



# 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

### CONTINUING CONNECTED TRANSACTION IN RELATION TO THE CDW BUILDING RENOVATION WORKS

Reference is made to the announcement of the Company dated 27 November 2003 and the circular of the Company dated 18 December 2003 regarding the continuing connected transactions in relation to the renovation works for CDW Building pursuant to the CDW Agreement between HIRL and the CDW Building Ltd.

A waiver with an annual cap of HK\$19 million for the year ended 31 March 2005 was granted by the Stock Exchange on 11 February 2004.

In October 2005, HIRL received an architect certificate dated 28 September 2005 for an interim payment of approximately HK\$1.8 million. In December 2005, HIRL received another architect certificate dated 2 December 2005 for the final payment of approximately HK\$0.9 million. The aggregate amount of approximately HK\$2.7 million shall be recorded as turnover in the accounts for the year ending 31 March 2006.

CDW Building Ltd is a connected person of the Company by virtue of the fact that CDW Building Ltd is an indirect subsidiary of Mingly Holdings Limited which is held by Dolios Limited as trustee of certain irrevocable discretionary trusts of which one or more members of the Cha Family are among the discretionary objects, and the Company is substantially held directly and indirectly by Novantenor Limited and LBJ Regents Limited as trustees of certain irrevocable discretionary trusts of which members of the Cha Family are among the discretionary objects. As the Cha Family is a substantial shareholder of the Company, the transactions contemplated under the CDW Agreement constitute continuing connected transactions for the Company under the Listing Rules.

The aggregate amount of renovation works pursuant to the CDW Agreement for the year ending 31 March 2006 amounted to approximately HK\$2.7 million. As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the above transactions for the year ending 31 March 2006 are more than 0.1% but less than 2.5%, they are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but do not require the approval of the Company's independent shareholders.

Reference is made to the announcement of the Company dated 27 November 2003 and the circular of the Company dated 18 December 2003 regarding the continuing connected transactions in relation to the renovation works for CDW Building pursuant to the CDW Agreement between HIRL and the CDW Building Ltd.

On 11 February 2004, a waiver was granted by the Stock Exchange with an annual cap of HK\$19 million in respect of the renovation works revenues pursuant to the CDW Agreement, for the year ended 31 March 2005. The annual cap of HK\$19 million was calculated by HIRL on the basis that all HIRL's works done had been certified by the architect during the year ended 31 March 2005.

However, HIRL did not receive full payment during the year ended 31 March 2005 as some of the works were cancelled and also the architect has not yet certified all of the works done by HIRL in respect of the CDW Agreement. During the year ended 31 March 2005, HIRL received a certified sum of only approximately HK\$3.9 million which had been recorded as turnover in the accounts of the Group for the year ended 31 March 2005 and the waiver dated 11 February 2004 lapsed.

During the period April 2005 to the mid of October 2005, HIRL did not receive any architect certificate until the second half of October 2005, HIRL received an architect certificate dated 28 September 2005 for an interim payment of approximately HK\$1.8 million. In December 2005, HIRL received another architect certificate dated 2 December 2005 for the final payment of approximately HK\$0.9 million. The aggregate amount of approximately HK\$2.7 million shall be recorded as turnover in the accounts for the year ending 31 March 2006. Together with the revenue of HK\$3.9 million recorded for the year ended 31 March 2005, the total amount of revenue would be HK\$6.6 million for the two financial years ended 31 March 2005 and 2006.

Comparing the cap amount of HK\$19 million, there was a shortfall of HK\$12.4 million, which was due to the fact that some of the renovation works have been cancelled.

#### REASONS FOR ENTERING INTO THE TRANSACTION

HIRL had completed the renovation works for CDW Building pursuant to the CDW Agreement during the year ended 31 March 2005. However, full amount has not yet been certified. Recently two architect certificates were issued certifying an interim and final payments amounted to approximately HK\$2.7 million. This amount will be recorded as turnover in the accounts for the year ending 31 March 2006.

The Directors, including the independent non-executive Directors, consider that the transactions have been entered into in accordance with the CDW Agreement which has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms and has been negotiated on an arm's length basis; and that it is fair and reasonable as far as the shareholders of the Company (including the independent shareholders) as a whole are concerned.

#### GENERAL

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.

CDW Building Ltd is the owner of the leasehold interest in the CDW Building with an outstanding lease term due to expire in 2047.

CDW Building Ltd is a connected person of the Company by virtue of the fact that CDW Building Ltd is an indirect subsidiary of Mingly Holdings Limited which is held by Dolios Limited as trustee of certain irrevocable discretionary trusts of which one or more members of the Cha Family are among the discretionary objects, and the Company is substantially held directly and indirectly by Novantenor Limited and LBJ Regents Limited as trustees of certain irrevocable discretionary trusts of which members of the Cha Family are among the discretionary objects. As the Cha Family is a substantial shareholder of the Company, the transactions contemplated under the CDW Agreement constitute continuing connected transactions for the Company under the Listing Rules.

#### COMPLIANCE WITH LISTING RULES

HIRL had completed the renovation works for CDW Building pursuant to the CDW Agreement during the year ended 31 March 2005. However, full amount has not yet been certified. Recently two architect certificates were issued certifying an interim and final payments amounted to approximately HK\$2.7 million. This amount would form part of the cap amount of HK\$19 million as mentioned above if it had been certified during the year ended 31 March 2005.

During the period April 2005 to the mid of October 2005, HIRL did not receive any architect certificate and hence, no reporting, disclosure, announcement and independent shareholders requirements under the Listing Rules were triggered.

The aggregate amount of renovation works pursuant to the CDW Agreement for the year ending 31 March 2006 amounted to approximately HK\$2.7 million. As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the above transactions for the year ending 31 March 2006 are more than 0.1% but less than 2.5%, they are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but do not require the approval of the Company's independent shareholders.

#### DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

"CDW Agreement"	an agreement dated 28 December 2001 between CDW Building Ltd and HIRL concerning specific renovation work to the CDW Building
"CDW Building"	a 27 storey industrial building of approximately 972,663 square feet located at nos. 382-392 Castle Peak Road and nos. 27-37 Mei Wan Street, Tsuen Wan, New Territories, the leasehold interest in which is owned by CDW Building Ltd
"CDW Building Ltd"	CDW Building Limited, a company incorporated in the Cayman Islands with limited liability, the majority shareholding interest of which is indirectly held by Dolios Limited
"Cha Family"	means Dr. Cha Chi Ming, Ms. Wong May Lung, Madeline (being a daughter of Dr. Cha Chi Ming), Mr. Cha Mou Sing, Payson, Mr. Cha Mou Zing, Victor and Mr. Cha Mou Daid, Johnson (being the sons of Dr. Cha Chi Ming), Mr. Cha Yiu Chung, Benjamin (being a grandson of Dr. Cha Chi Ming) together with their respective associates as defined in the Listing Rules
"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
"connected person"	has the same meanings ascribed to it in the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"HIRL"	Hanison Interior & Renovation Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 13 December 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.