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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)

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF PROPERTY INTEREST**

On 4th May 2006, Hamfield Enterprises, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Fortune Land, pursuant to which Hamfield Enterprises had agreed to sell and Fortune Land had agreed to purchase the Property for a consideration of HK\$15,733,760.

The consideration receivable by Hamfield Enterprises under the Agreement represents approximately 5.7% of the total market capitalisation of the Company calculated on the basis of the average closing price of the Company's shares stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of the Agreement (being approximately HK\$274.8 million). Accordingly, the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

A circular containing further details relating to the Agreement will be despatched to the Shareholders.

**THE AGREEMENT**

**Background**

On 4th May 2006, Hamfield Enterprises, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Fortune Land, pursuant to which Hamfield Enterprises had agreed to sell and Fortune Land had agreed to purchase the Property.

The Property was acquired for a consideration of HK\$8.5 million on the purchase by the Company of Hamfield Enterprises in December 2001.

## **Consideration**

The consideration payable by Fortune Land to Hamfield Enterprises for the acquisition of the Property is HK\$15,733,760, which will be satisfied by way of cash. The consideration has been arrived at after negotiation conducted between Hamfield Enterprises and Fortune Land on an arm's length basis. The selling price per square foot is HK\$280, which is above what the Directors believe to be the open market value of the property which, according to the draft report of an independent property valuer which is in the process of being compiled for the Company's annual report, would be in the order of HK\$221 per square foot as at 31st March 2006. The Directors consider the analysis of the independent property valuer to be reliable as a gauge of value for the present transaction.

The consideration is payable as follows:

1. an initial deposit of HK\$800,000 was paid upon signing of the Agreement;
2. an additional deposit of HK\$773,380 shall be paid on or before 16th May 2006; and
3. the balance of HK\$14,160,380 shall be paid upon completion.

It is intended that a formal sale and purchase agreement in respect of the Property will be entered into on or before 16th May 2006 (accompanied by payment of the additional deposit), and that completion will take place on or before 8th June 2006.

The Directors believe that the consideration and the other terms of the Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **GENERAL INFORMATION AND LISTING RULES IMPLICATIONS**

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

The Property, which comprises a site area of approximately 56,192 square feet, has been used as a storage area for Group companies. Given the current favourable property market and the other warehousing space available to the Group, the Company considers it to be the right timing to dispose of the Property and realise a significant gain against its book value. The Company intends to use the net proceeds from the Disposal as additional general working capital.

For the years ended 31st March 2004 and 2005, no profit before or after taxation and extraordinary items was generated from the holding of the Property. The book value of the Property as at 4th May 2006 was approximately HK\$8.4 million (stated at cost). As a result of the Disposal, the Company is expected to record an unaudited net gain on disposal of approximately HK\$7.1 million. The Property was acquired in December 2001 when the Hong Kong economy, and the property market in particular, was much weaker than at present. With the improvement of the Hong Kong economy over the past two years, the property market has rebounded. This industry-wide trend explains, so far as the Directors are concerned, why the price obtainable for this property is much higher than the book cost.

The consideration payable by Fortune Land to Hamfield Enterprises under the Agreement (being HK\$15,733,760) represents approximately 5.7% of the total market capitalisation of the Company calculated on the basis of the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of the Agreement (being approximately HK\$274.8 million). Accordingly, the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, Fortune Land and the ultimate beneficial owners of Fortune Land are third parties independent of the Company and its connected persons.

A circular containing further details relating to the Agreement will be despatched to the Shareholders. Should a formal sale and purchase agreement in respect of the Disposal not be entered into, a further announcement will be made by the Company.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Agreement”	the provisional sale and purchase agreement dated 4th May 2006 and entered into by Hamfield Enterprises and Fortune Land in relation to the Disposal
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange
“connected person”	as defined in the Listing Rules and references to “independent third party” and “independent” shall be construed accordingly
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the Property by Hamfield Enterprises to Fortune Land
“Fortune Land”	Fortune Land Limited, an unlisted company incorporated in Hong Kong with limited liability and principally engaged in the business of land development
“Hamfield Enterprises”	Hamfield Enterprises Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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”	the land situated at Lot Nos 1282s.A, 1282s.B, 1283, 2209s.A, 2209RP and 1303 in D.D.92, Sheung Shui, New Territories, together with all the messuages, erections and buildings (if any) thereon, collectively, the approximate registered site area of which is 56,192 square feet
“Shareholders”	the shareholders of the Company

“Stock Exchange”            The Stock Exchange of Hong Kong Limited

“HK\$”                         Hong Kong dollars, the lawful currency of Hong Kong

On behalf of the Board of  
**Hanison Construction Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Managing Director*

Hong Kong, 9th May 2006

*As at the date of this announcement, the executive Directors are Mr. Wong Sue Toa, Stewart, Mr. Tai Sai Ho, Dr. Lam Chat Yu and Mr. Shen Tai Hing; the non-executive Directors are Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin; and the independent non-executive Directors 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.