



# 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 ACQUISITION OF SHARES

The Directors are pleased to announce that on 16 September 2005, Media Group, a wholly-owned subsidiary of the Company, entered into the Agreement with Van Shung Chong and the Vendor (a wholly-owned subsidiary of Van Shung Chong) in relation to the acquisition by Media Group of the entire issued share capital of Senior Rich from the Vendor for a consideration of HK\$34,468,455.

The Acquisition contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing details of the Acquisition will be sent to shareholders of the Company as soon as practicable.

### THE AGREEMENT

#### Date

16 September 2005

#### Parties

The purchaser : Media Group  
The Vendor : Capital Full (a wholly-owned subsidiary of Van Shung Chong) and its principal activity is investment holding  
The Vendor's guarantor : Van Shung Chong and its group's principal activities are trading and stockholding of construction materials, and manufacturing and trading of industrial products

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, each of the Vendor, Van Shung Chong, its substantial shareholders and their respective associates is a third party independent of the Company and its connected persons as defined in the Listing Rules.

#### Assets to be acquired

Pursuant to the Agreement, Media Group has agreed, amongst other things, to acquire the entire issued share capital of Senior Rich from the Vendor for a consideration of HK\$34,468,455. The Vendor and Van Shung Chong (being the Vendor's guarantor) have jointly and severally provided certain warranties and indemnities in connection with, including but not limited to the general commercial, taxation, corporate and accounting matters of Senior Rich and the title of the Property, to Media Group under the Agreement.

Senior Rich is a property investment company which owns the Property, with total site area of approximately 211,266 sq. ft. The Property can be used for agricultural use. A waiver has been granted by the Government to Senior Rich for making use of majority area of the Property for industrial storage subject to, inter alia, three calendar months' notice of determination in writing given by either party to the other.

At present, approximately 120,000 sq. ft. of the Property is leased by Senior Rich to a third party independent of the Company and its connected persons (as defined in the Listing Rules), at a monthly rental of HK\$60,000 for a term up to 14 November 2006. Apart from such tenancy, the Vendor shall deliver vacant possession of the Property to Media Group on Completion.

For the year ended 31 March 2004, the audited net profit before and after taxation and extraordinary items of Senior Rich were HK\$163,623 and HK\$101,061. For the year ended 31 March 2005, the audited net profit before and after taxation and extraordinary items of Senior Rich were HK\$42,416 and HK\$34,994. As at 31 March 2005, the audited net asset value was HK\$33,361,108.

Save as disclosed herein, the Group has not purchased other properties within the proximity of the Property, or any properties and shares of any company from the Vendor, Van Shung Chong, its substantial shareholders, or their respective associates, within the past 12 months.

#### Consideration and payment terms

The consideration for the Acquisition is HK\$34,468,455 and is payable in cash in full as follows:

- (1) an initial deposit of HK\$2,000,000 has been paid by Media Group to the Vendor's solicitors as stakeholder upon signing of the Agreement;
- (2) a further deposit of HK\$1,450,621.7 and a part payment of HK\$3,406,978.3 shall be payable to the Vendor's solicitors as stakeholder on or before 6 October 2005;
- (3) subject to the adjustment of the excess or shortfall of the net asset values of Senior Rich (apart from the value of the Property) as shown in the management accounts and the audited accounts to be prepared for the period up to the date of Completion, the balance of the consideration of HK\$27,610,855 shall be payable upon Completion. The Directors do not expect there will be a large discrepancy between the said net asset values.

The initial and further deposits and part payment will not be released to the Vendor unless and until the Vendor has proved good title to the Property.

The consideration was determined after arm's length negotiations between the parties to the Agreement with reference to the net asset value of Senior Rich and an analysis undertaken by the Group's property department of the transaction prices for comparable properties in the area in which the Property is situated. Based on the analysis, the Directors considered that the book value of HK\$34,288,000 of the Property is comparable with the current market prices. No independent valuation had been conducted on the Property. The Directors are also of the view that the Acquisition is fair and reasonable and in the best interests of the Company and its shareholders as a whole. We expect that approximately half of the acquisition cost will be funded from the Group's internal resources and the rest will be financed by bank borrowings.

#### Conditions

Completion is conditional upon, inter alia, the following conditions:

- (a) completion by Media Group of the due diligence investigation not less than 7 days before the Completion and Media Group being satisfied with the results thereof and the warranties and undertakings of the Agreement being true and correct;
- (b) proof of good title to the Property by the Vendor to Media Group.

If any of the conditions is not satisfied (or is not waived) by the date of Completion, Media Group may by written notice rescind the Agreement and the Vendor shall forthwith return all deposits and part payments received (without interest) to Media Group.

### Completion

Subject to the fulfillment (or waiver) of the conditions of the Agreement, Completion shall take place on or before 9 November 2005. Further announcement will be made by the Company if Completion does not take place by 9 November 2005.

### REASONS FOR THE ACQUISITION

The Company intends to use around half of the area of the Property for rental purposes, and the remaining part as the Group's own warehouse. The Group is currently renting a piece of land from an outside party for warehouse purposes and additional warehousing space is required. The Directors believe that the Acquisition will help the Group to save paying high rent for warehousing space and will provide a stable rental income source for the Group. The current market rental for similar properties is around HK\$0.8 to HK\$1 per sq. ft. and we expect the yield to be approximately 6% p.a. The Directors are of the view that the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### INFORMATION ON THE COMPANY

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 properties investment and development.

### LISTING RULES IMPLICATION OF THE ACQUISITION

The Acquisition contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing details of the Acquisition will be sent to shareholders of the Company as soon as practicable.

### 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 Senior Rich from the Vendor pursuant to the terms of the Agreement
"Agreement"	the agreement for sale and purchase entered into between Media Group, the Vendor and Van Shung Chong 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
"Completion"	completion of the Acquisition
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"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
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Property"	the lands registered in the Land Registry as Lots Nos. 163A, 163B, 164, 165B, 165RP, 166RP, 167RP, 168, 169, 170 and 171 all in D.D. No. 128, Yuen Long, New Territories
"Van Shung Chong"	Van Shung Chong Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited
"Vendor"	Capital Full Investment Limited, a wholly-owned subsidiary of Van Shung Chong
"Senior Rich"	Senior Rich Development Limited, a company incorporated in Hong Kong with limited liability whose entire issued share capital consisting of 380 Class "A" voting shares of HK\$1.00 each and 10,000 Class "B" non-voting deferred shares of HK\$1.00 each, is held by the Vendor, and an indirect wholly-owned subsidiary of Van Shung Chong

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

Hong Kong, 20 September 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.