



# HANISON CONSTRUCTION HOLDINGS LIMITED

## 興勝創建控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 896)

### PROVISIONAL SALE AND PURCHASE AGREEMENTS FOR SEPARATE PROPERTY ACQUISITIONS

#### DISCLOSEABLE TRANSACTIONS

##### SUMMARY

On 4th June, 2004, Forever Gainer, an indirect wholly-owned subsidiary of the Company, entered into the Agreements with Megalink and Hammond, respectively, in relation to the acquisition of the Properties.

The amounts of the consideration payable by Forever Gainer under the Megalink Agreement (being HK\$25 million) and the Hammond Agreement (being HK\$27.8 million) represent approximately 19% and 21%, respectively, 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 Agreements (being approximately HK\$132.8 million). Each of the Megalink Agreement and the Hammond Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

A circular containing further details of the Agreements will be despatched to the Shareholders.

#### A. THE MEGALINK AGREEMENT

##### Background

On 4th June, 2004, Forever Gainer, an indirect wholly-owned subsidiary of the Company, entered into the Megalink Agreement with Megalink in relation to the acquisition of the Megalink Property.

##### Principal Terms of the Megalink Agreement

###### Consideration

The consideration for the acquisition of the Megalink Property is HK\$25 million, which will be satisfied by way of cash. The consideration has been arrived at after negotiation conducted between Forever Gainer and Megalink on an arm's length basis.

The consideration is payable as follows:

1. an initial deposit of HK\$1.25 million shall be paid upon signing of the Megalink Agreement;
2. an additional deposit of HK\$1.25 million shall be paid upon signing of the formal sale and purchase agreement; and
3. the balance of HK\$22.5 million shall be paid upon completion of the Megalink Agreement.

It is intended that the signing of the aforesaid formal sale and purchase agreement for the acquisition of the Megalink Property shall take place on or before 23rd June, 2004, and completion of the Megalink Agreement shall take place on or before 26th July, 2004. Upon completion of the Megalink Agreement, Forever Gainer will be taking vacant possession of the Megalink Property.

#### B. THE HAMMOND AGREEMENT

##### Background

On 4th June, 2004, Forever Gainer entered into the Hammond Agreement with Hammond in relation to the acquisition of the Hammond Property.

##### Principal Terms of the Hammond Agreement

###### Consideration

The consideration for the acquisition of the Hammond Property is HK\$27.8 million, which will be satisfied by way of cash. The consideration has been arrived at after negotiation conducted between Forever Gainer and Hammond on an arm's length basis.

The consideration is payable as follows:

1. an initial deposit of HK\$1.39 million shall be paid upon signing of the Hammond Agreement;
2. an additional deposit of HK\$1.39 million shall be paid upon signing of the formal sale and purchase agreement; and
3. the balance of HK\$25.02 million shall be paid upon completion of the Hammond Agreement.

It is intended that the signing of the formal sale and purchase agreement for the acquisition of the Hammond Property shall take place on or before 23rd June, 2004, and completion of the Hammond Agreement shall take place on or before 12th July, 2004. Upon completion of the Hammond Agreement, Forever Gainer will be taking vacant possession of the Hammond Property, except that one of the floors of the Hammond Property is currently subject to a tenancy agreement which will expire on 31st July, 2004.

#### C. GENERAL INFORMATION AND LISTING RULES IMPLICATION

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

The Company intends to retain the Properties for investment purposes. The Directors are of the view that the acquisition of the Properties will broaden the portfolio of the property investment division of its business. The Directors believe that the terms of the Agreements are fair and reasonable and in the interests of the Shareholders as a whole.

Although no independent valuation has been obtained in respect of the Properties, the Group's property department undertook its own valuation exercise in respect of the Properties, which included an analysis of transactions for comparable properties in the area in which the Properties are situated, during the week beginning 31st May, 2004. Based on this internal valuation exercise, the Directors have concluded that the respective consideration amounts for the Megalink Property and the Hammond Property equate to their respective fair market values. The amounts of the consideration payable by Forever Gainer under the Megalink

Agreement (being HK\$25 million) and the Hammond Agreement (being HK\$27.8 million) represent approximately 19% and 21%, respectively, 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 Agreements (being approximately HK\$132.8 million). Each of the Megalink Agreement and the Hammond Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

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

A circular containing further details of the Agreements will be despatched to the Shareholders.

#### D. TERMS USED IN THIS ANNOUNCEMENT

"Agreements"	the Megalink Agreement and the Hammond Agreement
"Company"	Hanison Construction Holdings Limited, 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
"Forever Gainer"	Forever Gainer Development Limited, an indirect wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hammond"	Hammond Development Company Limited, a company principally engaged in the business of real estate and general trading
"Hammond Agreement"	the provisional sale and purchase agreement dated 4th June, 2004 and entered into by Hammond and Forever Gainer
"Hammond Property"	The property situated at No. 4 College Road, Kowloon Tong, Kowloon, Hong Kong
"Hong Kong"	the Hong Kong Special Administration Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Megalink"	Megalink Holdings Limited, a company principally engaged in the business of general trading
"Megalink Agreement"	the provisional sale and purchase agreement dated 4th June, 2004 and entered into by Megalink and Forever Gainer
"Megalink Property"	The property situated at No. 21 Sau Chuk Yuen Road, Kowloon Tong, Kowloon, Hong Kong
"PRC"	the People's Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
"Properties"	the Hammond Property and the Megalink Property
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board of  
**Hanison Construction Holdings Limited**  
**Lo Kai Cheong, Casey**  
Company Secretary

Hong Kong, 8th June, 2004

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 and Dr. Sun Tai Lun.