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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)

MAJOR TRANSACTION

DISPOSAL OF HANISON ECO SERVICES LIMITED

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DEFINITIONS

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

“Agreement”	An agreement dated 20 October 2006 entered into between the Purchaser, Media Group and the Company in respect of the sale and purchase of the Sale Shares and Sale Loan
“associates”	has the meaning ascribed thereto in the Listing Rules
“Auditors”	Messrs Deloitte Touche Tohmatsu, certified public accountants
“Cha Family”	comprising, for this purpose, Dr. Cha Chi Ming, Ms. Wong Cha 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, HKRI
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares and Sale Loan pursuant to the Agreement
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	The sale of Sale Shares and Sale Loan by Media Group to the Purchaser pursuant to the terms and conditions of the Agreement
“Government”	The Government of Hong Kong
“Great Wisdom”	Great Wisdom Holdings Limited, a company incorporated in the British Virgin Islands, a controlling shareholder (as defined in the Listing Rules) with approximately 49% shareholding interest in the Company and a wholly owned subsidiary of HKRI
“Group”	the Company and its subsidiaries
“Hanison Eco”	Hanison Eco Services Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Media Group immediately prior to Completion

DEFINITIONS

“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and an indirect controlling shareholder of the Company as to 49% of the Company’s issued share capital through its wholly owned subsidiary, Great Wisdom
“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
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules
“Latest Practicable Date”	27 November 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Media Group”	Media Group International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Novantenor”	Novantenor Limited, the trustee of certain discretionary trusts directly holding approximately 17.63% of the shares in the Company and of which members of the Cha Family are among the discretionary objects. As Novantenor Limited also holds approximately 33% shareholding interest in HKRI, it is deemed to be interested in the 49% shareholding interest in the Company held by HKRI under the Securities and Futures Ordinance
“Property”	the investment property held by Hanison Eco with a gross floor area of approximately 173,624 sq. ft. registered in the Land Registry as Sha Tin Town Lot No.27 under the name of Health Plus Centre, for industrial use
“Purchaser”	a property holding company of an international investment house
“Sale Loan”	the loan outstanding from Hanison Eco to Media Group as at the date of Completion

DEFINITIONS

“Sale Shares”	the 2 ordinary shares of HK\$1.00 each in the issued capital of Hanison Eco
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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, Ugland 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

28 November 2006

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF HANISON ECO SERVICES LIMITED

INTRODUCTION

On 24 October 2006, the Company announced that the Company and its wholly owned subsidiary Media Group, entered into the Agreement with the Purchaser on 20 October 2006 whereby the Purchaser agreed to purchase and Media Group agreed to sell to the Purchaser of the Sale Shares and Sale Loan at a cash consideration of HK\$180,000,000 (subject to adjustment(s)) and the Company agreed to guarantee the performance and obligations of Media Group under the Agreement. If the transaction is completed, the Group is expected to realize a profit on disposal of approximately HK\$48.3 million.

LETTER FROM THE BOARD

The Sale Shares represent the entire issued share capital of Hanison Eco, being the Group's entire interest therein immediately prior to Completion. Hanison Eco will cease to be accounted for as a subsidiary of the Company immediately upon Completion.

Under the terms of the Agreement, the Group shall be entitled to receive approximately HK\$180 million. This estimate exceeds 25% but is less than 75% of consideration ratio as defined in Rule 14.07 of the Listing Rules. Accordingly, the Agreement constitutes a major transaction (disposal) for the Company under Rule 14.06(3) of the Listing Rules and approval from shareholders of the Company is required to be obtained under the Listing Rules. The purpose of this circular is to provide you with further information of the Agreement and other information as required by the Listing Rules.

THE AGREEMENT

Date

20 October 2006

Parties

The Vendor: Media Group, a wholly owned subsidiary of the Company

The Vendor's guarantor: the Company

The Purchaser: a property holding company of an international investment house, an Independent Third Party

To the best of the Director's knowledge, information and belief and having made reasonable enquiry, each of the Purchaser, its ultimate beneficial owners and their respective associates is an Independent Third Party of the Company and its connected persons as defined in the Listing Rules. The Company acquainted with the Purchaser through a property agent.

Subject matter of the Disposal

The entire issued share capital of Hanison Eco which was beneficially owned by Media Group as at the date of the Agreement, representing its entire interest in the capital of Hanison Eco. The major asset held by Hanison Eco is the Property, held by the Group as an investment property. Approximately 98% of the units of the Property have been leased out and are subject to tenancies. The tenancy agreements of the Property will be transferred to the Purchaser accordingly.

The Property is an investment property held by Hanison Eco with a gross floor area of approximately 173,624 sq. ft. registered in the Land Registry as Sha Tin Town Lot No.27 under the name of Health Plus Centre, for industrial use. The Property is subject to a legal charge/mortgage and a rental assignment in favour of a bank to secure a bank loan. The bank loan has been repaid and the legal charge/mortgage and rental assignment will be released before Completion.

The latest balance of the Sale Loan was HK\$36,569,736 as at 31 August 2006.

LETTER FROM THE BOARD

Completion

As agreed by the parties on 15 November 2006, the due diligence period has been extended for two business days from 20 November 2006 to 22 November 2006, and the date of Completion shall be extended accordingly from 8 December 2006 to 12 December 2006 or any other date as agreed.

Consideration and payment terms

The consideration of HK\$180,000,000 (subject to adjustment(s)) was agreed after arm's length negotiation between Media Group and the Purchaser by reference to the recent market value of comparable properties provided by independent valuers.

The consideration shall be payable in cash as follows:

- (1) a deposit of HK\$18,000,000 was paid by the Purchaser to Media Group's solicitor as stakeholders upon signing of the Agreement;
- (2) upon Completion, a sum of HK\$162,000,000 as the balance of the consideration shall be paid by the Purchaser to Media Group or its nominees. There will be post completion adjustment arrangement of the consideration in the following manner:
 - (i) if the unaudited management account of Hanison Eco as at the date of Completion shows net current assets, the Purchaser shall pay to Media Group an additional amount equal to the net current asset value;
 - (ii) if the unaudited management account of Hanison Eco as at the date of Completion shows net current liabilities, Media Group shall repay to the Purchaser an amount equal to the net current liability value.

The Directors do not expect the said adjustment to be significant.

The Group expects that there will be net current liabilities of approximately HK\$3.4 million on the date of Completion comprising mainly of the rental and management fee deposits received from the tenants which are only refundable upon expiry of the tenancy agreements.

In view of the above, the Directors believe that the Company has good reason to expect that the consideration will not be increased and the possibility of classifying the transaction as a very substantial disposal is very low.

Conditions Precedent

The Purchaser has issued the due diligence certificate on 22 November 2006, which is one of the conditions precedent for Completion of the Agreement.

LETTER FROM THE BOARD

Reasons for the Disposal and use of sale proceeds

The principal activity of Hanison Eco is property holding and the Disposal is made in view of improved property market conditions in Hong Kong. The Company considers it to be the right timing to dispose of the Property and realize a significant gain against its book value. The sale proceeds from the Disposal will be used as working capital of the Group.

Financial effects of the Disposal

The Company purchased the Property through Hanison Eco on 20 January 2004. The Property is for industrial use. The latest available valued amount of the Property was HK\$180 million as at 18 October 2006. The net book value of the Property as at 31 August 2006 was approximately HK\$135 million.

The valuer of the Property is Savills Valuation and Professional Services Limited (“the Valuer”). To the best of the Director’s knowledge, information and belief and having made reasonable enquiry, each of the Valuer and its ultimate beneficial owners is an Independent Third Party of the Company and its connected persons as defined in the Listing Rules.

Based on the audited accounts of Hanison Eco as at 31 March 2006, the net asset value was approximately HK\$52,702,000. Upon disposal, the Group expects to realize a profit on disposal of approximately HK\$48.3 million (after taking into account the post completion adjustment), which is computed with reference to the net asset value of Hanison Eco as at 31 August 2006, the Sale Loan and all relevant estimated expenses up to the date of Completion. The Auditors have checked the consideration amount, the net asset value of Hanison Eco as stated in the audited financial statements of Hanison Eco for the year ended 31 March 2006, the subsequent cost payments and accruals up to 31 August 2006, and the arithmetical accuracy of the calculation of the profit on disposal. With reference to the audited accounts of the Group for the year ended 31 March 2006, the investment properties of the Group will decrease by HK\$130 million and the Group’s net current assets position will be improved.

According to the audited accounts of Hanison Eco for the two financial years ended 31 March 2005 and 31 March 2006, net profit before taxation and extraordinary items were approximately HK\$31,762,097 and HK\$31,529,637 respectively and net profit after taxation and extraordinary items were approximately HK\$26,203,918 and HK\$26,011,730 respectively. After the Disposal, the Group gives up monthly net rental income of approximately HK\$492,000.

GENERAL

The Sale Shares represent the entire issued share capital of Hanison Eco, being the Group’s entire interest therein immediately prior to Completion. Hanison Eco will cease to be accounted for as a subsidiary of the Company immediately upon Completion.

The Directors (including the independent non-executive Directors) are of the view that the Disposal is on normal commercial terms which are fair and reasonable and is in the interest of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

In consideration of the entry of the Agreement by the Purchaser, the Company unconditionally and irrevocably guarantees to the Purchaser the performance and obligations of Media Group under the Agreement.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

Under the terms of the Agreement, the Group shall be entitled to receive approximately HK\$180 million. This estimate exceeds 25% but is less than 75% of consideration ratio as defined in Rule 14.07 of the Listing Rules. Accordingly, the Agreement constitutes a major transaction (disposal) for the Company under Rule 14.06(3) of the Listing Rules and approval from shareholders of the Company is required to be obtained under the Listing Rules.

Great Wisdom and Novantenor, being the closely allied group of shareholders of the Company (holding approximately 66.63% of its issued share capital in aggregate), and not having any interest in the transaction that is different from any other shareholders of the Company, have given their written approval to the Agreement on 18 October 2006 and 22 September 2006 respectively. Since no shareholder of the Company is required to abstain from voting on the resolution to approve the Agreement, the Company will not hold a physical shareholders' meeting to approve the transaction pursuant to Rule 14.44 of the Listing Rules.

Great Wisdom and Novantenor constitute a “closely allied group of shareholders” for the purposes of Rules 14.44 and 14.45 of the Listing Rules on the following basis:

- (1) Great Wisdom has remained a shareholder of the Company since its listing on the Stock Exchange on 10 January 2002 and Novantenor became a shareholder of the Company on 21 July 2004;
- (2) Novantenor and HKRI would together be regarded as “acting in concert” for the purposes of the Hong Kong Code on Takeovers and Mergers;
- (3) Novantenor holds shares in the Company as the trustee of certain discretionary trusts of which members of the Cha Family are among the discretionary objects;
- (4) Novantenor holds approximately 33% of the issued share capital of HKRI as at the date hereof whilst Great Wisdom is a wholly owned subsidiary of HKRI; and
- (5) Each of Great Wisdom and Novantenor has voted in similar pattern on shareholders' resolutions of the Company in the past other than routine resolutions at annual general meetings.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY, MEDIA GROUP AND THE PURCHASER

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in building construction, interior and renovation works, supply and installation of building materials, trading of health products and property investment and development. Media Group is wholly owned by the Company.

The Purchaser is a property holding company of an international investment house.

ADDITIONAL INFORMATION

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

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

1. INDEBTEDNESS

As at the close of business on 31 October 2006, the Group had outstanding bank loans of approximately HK\$274.9 million (of which approximately HK\$91.8 million was secured).

As at the close of business on 31 October 2006, the Group had pledged certain land and buildings and investment properties with a carrying value of approximately HK\$218.5 million to secure banking facilities granted to the Group.

As at 31 October 2006, the Group had contingent liabilities in respect of certain guarantee to the extent of approximately HK\$33.5 million given to a bank in respect of performance bonds granted to a jointly controlled entity. In addition, the Group had contingent liabilities regarding legal actions in respect of the allegations for copyright infringement and defamation taken against certain subsidiaries of the Company carrying on health products business during the year ended 31 March 2004. No further step has been taken against the Group in respect of such actions after the court hearing for directions to appoint experts/exchange witness statements since 2004. Hence, the Directors are of the opinion that it is impractical to assess their impacts to the Group.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding as at 31 October 2006 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

2. MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2006, being the date to which the latest published audited financial statements of the Group were made up.

3. WORKING CAPITAL

The Directors (including the independent non-executive Directors) are of the opinion that, taking into account of bank balances and cash of the Group, its expected internally generated funds, the present available banking facilities of the Group and in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements from the Latest Practicable Date up to 30 November 2007.

4. FINANCIAL AND TRADING PROSPECTS

During the year ended 31 March 2006, the consolidated turnover was HK\$876.6 million (2005: HK\$920.7 million) and consolidated net profits after tax was HK\$82.0 million (2005: HK\$92.4 million). The results for the year ended 31 March 2006 were satisfactory, but of course not as good as the results for the year ended 31 March 2005 (which were the best since the Company's listing on the Stock Exchange).

The Group has been pursuing business opportunities to diversify its businesses into property investment and development, project management and health products retail and wholesales over the years. The Group is continuously exploring investment opportunities to broaden the Group's revenue stream and enhance the Group's profitability.

The following is the text of the letter and valuation certificate received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with its valuation as at 18 October 2006 for the purpose of incorporation into this circular.



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The Directors
Hanison Construction Holdings Limited
Unit 1, 4th Floor, Block B
Shatin Industrial Centre
5-7 Yuen Shun Circuit
Sha Tin
New Territories

24 November 2006

Dear Sirs,

RE: HEALTH PLUS CENTRE, 2-8 SHING WAN ROAD, SHA TIN, NEW TERRITORIES

In accordance with your instructions for us to value the captioned property, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purposes of providing you with our opinion of the market value of the property as at 18 October 2006.

Our valuation is prepared in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of the Listing Rules.

Our valuation is our opinion of the market value which we would define as intended to mean 'the estimated amount for which a Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a Property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation is made by reference to sales evidence as available on the market and where appropriate on the basis of capitalization of the net rental income shown on schedules handed to us. We have allowed for outgoings and in appropriate cases made provisions for reversionary income potential.

In valuing the property, the Government lease of which had expired before 30 June 1997, we have taken into account of the provisions contained in the New Territories Leases (Extension) Ordinance and have assumed that the lease had already been extended upon expiry until 30 June 2047 without payment of premium but at a revised annual government rent equivalent to 3% of the rateable value for the time being of the property with effect from the date of extension.

We have not been provided with any extract of title documents relating to property but we have caused searches to be made at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies or information supplied to us.

We have relied to a very considerable extent on information given by you and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, lettings, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information provided to us and are therefore only approximations.

We have inspected the exterior of the property and, where possible, we have also inspected the interior of the premises. However, no structural survey has been made but, in the course of our inspection, we did not note any serious defect. We are not, however, able to report that this property is free from rot, infestation or any other structural defects. No tests were carried out to any of the services.

No allowance has been made in our report for any charge, mortgage or amount owing on any property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We enclose herewith our valuation certificate.

Yours faithfully
For and on behalf of
Savills Valuation and Professional Services Limited

Charles C K Chan
MSc FRICS FHKIS MCI Arb RPS(GP)
Managing Director

Note: Mr. Charles C K Chan is a Registered Professional Surveyor (General Practice), a fellow member of the Royal Institution of Chartered Surveyors of the United Kingdom and a fellow member of the Hong Kong Institute of Surveyors. He has over 22 years' valuation experience in Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 18 October 2006
Health Plus Centre, 2-8 Shing Wan Road, Sha Tin, New Territories	The property comprises a 9-storey industrial building erected on a site with a registered site area of approximately 3,226 sq.m. (34,725 sq.ft.). The building was completed in 1981.	The workshops are mostly subject to various tenancies with the latest expiring in October 2009 at a total monthly rent of approximately HK\$789,000 mostly exclusive of rates, management fees and government rents. Some tenancies contain options to renew for terms of 1.5 to 2 years at the then market rents.	HK\$180,000,000
Sha Tin Town Lot No. 27	The Ground Floor of the property mainly accommodates a workshop and a container parking space, the First Floor provides 18 car parking spaces and loading/unloading areas and the remaining floors accommodate workshops.	Except for two car parking spaces which are vacant, most of the car parking spaces and portions of the Ground Floor and roof are subject to various licence agreements with the latest expiring in October 2008 at a total licence fee of approximately HK\$127,400 inclusive of rates, management fees and government rents. One licence contains an option to renew for a further term of 1.5 years at the then market licence fee.	
	The total gross floor area of the property (excluding parking spaces) is approximately 16,130.06 sq.m. (173,624 sq.ft.).		
	The property is held from the government under New Grant No. 11234 for a term of 99 years less the last three days commencing from 1 July 1898 which was renewed upon expiry until 30 June 2047 without premium but at a revised annual government rent of three percent of the rateable value for the time being of the property.		

Notes:

- (1) The property is wholly owned by Hanison Eco Services Limited by an assignment registered vide memorial no. ST1355399 dated 20 January 2004.
- (2) The property is subject to a legal charge/mortgage to secure banking facilities and a rental assignment in favour of Standard Chartered Bank vide memorial nos. ST1361871 and ST1361872 respectively both dated 31 March 2004.
- (3) The property is zoned for “Industrial” uses under the draft Sha Tin Outline Zoning Plan No. S/ST/21 dated 16 December 2005.

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 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; or (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	Number of ordinary Shares			Total no. of ordinary Shares	% of issued share capital
		Personal interests	Corporate interests	Other interests		
Cha Mou Sing, Payson	(1) Beneficial owner, (2) Interest of controlled corporation and (3) Beneficiary of discretionary trusts	459,541	512,616 <i>(Note 1)</i>	104,263,263 <i>(Note 3)</i>	105,235,420	23.74%
Cha Mou Daid, Johnson	Beneficiary of discretionary trusts	—	—	105,783,769 <i>(Note 3)</i>	105,783,769	23.87%
Cha Yiu Chung, Benjamin	Beneficiary of discretionary trusts	—	—	104,263,263 <i>(Note 3)</i>	104,263,263	23.52%
Wong Sue Toa, Stewart	(1) Beneficial owner and (2) Interest of controlled corporation	3,718,409	2,823,786 <i>(Note 2)</i>	—	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., corporation 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; or (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 meetings of any other member of the Group:

Long position in the Shares

Name	Capacity	Number of ordinary Shares	% of issued share capital
Great Wisdom (<i>Note 1</i>)	Beneficial owner	217,185,676	49.0%
HKRI (<i>Note 1</i>)	(1) Beneficial owner and (2) Interest of controlled corporation	217,185,957	49.0%
LBJ Regents Limited ("LBJ Regents") (<i>Note 2</i>)	(1) Trustee and (2) Interest of controlled corporation	29,052,705	6.55%
Novantenor (<i>Note 3</i>)	(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, 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 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 33% 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 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:

Name of Director (Note 1)	Name of company	Nature of interest	Competing business (Note 2)
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

Name of Director <i>(Note 1)</i>	Name of company	Nature of interest	Competing business <i>(Note 2)</i>
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. Accordingly, the Company is capable of carrying on its business independently of, and at arms length from the above mentioned competing business;
- (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. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts/exchange witness statements since 2004. Hence, 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 39 (contingent liabilities) of the Company's 2005-2006 annual report and paragraph 6(i) of the Appendix to the Company's circular to shareholders dated 25 October 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 circular to shareholders dated 25 October 2006 which had previously disclosed such actions.

7. QUALIFICATION OF EXPERT, CONSENT AND EXPERT'S INTERESTS

The following is the qualification of the expert who has given its opinion or advice contained in this circular:

Name	Qualification
Savills Valuation and Professional Services Limited	Independent property valuer

Savills Valuation and Professional Services Limited, an independent property valuer, has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and references to its name in the form and context in which they appear.

Savills Valuation and Professional Services Limited confirmed that as at the Latest Practicable Date it did not have any shareholding in the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Savills Valuation and Professional Services Limited further confirmed that as at the Latest Practicable Date it did not have any interest, direct or indirect, in any assets which have been, since 31 March 2006 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DIRECTORS' INTERESTS IN ASSETS/ CONTRACTS AND OTHER INTERESTS

None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular which is significant in relation to the business of the Group.

None of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2006, being the date up to which the latest published audited accounts of the Group were made.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or its subsidiaries within two years preceding the date of this circular and which are or may be material:

- (a) Provisional sale and purchase agreement dated 4 May 2006 and entered into by Hamfield Enterprises Limited and Fortune Land Limited in relation to the disposal 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. An announcement was made on 9 May 2006;
- (b) The Agreement for sale and purchase of the Sale Shares dated 4 October 2006 entered into between Media Group and Chevalier (Development) Company Limited as the vendors and Max Pine Limited as the purchaser relating to the disposal of Fairwide Limited and Berville Investment Limited. An announcement was made on 4 October 2006; and
- (c) The Agreement.

10. GENERAL

- (a) Mr. Lo Kai Cheong Casey, 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.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Unit 1, 4/F., Block B, Shatin Industrial Centre, 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong during normal business hours on any business day from the date of this circular until 14 days hereafter:

- (a) this circular;
- (b) the memorandum and articles of association of the Company;
- (c) the audited consolidated accounts of the Group for each of the two financial years ended 31 March 2006;
- (d) the written consent from Savills Valuation and Professional Services Limited referred to in paragraph 7 in this Appendix III;
- (e) the letter and valuation certificate relating to certain property interests of the Group prepared by Savills Valuation and Professional Services Limited, the texts of which are set out in Appendix II to this circular;
- (f) the material contracts referred to in paragraph 9 above including the Agreement;
- (g) the circulars issued pursuant to the requirements set out in Chapter 14 of the Listing Rules since 31 March 2006, the date of the latest published audited accounts.