

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VISIONS AHEAD

HANNY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock code: 275

NATION FIELD LIMITED

(Incorporated in the British Virgin Islands with limited liability)

WELL ORIENT LIMITED

(Incorporated in Hong Kong with limited liability)



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

Stock code: 235

GROUP DRAGON INVESTMENTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

**Sanction of the Capital Reduction by the Court;
Timetables of the Capital Reorganisation, the Group Reorganisation,
the Share Sale Agreement, the China Strategic Offer and the GDI Offer;
Change in board lot size;
and**

Further extension of long-stop date for the Share Sale Agreement

The Court has granted an order sanctioning the proposed Capital Reduction on 27th April, 2006. Copies of the Confirming Order and the Minute will be submitted to the Hong Kong Companies Registry for registration on or before 10th May, 2006. The Capital Reorganisation will become effective upon the due registration of such documents and the approval of the listing of, and permission to deal in, the Consolidated Shares in issue as a result of the Capital Reorganisation having been granted by the Listing Committee of the Stock Exchange. The Capital Reorganisation is expected to become effective on or before 19th May, 2006. On such basis, the trading arrangements in respect of dealings in existing Shares and the Consolidated Shares on the Stock Exchange, the Group Reorganisation, the Share Sale Agreement, the China Strategic Offer and the GDI Offer will be implemented in accordance with the indicative timetables set out below.

On 28th April, 2006, Hanny, Paul Y and the China Strategic Offeror entered into a supplemental agreement pursuant to which the long-stop date for the fulfilment or waiver of the conditions precedent to the Share Sale Agreement has been extended from 30th April, 2006 to 30th June, 2006.

Reference is made to (i) the joint announcements dated 19th April, 2005 and 30th December, 2005, respectively, issued by Hanny Holdings Limited (“Hanny”), China Strategic Holdings Limited (“China Strategic”), Well Orient Limited, Nation Field Limited (the “China Strategic Offeror”) and Group Dragon Investments Limited; (ii) the circular issued by China Strategic dated 10th September, 2005 (the “Circular”); and (iii) the announcements dated 6th October, 2005 and 8th March, 2006 respectively issued by China Strategic. Terms used herein shall have the same meanings as those defined in the Circular unless the context herein requires otherwise.

PETITION FOR THE CAPITAL REDUCTION

The petition for the confirmation of the Capital Reduction was heard before the Court on 27th April, 2006 and the Court has granted an order (the “Confirming Order”) sanctioning the Capital Reduction. Copies of the Confirming Order and the minute containing the particulars required under Section 61 of the Companies Ordinance (the “Minute”) will be submitted to the Hong Kong Companies Registry for registration on or before 10th May, 2006. The last two conditions of the Capital Reorganisation are the due registration of such documents (which is expected to be on or before 10th May, 2006) and the approval of the listing of, and permission to deal in, the Consolidated Shares in issue as a result of the Capital Reorganisation having been granted by the Listing Committee of the Stock Exchange. The Capital Reorganisation is expected to become effective on or before 19th May, 2006. Further announcements will be made to update the Shareholders regarding the progress of the aforesaid.

Shareholders may submit certificates of the existing Shares to the share registrar and transfer office of China Strategic, Standard Registrars Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for exchange certificates of the Consolidated Shares from 9:30 a.m. on Friday, 19th May, 2006 to 4:00 p.m. on Friday, 30th June, 2006 at the expense of China Strategic.

Certificates of the existing Shares which are submitted after 4:00 p.m. on Friday, 30th June, 2006 will only be accepted for exchange upon payment to the share registrar and transfer office of China Strategic at a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each existing Share certificate submitted for exchange. All the certificates of the existing Shares will continue to be good evidence of their legal title and may be exchanged for certificates of the Consolidated Shares at any time at the expense of the Shareholders.

CHANGE IN BOARD LOT SIZE

The board lot for trading in the Consolidated Shares will be changed to 5,000 Consolidated Shares upon the Capital Reorganisation becoming effective. Assuming the Capital Reorganisation becomes effective on 19th May, 2006, the temporary counter for trading in the Consolidated Shares in board lot size of 1,250 will open at 9:30 a.m. on Friday, 19th May, 2006 and the original counter for trading in the Consolidated Shares in board lot of 5,000 will reopen at 9:30 a.m. on Monday, 5th June, 2006. Parallel trading will commence on Monday, 5th June, 2006.

China Strategic has appointed a broker, Kingston Securities Limited, as an agent to provide matching services for the sale and purchase of odd lots of Consolidated Shares on a best efforts basis arising from the change in board lot size. Such service shall be available from 9:30 a.m. on Monday, 5th June, 2006 up to and including 4:00 p.m. on Monday, 26th June, 2006. Shareholders who wish to take advantage of this facility should contact Ms. Rosita Kiu of Kingston Securities Limited at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong at 2298 6215. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

INDICATIVE TIMETABLES FOR IMPLEMENTATION OF THE CAPITAL REORGANISATION, THE GROUP REORGANISATION, THE SHARE SALE AGREEMENT, THE CHINA STRATEGIC OFFER AND THE GDI OFFER

Assuming all the other conditions in respect of the Capital Reorganisation set out in the Circular have been fulfilled by Thursday, 18th May, 2006, the Capital Reorganisation will become effective on or before Friday, 19th May, 2006. Set out below is the indicative timetables for (i) the implementation of the Group Reorganisation, the Capital Reorganisation including the trading arrangements for the existing Shares and the Consolidated Shares and the free exchange of the certificates for the Consolidated Shares; (ii) the Share Sale Agreement; (iii) the China Strategic Offer; and (iv) the GDI Offer, respectively.

In respect of the Capital Reorganisation, the Group Reorganisation and the change of board lot size of China Strategic and the associated trading arrangements

(Note 1)
2006

Last day of dealings in Shares on a cum-rights basis Friday, 12th May

First day of dealings in Shares on an ex-rights basis Monday, 15th May

(Note 1)
2006

Latest time for lodging transfers of Shares in order to
qualify for the distribution of GDI Shares 4:30 p.m. on Tuesday, 16th May

The Capital Reorganisation becoming effective on or before 9:30 a.m. on Friday, 19th May

Register of members closed to determine
entitlements to the distribution of GDI Shares
(both dates inclusive) Wednesday, 17th May to Friday, 19th May

Closure of original counter for trading in Shares
in board lots of 2,500 9:30 a.m. on Friday, 19th May

Establishment of temporary counter for trading in
Consolidated Shares represented by existing share certificates
in board lots of 1,250 9:30 a.m. on Friday, 19th May

First day of free exchange of existing share
certificates for new share certificates Friday, 19th May

Record Date for distribution of GDI Shares Friday, 19th May

The Group Reorganisation becoming effective on or before 9:30 a.m. on Friday, 19th May

Original counter for trading in Consolidated Shares represented by new share certificates in new board lots of 5,000 re-opens	9:30 a.m. on Monday, 5th June
Parallel trading commences	9:30 a.m. on Monday, 5th June
First day of operation of odd lot trading facility	Monday, 5th June
Closure of temporary counter for trading in Consolidated Shares represented by existing share certificates in board lots of 1,250	4:00 p.m. on Monday, 26th June
Parallel trading ends	4:00 p.m. on Monday, 26th June
Last day of operation of odd lot trading facility	Monday, 26th June
Last day of free exchange of existing share certificates for new share certificates	Friday, 30th June

In respect of the Share Sale Agreement

(Note 1)
2006

Completion of the Share Sale Agreement on or before Wednesday, 24th May

In respect of the China Strategic Offer

(Note 1)
2006

Composite offer document in respect of the
China Strategic Offer to be despatched on or before Friday, 26th May

Open date of the China Strategic Offer on or before Friday, 26th May

Latest time for acceptance
of the China Strategic Offer on or before 4:00 p.m. on Friday, 16th June

Closing date of the China Strategic Offer,
if not revised (Note 2) on or before 4:00 p.m. on Friday, 16th June

Posting of remittance to the Shareholders in respect of
valid acceptances of the China Strategic Offer lodged (Note 3) on or before Monday, 26th June

In respect of the GDI Offer

(Note 1)
2006

Composite offer document in respect of the GDI Offer
to be despatched on or before Friday, 26th May

Open date of the GDI Offer on or before Friday, 26th May

Latest time for acceptance of the GDI Offer on or before 4:00 p.m. on Friday, 16th June

Closing date of the GDI Offer, if not revised (Note 2) on or before 4:00 p.m. on Friday, 16th June

Posting of remittance to the shareholders of GDI in respect of
valid acceptances (Note 3) on or before Monday, 26th June

Certificates for the GDI Shares
to be despatched to qualifying GDI shareholders
who do not accept the GDI Offer on or before on or before Monday, 26th June

Notes:

1. All time references refer to Hong Kong local time.
2. The China Strategic Offer and the GDI Offer, which are unconditional, will be closed on 16th June, 2006 unless the China Strategic Offeror and Hanny, in accordance with the Takeovers Code, revise or extend the China Strategic Offer and the GDI Offer respectively. An announcement will be issued through the Stock Exchange's website by 7:00 p.m. on 16th June, 2006 stating whether the China Strategic Offer and the GDI Offer have been revised or extended or have expired.
3. The consideration payable for the Consolidated Shares tendered under the China Strategic Offer and/or the GDI Offer will be paid within 10 days after the receipt by Standard Registrars of all requisite documents from the accepting Shareholders to render the acceptance under the China Strategic Offer and/or the GDI Offer complete and valid.

Further announcement(s) will be made should there be any change on the timetables stated above.

FURTHER EXTENSION OF THE LONG-STOP DATE FOR THE SHARE SALE AGREEMENT

Pursuant to the supplemental agreement dated 30th December, 2005 to the Share Sale Agreement, the conditions precedent are required to be fulfilled or waived on or before 30th April, 2006 or such later date as may be agreed among Hanny, Paul Y and the China Strategic Offeror. In view of the progress of the Capital Reorganisation and the Group Reorganisation, the conditions precedent to the Share Sale Agreement will not be fulfilled on or before 30th April, 2006. Accordingly, Hanny, Paul Y and the China Strategic Offeror entered into a supplemental agreement on 28th April, 2006 pursuant to which the long-stop date for the fulfilment or waiver of the conditions precedent to the Share Sale Agreement has been extended from 30th April, 2006 to 30th June, 2006.

As at the date of this announcement, the directors of Hanny are as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles (*Chairman*)

Dr. Yap, Allan (*Managing Director*)

Mr. Lui Siu Tsuen, Richard

(*Deputy Managing Director*)

Independent Non-executive Directors:

Mr. Yuen Tin Fan, Francis

Mr. Kwok Ka Lap, Alva

Mr. Wong King Lam, Joseph

Mr. Sin Chi Fai

As at the date of this announcement, the directors of China Strategic are as follows:

Executive Directors:

Dr. Chan Kwok Keung, Charles

Dr. Yap, Allan

Ms. Chau Mei Wah, Rosanna

Ms. Chan Ling, Eva

Mr. Li Bo

Mr. Chan Kwok Hung

(*Alternate to Dr. Chan Kwok Keung, Charles*)

Mr. Lui Siu Tsuen, Richard

(*Alternate to Dr. Yap, Allan*)

Independent Non-executive Directors:

Mr. David Edwin Bussmann

Mr. Wong King Lam, Joseph

Mr. Sin Chi Fai

By order of the board
HANNY HOLDINGS LIMITED

Lui Siu Tsuen, Richard

Deputy Managing Director

By order of the board
NATION FIELD LIMITED

Gao Yang

Director

By order of the board
WELL ORIENT LIMITED

Lui Siu Tsuen, Richard

Director

By order of the board
CHINA STRATEGIC HOLDINGS LIMITED

Chan Yan Yan, Jenny

Company Secretary

By order of the board
GROUP DRAGON INVESTMENTS LIMITED

Chan Ling, Eva

Director

Hong Kong, 2nd May, 2006

The sole director of Nation Field Limited accepts full responsibility for the accuracy of the information contained in this announcement other than that relating to Hanny and its subsidiaries (the "Hanny Group") and China Strategic and its subsidiaries (the "China Strategic Group") and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement other than those relating to the Hanny Group and the China Strategic Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Hanny jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to Nation Field Limited and the China Strategic Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those relating to Nation Field Limited and the China Strategic Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of China Strategic jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to Nation Field Limited and the Hanny Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those relating to Nation Field Limited and the Hanny Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.