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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Hanison Construction Holdings Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**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)

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF PROPERTY INTEREST**

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A letter from the board of directors of the Company is set out on pages 3 to 5 of this circular.

29 May 2006

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:—*

“Agreement”	the provisional sale and purchase agreement dated 4 May 2006 and entered into by Hamfield Enterprises and Fortune Land in relation to the Disposal
“Cha Family”	comprising, for this purpose, 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, excluding, as the case may be, HKR International Limited
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, 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
“Disposal”	the proposed disposal of the Property by Hamfield Enterprises to Fortune Land
“Fortune Land”	Fortune Land Limited, an unlisted company incorporated in Hong Kong with limited liability
“Hamfield Enterprises”	Hamfield Enterprises Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 May 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the land situated at Lot Nos 1282s.A, 1282s.B, 1283, 2209s.A, 2209RP and 1303 in D.D.92, Sheung Shui, New Territories, together with all the messuages, erections and buildings (if any) thereon, the approximate registered site area of which is 56,192 square feet
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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**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)

*Directors:—*

Mr. Cha Mou Sing, Payson (*Chairman*) \*  
Mr. Wong Sue Toa, Stewart (*Managing Director*)  
Mr. Tai Sai Ho (*General Manager*)  
Mr. Cha Mou Daid, Johnson \*  
Mr. Cha Yiu Chung, Benjamin \*  
Mr. Chan Pak Joe \*\*  
Dr. Lam Chat Yu  
Dr. Lau Tze Yiu, Peter \*\*  
Mr. Shen Tai Hing  
Dr. Sun Tai Lun \*\*

\* *Non-executive Director*

\*\* *Independent Non-executive Director*

*Registered Office:—*

P.O. Box 309, Uglan House  
South Church Street, George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Principal Office in Hong Kong:—*

Unit 1, 4/F., Block B  
Shatin Industrial Centre  
5-7 Yuen Shun Circuit  
Shatin, New Territories  
Hong Kong

29 May 2006

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF PROPERTY INTEREST**

**INTRODUCTION**

The board of Directors announced on 9 May 2006 that Hamfield Enterprises, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Fortune Land on 4 May 2006 in relation to the disposal of the Property, pursuant to which Hamfield Enterprises had agreed to sell and Fortune Land had agreed to purchase the Property.

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## LETTER FROM THE BOARD

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### THE AGREEMENT

**Date:** 4 May 2006

**Parties:** (1) Hamfield Enterprises, an indirect wholly-owned subsidiary of the Company, as vendor; and

(2) Fortune Land, as purchaser. Fortune Land is an unlisted company incorporated in Hong Kong with limited liability and principally engaged in the business of land development.

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

### Property disposed of

The land situated at Lot Nos 1282s.A, 1282s.B, 1283, 2209s.A, 2209RP and 1303 in D.D.92, Sheung Shui, New Territories, together with all the messuages, erections and buildings (if any) thereon, the approximate registered site area of which is 56,192 square feet.

The Property was acquired for a consideration of HK\$8.5 million on the purchase by the Company of Hamfield Enterprises in December 2001.

### Consideration

The consideration payable by Fortune Land to Hamfield Enterprises for the acquisition of the Property is HK\$15,733,760, which will be satisfied by way of cash. The consideration has been arrived at after negotiation conducted between Hamfield Enterprises and Fortune Land on an arm's length basis. The selling price per square foot is HK\$280, which is above what the Directors believe to be the open market value of the property which, according to the draft report of an independent property valuer which is in the process of being compiled for the Company's annual report, would be in the order of HK\$221 per square foot as at 31 March 2006. The Directors consider the analysis of the independent property valuer to be reliable as a gauge of value for the present transaction.

The consideration is payable as follows:—

1. an initial deposit of HK\$800,000 was paid upon signing of the Agreement;
2. an additional deposit of HK\$773,380 was paid on 16 May 2006; and
3. the balance of HK\$14,160,380 shall be paid upon completion.

A formal sale and purchase agreement in respect of the Property was entered into on 16 May 2006 (accompanied by payment of the additional deposit). It is intended that completion will take place on or before 8 June 2006. Further announcement will be made by the Company if completion does not take place by 8 June 2006.

The Directors believe that the consideration and the other terms of the Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION AND LISTING RULES IMPLICATIONS

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

The Property, which comprises a site area of approximately 56,192 square feet, has been used as a storage area for Group companies. Given the current favourable property market and the other warehousing space available to the Group, the Company considers it to be the right timing to dispose of the Property and realise a significant gain against its book value. The Company intends to use the net proceeds from the Disposal as additional general working capital.

For the years ended 31 March 2004 and 2005, no profit before or after taxation and extraordinary items was generated from the holding of the Property. The book value of the Property as at 4 May 2006 was approximately HK\$8.4 million (stated at cost). As a result of the Disposal, the Company is expected to record an unaudited net gain on disposal of approximately HK\$7.1 million. The Property was acquired in December 2001 when the Hong Kong economy, and the property market in particular, was much weaker than at present. With the improvement of the Hong Kong economy over the past two years, the property market has rebounded. This industry-wide trend explains, so far as the Directors are concerned, why the price obtainable for this property is much higher than the book cost.

The consideration payable by Fortune Land to Hamfield Enterprises under the Agreement (being HK\$15,733,760) represents approximately 5.7% 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 Agreement (being approximately HK\$274.8 million). Accordingly, the Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

### FINANCIAL EFFECT OF THE DISPOSAL

The Disposal will reduce the Group's non-current assets by approximately HK\$8.4 million (being the book value of the Property as at 4 May 2006) and increase the Group's current assets by approximately HK\$15.5 million (being the net proceeds from the disposal of the Property after deducting the selling expenses). Save for the unaudited net gain on disposal of approximately HK\$7.1 million as disclosed above, the Disposal will have no material impact on the earnings of the Company as the Property was not a revenue generating asset.

### ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendix in this circular.

Yours faithfully,  
For and on behalf of the Board  
**Hanison Construction Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long position in the Shares of the Company (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) adopted by the Company to be notified to the Company and the Stock Exchange:—

### Long position in the Shares

Name	Capacity	Personal interests	Corporate interests	Other interests	Total number of ordinary Shares	% of issued share capital
Cha Mou Sing, Payson	(1) Beneficial owner, (2) interest of controlled corporation, and (3) beneficiary of discretionary trusts	459,541	512,616 (Note 1)	104,263,263 (Note 3)	105,235,420	23.74%
Cha Mou Daid, Johnson	Beneficiary of discretionary trusts	—	—	105,783,769 (Note 3)	105,783,769	23.87%
Cha Yiu Chung, Benjamin	Beneficiary of discretionary trusts	—	—	104,263,263 (Note 3)	104,263,263	23.52%
Wong Sue Toa, Stewart	(1) Beneficial owner, and (2) interest of controlled corporation	3,718,409	2,823,786 (Note 2)	—	6,542,195	1.48%
Tai Sai Ho	Beneficial owner	376,875	—	—	376,875	0.09%
Shen Tai Hing	Beneficial owner	8,202	—	—	8,202	0.0019%

#### Notes:

- (1) The Shares are held by Accomplished Investments Ltd in which the relevant Director is deemed to be interested by virtue of Part XV of the SFO.
- (2) Mr. Wong Sue Toa, Stewart’s corporate interests in the Company arise from the fact that he owns 50% of the share capital of Executive Plaza Limited, which as at the Latest Practicable Date, held 2,823,786 Shares.
- (3) These Shares are held under certain discretionary trusts, of which Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin are members of the class of discretionary beneficiaries comprising Dr. Cha Chi Ming and his issue under certain but not identical discretionary trusts.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company were interested, or were deemed to be interested, in long or short positions in the Shares, underlying Shares of equity derivatives and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH NOTIFIABLE INTERESTS

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) had an interest in the following long positions in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group:—

#### Long position in the Shares

Name	Capacity	Number of ordinary Shares	% of issued share capital
Great Wisdom Holdings Limited ("Great Wisdom") (Note 1)	Beneficial owner	217,185,676	49.0%
HKR International Limited ("HKRI") (Note 1)	(1) Beneficial owner, and (2) interest of controlled corporation	217,185,957	49.0%
LBJ Regents Limited ("LBJ Regents") (Note 2)	(1) Trustee, and (2) interest of controlled corporation	29,052,705	6.55%
Novantenor Limited ("Novantenor") (Note 3)	(1) Trustee, and (2) interest of controlled corporations	295,320,953	66.63%

#### Notes:

- (1) Great Wisdom is a wholly-owned subsidiary of HKRI and therefore HKRI is deemed to be interested in the 217,185,676 Shares held by Great Wisdom in accordance with the SFO.
- (2) These Share interests comprise 14,911,093 Shares directly held by LBJ Regents and 14,141,612 Shares indirectly held by LBJ Regents through a subsidiary held as to approximately 52.24% by LBJ Regents. LBJ Regents is holding these Shares as the trustee of certain irrevocable discretionary trusts of which members of the Cha Family are among the discretionary objects.
- (3) These Share interests comprise 78,134,996 Shares directly held by Novantenor and 217,185,957 Shares held by HKRI. As at the Latest Practicable Date, Novantenor directly held approximately 37.46% interest in HKRI and pursuant to the SFO, Novantenor is deemed to be interested in the 217,185,957 Shares held by HKRI. Novantenor is holding these Shares and the shares in HKRI as the trustee of certain irrevocable discretionary trusts of which members of the Cha Family are among the discretionary objects.

Save as disclosed in this circular, the Directors are not aware of any person who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares of equity derivatives which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### 4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or was proposing to enter into any service contract with the Company or any subsidiary of the Company (except those which would expire within one year or was determinable by the employing company within one year without payment of compensation other than statutory compensation).

#### 5. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, the interests of Directors in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules were as follows:—

Director ( <i>Note 1</i> )	Company	Nature of interest	Competing business ( <i>Note 2</i> )
Cha Mou Sing, Payson	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain discretionary trusts of which the trustee is deemed a substantial shareholder of HKRI under Part XV of the SFO	(a) Property development and investment
			(b) Property management, leasing and marketing services
Cha Mou Daid, Johnson	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain discretionary trusts of which the trustee is deemed a substantial shareholder of HKRI under Part XV of the SFO	(a) Property development and investment
			(b) Property management, leasing and marketing services
Cha Yiu Chung, Benjamin	HKRI	A member of the class of discretionary beneficiaries of certain discretionary trusts of which the trustee is deemed a substantial shareholder of HKRI under Part XV of the SFO	(a) Property development and investment
			(b) Property management, leasing and marketing services

*Notes:*

- (1) Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin are non-executive Directors of the Company, who are not involved in the daily management of the Group.
- (2) Such businesses may be made through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, and as at the Latest Practicable Date, none of the Directors or their respective associates was interested in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

**6. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group, except for the following:—

- (i) legal actions in respect of allegations for copyright infringement and defamation have been taken during the financial year ended 31 March 2004 against certain subsidiaries of the Company carrying on health product business and since only preliminary steps have been taken against the Group, the Directors are of the opinion that it is impractical to assess the impact of such legal actions on the Group. Reference is made to Note 34 (contingent liabilities) of the Company's 2004-2005 annual report and paragraph 6(i) of the Appendix to the Company's circulars to Shareholders dated 4 October 2005 and 1 February 2006 which had previously disclosed such actions; and
- (ii) actions for personal injury claims are being taken against the Group from time to time in the course of and in connection with its construction, interior and renovation businesses and the costs of which are generally covered by insurers and/or the liquidator of the relevant insurance company where such company has been put into liquidation and/or the Employee Compensation Assistance Fund Board. The Directors consider that such actions will have no material impact on the Group. Reference is made to paragraph 6(ii) of the Appendix to the Company's circulars to Shareholders dated 4 October 2005 and 1 February 2006 which had previously disclosed such actions.

**7. GENERAL**

- (a) Mr. Lo Kai Cheong, who is a Fellow of the Hong Kong Institute of Certified Public Accountants, is the company secretary and the qualified accountant of the Company.
- (b) The registered office of the Company is situated at P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (c) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.