter alia</i> , Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors) are among the discretionary objects. As CCM Trust (Cayman) Limited holds approximately 41.01% and 52.24% shareholding interest in HKRI and CDW Holdings Limited respectively, it is deemed to be interested in the respective shareholding interest in the Company held by HKRI and CDW Holdings Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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;
“Completion Date”	8 November 2007;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	The consideration for the Acquisition in the amount of HK\$210 million;
“Director(s)”	the director(s) of the Company;
“Great Wisdom”	Great Wisdom Holdings Limited, a company incorporated in the British Virgin Islands, a controlling shareholder (as defined in the Listing Rules) with approximately 49% shareholding interest in the Company and a wholly-owned subsidiary of HKRI;
“Group”	the Company and its subsidiaries;

“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and an indirect controlling shareholder of the Company as to 49% of the Company’s issued share capital through its wholly-owned subsidiary, Great Wisdom;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	all those pieces or parcels of ground registered in the Land Registry as Kowloon Inland Lot No. 3244, Kowloon Inland Lot No. 3243, Kowloon Inland Lot No. 3242, Kowloon Inland Lot No. 3241, Kowloon Inland Lot No. 3240 and Kowloon Inland Lot No. 1701 together with all messuages erections and buildings thereon now known as Nos.32, 34, 36, 38 and 40 Kwun Chung Street, Kowloon;
“Sanney”	Sanney Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tender”	A document issued by the Vendor setting out the details of the Property and the terms and conditions of the Property for sale by tender;
“Vendor”	Bright Company Limited, a company incorporated in Hong Kong with limited liability which together with its ultimate beneficial owners are independent third parties of the Company and its connected persons.

By Order of the Board
Hanison Construction Holdings Limited
Wong Sue Toa, Stewart
Managing Director

Hong Kong, 24 September 2007

As at the date of this announcement, the Board comprises:

Non-executive chairman
Mr. Cha Mou Sing, Payson

Non-executive Directors
Mr. Cha Mou Daid, Johnson
Mr. Cha Yiu Chung, Benjamin

Executive Directors
Mr. Wong Sue Toa, Stewart (*Managing Director*)
Mr. Tai Sai Ho (*General Manager*)
Dr. Lam Chat Yu
Mr. Shen Tai Hing

Independent non-executive Directors
Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun