



HANISON CONSTRUCTION HOLDINGS LIMITED

興勝創建控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION

On 29th November, 2003, the Company through a wholly-owned subsidiary, Hanison Eco, entered into the Provisional Agreement with Evolve, a wholly-owned subsidiary of China Chengtong, to acquire the Property for a consideration of HK\$63,000,000.

The shares of China Chengtong are listed on the Stock Exchange. So far as the Directors are aware, China Chengtong, its substantial shareholders (as defined in the Listing Rules) and Evolve are not connected persons (as defined in the Listing Rules) of the Company.

This transaction constitutes a discloseable transaction under the Listing Rules for the Company. A circular containing, amongst other things, details of this transaction will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

The Transaction

Date of the Provisional Agreement

The Provisional Agreement was entered into between Hanison Eco and Evolve on 29th November, 2003.

Parties

Purchaser : Hanison Eco
Vendor : Evolve

The Property

Property : All that piece or parcel of ground registered in the Sha Tin Land Registry as Sha Tin Town Lot No. 27 and together with the entire building known as "Winner Building" situated at No.2-8 Shing Wan Road, Tai Wai, Shatin, New Territories, Hong Kong.

The Property, completed in 1981, is a nine storey building with 18 car parking spaces and 1 lorry parking space and is subject to a government lease with an outstanding lease term due to expire in 2047. The Property can only be used for industrial purposes and is currently, partly leased with an occupancy rate of approximately 28 per cent. The Acquisition is subject to the existing tenancies of the Property.

Consideration

The total consideration for the Acquisition is HK\$63,000,000. This has been arrived at after arm's length negotiations between the parties and the Directors consider the terms of the Provisional Agreement to be normal commercial terms that are fair and reasonable and in the best interests of the Company, taking into consideration the current property market in Hong Kong and the feasibility study concerning the rental yield in respect of the Property and those industrial properties in the neighbouring area in which the Property is situated which was conducted by the Company in October 2003.

Payment Terms

The payment terms for the Property are as follows:

- (i) an initial deposit of HK\$3,000,000 in cash was paid by Hanison Eco to Evolve on the signing of the Provisional Agreement on 29th November, 2003;
- (ii) a further deposit of HK\$3,000,000 and a part payment in the same amount, to be satisfied by cash, is payable by Hanison Eco to the solicitors of Evolve, as the stakeholder, on the signing of the formal conditional agreement for the Acquisition, which is expected to be on or before 23rd December, 2003; and
- (iii) HK\$54,000,000 to be satisfied in cash is payable by Hanison Eco to China Chengtong on the completion of the Acquisition, which is expected to be on or before 30th January, 2004.

The further deposit and part payment will not be released to Evolve unless and until (a) Evolve has proved good title to the Property; (b) Evolve has proved that the amount of HK\$54,000,000 is sufficient to discharge the existing mortgages and encumbrances over the Property; and (c) the condition for the passing of China Chengtong shareholders' resolution(s) approving the sale of the Property has been fulfilled in accordance with the Provisional Agreement (as described under the heading "Completion Date").

Completion Date

The parties propose to enter into a formal conditional agreement for the Acquisition on or before 23rd December, 2003, and subject to the condition of the shareholders of China Chengtong approving (amongst other things) the entering into the conditional agreement for the sale of the Property and the transactions contemplated thereunder, completion of the Acquisition is expected to take place on or before 30th January, 2004. China Chengtong Hong Kong Company Limited, a substantial shareholder of China Chengtong has undertaken to vote in favour of the proposed shareholders' resolution(s) approving the sale of the Property by China Chengtong.

If the condition for the passing of China Chengtong shareholders' resolution(s) approving the sale of the Property cannot be fulfilled on or before 27th January, 2004, the Provisional Agreement may be terminated by either party thereto and upon which the following will apply:—

- (i) the further deposit of HK\$3,000,000 and the part payment of HK\$3,000,000, without interest, will be refunded to Hanison Eco;
- (ii) the initial deposit of HK\$3,000,000, without interest, together with the compensation of HK\$500,000 will be returned and paid to Hanison Eco; and
- (iii) upon the compliance of the obligations under sub-paragraphs (i) and (ii) above, neither party will have any claims against each other, subject to claims (if any) which Hanison Eco may have against Evolve under the right of refusal.

The payment obligations as to the further deposit, the part payment and the initial deposit referred to in sub-paragraphs (i) and (ii) above having been guaranteed by China Chengtong.

Right of First Refusal

Furthermore, if the Provisional Agreement is terminated in the manner as described in the above, Hanison Eco will have a right of refusal as to the subsequent sale of the Property by Evolve.

Reasons for the Acquisition

The Company intends to use the Property for rental purposes and investment purposes. The Directors are of the view that the Acquisition will broaden the portfolio of the property investment division of the Company and its subsidiaries.

The Directors are of the view that this transaction is fair and reasonable in the current market conditions, and that it is in the best interests of the Company and its shareholders as a whole. The Acquisition will be funded by internal source of funds of the Company.

General

The Company is an investment holding company. The principal activities of the Company and its subsidiaries are building construction, interior and renovation works, supply and installation of building materials, trading of health products and property investment and development.

This transaction constitutes a discloseable transaction under the Listing Rules for the Company. A circular containing, amongst other things, details of this transaction will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

Definitions

In this announcement, the following terms have the following meanings:

- "Acquisition" the acquisition of the Property;
- "China Chengtong" China Chengtong Development Group Ltd. incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange;
- "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;
- "Director(s)" the director(s) of the Company;
- "Evolve" Evolve Limited, a wholly owned subsidiary of China Chengtong;
- "Hanison Eco" Hanison Eco Services Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company;
- "Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange;
- "Property" details of which are set out under the heading "The Property";
- "Provisional Agreement" the provisional agreement dated 29th November, 2003 made between Hanison Eco and Evolve; and
- "Stock Exchange" The Stock Exchange of Hong Kong Limited.

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