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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

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTERESTS IN THE TARGET**

Acquisition

The Board is pleased to announce that on 15 April 2011, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share, representing 100% issued share capital of the Target, and to assign the Shareholders' Loan at the consideration set out in the section headed "Consideration", the material terms of which are as set out below.

The Sale Share represents the entire issued share capital of the Target, which wholly owned the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The remaining 51% interest of the PRC Subsidiary is owned by Hill Boom Limited, a company incorporated in Hong Kong and wholly owned by the Vendor.

Listing Rules Implications

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Each of CCM Trust (Cayman) Limited, Cha Mou Sing, Payson, Cha Mou Daid Johnson, Cha Yiu Chung Benjamin and their respective associates are required to abstain from voting on resolution on approving the transactions contemplated under the Sale and Purchase Agreement.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and transactions contemplated therein; (ii) recommendations from the independent board committee of the Company; (iii) the advice from the independent financial adviser to the independent board committee of the Company and the Shareholders; together with (iv) a notice convening an extraordinary general meeting of the Company at which resolutions will be proposed for the approval of the transactions contemplated under the Sale and Purchase Agreement will be sent to the Shareholders as soon as practicable.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed “Conditions Precedent” in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 15 April 2011, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share, representing 100% issued share capital of the Target, and to assign the Shareholders’ Loan at the consideration set out in the section headed “Consideration”, the material terms of which are as set out below.

THE ACQUISITION

The Sale and Purchase Agreement

Date:

15 April 2011

Parties:

- (a) Clear Shine International Limited (as the Vendor)
- (b) Hanison Construction Holdings (BVI) Limited (as the Purchaser)

As at the date of this announcement, the Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding of the Company. Therefore, the Vendor is regarded as a connected person of the Company under the Listing Rules.

Subject of the Acquisition

The Sale Share represents the entire issued share capital of the Target, which wholly owned the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The remaining 51% interest of the PRC Subsidiary is owned by Hill Boom Limited, a company incorporated in Hong Kong and wholly owned by the Vendor.

Assignment of Shareholders’ Loan

The Vendor has provided an interest free Shareholders’ Loan in the amount of HK\$61,081,052.47 to the Target, which remains outstanding. Upon Completion, the Shareholders’ Loan will be assigned to the Purchaser at cost.

Consideration

The consideration for the Acquisition comprises of (i) an amount of RMB80,000,000.00 (equivalent to approximately HK\$93,720,000.00) (the “**Basic Consideration**” and which is subject to further adjustment, if any, as set out below); and (ii) an additional amount of RMB22,785,000.00 (equivalent to approximately HK\$26,692,627.50) less any pertaining deferred tax liabilities in respect of PRC land appreciation tax and enterprise income tax (the “**Contingent Consideration**”), payable in cash in the following manner:

- (a) 10% of the Basic Consideration (i.e. RMB8,000,000.00, equivalent to approximately HK\$9,372,000.00) shall be payable immediately upon signing of the Sale and Purchase Agreement;
- (b) balance of the Basic Consideration (i.e. RMB72,000,000.00, equivalent to approximately HK\$84,348,000.00) shall be payable at Completion; and
- (c) the Contingent Consideration shall be payable at a date to be mutually agreed by the Vendor and the Purchaser after the occurrence of the following events, whichever is the earliest:
 - (i) completion of the Project, meaning the construction completion of no less than 95% of the total approved gross floor area for the Land and upon which the project completion certificate (竣工驗收證) being issued, provided that the accumulated net profit (after Taxes) of the PRC Subsidiary in relation to the Project exceeds RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00); or
 - (ii) 5 years after the date of Completion, or 5 Business Days after the issue of the accounts of the PRC Subsidiary, which, together with earlier accounts of the PRC Subsidiary, show that the accumulated net profit (after Taxes) of the PRC Subsidiary exceeds RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00), whichever is later; or
 - (iii) without prejudice to the Vendor’s rights under (i) and (ii) above, a date to be mutually agreed in writing by both parties of the Sale and Purchase Agreement, if any.

For the avoidance of doubt, no Contingent Consideration shall be payable if the accumulated net profit (after Taxes) of the PRC Subsidiary does not exceed RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00) and in such case, the Purchaser is not entitled to any dividend of the PRC Subsidiary.

The Basic Consideration is subject to the following adjustments after the unaudited consolidated income statements and balance sheet of the Target for the period from 1 January 2011 to the date of Completion (the “**Completion Accounts**”) has been agreed or determined:

- (a) if the amount, calculated by reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target Companies (excluding the book value of the Land) plus 49% of 70% of the market value of the Land less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders’ Loan at cost, exceeds the Basic Consideration paid by the Purchaser, the Purchaser will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Vendor an amount equal to such excess by telegraph transfer in immediately available funds to the bank account(s) designated by the Vendor (details of which shall be notified in writing to the Purchaser within 5 Business Days after the Completion Accounts have been agreed or determined); and

- (b) if the amount, calculated by reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target Companies (excluding the book value of the Land) plus 49% of 70% of the market value of the Land less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders' Loan at cost, is less than the Basic Consideration paid by the Purchaser, the Vendor will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Purchaser an amount equal to such shortfall by telegraphic transfer in immediately available funds to the bank account(s) designated by the Purchaser (details of which shall be notified in writing to the Vendor within 5 Business Days after the Completion Accounts have been agreed or determined).

All payments of the Basic Consideration and Contingent Consideration shall be made in immediately available funds in Hong Kong Dollars equivalent. The Hong Kong Dollars and RMB conversion rate shall be the middle point rate published by the People's Bank of China on the Business Day immediately preceding the respective payment due dates.

The consideration for the Acquisition was arrived at after arm's length negotiation between the Vendor and the Purchaser, having taken into account the market value of the Land as at 31 December 2010 valued approximately at RMB155,000,000.00 (equivalent to approximately HK\$181,582,500.00). The Vendor agreed to offer a 30% discount of the said market value of the Land, that is RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00) to the Purchaser in calculating the Basic Consideration. The Basic Consideration represents the consolidated net asset value of the Target Companies (excluding the book value of the Land) plus 49% of 70% of the said market value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates, plus the Shareholders' Loan at cost. The Contingent Consideration represents 49% of 30% of the said market value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates.

Conditions Precedent

Completion of the Acquisition is conditional, inter alia, upon the following conditions being fulfilled or waived (where applicable):

- (a) the grant of approval by the Shareholders at an extraordinary general meeting of the Sale and Purchase Agreement, the Shareholders' Agreement, the Assignment of Shareholders' Loan and the transactions contemplated therein in accordance with the requirements of the Listing Rules;
- (b) all licenses, permissions, authorizations, regulatory approvals and consents in relation to the transactions contemplated herein under any applicable laws having been obtained;
- (c) the Vendor and the Purchaser having entered into the Shareholders' Agreement;
- (d) the Vendor and the Purchaser having entered into the Assignment of Shareholders' Loan;
- (e) the Vendor having provided to the Purchaser a certificate of incumbency and certificate of good standing of the Target in satisfactory form and dated not more than 10 Business Days prior to the date of Completion;
- (f) the Vendor having provided to the Purchaser a legal opinion confirming that the Vendor validly entered into the Sale and Purchase Agreement dated not more than 10 Business Days prior to the date of Completion;

- (g) the warranties provided in the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respect; and
- (h) no material adverse effect on the business prospect of the Target Companies.

Completion

Completion shall take place on any Business Day not later than the 3rd Business Day immediately following the day on which all of the conditions set out in the Sale and Purchase Agreement are fulfilled or waived and shall be no later than 30 June 2011 or such later date as the parties may agree.

INFORMATION ON THE COMPANY

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment and development, provision of property agency and management services and sale of health products.

INFORMATION ON THE VENDOR

The principal business activity of the Vendor is investment holding. The Vendor, through the Target Companies, is principally engaged in the business of holding the land use rights of the Land and the development of the Project.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

INFORMATION ON THE TARGET COMPANIES

The Target is an investment holding company, which wholly owned the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The Target Companies, through the PRC Subsidiary, is principally engaged in the business of holding the land use rights of the Land and the development of the Project. As at the date of the announcement, the PRC Subsidiary is wholly owned by the Vendor, 51% of which through Hill Boom Limited and 49% of which through the Target.

Hanison Project Management Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company, is providing project management service to the PRC Subsidiary, which constitutes a continuing connected transaction of the Company. Reference is made to the announcement of the Company dated 1 April 2009.

The original purchase price of the Land paid by the Vendor is approximately RMB100,700,000.00 (equivalent to approximately HK\$117,970,050.00), and the 49% of the value of which shall be RMB49,343,000.00 (equivalent to approximately HK\$57,805,324.50). This land value together with other subsequent assets and liabilities of the Target Companies represent the consolidated net asset value of Target Companies as at 31 December 2010 (as is now the cost of the Sale Share).

Set out below is a summary of the unaudited consolidated financial information of the Target Companies for the two years ended 31 December 2009 and 2010:

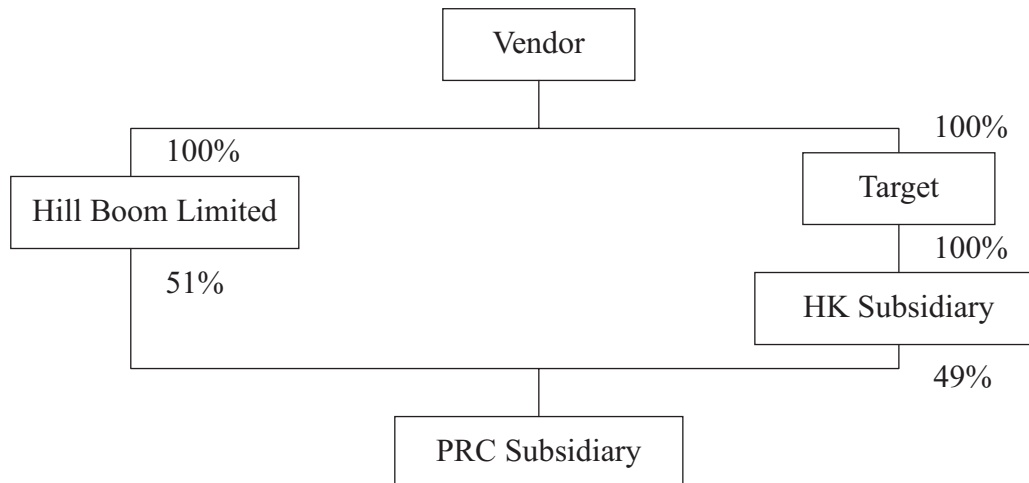
	For the year ended	
	31 December	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation and extraordinary items	(505)	(684)
Net loss after taxation and extraordinary items	(614)	(854)

The unaudited consolidated net asset value of the Target Companies, representing 100% interests in the Target and the HK Subsidiary and 49% interest of the PRC Subsidiary, including the book value of the Land as at 31 December 2010, is HK\$31,418,785.14.

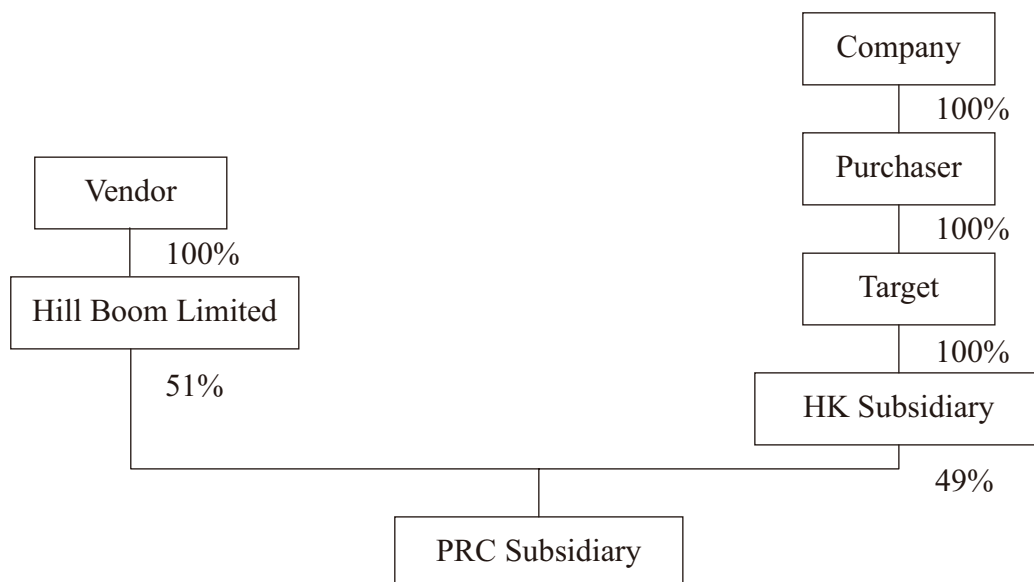
The unaudited consolidated net asset value of the Target Companies, representing 100% interests in the Target and the HK Subsidiary and 49% interest of the PRC Subsidiary, excluding the book value of the Land, plus 49% of 70% of the market value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates, as at 31 December 2010 is HK\$32,843,849.20.

The following chart shows the group structure of the Target Companies before and immediately after the Completion:

Simplified shareholding structure — as at the date of the announcement



Simplified shareholding structure — upon Completion



REASONS FOR THE ACQUISITION AND SOURCE OF FUNDS

The Project is a large-scale office premises development project. The Project is expected to comprise over 124,000 square metres of gross floor area and is planned for development of office premises in 3 phases over a period of nearly 6 years. Phase 1 of the Project is expected to commence in June 2011 and the development cost will be financed by cash in hand, bank loans and the funds generated from pre-sale.

Since the Group is providing project management services on the Project, the Acquisition and participation in the Project will enable the Group to fully utilize its expertise and resources for the master planning and development of the large-scale office premises development in the PRC.

The Directors (including the independent non-executive Directors) believe that the price and terms of the Acquisition are fair and reasonable under the current market conditions, and that the investment in this Project is in the best interests of the Company and its Shareholders as a whole.

The consideration for the Acquisition will be settled partly from bank loans and partly from internal resources of the Company.

Upon Completion, the Target and the HK Subsidiary will become wholly-owned subsidiaries of the Company and their financial results will be fully consolidated in the consolidated financial statements of the Group. The PRC Subsidiary will become a jointly-controlled entity of the Company and its financial results will be treated by equity accounting in the consolidated financial statements of the Group.

The Directors (including the independent non-executive Directors) believe that the terms and conditions of the Sale and Purchase Agreement, the Shareholders' Agreement and the Assignment of Shareholders' Loan are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Each of CCM Trust (Cayman) Limited, Cha Mou Sing, Payson, Cha Mou Daid Johnson, Cha Yiu Chung Benjamin and their respective associates are required to abstain from voting on resolution on approving the transactions contemplated under the Sale and Purchase Agreement.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and transactions contemplated therein; (ii) recommendations from the independent board committee of the Company; (iii) the advice from the independent financial adviser to the independent board committee of the Company and the Shareholders; together with (iv) a notice convening an extraordinary general meeting of the Company at which resolutions will be proposed for the approval of the transactions contemplated under the Sale and Purchase Agreement will be sent to the Shareholders as soon as practicable.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed “Conditions Precedent” in this announcement and therefore the Acquisition may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Share pursuant to the Sale and Purchase Agreement
“Assignment of Shareholders’ Loan”	the assignment of Shareholders’ Loan to be entered into between the Vendor and the Purchaser before or upon Completion
“Business Day”	a day on which licensed banks in Hong Kong are open for general business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning signal no.8 or above is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a “black rainstorm” warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Board”	board of Directors
“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

“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands with limited liability and the issues Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning as ascribed under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HK Subsidiary”	Vast Media International Limited 星漢國際有限公司, a company with limited liability and incorporated under the laws of Hong Kong
“Land”	the parcel of land situate at 中國浙江省海寧市區文苑路西側、後富亭港南側 (West of Wenyuan Road and South of Haufutinggang, Haining, Zhejiang Province, PRC)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mingly”	Mingly Corporation, a company incorporated in the Cayman Islands with limited liability and is an indirect subsidiary of CCM Trust (Cayman) Limited
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“PRC Subsidiary”	海寧嘉豐房地產有限公司 (Haining Jiafeng Real Estate Development Limited), a wholly foreign owned enterprise with limited liability incorporated in the PRC
“Project”	the development and construction of office, retail, car-parking spaces and any other development pertaining to the Land, and the sale of office premises erected thereon
“Purchaser”	Hanison Construction Holdings (BVI) Limited, a company with limited liability incorporated in the British Virgin Islands, which is a wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser on 15 April 2011 in relation to the Acquisition

“Sale Share”	1 share of US\$1.00 each in the share capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	a shareholders’ agreement to be entered into between the Vendor and the Purchaser before or upon Completion
“Shareholders’ Loan”	the shareholders’ loan provided by the Vendor to the Target in the principal amount of HK\$61,081,052.47
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Wisdom Mount Investments Limited 智升投資有限公司, a company with limited liability incorporated in the British Virgin Islands
“Target Companies”	the Target, HK Subsidiary and PRC Subsidiary
“Taxes”	all taxes imposed by any government or taxing authority in the PRC, Hong Kong or elsewhere including, without limitation, all income, profits, undistributed profits, gains, land appreciation tax, enterprise income tax, franchise, sales, transfer, land, property, payroll, use, development, value added, stamp, consumption, estate, gift, customs, excise, receipt, social service and other taxes, duties, levies, rates, contributions, imposts and withholdings, together with all penalties, fines, additions and interest relating thereto
“Vendor”	Clear Shine International Limited, a company with limited liability incorporated in the British Virgin Islands

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.1715 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged, at this or any other rates.

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

Hong Kong, 15 April 2011

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