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# DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

## CONNECTED TRANSACTION

The Board announces that on 7th March, 2006, Man Lee, its wholly owned subsidiary, entered into the Property Pre-Sale Agreements for the acquisition of the Properties at an aggregate consideration of RMB9,742,542 (approximately HK\$9,368,000) with Beijing Yintai, a non-wholly owned subsidiary of China Yintai which is a substantial shareholder of Beijing Lucky, a subsidiary of the Company. The Acquisition constitutes a connected transaction for the Company.

As the relevant Percentage Ratio for the Acquisition is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules according to Rule 14A.32(1) of the Listing Rules.

### Property Pre-Sale Agreements

Date : 7th March, 2006

Parties : (1) Beijing Yintai (as seller)  
(2) Man Lee (as buyer)

### Properties to be purchased

Apartments 1802 and 1809, Block A, Yintai Centre, No.4 Jianguomenwai Street, Chaoyang District, Beijing, PRC, which are residential apartments. The gross floor areas of Apartments 1802 and 1809 are 137.8 sq. m. and 133.58 sq. m respectively.

Beijing Yintai is the developer of Yintai Centre. Yintai Centre is currently under development and the construction of which is not yet completed. Under the Property Pre-Sale Agreements, completion and delivery of the Properties to Man Lee will take place on or before 31st August 2007 and completion of the Acquisition is conditional on the obtaining of property title certificates by Beijing Yintai in respect of the Properties.

As the Properties are being developed, the Company has not obtained any valuation report in respect of the Properties and as far as the Company is aware, Beijing Yintai has not obtained any valuation report in respect of the Properties.

### Consideration

The aggregate consideration for the Properties is RMB9,742,542 (approximately HK\$9,368,000), of which RMB4,947,020 (approximately HK\$4,757,000) is the consideration for Unit 1802 and RMB4,795,522 (approximately HK\$4,611,000) is the consideration for Unit 1809. The consideration for both Properties is payable in cash in one lump sum within seven working days of the signing of the Property Pre-Sale Agreements. Payment terms for properties in Yintai Centre are that one lump sum payment is required within seven working days of the signing of the sale and purchase agreement if there is no mortgage on the property, and instalment payment is only allowed if the buyer requires a loan and the property is subject to a mortgage as security for the loan.

The consideration for the Properties is calculated based on the average sale price per sq. ft. of the 41 apartments of Block A, Yintai Centre which have been sold by Beijing Yintai so far (excluding the Properties), as mentioned in the following section.

### Reasons for the Acquisition

The Company is an investment holding company with investments primarily in the real estates sector. The Board considers that the consideration for the Properties is reasonable and therefore the Acquisition provides a good opportunity for the Group to invest in the property market in China.

Up to present, 41 apartments of Block A, Yintai Centre have been sold (excluding the Properties). The average sale price of these 41 apartments, as published on the website of 北京市建設委員會 (Beijing Construction Committee) ([www.bjfdc.gov.cn](http://www.bjfdc.gov.cn)), is RMB35,892 (approximately HK\$34,512) per sq. m. On negotiations with Beijing Yintai, the price for the purchase of the Properties by Man Lee is RMB35,900 (approximately HK\$34,519) per sq. m., which is almost the same as the average sale price of the 41 apartments sold.

The Acquisition will be funded from internal financial resources of the Company.

The Acquisition is conducted in the ordinary and usual course of business of the Group. It is the intention of the Company that the Properties will be held for investment purpose. The Directors, including the independent non-executive Directors, are of the view that the terms of the Acquisition (including the consideration and the payment terms) are on normal commercial terms, are fair and reasonable and are in the interest of the Group and the shareholders of the Company as a whole.

### INFORMATION OF THE GROUP

The major businesses of the Group are property, investment and development, property management and investment holding.

### INFORMATION OF MAN LEE

Man Lee is an indirect wholly-owned subsidiary of the Company. Prior to the signing of the Property Pre-sale Agreements, Man Lee was dormant. Man Lee's current business is to hold the Properties only.

### INFORMATION OF CHINA YINTAI AND BEIJING YINTAI

Both China Yintai and Beijing Yintai are companies established in the PRC. China Yintai is engaged in property investments and developments and investments in department stores and Beijing Yintai is engaged in property development. China Yintai is the holding company holding 60% interest of Beijing Yintai.

### CONNECTED TRANSACTION

China Yintai is a substantial shareholder holding approximately 11% of Beijing Lucky, a subsidiary of the Company, whereas Beijing Yintai is a subsidiary of China Yintai. Beijing Yintai is a connected person of the Company under Chapter 14A of the Listing Rules and the Acquisition constitutes a connected transaction for the Company under the Listing Rules.

Since the relevant Percentage Ratio for the Acquisition is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules according to Rule 14A.32(1) of the Listing Rules.

### DEFINITIONS

"Acquisition" : the acquisition of the Properties  
"Beijing Lucky" : Beijing Lucky Building Company Limited, a sino foreign joint venture company of which approximately 50.1% interest was indirectly owned by the Company  
"Beijing Yintai" : Beijing Yintai Property Co., Ltd., a company incorporated in the PRC and a non-wholly owned subsidiary of China Yintai  
"Board" : the board of directors of the Company

“China Yintai”	:	China Yintai Investment Company Limited, a company incorporated in the PRC and the company holding 60% interest of Beijing Yintai
“Company”	:	Dan Form Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	:	the directors of the Company
“Group”	:	the Company and its subsidiaries
“HK\$”	:	Hong Kong dollars
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Man Lee”	:	Man Lee Offshore Limited, an indirect wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“Percentage Ratio”	:	the applicable percentage ratio, other than the profit ratio, revenue ratio and equity capital ratio under Rule 14.07 of the Listing Rules
“PRC”	:	the People’s Republic of China
“Properties”	:	the two properties set out under the heading “Properties to be purchased”
“Property Pre-Sale Agreements”	:	two property pre-sale agreements both dated 7th March, 2006 and both entered into between Man Lee as buyer and Beijing Yintai as seller for the sale and purchase of the Properties
“RMB”	:	Reminibi
“sq. m.”	:	square meters
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“%”	:	per cent.

*Note:* All amounts in RMB as appearing in this announcement have been converted into HK\$ at an exchange rate of HK\$1 = RMB1.04.

On behalf of the Board  
**Dan Form Holdings Company Limited**  
**Dai Xiaoming**  
*Chairman*

Hong Kong, 7th March, 2006

*As at the date of this announcement, the Directors are: Mr. Dai Xiaoming (Chairman and Chief Executive), Mr. Kenneth Hiu King Kon (Deputy Chief Executive), Mr. Jesse Nai Chau Leung (Independent Non-Executive Director), Mr. Xiang Bing (Independent Non-Executive Director) and Mr. Edward Shen (Independent Non-Executive Director).*

“Please also refer to the published version of this announcement in The Standard.”