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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

ACQUISITION OF
MILLION HOPE INDUSTRIES LIMITED
AND
MILLION HOPE HOLDING COMPANY LIMITED

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix — General Information	8

DEFINITIONS

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

“Acquisition”	the acquisition of the MHH Sale Share and MHI Sale Shares by Rich Color
“Agreement”	the agreement for sale and purchase of the MHH Sale Share and the MHI Sale Shares dated 15 May 2007, entered into between the Vendors and Rich Color relating to the Acquisition
“Board”	the board of Directors of the Company
“Cha Family”	comprising, <i>inter alia</i> , Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors
“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
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration for the acquisition of the MHH Sale Share and the MHI Sale Shares pursuant to the Agreement, being HK\$3,385,190
“Director(s)”	the director(s) of the Company
“Dongguan MH”	東莞美亨新型建築材料有限公司, which is a wholly foreign owned enterprise established in Dongguan, PRC and a 100% owned subsidiary of MHI
“Factory”	東莞高埗必富五金制品廠, which is a “processing and assembly factory business” enterprise in Dongguan, PRC
“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”	30 May 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MHH”	Million Hope Holding Company Limited, a company incorporated in Hong Kong under the Companies Ordinance, which was owned as to 100% by Mr. Lai Yau Sing immediately prior to the Acquisition
“MHH Sale Share”	one issued ordinary share of par value HK\$1.00 in MHH, representing MHH’s entire issued share capital
“MHI”	Million Hope Industries Limited, a company incorporated in Hong Kong under the Companies Ordinance, which was owned as to 72.05% by Mr. Lai Yau Sing, 11.88% by Mr. Choi Hoo Sang, 10.26% by Mr. Lee Cheuk Hung, 4.19% by Mr. Chiu Bood, David and 1.62% by Mr. Au Yeung Cham Ho immediately prior to the Acquisition
“MHI Sale Shares”	11,000,000 issued ordinary shares of par value HK\$1.00 in MHI, representing MHI’s entire issued share capital
“PRC”	People’s Republic of China
“Rich Color”	Rich Color Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	shareholder(s) of the Company
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Vendor of MHH and Vendors of MHI
“Vendor of MHH”	Mr. Lai Yau Sing
“Vendors of MHI”	Mr. Au Yeung Cham Ho, Mr. Chiu Bood, David, Mr. Choi Hoo Sang, Mr. Lai Yau Sing and Mr. Lee Cheuk Hung

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:—

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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

4 June 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**ACQUISITION OF
MILLION HOPE INDUSTRIES LIMITED
AND
MILLION HOPE HOLDING COMPANY LIMITED**

The Directors announced that on 15 May 2007, Rich Color (a wholly owned subsidiary of the Company) entered into the Agreement with the Vendors pursuant to which Rich Color acquired (i) the MHH Sale Share, which represents the entire issued share capital of MHH, from the Vendor of MHH for a consideration of HK\$1, and (ii) the MHI Sale Shares, which represent the entire issued share capital of MHI, from the Vendors of MHI for a consideration of HK\$3,385,189. The aggregate Consideration for the Acquisition is HK\$3,385,190. The Acquisition was completed on the date of signing of the Agreement.

LETTER FROM THE BOARD

TERMS OF THE AGREEMENT

Date:

15 May 2007

Parties:

(1) Vendors:

- (i) Vendor of MHH: Mr. Lai Yau Sing
- (ii) Vendors of MHI: Mr. Au Yeung Cham Ho, Mr. Chiu Bood, David, Mr. Choi Hoo Sang, Mr. Lai Yau Sing and Mr. Lee Cheuk Hung

(2) Purchaser: Rich Color

To the best of the Directors' knowledge, information and belief and having made reasonable enquiry, the Vendors are third parties independent of and are not connected with the Company and its connected persons.

Assets acquired:

Pursuant to the Agreement, Rich Color has acquired the following assets:—

- (1) The MHH Sale Share, i.e. one issued ordinary share of par value HK\$1.00 each, which represents the entire issued share capital of MHH.
- (2) The MHI Sale Shares, i.e. 11,000,000 issued ordinary shares of par value HK\$1.00 each, which represent the entire issued share capital of MHI.

Consideration for the Acquisition and payment terms:

The aggregate Consideration for the Acquisition is HK\$3,385,190 and has been satisfied in cash on the date of signing the Agreement.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement and on normal commercial terms with reference to the unaudited consolidated net asset value of MHH and MHI as at 30 September 2006 and the results of the due diligence on MHH and MHI. Although MHI incurred a net loss of HK\$23,980,529 for the six months ended 30 September 2006, this was mainly caused by two non-recurring expenditure: (a) the provision for doubtful debts in the amount of HK\$21,805,398, and (b) the provision for long service pay for staff in the amount of HK\$1,635,966. Excluding the effects of these provisions, the net loss was only HK\$539,165, which was mainly attributable to the tighter gross profit margin and higher bank interest payment. The net

LETTER FROM THE BOARD

asset values of MHH and MHI at 30 September 2006 were HK\$385,192. When compared with the consideration of HK\$3,385,190, there is a premium of HK\$3 million. The Board (including the independent non-executive Directors) considers that the Consideration is fair and reasonable and in the interest of the Company and its shareholders as a whole, because:—

- (1) MHI has been established for over 10 years with good reputation in the aluminium window supply and installation business and has accumulated a group of prestigious clientele.
- (2) Despite MHI sustained a net loss during the 6 months ended 30 September 2006, MHI has a proven profit making track record. (Please see the section “Information on MHH and MHI” below).
- (3) MHI is the authorized manufacturer of the famous brand “Schueco”.
- (4) The MHI management and staff are experienced and knowledgeable in the business.

Taking into consideration the above, the Acquisition can produce a synergistic effect over the Group’s existing business.

The Consideration has been funded from internal sources of the Group.

Other terms of the Agreement:

Each party bears its own legal costs, stamp duties and registration fees paid/payable in connection with the Acquisition.

Completion of the Agreement:

The Acquisition was completed on the date of signing the Agreement.

INFORMATION ON MHH AND MHI

MHH was incorporated in Hong Kong and is an investment holding company. MHH directly and wholly owns Million Hope Engineering Company Limited (“MHE”) and Million Hope Trading Company Limited (“MHT”), both of which were incorporated in Hong Kong under the Companies Ordinance in the year 2006 and have not commenced business since their incorporation.

MHI was incorporated in Hong Kong and is engaged in the business of aluminium windows and curtain walls manufacturing and trading. MHI directly and wholly owns Dongguan MH and a Factory in Dongguan, PRC known as a “processing and assembly factory business” enterprise. Dongguan MH is engaged in the business of aluminium windows and curtain walls manufacturing and trading in the PRC. The Factory carries out assembly and processing of aluminium windows and curtain walls for MHI.

LETTER FROM THE BOARD

The unaudited consolidated net asset value as at 30 September 2006 and unaudited consolidated net profit/(loss) before and after tax and extraordinary items for the six months ended 30 September 2006 of MHH and MHI and the audited consolidated net profit before and after tax and extraordinary items of MHI for the two financial years ended 31 March 2005 and 2006 were as follows:—

Name of company	Unaudited consolidated net asset value as at 30 September 2006 <i>(Note 1)</i> HK\$	Unaudited consolidated net profit/(loss) before and after tax and extraordinary items for the six months ended 30 September 2006 <i>(Note 1)</i> HK\$	Audited consolidated net profit before tax and extraordinary items for the year ended 31 March 2005 <i>(Note 2)</i> HK\$	Audited consolidated net profit after tax and extraordinary items for the year ended 31 March 2005 <i>(Note 2)</i> HK\$	Audited consolidated net profit before tax and extraordinary items for the year ended 31 March 2006 <i>(Note 2)</i> HK\$	Audited consolidated net profit after tax and extraordinary items for the year ended 31 March 2006 <i>(Note 2)</i> HK\$
MHH	3	0	N/A	N/A	N/A	N/A
MHI	385,189	(23,980,529)	7,628,437	6,337,814	7,097,012	6,568,731

Notes:

- (1) The auditors are still conducting audit of the accounts of MHI and MHH for the year ended 31 March 2007. Accordingly, the audited consolidated net asset value as at 31 March 2007 and the audited consolidated net profit/(loss) before and after tax and extraordinary items for the year ended 31 March 2007 of MHI and MHH are not available as at the date of this circular.
- (2) No relevant figures for MHH for the two years ended 31 March 2005 and 2006 are available as this company was incorporated after 31 March 2006.

After the Acquisition, the Vendors ceased to have any interest in MHH, MHE, MHT, MHI, Dongguan MH and the Factory and these companies become indirect wholly owned subsidiaries of the Company.

INFORMATION ON THE COMPANY

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

One of the main businesses of the Group is the supply and installation of building materials. In tandem with the Group's organic growth, we have been actively exploring opportunities to develop our business via synergistic acquisitions. The Acquisition represents a strategic step in the expansion and consolidation of the building materials business of the Group. It will enable the Group to further expand its business and consolidate its market share. The shareholders and directors of MHI established MHH, MHE and MHT in 2006 with the intention of reorganising the business of MHI. However before any reorganisation has commenced, the shareholders of MHI have decided to sell MHI's business to us. Therefore MHH, MHE and MHT were sold to us at a nominal consideration of HK\$1.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

As some of the relevant percentage ratios of the Acquisition as set out in the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

FINANCIAL EFFECTS OF THE ACQUISITION

After the Acquisition, MHH and MHI became indirect wholly owned subsidiaries of the Company and their results will be consolidated into the consolidated financial statements of the Group. The Consideration for the Acquisition has been settled in cash. After the Acquisition, the assets and liabilities of the Group will be increased. As the business of MHH and MHI is complementary to the existing business of the Group and is expected to bring synergies and additional depth and strength to the present management team of the Company, the Directors expect that the Acquisition should have a positive effect on the earnings of the Group.

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	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 (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 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 of the Company, 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 Holdings Limited ("Great Wisdom") (Note 1)	Beneficial owner	217,185,676	49.0%
HKRI International Limited ("HKRI") (Note 1)	(1) Beneficial owner, and (2) interest of controlled corporation	217,185,957	49.0%
CCM Trust (Cayman) Limited ("CCM Trust") (Note 2)	(1) Trustee, and (2) interests of controlled corporations	309,462,565	69.82%

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. Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, both of whom are directors of the Company, are also directors of HKRI.
- (2) These Share interests comprise 78,134,996 Shares directly held by CCM Trust, 217,185,957 Shares indirectly held through HKRI and 14,141,612 Shares indirectly held through CDW Holdings Limited. As CCM Trust controls more than one-third of the share capital of each of HKRI (held as to approximately 41.01% by CCM Trust) and CDW Holdings Limited (held as to approximately 52.24% by CCM Trust), it is deemed to be interested in the respective Share interests of these companies. CCM Trust is holding these Shares as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects. Mr. Cha Mou Sing, Payson is also a director of CCM Trust.

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 trustees are deemed substantial shareholders of HKRI under Part XV of the SFO	(a) Property development and investment (b) Property management, leasing and marketing services

Name of Director (Note 1)	Name of Company	Nature of interest	Competing business (Note 2)
Cha Mou Daid, Johnson	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain discretionary trusts of which the trustees are deemed substantial shareholders 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 trustees are deemed substantial shareholders 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 of the Company 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 34 (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 16 February 2007 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 16 February 2007 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, Uglan 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 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.