



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

This announcement is made pursuant to Rules 13.13, 13.15 and 13.16 of the Listing Rules.

This announcement is made by the board of directors of Hanison Construction Holdings Limited (the "Company") in compliance with the disclosure requirements under Rules 13.13, 13.15 and 13.16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DISCLOSURE UNDER RULES 13.13 AND 13.15 OF THE LISTING RULES

According to the latest consolidated management accounts of the Company, as at 31 January 2005, the Company and its subsidiaries (collectively the "Group") had account receivables due from the following entities, which individually exceeded 8% of the relevant percentage ratios as defined in the Listing Rules:—

Name of entities	Amount of trade receivables (HK\$'000)	Percentage of total assets	Percentage of market capitalisation on 31 January 2005
HKR International Limited, its subsidiaries and affiliated companies ("HKRI Group")	76,305	8.9%	32.6%
Hong Kong Housing Authority ("HKHA")	18,980	2.2%	8.1%
The University of Hong Kong ("HKU")	20,665	2.4%	8.8%

The above accounts receivables due from the HKRI Group (a substantial shareholder and a connected person of the Company), HKHA and HKU (independent third parties of the Company) are interest free, unsecured and with payment terms within 30 days from date of certification and primarily arose from the provision of construction services in the ordinary course of business of the Group. Construction services provided to the HKRI Group are within the Company's continuing connected transactions as disclosed in the Company's announcement dated 27 November 2003 and the circular dated 18 December 2003.

The above disclosure was made as soon as practicable after the Company has consolidated and analysed the trade balances for each customer group in each of its subsidiaries' books.

The market capitalisation of the Company on 31 January 2005 was HK\$234,028,645 which was based on 354,588,856 shares of the Company in issue as at 31 January 2005, and the average closing price of the Company's shares of HK\$0.66 as stated in the Stock Exchange's daily quotation sheets for the five business days from 24 to 28 January 2005. The Company's total assets was HK\$853,907,000 as shown in its latest published interim report for the six months ended 30 September 2004 after adjustment for the interim dividend of approximately HK\$2,837,000 for the six months ended 30 September 2004.

DISCLOSURE UNDER RULE 13.16 OF THE LISTING RULES

As at 4 March 2005, the Group has given/committed financial assistance and guarantees amounted to approximately HK\$97,543,000 in aggregate to the following affiliated companies which represent 11.4% of the Company's total assets and 38.7% of the Company's market capitalisation of HK\$251,758,088 on 4 March 2005:

Affiliated companies	Percentage of interests held by the Group	Amount of financial assistance given/committed (HK\$'000)	Amount of guarantees given (HK\$'000)	Total (HK\$'000)
Hanison - Hip Hing Joint Venture	50%	8,000	7,095 (note 1)	15,095
Hip Hing - Hanison Joint Venture	50%	20,000 (note 2)	26,393 (note 2)	46,393
Crown Cosmos Investments Limited	50%	8,565	—	8,565
Berville Investment Limited	50%	12,229	—	12,229
Fairwide Limited	50%	15,261	—	15,261
Total				97,543

The above financial assistance to affiliated companies are interest free, unsecured and have no fixed repayment dates. They were funded by internal resources of the Group and will be repaid as and when appropriate.

Notes:

- The guarantee was given to secure 50% of the banking facilities of HK\$14,190,000 granted by a bank to Hanison - Hip Hing Joint Venture before Rule 13.16 of the Listing Rules came into force. As at 4 March 2005, HK\$12,900,000 of the banking facilities was utilised for the issuance of a performance bond for a construction project awarded to Hanison - Hip Hing Joint Venture.
- The Company has committed to advance HK\$20,000,000 in total to Hip Hing - Hanison Joint Venture, of which HK\$15,000,000 has on 4 March 2005 been advanced.

The guarantee was given to secure 50% of the banking facilities of HK\$52,786,000 to be granted by a bank to Hip Hing - Hanison Joint Venture on 4 March 2005. As at 4 March 2005, the Joint Venture has applied to the bank for a banking facilities of HK\$47,987,000 to be utilised for issuing a performance bond for a construction project awarded to Hip Hing - Hanison Joint Venture on 24 December 2004.

As at 4 March 2005, there were 354,588,856 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.71 as stated in the Stock Exchange's daily quotation sheets for the five business days from 25 February to 3 March 2005, the total market capitalisation of the Company was HK\$251,758,088 as at 4 March 2005.

Save as disclosed above, the Group has no capital injection commitment in its affiliated companies and the Company does not have other disclosure obligations under Rules 13.13, 13.15 and 13.16 of the Listing Rules.

The Company will make continuing disclosure pursuant to Rules 13.20 and 13.22 in subsequent interim and annual reports.

By order of the Board
Lo Kai Cheong
Company Secretary

Hong Kong, 4 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.