
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and the enclosed proxy form 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)

**(1) MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF PROPERTY
(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF 40% INTEREST IN A SUBSIDIARY
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

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BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

A letter from the Independent Board Committee (as herein defined) containing its advice and recommendation to the Independent Shareholders (as herein defined) is set out on pages 20 to 21 of this circular. A letter from Bridge Partners (as herein defined), the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 33 of this circular.

A notice convening the EGM (as herein defined) to be held at Concord Room 1, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 12 December 2012 at 11:00 a.m. is set out on pages 61 to 62 of this circular. A proxy form is also enclosed. If you are not able to attend and vote at the EGM in person, please complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. **Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or adjournment thereof should you so wish.**

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Letter from the Independent Board Committee	20
Letter from Bridge Partners	22
Appendix I – Financial Information of the Group	34
Appendix II – Unaudited Financial Information of the Property	36
Appendix III – Unaudited Pro Forma Statement of Assets and Liabilities of the Group	40
Appendix IV – Summary of Tenancy Agreements	46
Appendix V – Property Valuation Report	47
Appendix VI – General Information	52
Notice of Extraordinary General Meeting	61

DEFINITIONS

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

“Articles”	articles of association of the Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Bridge Partners” or “Independent Financial Adviser”	Bridge Partners Capital Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders’ Agreement, the Shareholders’ Loan Agreement and the transactions contemplated thereunder)
“Business Day	a day on which licensed banks in Hong Kong are open for general business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning signal no. 8 or above is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a “black rainstorm” warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Board”	board of Directors
“Cha Family”	comprising, inter alia, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors
“Cheston Investment”	Cheston Investment (Group) Limited, a company with limited liability and incorporated under the laws of Hong Kong
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange

DEFINITIONS

“connected person”	has the meaning as ascribed under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the proposed disposal of 40% issued share capital in Superior Choice by Hanison BVI to Sky Champion
“Disposal Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders’ Agreement, the Shareholders’ Loan Agreement and the transactions contemplated thereunder), and any adjournment thereof
“Excel Pointer”	Excel Pointer Limited, a company with limited liability and incorporated under the laws of Hong Kong
“Formal SPA”	the formal sale and purchase agreement dated 21 September 2012 entered into between Cheston Investment as the vendor and Excel Pointer as the purchaser in respect of the sale and purchase of the Property at a purchase price of HK\$318,000,000
“Group”	the Company and its subsidiaries
“Hanison BVI”	Hanison Construction Holdings (BVI) Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising Mr. Chan Pak Joe, Dr. Lau Tze Yiu, Peter and Dr. Sun Tai Lun, independent non-executive directors of the Company, established for the purpose of advising the Independent Shareholders on the fairness and reasonableness of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders’ Agreement, the Shareholders’ Loan Agreement and the transactions contemplated thereunder) so far as the Independent Shareholders are concerned
“Independent Shareholders”	independent shareholders of the Company excluding, for all purposes in connection with the approval of the Disposal, CCM Trust (Cayman) Limited, Cha Mou Sing, Payson, Cha Mou Daid, Johnson, Cha Yiu Chung, Benjamin and their respective associates
“Latest Practicable Date”	21 November 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mingly”	Mingly Corporation, a company with limited liability, incorporated under the laws of the Cayman Islands and is an indirect subsidiary of CCM Trust (Cayman) Limited
“PRC”	People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Property”	All those pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Sub-Section 1 of Section E of Inland Lot No. 853, The Remaining Portion of Sub-Section 2 of Section E of Inland Lot No. 853 and The Remaining Portion of Section E of Inland Lot No. 853 together with the messuages, erections and buildings thereon (No. 151 Hollywood Road, Hong Kong)
“Property Acquisition”	the acquisition of the Property pursuant to the Formal SPA

DEFINITIONS

“Property Completion”	completion of the sale and purchase of the Property in accordance with the terms and conditions of the Formal SPA
“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 November 2012 entered into between Hanison BVI (as vendor) and Sky Champion (as purchaser) in respect of the sale and purchase of the Sale Shares
“Sale Shares”	4 shares of US\$1.00 each in the share capital of Superior Choice
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Hanison BVI and Sky Champion in relation to the Target Companies
“Shareholders’ Loan Agreement”	the shareholders’ loan agreement to be entered into between Hanison BVI, Sky Champion and Superior Choice
“Sky Champion”	Sky Champion International Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superior Choice”	Superior Choice Holdings Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Target Companies”	Superior Choice and Excel Pointer

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**
Dr. Sun Tai Lun**

Registered Office:–

P.O. Box 309, Umland House
Grand Cayman, KY1-1104
Cayman Islands

Principal Place of Business

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

* *Non-executive Directors*

** *Independent Non-executive Directors*

23 November 2012

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF PROPERTY**

**(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF 40% INTEREST IN A SUBSIDIARY**

INTRODUCTION

Reference is made to the announcement of the Company dated 24 October 2012 and 2 November 2012 in relation to the Property Acquisition and the announcement of the Company dated 1 November 2012 in relation to the Disposal. On 21 September 2012, Excel Pointer, a wholly owned subsidiary of the Company, as the purchaser entered into the Formal SPA with Cheston Investment as the vendor, pursuant to which Cheston Investment agreed to sell and Excel Pointer

LETTER FROM THE BOARD

agreed to purchase the Property at the purchase price of HK\$318,000,000. On 1 November 2012, Hanison BVI, a wholly owned subsidiary of the Company and the sole shareholder of Superior Choice which in turn wholly owns Excel Pointer, as the vendor entered into the Sale and Purchase Agreement with Sky Champion, as the purchaser, pursuant to which Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares, representing 40% of the issued share capital of Superior Choice.

The purpose of this circular is to provide you with details on (a) the Property Acquisition; and (b) the Disposal, the recommendation of the Independent Board Committee and the advice of Bridge Partners in respect of the Disposal; and (c) to give notice of the EGM thereof.

THE PROPERTY ACQUISITION

Formal SPA

Date

21 September 2012

Parties

- (a) Cheston Investment (as the vendor)
- (b) Excel Pointer (as the purchaser)

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiry, Cheston Investment and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject of the Purchase

Pursuant to the Formal SPA, Cheston Investment will sell and Excel Pointer will purchase the Property upon the terms contained therein.

LETTER FROM THE BOARD

The Property

The Property is a commercial building situated at No. 151 Hollywood Road, Hong Kong. The Property has an aggregate gross floor area of approximately 32,727 square feet. The Property is sold on an “as is” basis and is subject to and with the benefit of subsisting tenancies on Property Completion. On the date of valuation on 1 November 2012, there were 34 tenancies with the total gross floor area of approximately 25,927 square feet rented, representing an occupancy rate of approximately 80% and the monthly rental of such tenancies is approximately HK\$1,055,000 in the month of October 2012.

Purchase Price

The purchase price for Property Acquisition is HK\$318,000,000, of which (i) HK\$31,800,000 being initial deposit and further deposit has been paid on or before 21 September 2012; and (ii) the balance of HK\$286,200,000 will be paid on or before 30 November 2012 and upon which the Property Completion will take place.

The purchase price for Property Acquisition was arrived at after arm’s length negotiation between Cheston Investment and Excel Pointer, having taken into account the market value of the Property and the market value of properties nearby the Property. It is estimated that the purchase price together with such stamp duty, property agent commission, registration fee, legal costs and printing costs of the circular will put the total costs of the Property at approximately HK\$336,000,000.

The Directors (including the independent non-executive Directors) believe that the purchase price for Property Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Property Completion shall take place on or before 30 November 2012.

THE DISPOSAL

The Sale and Purchase Agreement

Date

1 November 2012

LETTER FROM THE BOARD

Parties

- (a) Hanison BVI (as the vendor)

- (b) Sky Champion (as the purchaser)

Sky Champion is an indirect wholly owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Therefore, Sky Champion is regarded as a connected person of the Company under the Listing Rules.

Subject of the Disposal

Pursuant to the Sale and Purchase Agreement, Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares. As at the Latest Practicable Date, Superior Choice is wholly owned by Hanison BVI and the Sale Shares represent 40% of the issued share capital of Superior Choice as at Disposal Completion. Upon the Property Completion, Superior Choice will hold the interest in the Property through Excel Pointer.

Consideration

The consideration for the Sale Shares is US\$4.00, representing the par value, payable in cash upon Disposal Completion.

Given that the market value of the Property as at the date of the Sale and Purchase Agreement was valued at HK\$318,000,000 by Savills Valuation and Professional Services Limited, an independent valuer, which was identical to the cost of the Property Acquisition on 21 September 2012, there is no income or expense recognised in the unaudited consolidated income statement of Superior Choice and hence the net asset value of the unaudited consolidated statement of financial position of Superior Choice still recorded at the carrying amount which is equal to the par value of 10 ordinary shares of US\$10.00. On this basis, the consideration for the Sale Shares represents the par value and was arrived at after arm's length negotiation between Hanison BVI and Sky Champion and no gain or loss is expected to be accrued to the Group from the Disposal.

LETTER FROM THE BOARD

In additional to the consideration, immediately upon Disposal Completion, Sky Champion shall provide a shareholder's loan to Superior Choice and a guarantee for bank loan obtained by Excel Pointer as set out below and details of which are also mentioned in the section headed "Guarantees" and "The Shareholders' Loan Agreement" below:

- (a) for any shareholder's loan advanced solely by Hanison BVI on the date of Disposal Completion, Hanison BVI shall be repaid in the proportion such that the shareholders' loan due and owing by Superior Choice to Hanison BVI and Sky Champion shall be in the proportion of 60:40 respectively; and
- (b) guarantee will be provided by Sky Champion to a bank in proportion to its shareholding of 40% in Superior Choice for a bank loan of HK\$159,000,000 obtained by Excel Pointer for financing 50% of the purchase price of the Property Acquisition.

According to the conditions as mentioned above, Sky Champion shall eventually advance a total amount of HK\$63,600,000 as shareholder's loan to Superior Choice, being 40% share of 50% of the purchase price of the Property Acquisition (i.e. 40% of HK\$159,000,000), plus 40% share of all related costs and expenses, including without limitation agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses.

The remaining balance of 50% of the purchase price of the Property Acquisition will be financed by a bank loan secured by Excel Pointer, in which Sky Champion shall provide a guarantee in the proportion of its 40% shareholding in Superior Choice (i.e. the guarantee of 40% of the bank loan of HK\$159,000,000).

The proceeds of the Sale Shares and the amount of shareholder's loan to be repaid to Hanison BVI from the Disposal will be used as general working capital of the Group.

Conditions Precedent

Completion of the sale and purchase of Sale Shares is conditional, inter alia, upon the following conditions being fulfilled or waived (where applicable):

- (a) the obtaining of approval from the shareholders or independent shareholders (as the case may be) of the Company at an extraordinary general meeting approving the Sale and Purchase Agreement and the transactions contemplated therein in accordance with the requirements under the Listing Rules;

LETTER FROM THE BOARD

- (b) all licenses, permissions, authorizations, regulatory approvals and consents in relation to the transactions contemplated in the Sale and Purchase Agreement under any applicable laws having been obtained;
- (c) Hanison BVI and Sky Champion having entered into the Shareholders' Agreement;
- (d) Hanison BVI, Sky Champion and Superior Choice having entered into the Shareholders' Loan Agreement;
- (e) the warranties provided in the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respect;
- (f) no material adverse effect on the business prospect of the Target Companies; and
- (g) the Formal SPA remains in existence and in full force and effect or the assignment for the Property in favour of Excel Pointer having been entered into (as the case may be).

Completion

Disposal Completion shall take place on any Business Day not later than the 3rd Business Day immediately following the day on which all of the conditions set out in the Sale and Purchase Agreement are fulfilled or waived and shall be not later than 17 December 2012 or such date as the parties may agree.

Notwithstanding that the Sale and Purchase Agreement is terminated pursuant to its terms, the completion of the Property Acquisition will not be affected and Excel Pointer shall complete the Property Acquisition pursuant to the Formal SPA.

The Shareholders' Agreement

Parties

- (a) Hanison BVI
- (b) Sky Champion

LETTER FROM THE BOARD

Principal Terms of the Shareholders' Agreement:

Management of Superior Choice

So long as Hanison BVI and Sky Champion remain as a direct or indirect holder of 60% and 40% issued shares of Superior Choice, each of Hanison BVI and Sky Champion shall be entitled to nominate 3 and 2 persons respectively to be appointed as directors of Superior Choice. The chairman of the board of directors of Superior Choice shall be nominated by Hanison BVI and approved by the board of directors of Superior Choice.

Transact of key decisions

The following matters relating to Superior Choice requires the unanimous approval of Hanison BVI and Sky Champion:

- (a) enter into any agreement or pass any resolution the result of which would lead to any investment other than and not relating to the Property by Superior Choice in excess of HK\$1,000,000;
- (b) enter into any agreement or pass any resolution the result of which would lead Superior Choice to borrow any money or incur any debt or the making of any loan or advance or security to or for the benefit of any person or entity in excess of HK\$1,000,000;
- (c) amend the articles of association of Superior Choice;
- (d) change the name of Superior Choice;
- (e) change the business scope of Superior Choice;
- (f) increase or agree to increase or grant any option over or right to contribute any additional capital or purchase or redeem any paid up capital;
- (g) vary any rights attaching to any registered capital;
- (h) pass any resolution the result of which would be its voluntary winding up, liquidation or receivership, or make any composition or arrangement with creditors;
- (i) change the amount of total investment or registered capital of Superior Choice;

LETTER FROM THE BOARD

- (j) merge or amalgamate with or into any third party;
- (k) mortgage or charge any of the assets of Superior Choice or the provision of any guarantees by Superior Choice in excess of guidelines from time to time laid down by the shareholders or by the board of Superior Choice;
- (l) borrow any money or incur any debt or the making of any loan or advance or security to or for the benefit of any person or entity in excess of guidelines from time to time laid down by the shareholders or by the board of Superior Choice;
- (m) enter into of any new business or change the nature of the business or the territories in which the business is to be carried on;
- (n) enter into any agreement with any shareholder of Superior Choice (or such shareholder's subsidiary or affiliate);
- (o) change the auditors;
- (p) acquire any premises, whether on a freehold or leasehold basis; and
- (q) set Superior Choice's dividend policy and/or distribute a dividend.

Hanison BVI and Sky Champion shall procure Excel Pointer and any other subsidiary of Superior Choice to adopt the same decision-making principles and the composition of the board of directors as set out above.

Guarantees

Hanison BVI and Sky Champion shall provide guarantee to a bank in proportion to its shareholding in Superior Choice for bank loan obtained by Excel Pointer. In the circumstances that Property Completion has taken place before Disposal Completion, Sky Champion shall immediately provide such guarantee to the bank for bank loan obtained by Excel Pointer and the guarantee provided by Hanison BVI shall be reduced accordingly.

To finance 50% of the purchase price of the Property Acquisition, Excel Pointer will or has obtained a bank loan of HK\$159,000,000. Upon Disposal Completion, Hanison BVI shall provide guarantee to the bank in proportion to its shareholding of 60% in Superior Choice (i.e. HK\$95,400,000) and Sky Champion shall provide guarantee to the bank in proportion to its shareholding of 40% in Superior Choice (i.e. HK\$63,600,000).

LETTER FROM THE BOARD

Restriction on transfer of interest in Superior Choice

Hanison BVI and Sky Champion may sell or dispose of their interest held in Superior Choice provided that they have first notified Superior Choice and all other shareholders offering such interest on the same or more favourable terms.

The Shareholders' Loan Agreement

Parties

- (a) Hanison BVI
- (b) Sky Champion
- (c) Superior Choice

Principal Terms of the Shareholders' Loan Agreement

Immediately upon completion of the Sale and Purchase Agreement, (i) Sky Champion shall provide a shareholder's loan to Superior Choice in the amount equivalent to 40% of all shareholder's loans solely advanced by Hanison BVI; and (ii) immediately upon the shareholder's loan in item (i) above is advanced by Sky Champion, Superior Choice shall forthwith repay to Hanison BVI the same amount as advanced by Sky Champion, such that the shareholder's loan due and owing by Superior Choice to Hanison BVI shall be reduced accordingly.

Immediately upon Disposal Completion, Hanison BVI shall advance an amount equivalent to 60% share of 50% of the purchase price of the Property Acquisition (i.e. HK\$95,400,000) to Superior Choice and Sky Champion shall advance an amount equivalent to 40% share of 50% of the purchase price of the Property Acquisition (i.e. HK\$63,600,000).

In addition, Hanison BVI and Sky Champion agree and undertake to bear in proportion to their respective shareholdings in Superior Choice any other costs and expenses, including without limitation agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses, in relation to the Property.

Any shareholders' loan provided by Hanison BVI and Sky Champion to Superior Choice shall bear no interest. Any shareholders' loan provided by Hanison BVI and Sky Champion to Superior Choice shall be repayable on demand subject to the following conditions: (a) upon realization of investment in the Property with all liabilities, expenses and taxes have been fully paid, settled or provided for; or (b) as mutually agreed by the parties.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products. Hanison BVI and Excel Pointer are wholly owned subsidiaries of the Company and are investment holding companies. As at the Latest Practicable Date, Hansion BVI, through Superior Choice, holds the entire issued share capital of Excel Pointer. Upon Property Completion, Excel Pointer will hold the Property.

INFORMATION ON CHESTON INVESTMENT

The principal business activity of Cheston Investment is investment holding and holds the interest in the Property.

INFORMATION ON SKY CHAMPION

Sky Champion is a company with limited liability and incorporated under the laws of British Virgin Islands. It is an indirectly wholly owned subsidiary of Mingly and is an investment holding company.

FINANCIAL EFFECTS OF THE PROPERTY ACQUISITION AND DISPOSAL

Earnings

As set out in the sub-section headed “The Property” under the section headed “Formal SPA”, the Property is subject to and with the benefit of subsisting tenancies. On the date of valuation on 1 November 2012, there were 34 tenancies with the total gross floor area of approximately 25,927 square feet rented, representing an occupancy rate of approximately 80%. The monthly rental of such tenancies is approximately HK\$1,055,000 (inclusive of management fee, Government rent and rates for all the units and utilities (with electricity for up to certain limit), as appropriate, and cleaning for all units except for those on roof floor) in the month of October 2012. As such, the Property will derive rental income and the Property Acquisition will have positive effects on the earnings of the Company. After Disposal, part of the earnings derived from the Property will be attributed to Sky Champion in proportion to its shareholding of 40% in Superior Choice and earnings shared by the Company will be reduced accordingly.

LETTER FROM THE BOARD

Assets and Liabilities

Upon Property Completion, 50% of the purchase price of the Property Acquisition will be funded by bank loan obtained by Excel Pointer and the remaining 50% of the purchase price of the Property Acquisition will be from shareholder's loan provided by Hanison BVI. Following the Property Completion and before the Disposal Completion, the total assets of the Company are expected to increase with the net effect of increase in investment properties and decrease in bank balances and cash; increase in liabilities being bank loan obtained by Excel Pointer to fund 50% of the purchase price of the Property Acquisition of the Company; and increase in expenses (including but not limited to agency fees, stamp duty, legal fee and all other related costs and expenses) led to decrease in the net asset value of the Company. Upon Disposal Completion, Superior Choice and Excel Pointer will remain as subsidiaries of the Company. The Property will still be recorded in the consolidated financial statement of the Company. As Sky Champion will provide a shareholder's loan to Superior Choice immediately upon Disposal Completion, the cash position of the Company will be improved with the receipt of the shareholder's loan and liabilities will be increased with the shareholder's loan advanced by Sky Champion.

FINANCIAL INFORMATION OF SUPERIOR CHOICE AND ITS SUBSIDIARY

Set out below is a summary of the unaudited consolidated financial information of the Target Companies as at the Latest Practicable Date:

	<i>HK\$</i>
Deposit paid for acquisition of an investment property	31,800,000
Amount due to Hanison BVI	<u>(31,799,922)</u>
Net asset	<u><u>78</u></u>

Superior Choice was incorporated on 26 July 2011 while Excel Pointer was incorporated on 4 May 2012. Both were shelf companies until the Property Acquisition on 21 September 2012. No material income or expense was recorded on the unaudited consolidated income statement for the six months ended 30 September 2012 and for the twelve months ended 31 March 2012.

LETTER FROM THE BOARD

REASONS FOR THE PROPERTY ACQUISITION AND DISPOSAL AND SOURCE OF FUNDS

The Directors consider that the Property is a high-quality commercial building situated at a very good location of the commercial hub with high occupancy rate and it is a valuable opportunity for the Group to proceed with the Property Acquisition. However, the Directors also note that to proceed with the Property Acquisition singly would drive up the gearing ratio of the Group and tighten up the funds for existing development projects. With due regard to the above situations, the disposal of 40% of the Property interest to a potential investor will allow the Group to maintain majority control of the Property interest and would not tie up so much fund in a single property. Therefore, the Directors consider that the Disposal could allow the Group to seize the opportunity to add a high-quality property to its property portfolio and at the same time maintaining a steady gearing ratio and reserve the funds for other existing development projects.

The consideration for the Property Acquisition will be partly from bank loans and partly from shareholders' loan from Hanison BVI and upon the Disposal Completion, Sky Champion shall provide shareholders' loan to Superior Choice in proportion to its shareholding in Superior Choice. The shareholders' loan to be provided by Hanison BVI will be from internal resources of the Company.

Upon Disposal Completion, Superior Choice and Excel Pointer will remain as subsidiaries of the Company and its financial results will be consolidated in the financial statements of the Group.

The Directors (including the independent non-executive Directors) believe that the Property Acquisition is fair and reasonable and the Property Acquisition (including the terms of the Formal SPA) is in the interests of the Company and its Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the resolution in relation to the Property Acquisition.

The Directors (excluding the independent non-executive Directors, whose opinion is set out in the Letter from the Independent Board Committee) believe that the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the Shareholders' Loan Agreement) is fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

In respect of the Property Acquisition, the applicable percentage ratios, where applicable, calculated by reference to Rule 14.07 of the Listing Rules, are 25% or more but less than 100%. Accordingly, the Property Acquisition constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Property Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Great Wisdom Holdings Limited ("**Great Wisdom**"), holder of 238,904,243 Shares, and CCM Trust (Cayman) Limited ("**CCM Trust**"), holder of 94,075,085 Shares, which together are beneficially interested in an aggregate of 332,979,328 Shares, representing approximately 68.30% of the entire issued capital of the Company as at the Latest Practicable Date. Great Wisdom is a wholly owned subsidiary of HKR International Limited ("**HKRI**") and therefore HKRI is deemed to be interested in the 238,904,243 ordinary shares held by Great Wisdom. As CCM Trust controls more than one-third of the share capital of HKRI (held as to approximately 41.48% by CCM Trust), CCM Trust is deemed to be interested in the respective share interest in Great Wisdom. Given the above nature of their relationship, Great Wisdom and CCM Trust constitutes a closely allied group of shareholders for the purpose of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders has any material interest in the Property Acquisition and no Shareholder is required to abstain from voting in the extraordinary general meeting to be convened for the approval of the Property Acquisition. As such, no extraordinary general meeting will be convened for the purpose of approving the Property Acquisition as permitted under Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

In respect of the Disposal, the applicable percentage ratios, where applicable, calculated by reference to Rule 14.07 of the Listing Rules, are 5% or more but less than 25%. Sky Champion is an indirect wholly owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust. CCM Trust (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Accordingly, Sky Champion is a connected person of the Company for the purpose of the Listing Rules, the Disposal constitutes a discloseable and connected transaction on the part of the Company under Chapter 14 and 14A of the Listing Rules. The Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Cha Mou Sing, Payson (Chairman of the Company), Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin (non-executive Directors of the Company), have material interest in the Disposal and have abstained from voting in the meeting of the Board approving the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transaction contemplated therein. Each of CCM Trust (which has direct interest in the Company of approximately 19.30% and indirect interest in the Company through HKRI of approximately 49%), Mr. Cha Mou Sing, Payson (who has direct and deemed interest in the Company of approximately 22.37%), Mr. Cha Mou Daid, Johnson (who has deemed interest in the Company of approximately 21.98%), Mr. Cha Yiu Chung, Benjamin (who has deemed interest in the Company of approximately 21.57%) and their respective associates (which together have direct and/or indirect interests in the Company of approximately 4.27%) are required to abstain from voting in the general meeting of the Company on resolution approving the Disposal.

An announcement on the results of the EGM in respect of the Disposal will be made by the Company as soon as practicable after the conclusion of the EGM, in compliance with the requirements under the Listing Rules.

VOTING AT EGM

Pursuant to rule 13.39(4) of the Listing Rules and article 80 of the Articles, the votes of the Independent Shareholders at the EGM will be taken by poll and the Company shall announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.

Pursuant to article 85 of the Articles, on a poll, every member who is present in person (or, in the case of a corporation, is present by its duly authorised representative or a proxy) or by proxy shall have one vote for each fully-paid share registered in his name in the register. A member entitled to more than one vote is under no obligation to cast all his votes in the same way.

LETTER FROM THE BOARD

EGM

The notice convening the EGM is set out on pages 61 to 62 of this circular. Enclosed with this circular is the form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out in this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM in relation to the Disposal.

Your attention is also drawn to the letter from Bridge Partners set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders as regards the Disposal and the principal factors and reasons considered by it in arriving thereat.

The Independent Board Committee has considered the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated therein) and the advice given by Bridge Partners and recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the Disposal.

Yours faithfully,
By Order of the Board
WONG Sue Toa, Stewart
Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

23 November 2012

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF 40% INTEREST IN A SUBSIDIARY**

INTRODUCTION

Reference is made to the circular dated 23 November 2012 issued by the Company to the Shareholders, of which this letter forms part. The terms defined in the circular shall have the same meanings when used in this letter, unless the context requires otherwise.

The Independent Board Committee has been constituted by the Board to advise the Independent Shareholders in respect of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) and to make a recommendation as to voting at the EGM. Bridge Partners Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee on the fairness and reasonableness of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The terms of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) are summarised in the section headed "Letter from the Board" set out on pages 5 to 19 of the circular. In addition, you are strongly urged to read Bridge Partners' letter to the Independent Board Committee and the Independent Shareholders, which is set out on pages 22 to 33 of the circular. As referred to in the section headed "Letter from the Board", each of CCM Trust (Cayman) Limited, Cha Mou Sing, Payson, Cha Mou Daid, Johnson, Cha Yiu Chung, Benjamin and their respective associates, as interested parties, will abstain from voting on the ordinary resolution to be proposed at the EGM for approving the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder). Pursuant to rule 13.39(4) of the Listing Rules and article 80 of the Articles, the votes of the Independent Shareholders at the EGM will be taken by poll.

RECOMMENDATION

The Independent Board Committee has met with the management of the Company to discuss the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement, the transactions contemplated thereunder) and its reasons for entering into it and has considered Bridge Partners' letter.

Taking into account the principal factors and reasons considered and the recommendation given by Bridge Partners, the Independent Board Committee considers that the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) is on normal commercial terms and in the ordinary and usual course of business of the Group. The Independent Board Committee is of further opinion that the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) is in the interest of the Company and the Shareholders as a whole and is fair and reasonable.

Accordingly, the Independent Board Committee recommends that you vote in favour of the ordinary resolution as set out in the notice convening the EGM on pages 61 to 62 of the circular, for approving and ratifying the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) and authorising the directors of the Company to enter into and implement the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder).

Yours faithfully,

For and on behalf of the Independent Board Committee of

Hanison Construction Holdings Limited

CHAN Pak Joe

LAU Tze Yiu, Peter

SUN Tai Lun

Independent Non-executive Directors

LETTER FROM BRIDGE PARTNERS

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Bridge Partners regarding the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) prepared for the purpose of inclusion in this circular.



BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

Unit 605, 6/F, Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

23 November 2012

*To the Independent Board Committee
and the Independent Shareholders of
Hanison Constructions Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF 40% INTEREST IN A SUBSIDIARY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 23 November 2012 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

LETTER FROM BRIDGE PARTNERS

Sky Champion is an indirect wholly-owned subsidiary of Mingly which is in turn indirectly majority-owned by CCM Trust (Cayman) Limited, while CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Since the applicable percentage ratio(s) (as defined in the Listing Rules) of the Disposal exceed 5% but are less than 25% and Sky Champion is a connected person of the Company, the Disposal constitutes a discloseable and connected transaction under Chapter 14 and 14A of the Listing Rules, and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Cha Mou Sing, Payson (Chairman of the Company), Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin (non-executive Directors of the Company), have material interest in the Disposal and have abstained from voting in the meeting of the Board approving the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transaction contemplated therein. Each of CCM Trust (Cayman) Limited, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson, Mr. Cha Yiu Chung, Benjamin, have deemed interests in the Company and their respective associates will abstain from voting in the general meeting of the Company on resolution approving the Disposal.

An Independent Board Committee comprising Mr. Chan Pak Joe, Dr. Lau Tze Yiu, Peter and Dr. Sun Tai Lun (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) is on normal commercial terms and in the ordinary and usual course of business of the Company and fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant ordinary resolution(s) to approve the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) at the EGM. Our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in these regards.

LETTER FROM BRIDGE PARTNERS

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and the management of the Company. We have reviewed, among others: (i) the Circular; (ii) the Formal SPA; (iii) the Sale and Purchase Agreement; (iv) the Shareholders' Agreement; (v) the Shareholders' Loan Agreement; (vi) the information on the Property, including but not limited to the land record of the Property from the Land Registry of Hong Kong; and (vii) management accounts of each of the Target Companies. We have also sought and received confirmation from the Directors and management of the Group that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have performed all necessary steps as required under Rule 13.80 of the Listing Rules, including the notes thereto, to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions and have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have assumed that all representations contained or referred to in the Circular are true as at the date of the Circular or the Latest Practicable Date (as the case may be) and will remain so up to the time of the EGM.

We have not, however, conducted any form of in-depth investigation into the business affairs, financial position or future prospects of the Group or carried out any independent verification of the information supplied, representations made or opinions expressed by the Company, the Directors and the management of the Group, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder), and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM BRIDGE PARTNERS

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder), we have taken into consideration the following principal factors and reasons:

(1) Information on the Group

The Group is principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products. According to the Company's announcement dated 8 November 2012, the Group had disposed of certain workshops at Shatin Industrial Centre on 8 November 2012 at a consideration of HK\$15.68 million. According to the announcement of interim results of the Company for the six months ended 30 September 2012 published on 20 November 2012 (the "**Interim Results**"), the Group had disposed of certain units at Shatin Industrial Centre during the six months ended 30 September 2012. The investment property of the Group as at 30 September 2012 amounted to approximately HK\$431.51 million while rental income from property investment of the Group contributed approximately HK\$8.42 million to the Group's total turnover of approximately HK\$811.73 million (representing approximately 1.0% of the total turnover of the Group) during the six months ended 30 September 2012.

As at the Latest Practicable Date, the Group's remaining investment properties include certain workshops at Shatin Industrial Centre, the property at 31 Wing Wo Street in Sheung Wan, some units at Kin Wing Industrial Building in Tuen Mun, various land lots in Demarcation District 76 Ping Che in Fanling, various land lots in Demarcation District 128 Deep Bay Road in Yuen Long and certain units at 23-25 Mei Wan Street in Tsuen Wan which are vacant at present.

LETTER FROM BRIDGE PARTNERS

(2) Financial information of Superior Choice and its subsidiaries

According to the Board Letter, Superior Choice was incorporated on 26 July 2011 while Excel Pointer was incorporated on 4 May 2012. Both were shelf companies until the Property Acquisition on 21 September 2012. As confirmed by the Company, there were no material income or expense recorded on the unaudited consolidated income statement for the six months ended 30 September 2012 and for the twelve months ended 31 March 2012. The unaudited consolidated financial information of the Target Companies are summarized as follows:

	<i>HK\$</i>
Deposit paid for acquisition of an investment property	31,800,000
Amount due to Hanison BVI	<u>(31,799,922)</u>
Net asset	<u><u>78</u></u>

(3) Background of and reasons for the Disposal

According to the Board Letter, Hanison BVI and Excel Pointer are wholly-owned subsidiaries of the Company which are principally engaged in investment holding. Hanison BVI, through Superior Choice, holds the entire issued share capital of Excel Pointer. On 21 September 2012, Excel Pointer (as the purchaser) entered into the Formal SPA with Cheston Investment (as the vendor), pursuant to which Cheston Investment agreed to sell and Excel Pointer agreed to purchase the Property at the purchase price of HK\$318,000,000. Upon completion of the Property Acquisition, which shall take place on or before 30 November 2012, Excel Pointer will hold the Property.

In order to reduce the capital commitment and financing burden of the Company, on 1 November 2012, Hanison BVI (as the vendor) entered into the Sale and Purchase Agreement with Sky Champion (as the purchaser), pursuant to which Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares, representing 40% of the issued share capital of Superior Choice. The Sale Shares comprise of 4 shares of US\$1.00 each in the share capital of Superior Choice. Upon completion of the sale and purchase of the Sale Shares, Superior Choice will be held as to 60% by Hanison BVI and 40% by Sky Champion.

Pursuant to the Sale and Purchase Agreement, completion of the Sale and Purchase Agreement shall be conditional upon Hanison BVI and Sky Champion having entered into the Shareholders' Agreement and the Shareholders' Loan Agreement.

LETTER FROM BRIDGE PARTNERS

According to the Sale and Purchase Agreement, Superior Choice is indebted to Hanison BVI a shareholder's loan in the amount of HK\$31,800,000 (the "**Existing Loan**") equivalent to the amount of initial deposit and further deposit paid by Excel Pointer to Cheston Investment pursuant to the Formal SPA. On the completion of the Property Acquisition, Excel Pointer shall borrow a bank loan in the amount of HK\$159,000,000 (equivalent to 50% of the purchase price of the Property). Immediately upon completion of the sale and purchase of the Sale Shares, (i) Sky Champion shall provide a shareholder's loan in the amount equivalent to 40% of all shareholder's loans and other related costs and expenses in relation to the Property which had been solely advanced by Hanison BVI to Superior Choice (the "**Shareholder's Loan**") and Superior Choice shall repay such sum to Hanison BVI and the amount of indebtedness owed by Superior Choice to Hanison BVI shall be reduced accordingly; and (ii) Sky Champion shall provide guarantee to a bank in respect of the aforementioned bank loan in proportion to their shareholding ratio in Superior Choice. The shareholders' loan is subject to the terms and conditions of the Shareholders' Loan Agreement. Pursuant to the Shareholders' Loan Agreement, (i) unless otherwise agreed by the parties hereto in writing, the Existing Loan and the further shareholders' loans advanced by Hanison BVI and Sky Champion shall bear no interest; and (ii) the Existing Loan and any further shareholders' loans provided by Hanison BVI and Sky Champion to Superior Choice shall be repayable on demand subject to the following conditions: (a) upon realization of investment in the Property with all liabilities, expenses and taxes have been fully paid, settled or provided for; or (b) as mutually agreed by the parties.

The Property is a 26-storey commercial building situated at No. 151 Hollywood Road, Hong Kong, and has an aggregate gross floor area of approximately 32,727 square feet. The Property is subject to and with the benefit of subsisting tenancies and the monthly rental of the tenancies is approximately HK\$1,055,000 (inclusive of management fee, Government rent and rates for all the units; and utilities (with electricity for up to certain limit), as appropriate, and cleaning for all units except for those on roof floor) on the date of valuation on 1 November 2012. As confirmed by the Directors, the Property Acquisition is considered as a valuable investment opportunity for the Group. The Group will enjoy rental income derived from the Property and the Directors believe that the investment property portfolio of the Group can be further strengthened and enhanced by the Property Acquisition.

LETTER FROM BRIDGE PARTNERS

According to the Interim Results, the Group had commenced the redevelopment of the Group's properties, including "The Bedford" (a boutique industrial high rise at No. 93 Bedford Road in Tai Kok Tsui, Kowloon) and "The Austine" (a luxurious residential development at No. 38 Kwun Chung Street in Jordan, Kowloon). Other residential development projects of the Group include the projects at Tong Yan San Tsuen in Yuen Long, New Territories, of which application for land exchange to residential land use has been made with the Lands Department, at Lau Fau Shan in Yuen Long, New Territories, of which the gazettal stage had been completed, and at So Kwun Wat in Tuen Mun, New Territories, of which planning application from the Town Planning Board is progressing (together with the above mentioned projects, collectively referred to as the "**Hong Kong Projects**"). Save for the Hong Kong Projects, the Group also owns 49% interests in a parcel of land situated at West of Wenyuan Road and South of Houfutinggang, Haining, Zhejiang Province, the PRC for development of, among others, office, retail and carpark (the "**PRC Project**"). The development of the first phase of the PRC Project has been commenced. The Company anticipates that additional funds may be needed for developing the Hong Kong Projects and the PRC Project. In addition to its existing projects, the Group will continue to identify opportunities to acquire land and properties at affordable prices for future property development. The Group will also continue to assess and enlarge its investment property portfolio for securing steady income streams.

In view of the facts that the Disposal could on one hand allow the Company to reserve fund of HK\$63.6 million, representing 40% of the cash required for the Property Acquisition (excluding the bank loan facility of HK\$159 million) for developing its existing Hong Kong and PRC projects and on the other hand reduce the capital commitment and financing burden of the Company but without losing the control of the Property, we consider that the Disposal is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

(4) **Principal terms of the Sale and Purchase Agreement and the Shareholders' Agreement**

(a) The Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the consideration for the Sale Shares is US\$4.00, representing par value of the Sale Shares, payable in cash by Sky Champion to Hanison BVI upon completion of the Sale Shares in accordance with the terms and condition of the Sale and Purchase Agreement.

LETTER FROM BRIDGE PARTNERS

According to the Board Letter, the market value of the Property as at the date of the Sale and Purchase Agreement was valued at HK\$318,000,000 by the independent valuer, Savills Valuation and Professional Services Limited (“**Savills**”), which was identical to the cost of the Property Acquisition on 21 September 2012. As such, there is no income or expense recognised in the unaudited consolidated income statement of Superior Choice and hence the net asset value of Superior Choice still recorded at the carrying amount which is equal to the par value of 10 ordinary shares of US\$10.00. We note that the purchase price for Property Acquisition was arrived at after arm’s length negotiation between Cheston Investment and Excel Pointer, having taken into account the market value of the Property and the market values of the properties nearby. In order to assess the market value of the Property, we have reviewed and enquired with Savills regarding the methodology of, and basis and assumptions adopted for the valuation of the Property (the “**Property Valuation**”). We understand that the Property Valuation adopted the income capitalization approach as well as the direct comparison approach by making reference to comparable market transactions. As confirmed by Savills, income capitalization approach and direct comparison approach are commonly adopted approaches for valuation of commercial properties in Hong Kong and is also consistent with normal market practices. During the course of our discussion with Savills, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions used by Savills in arriving at the valuation.

Immediately upon Disposal Completion, Sky Champion shall provide a shareholder’s loan to Superior Choice and a guarantee for bank loan obtained by Excel Pointer as set out below:

- (a) for any shareholder’s loan advanced solely by Hanison BVI on the date of Disposal Completion, Hanison BVI shall be repaid in the proportion such that the shareholders’ loan due and owing by Superior Choice to Hanison BVI and Sky Champion shall be in the proportion of 60:40 respectively; and
- (b) guarantee will be provided by Sky Champion to a bank in proportion to its shareholding of 40% in Superior Choice for a bank loan of HK\$159,000,000.00 obtained by Excel Pointer for financing 50% of the purchase price of the Property Acquisition.

LETTER FROM BRIDGE PARTNERS

According to the conditions as mentioned above, Sky Champion shall eventually advance a total amount of HK\$63,600,000.00 as shareholder's loan to Superior Choice, being 40% share of 50% of the purchase price of the Property Acquisition (i.e. 40% of HK\$159,000,000.00), plus 40% share of all related costs and expenses, including without limitation agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses.

Having considered that, in particular, (i) income capitalization approach and direct comparison approach as adopted by Savills in the valuation of the Property are commonly adopted approaches in the determination of the value of properties; (ii) the consideration for the Sale Shares is made with reference to the 40% of the net asset value of Superior Choice; and (iii) Sky Champion will provide a shareholder's loan to Superior Choice being 40% share of 50% of the purchase price of the Property Acquisition plus 40% share of all related costs and expenses, we are of the view that the consideration for the Sale Shares is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned.

(b) *The Shareholders' Agreement*

(i) *Capital contribution and profit sharing*

Pursuant to the Shareholders' Agreement, each of Hanison BVI and Sky Champion shall contribute shareholder's loans to Superior Choice and pay for all the related costs and expenses, including agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses in accordance with their proportionate interests in Superior Choice for the completion of the purchase of the Property. We also note from the management of the Company that any rental income to be received by Superior Choice will be shared in accordance with their proportionate interests in Superior Choice.

LETTER FROM BRIDGE PARTNERS

(ii) Composition of the board and board meeting of Superior Choice and Excel Pointer

Pursuant to the Shareholders' Agreement, the board of directors of Superior Choice will be composed of five directors, two of which will be representatives of Sky Champion and the remaining three will be representatives of Hanison BVI. The chairman of Superior Choice shall be nominated by Hanison BVI and approved by the board of directors of Superior Choice. The quorum of any board meeting of Superior Choice is two directors, comprising of one representative from each of Hanison BVI and Sky Champion. Pursuant to the Shareholders' Agreement, Excel Pointer will also adopt the same composition principles of the board of directors as Superior Choice.

Given that the capital contribution, profit sharing and composition of the board of Superior Choice are all made reference to the proportionate shareholders' equity interests in Superior Choice, we consider that the terms of the Sale and Purchase Agreement (including the consideration for the Sale Shares) are fair and reasonable so far as the Independent Shareholders are concerned.

(5) Possible financial effects of the Disposal

Upon completion of the Sale and purchase Agreement, Superior Choice and Excel Pointer will remain as subsidiaries of the Company and their financial results will remain consolidated in the financial statements of the Group. According to the Interim Results, the Group's gearing ratio (calculated as net bank balance, being the total bank loans minus the bank balances and cash, divided by net asset value) as at 30 September 2012 was approximately 39%. As confirmed by the Directors, the Group's gearing ratio had increased as a result of the Property Acquisition. Nevertheless, the Disposal will allow the Group to reduce this effect as the Group will be able to share the financing and capital burden with Sky Champion in proportion to their shareholding ratio.

As a result of the Disposal, it is expected that the Group will be able to reserve fund of HK\$63.6 million, representing 40% of the cash required for the Property Acquisition (excluding the bank loan facility of HK\$159 million). The Group will also share other costs incurred/to be incurred incidental to and relating to the Property with Sky Champion in proportion to their shareholding ratio upon completion of the Sale and Purchase Agreement.

LETTER FROM BRIDGE PARTNERS

Although the Group's gearing ratio had increased as a result of the Property Acquisition, we consider that the Disposal will allow the Group to share the financing and capital burden with Sky Champion. As such, we are of the opinion that the Disposal is in the interests of the Company and the Shareholders as a whole.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Sale and Purchase Agreement.

RECOMMENDATION

Having considered the above factors and reasons, in particular that:

- i) the Disposal could on one hand allow the Company to reserve fund of HK\$63.6 million, representing 40% of the cash required for the Property Acquisition (excluding the bank loan facility of HK\$159 million) for developing its existing Hong Kong and PRC projects and on the other hand reduce the capital commitment and financing burden of the Company but without losing the control of the Property;
- ii) the consideration for the Sale Shares represents the par value and was arrived after arm's length negotiation between Hanison BVI and Sky Champion;
- iii) guarantee to be provided by Sky Champion to a bank in proportion to its shareholding of 40% in Superior Choice for a bank loan of HK\$159,000,000 obtained by Excel Pointer will reduce the guarantee provided by Hanison BVI;
- iv) the capital contribution, profit sharing and composition of the board of Superior Choice are all made reference to the proportionate shareholders' equity interests in Superior Choice,

we are of the opinion that the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) is on normal commercial terms and in the ordinary and usual course of business of the Company.

LETTER FROM BRIDGE PARTNERS

We are also of the view that the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the EGM to approve the Disposal (including the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the Shareholders' Loan Agreement and the transactions contemplated thereunder) and we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Bridge Partners Capital Limited
Monica Lin
Managing Director

1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the year ended 31 March 2010, 2011 and 2012, which can be accessed on the website of the Company (www.hanison.com) and the website of the Stock Exchange (www.hkexnews.hk).

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the expected completion of the Property Acquisition and the present available financial resources, its expected internally generated funds and the present available banking facilities of the Group and after taking into account that specific bank borrowing to finance part of the consideration of the Property Acquisition will be obtained, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

3. INDEBTEDNESS

As at the close of business on 30 September 2012, being latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank loans of approximately HK\$663.3 million (of which approximately HK\$393.3 million was secured).

As at 30 September 2012, the Group also had other long-term payable of HK\$14.3 million in relation to the contingent consideration payable for acquisition of a jointly controlled entity.

As at 30 September 2012, the Group had pledged certain leasehold land and buildings, investment properties and properties under development for sale with a total carrying value of approximately HK\$767.3 million and bank deposits of approximately HK\$24.4 million to secure banking facilities granted to the Group and a jointly controlled entity of the Group respectively.

As at 30 September 2012, the Group had contingent liability regarding legal actions in respect of allegations of copyright infringement and defamation have been taken against certain subsidiaries of the Company carrying on its health products business during the year ended 31 March 2004. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts and exchange witness statements since 2004. Hence, the directors of the Company are of the opinion that in view of the uncertainty, it is not practicable to assess the financial effect.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have as at 30 September 2012 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.

4. MATERIAL CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

During the six months ended 30 September 2012, the unaudited consolidated turnover was HK\$811.7 million (for the six months ended 30 September 2011: HK\$436.5 million) and unaudited consolidated net profits after tax was HK\$116.3 million (for the six months ended 30 September 2011: HK\$45.1 million).

The Group has been pursuing business opportunities to diversify its businesses into construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sales of health products over the years. The Group is continuously exploring investment opportunities to broaden the Group's revenue stream and enhance the Group's profitability.

PROFIT AND LOSS STATEMENT OF THE PROPERTY

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, the Company is required to include in this circular a profit and loss statement of the Property for the three financial years ended 31 March 2012 (the “**Relevant Financial Years**”) on the identifiable income stream in relation to such assets which must be reviewed by the reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. The Company was provided with copies of the subsisting tenancy agreements (the “**Tenancy Agreements**”) for the Property with the earliest one commencing on 13 July 2011. Other than such Tenancy Agreements, despite requests made by the Company’s legal advisers in the Property Acquisition, the Company is unable to gain full access to the underlying books and records or other financial information of Cheston Investment regarding the direct costs and other expenses for the preparation of the financial information of the Property for the Relevant Financial Years in strict compliance with the requirement of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the Property for the period from 13 July 2011 to 31 March 2012 and for the period from 1 April 2012 to 31 October 2012 set out below has been prepared by the Company solely based on the Tenancy Agreements provided by Cheston Investment. Accordingly, it may not give a true picture of the performance of the Property during the Relevant Financial Years.

	For the period from 1 April 2012 to 31 October 2012 HK\$’000	For the period from 13 July 2011 to 31 March 2012 HK\$’000
Gross rental income	4,263	839

Notes:

- (1) The gross rental income is based on the Tenancy Agreements provided by Cheston Investment, the only information available to us. It may not give a true picture of the profit attributable to the Property for the period from 13 July 2011 to 31 March 2012 and the period from 1 April 2012 to 31 October 2012, since no books of accounts are available for us to check whether the rental income has been received by Cheston Investment and completeness of rental income has been satisfied.

- (2) As at 1 November 2012, the number of tenancies is 34 and the term of the tenancies ranges from 3 months to 3 years, with the earliest one commencing on 13 July 2011. Among the 34 subsisting Tenancy Agreements, 28 tenancies (representing approximately 82%) have tenure of 1 year or less than 1 year commenced in 2012, 2 tenancies have tenure of above 1 year commenced in 2012 (representing approximately 6%) and only 4 tenancies (representing approximately 12%) commenced in 2011, of which 3 of the tenancies are in respect of the renting of roof floor for the installation of mobile base station equipment. Given that most of the tenancies last for the tenure of 1 year or less than 1 year commencing in 2012 and that the 4 tenancies commencing in 2011 (mostly involve the renting of roof floor and do not provide a good representation for the calculation of gross rental income), the Company is only able to set out the gross rental income based on the information available for the period from 13 July 2011 to 31 March 2012 and for the period from 1 April 2012 to 31 October 2012.
- (3) Pursuant to the Tenancy Agreements, the landlord are responsible for the payment of management fee, Government rent and rates for all the units; and utilities (with electricity for up to certain limit), as appropriate, and cleaning for all the units except for those on roof floor (the “Fees”). These expenses vary according to their consumption and are therefore not stated in the Tenancy Agreements. In the absence of financial information provided by the vendor except for the subsisting Tenancy Agreements, the expenses summary related to the Property cannot be prepared and provided to the Shareholders. However, the management of the Company estimated that the aggregate monthly expenses in relation to all the units (including limited items for those tenants on the roof floor, which according to the terms of their respective tenancy agreements, only Government rent and rates and management fee shall be paid by the landlord) were approximately HK\$234,800, of which the management fee was approximately HK\$123,000, Government rent and rates was approximately HK\$36,800, utilities was approximately HK\$50,000 cleaning service was approximately HK\$25,000 (“Aggregate Monthly Expenses”).

In addition to the Aggregate Monthly Expenses, based on the copies of the Tenancy Agreements received from Cheston Investment, stamp duty in respect of the stamping of the Tenancy Agreements amounted to HK\$4,650. This amount of stamp duty represents 50% share of the total stamp duty paid in respect of the Tenancy Agreements (payment of stamp duty was shared equally between the landlord and the tenant). Other than the subsisting Tenancy Agreements, no agreements relating to the Fees will be carried forward to the Company upon Property Completion.

The estimation of Aggregate Monthly Expenses covers two main sections. One section is the expenses for the common area of the Property and the other section is the expenses for the in-house services and related spending for all the units (including limited items for those tenants on the roof floor, which according to the terms of their respective tenancy agreements, only Government rent and rates and management fee shall be paid by the landlord). The management of the Company has prepared the estimation of Aggregate Monthly Expenses on the following basis:

Estimated expenses in respect of the common area of the Property

The management fee of approximately HK\$123,000 per month as mentioned above was estimated based on an estimation of expenses incurred in the common area of the Property such as (1) repairs and maintenance of lifts, fire services system, security and CCTV system, air-conditioning and cleaning, pest control services, etc, (2) utilities, (3) building insurance and (4) staff costs. For services to be provided by third parties such as repair and maintenance of lifts, fire services system, security and CCTV system, air-conditioning and cleaning, pest control services, and building insurance, the estimates were generated based on the quotations received by the Company from third-party service providers. The estimation on utilities and staff costs was prepared based on the Company's previous property management experience in other properties.

Estimated expenses in respect of the in-house services and related spending for all the units (including limited items for those tenants on the roof floor, which according to the terms of their respective tenancy agreements, only Government rent and rates and management fee shall be paid by the landlord)

The Government rent and rates of approximately HK\$36,800 per month was derived from the information extracted from the Rating and Valuation Department which is equivalent to 5% (per annum) of rateable value of all units (excluding the relevant Government rent and rates for those on the roof floor which the Company cannot generate the estimation based on the information available. However, the management has taken into consideration that the effect for the omission of the respective estimated amount would be considerably minimal due to the fact that the tenancies are only in respect of the renting of roof floor for the installation of mobile base station equipment.) of the Property. Apart from an estimation of expenses incurred in common area of the Property, estimations on the utilities (estimated to be approximately HK\$50,000 per month) and cleaning, housekeeping and laundry (estimated to be approximately HK\$25,000 per month) provided to the tenants were also prepared. The expense on utilities (with electricity for up to certain limit) was estimated based on the Company's previous property management experience in other properties. The expense for cleaning, housekeeping and laundry was prepared based on the quotations received from third-party service providers.

The management of the Company is of opinion that the above estimations were prepared with reference to the Company's experience in property management services in other properties and based on the quotations obtained from third-party service providers and that the estimations are unlikely to deviate too much from the actual expenses incurred in respect to the Property, and hence, the omission of certain information, i.e. the expenses relating to the Property is not material in this case and is unlikely to mislead the investors in making an informed assessment of the Company's securities and voting decision.

- (4) Save for the Tenancy Agreements, the Directors do not have access to other financial information in relation to the Property for the Relevant Financial Years. Due to the limited information available the Directors, the Directors are unable to ascertain the amount of any other expenses (if any) in relation to the Property.
- (5) The following procedures have been undertaken by Deloitte Touche Tohmatsu (“Deloitte”), the auditor of the Company, in accordance with the Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), with respect to a gross rental income summary.

Deloitte:

1. Obtained from the management of the Company the gross rental income summary (the “Gross Rental Income Summary”) and checked its arithmetical accuracy.
2. Randomly selected 25 samples from the Gross Rental Income Summary and compared the tenants’ names, tenancy periods and monthly rental amounts (the “Particulars”) to the respective tenancy agreements provided by the management of the Company.

Deloitte’s findings are:

- a. With respect to item 1, Deloitte obtained from the management of the Company the Gross Rental Income Summary and found that the Gross Rental Income Summary was arithmetically accurate.
- b. With respect to item 2, Deloitte found the Particulars of the 25 transactions randomly selected from the Gross Rental Income Summary were in agreement with those contained in the respective tenancy agreements.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, Deloitte do not express any assurance on the Gross Rental Income and the Gross Rental Income Summary.

Had Deloitte performed additional procedures or had Deloitte performed an assurance engagement on the Gross Rental Income and the Gross Rental Income Summary in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to our attention that would have been reported to the Company.

VALUATION OF THE PROPERTY

No valuation of the Property for the Relevant Financial Years has been disclosed herein as the Directors were unable to obtain any valuation reports from Cheston Investment.

1. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

A. Introduction to the unaudited pro forma statement of assets and liabilities

The unaudited pro forma statement of assets and liabilities of the Group is prepared based on the condensed consolidated statement of financial position extracted from the interim results announcement of the Group for the six months ended 30 September 2012 published on 20 November 2012, after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the transaction; and (ii) factually supportable, as if the Acquisition had been completed on 30 September 2012.

The unaudited pro forma statement of assets and liabilities of the Group has been prepared to provide the unaudited pro forma financial information of the Group as if the Acquisition had been completed on 30 September 2012. As it is prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 September 2012 or at any future date.

B. Unaudited pro forma statement of assets and liabilities

	The Group as at 30 September 2012 (Unaudited) HK\$'000 (Note 1)	Pro forma adjustment HK\$'000 (Note 2)	The Group after the Acquisition HK\$'000
Non-current assets			
Investment properties	431,510	318,000	749,510
Property, plant and equipment	82,344	–	82,344
Prepaid lease payments	7,049	–	7,049
Deposit paid for acquisition of an investment property	31,800	(31,800)	–
Interest in an associate	19,547	–	19,547
Interests in jointly controlled entities	138,777	–	138,777
Pledged bank deposits	24,401	–	24,401
Deferred tax assets	752	–	752
	736,180	286,200	1,022,380

APPENDIX III**PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group as at 30 September 2012 (Unaudited) <i>HK\$'000</i> (Note 1)	Pro forma adjustment <i>HK\$'000</i> (Note 2)	The Group after the Acquisition <i>HK\$'000</i>
Current assets			
Properties under development for sale	740,316	–	740,316
Properties held for sale	71,533	–	71,533
Inventories	29,312	–	29,312
Amounts receivable on contract work	201,634	–	201,634
Progress payments receivable	21,018	–	21,018
Retention money receivable	116,658	–	116,658
Debtors, deposits and prepayments	178,730	–	178,730
Prepaid lease payments	215	–	215
Amount due from a jointly controlled entity	81	–	81
Amount due from an associate	2,300	–	2,300
Investments held for trading	279	–	279
Taxation recoverable	321	–	321
Derivative financial instruments	57	–	57
Bank balances and cash	213,715	(213,715)	–
	<u>1,576,169</u>	(213,715)	<u>1,362,454</u>

APPENDIX III
**PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	The Group as at 30 September 2012 (Unaudited) <i>HK\$'000</i> (Note 1)	Pro forma adjustment <i>HK\$'000</i> (Note 2)	The Group after the Acquisition <i>HK\$'000</i>
Current liabilities			
Amounts payable on contract work	83,346	–	83,346
Trade and other payables	370,632	–	370,632
Consideration payable for acquisition of property	–	89,380	89,380
Taxation payable	19,299	–	19,299
Derivative financial instruments	715	–	715
Bank loans	<u>663,300</u>	–	<u>663,300</u>
	<u>1,137,292</u>	89,380	<u>1,226,672</u>
Net current assets	<u>438,877</u>	(303,095)	<u>135,782</u>
Total assets less current liabilities	<u>1,175,057</u>	(16,895)	<u>1,158,162</u>
Non-current liabilities			
Other long-term payable	14,253	–	14,253
Deferred tax liabilities	<u>6,319</u>	–	<u>6,319</u>
	<u>20,572</u>	–	<u>20,572</u>
Net assets	<u><u>1,154,485</u></u>	(16,895)	<u><u>1,137,590</u></u>

Notes:

1. The figures are extracted from the condensed consolidated financial statements of the Group as at 30 September 2012, as set out in the interim results announcement of the Company for the six months ended 30 September 2012 published on 20 November 2012.
2. The adjustment represents the Acquisition by the Group for a consideration of HK\$318,000,000 and direct expenses relating to the Acquisition of approximately HK\$16,895,000 including stamp duty of approximately HK\$13,515,000 (equivalent to 4.25% of the consideration), agency fee of approximately HK\$3,180,000 (equivalent to 1% of the consideration) and legal and professional fee of approximately HK\$200,000. A deposit for the acquisition of HK\$31,800,000 was paid on or before 21 September 2012. The consideration of the Acquisition will be financed partly by bank loans. Such bank loans had not been reflected in the unaudited pro forma statement of assets and liabilities of the Group.

**2. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP****Deloitte.**
德勤**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF
ASSETS AND LIABILITIES OF THE GROUP****TO THE DIRECTORS OF HANISON CONSTRUCTION HOLDINGS LIMITED**

We report on the unaudited pro forma statement of assets and liabilities of Hanison Construction Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the acquisition of property located at No. 151 Hollywood Road, Hong Kong for a consideration of HK\$318,000,000 might have affected the statement of assets and liabilities presented, for inclusion in Section 1 of Appendix III to the circular dated 23 November 2012 (the "Circular"). The basis of preparation of the unaudited pro forma statement of assets and liabilities is set out in Section 1 of Appendix III to the Circular.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND
REPORTING ACCOUNTANTS**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma statement of assets and liabilities in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma statement of assets and liabilities and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma statement of assets and liabilities beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statement of assets and liabilities with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma statement of assets and liabilities has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma statement of assets and liabilities as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma statement of assets and liabilities is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future date.

OPINION

In our opinion:

- (a) the unaudited pro forma statement of assets and liabilities has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma statement of assets and liabilities as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

23 November 2012

APPENDIX IV

SUMMARY OF TENANCY AGREEMENTS

SUMMARY OF TENANCY AGREEMENTS AS AT 1 NOVEMBER 2012

Floor <i>(unless stated otherwise)</i>	Units	Tenancy commencement date	Tenancy expiry date	Monthly rental <i>(HK\$)</i>
G & 1	Whole floor	1 October 2012	30 September 2015	135,000.00
2	Whole floor	30 August 2012	28 August 2013	39,000.00
7	Left side	31 March 2012	29 March 2013	24,000.00
	Right side	31 March 2012	29 March 2013	22,000.00
8	Left side	15 April 2012	13 April 2013	23,900.00
	Right side	16 April 2012	14 April 2013	22,400.00
9	Right side	28 September 2012	26 September 2013	22,400.00
10	Left side	20 June 2012	13 March 2013	23,900.00
	Right side	8 August 2012	7 August 2013	23,400.00
11	Whole floor	21 March 2012	19 March 2013	50,400.00
13	Whole floor	4 July 2012	2 July 2013	52,500.00
14	Left side	17 September 2012	15 September 2013	27,900.00
	Right side	15 September 2012	14 December 2012	25,900.00
15	Left side	16 January 2012	13 January 2013	26,900.00
	Right side	8 July 2012	6 July 2013	25,000.00
16	Left side	4 July 2012	2 July 2013	53,000.00
17	Left side	15 August 2012	13 August 2013	26,500.00
	Right side	28 September 2012	26 September 2013	22,500.00
18	Left side	31 March 2012	29 March 2013	26,900.00
	Right side	1 October 2012	29 September 2013	24,900.00
19	Right side	15 May 2012	13 May 2013	23,000.00
20	Left side	19 July 2012	17 July 2013	28,900.00
	Right side	28 September 2012	27 December 2012	23,000.00
21	Left side	31 March 2012	29 March 2013	29,000.00
22	Left side	1 June 2012	11 February 2013	26,900.00
	Right side	14 February 2012	11 February 2013	25,500.00
23	Left side	15 July 2012	13 July 2013	29,000.00
	Right side	1 January 2012	29 December 2012	27,900.00
24	Left side	1 September 2012	30 August 2013	28,900.00
25	Left side	13 July 2011	11 July 2013	27,500.00
Roof		2 October 2011	1 October 2013	22,700.00
		2 October 2011	1 October 2013	20,700.00
		2 October 2012	1 October 2014	21,900.00
		2 October 2011	1 October 2013	21,700.00
			Total:	1,055,000.00

Note:

- The information set out above was compiled based on and to the extent of the copies of tenancy agreements made available to the Company by Cheston Investment, and the Company has no means to verify the truthfulness, accuracy or completeness of such information.
- There were 34 tenancies with the total gross floor area of approximately 25,927 square feet rented, representing an occupancy rate of approximately 80% and the monthly rental of such tenancies is approximately HK\$1,055,000 in the month of October 2012.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with the valuation of the property as at 1 November 2012:



Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

T: (852) 2801 6100
F: (852) 2530 0756

EA Licence: C-023750
savills.com

23 November 2012

The Directors
Hanison Construction Holdings Limited
Unit 1, 4/F, Block B, Shatin Industrial Centre
5-7 Yuen Shun Circuit, Shatin, N.T.
Hong Kong

Dear Sirs

RE: IZI, 151 HOLLYWOOD ROAD, SHEUNG WAN, HONG KONG

In accordance with your instructions for us to value the captioned property which is to be acquired by Excel Pointer Limited, a wholly-owned subsidiary of Hanison Construction Holdings Limited (the “Company”) for investment purposes, we confirm that we have carried out inspection, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of this property as at 1 November 2012 for public circular purpose.

Our valuation is our opinion of the market value of the property 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, joint ventures, management agreements, 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 prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and in compliance with the requirements of Chapter 5 of the Rules Governing the Listing of Securities published by The Stock Exchange of Hong Kong Limited.

We have valued the property by comparison with sales evidence as available on the market and where appropriate by income capitalization approach which capitalize the rental income shown on schedule handed to us. We have allowed for outgoings and in appropriate cases made provisions for reversionary income potential.

We have not been provided with any title document relating to the property but we have caused searches to be made at the Land Registry. We have not, however, inspected the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies obtained by us from the Land Registry. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers. As advised by your legal advisers, there is no investigations, notices, pending litigation, breaches of law or title defects against the property.

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancy status, floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by the Company that no material facts have been omitted from the information provided.

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 the property is free of rot, infestation or any other structural defect. No test was carried out on any of the services. Moreover, no environmental study for the property has been made.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the property. 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
Freddie Ling
MRICS MHKIS RPS(GP)
Senior Director

Note: Freddie Ling is a qualified surveyor who has about 27 years experience in the valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 1 November 2012																						
Izi, 151 Hollywood Road, Sheung Wan, Hong Kong.	The property is situated on the northern side of Hollywood Road in Sheung Wan District of Hong Kong Island. The immediate area is a mixed commercial and residential area. Developments in the vicinity comprise mainly residential buildings intermingled with some office buildings.	The Ground Floor and 1st Floor are let under a tenancy for a term of 3 years commencing from 1 October 2012 at a monthly rent of HK\$135,000 inclusive of management fee, Government rent and rates.	HK\$318,000,000																						
The Remaining Portion of Sub-Section 1 of Section E, The Remaining Portion of Sub-Section 2 of Section E and The Remaining Portion of Section E of Inland Lot No. 853.	<p>The property comprises a 27-storey commercial/office building erected on a site with a registered site area of approximately 151.46 sq m (1,630 sq ft). The property was completed in 1994.</p> <p>According to a set of building plans approved by the Building Authority partly on 4 August 1993 and partly on 16 July 1994, the total gross floor area of the property is approximately 3,040.381 sq m (32,727 sq ft). The floor area breakdown and the uses of the property are as follows:–</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Floor</th> <th rowspan="2">Use</th> <th colspan="2">Gross Floor Area</th> </tr> <tr> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>LG/F</td> <td>Mechanical & Electrical</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> <tr> <td>G/F</td> <td>Shop</td> <td style="text-align: center;">120.616</td> <td style="text-align: center;">1,298</td> </tr> <tr> <td>1/F-25/F</td> <td>Offices</td> <td style="text-align: center;"><u>2,919.765</u></td> <td style="text-align: center;"><u>31,428</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;"><u>3,040.381</u></td> <td style="text-align: center;"><u>32,727</u></td> </tr> </tbody> </table>	Floor	Use	Gross Floor Area		sq m	sq ft	LG/F	Mechanical & Electrical	–	–	G/F	Shop	120.616	1,298	1/F-25/F	Offices	<u>2,919.765</u>	<u>31,428</u>			<u>3,040.381</u>	<u>32,727</u>	<p>The remaining upper floors are currently operated as serviced offices with conferencing facilities on the 3rd Floor and the 24th Floor. The serviced offices are let under various licences for terms mostly of 1 year with the last expiry in September 2013 at a total monthly licence fee of approximately HK\$833,000 inclusive of management fee, water charges, electric charges, gas charges, utilities charges, cleaning service, rates, Government rent and the use of various office furniture, electrical appliances and conferencing facilities.</p>	
Floor	Use			Gross Floor Area																					
		sq m	sq ft																						
LG/F	Mechanical & Electrical	–	–																						
G/F	Shop	120.616	1,298																						
1/F-25/F	Offices	<u>2,919.765</u>	<u>31,428</u>																						
		<u>3,040.381</u>	<u>32,727</u>																						

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 1 November 2012
	Inland Lot No. 853 is held under a Government lease for a term of 999 years commencing from 5 February 1877. The total government rent payable for the subject sections of the lot is HK\$32 per annum.	<p>Various telephone base stations with antenna sites on the roof and ancillary equipment on part of the 25th Floor are let under 4 licences for various terms with the last expiry in October 2014 at a total monthly licence fee of approximately HK\$87,000 inclusive of management fee, rates and Government rent but exclusive of electric charges.</p> <p>The total gross floor area of the vacant spaces of the property is approximately 6,800 sq ft.</p>	

- Notes*
- (1) The registered owner of the property is Cheston Investment (Group) Limited.
 - (2) The property is subject to an Agreement for Sale and Purchase dated 21 September 2012 in favour of Excel Pointer Limited, a wholly-owned subsidiary of the Company.
 - (3) The property is subject to a Mortgage and a Rental Assignment both dated 2 October 2007 and in favour of Dah Sing Bank Limited.
 - (4) Apart from the mortgage stated in note 3 above, we are not aware of any material encumbrances registered against the property.
 - (5) The property is subject to an Offensive Trade Licence dated 27 May 2008 from District Lands Officer, Hong Kong West & South.
 - (6) The property currently lies within an area zoned "Residential (Group A) 8" under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/28. The existing zoning does not affect the property being used as shop and serviced offices.
 - (7) As advised by the Company, there is no present plan for construction, renovation, improvement or development of the property.
 - (8) Our inspection was carried out by Mr. Martin Wong, *RICS*, on 12 October 2012. The property was maintained in a reasonable condition commensurate with its age and uses and was equipped with normal building services.

1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' Interests

As at the Latest Practicable Date, the interests and short positions, if any, of the directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of director	Capacity	Number of Ordinary Shares			Total	Approximate percentage 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	668,830	563,877 <i>(Note 1)</i>	107,836,435 <i>(Note 2)</i>	109,069,142	22.37%

Name of director	Capacity	Number of Ordinary Shares			Total	Approximate percentage of issued share capital
		Personal interests	Corporate interests	Other interests		
Cha Mou Daid, Johnson	Beneficiary of discretionary trusts	–	–	107,150,200 <i>(Note 2)</i>	107,150,200	21.98%
Cha Yiu Chung, Benjamin	Beneficiary of discretionary trusts	–	–	105,150,973 <i>(Note 2)</i>	105,150,973	21.57%
Wong Sue Toa, Stewart	(1) Beneficial owner; and (2) Interest of controlled corporation	4,090,260	3,106,164 <i>(Note 3)</i>	–	7,196,424	1.48%
Tai Sai Ho	Beneficial owner	414,562	–	–	414,562	0.09%

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) These shares are held under certain but not identical discretionary trusts, of which Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin are among the members of the class of discretionary beneficiaries.
- (3) 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 holds 3,106,164 shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the directors or chief executive of the Company or their respective associates held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' Interests

So far as is known to each director or the chief executive of the Company, as at the Latest Practicable Date, the following persons, other than a director or the chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company 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 positions in the Shares

Name of shareholder	Capacity	Number of ordinary shares	Approximate percentage of issued share capital
Great Wisdom Holdings Limited ("Great Wisdom") (Note a)	Beneficial owner	238,904,243	49.00%
HKR International Limited ("HKRI") (Note a)	(1) Beneficial owner; and (2) Interest of controlled corporation	238,904,552	49.00%
CCM Trust (Cayman) Limited ("CCM Trust") (Note b)	(1) Trustee; and (2) Interest of controlled corporation	332,979,637	68.30%

Notes:

- (a) Great Wisdom is a wholly owned subsidiary of HKRI and therefore HKRI is deemed to be interested in the 238,904,243 shares held by Great Wisdom in accordance with the SFO. Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being directors of the Company, are also directors of HKRI.

- (b) These share interests comprise 94,075,085 shares directly held by CCM Trust, 238,904,552 shares indirectly held through HKRI. As CCM Trust controls more than one-third of the share capital of HKRI (held as to approximately 41.48% by CCM Trust), it is deemed to be interested in the respective share interests of this company. CCM Trust is holding these shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alia, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the directors of the Company) are among the discretionary objects. Mr. Cha Mou Sing, Payson is also a director of CCM Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the directors or the chief executive of the Company was aware of any other person, other than a director or the chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company 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.

3. DIRECTORS' INTERESTS

- (a) As at the Latest Practicable Date, none of the directors of the Company had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).
- (b) As at the Latest Practicable Date, none of the directors of the Company had any interest, direct or indirect, in any assets which have, since 31 March 2012 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (c) None of the directors of the Company was materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the business of the Group.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the interests of the directors of the Company in businesses (apart from businesses of the Group) which compete or were likely to compete, either directly or indirectly, with the principal businesses of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

Name of director (<i>Note i</i>)	Name of company	Nature of interest	Competing business (<i>Note ii</i>)
Cha Mou Sing, Payson	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain but not identical 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
	New World Development Company Limited ("NWDCL")	Independent Non-executive Director of NWDCL	(a) Property development and investment (b) Property management, leasing and marketing services
	Champion Real Estate Investment Trust ("CREIT")	Independent Non-executive Director of Eagle Asset Management (CP) Limited, the manager of CREIT	(a) Property 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 but not identical 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
	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain but not identical 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:

- (i) 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 its business independently of, and at arms-length from the above mentioned competing business.
- (ii) Such businesses may be made through subsidiaries, affiliated companies or by way of other forms of investments.

Saved as disclosed above, none of the directors is interested in any business apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

5. 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 the legal actions in respect of allegations of copyright infringement and defamation were taken during the financial year ended 31 March 2004 against certain subsidiaries of the Company carrying on its health products business. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts and exchange witness statements took place in 2004. The Directors are of the opinion that in view of the uncertainty it is not practicable to assess the financial effect.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited financial statements of the Group were made up.

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

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

Name	Qualification
Bridge Partners Capital Limited	A licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities.
Deloitte Touche Tohmatsu	Certified Public Accountants
Savills Valuation and Professional Services Limited	An independent professional property valuer

As at the Latest Practicable Date, each of the above experts did not have:

- (a) any shareholding in any member of the Group 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;
- (b) any interest, direct or indirect, in any assets which have been, since 31 March 2012 (being the date to which the latest published audited financial statements 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.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name included herein in the form and context in which it appears.

8. GENERAL

- (a) The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business in Hong Kong is located at Unit 1, 4/F., Block B, Shatin Industrial Centre, 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong.

- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Lo Kai Cheong, who is a member of CPA Australia (CPA (Aust.)) and a fellowship member of Hong Kong Institute of Certified Public Accountants (FCPA) and Association of International Accountants (FAIA).
- (d) The English text of this circular shall prevail over the Chinese text.

9. MATERIAL CONTRACTS

There is no material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be 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) the memorandum of association and bye-laws of the Company;
- (b) Formal SPA;
- (c) the Sale and Purchase Agreement;
- (d) the Shareholders' Agreement;
- (e) the Shareholders' Loan Agreement;
- (f) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (g) the letter from Bridge Partners, the text of which is set out in this circular;

- (h) the letter prepared by Deloitte Touche Tohmatsu relating to the unaudited pro forma statement of assets and liabilities of the Group, the text of which are set out in Appendix III to this circular;
- (i) the valuation report of Savills Valuation and Professional Services Limited, the text of which is set out in Appendix V to this circular;
- (j) the written consent referred to in the paragraph headed “Qualification and Consent of Expert” in this appendix;
- (k) the annual reports of the Company for the three financial years ended 31 March 2012;
- (l) the interim results announcement of the Company for the six months ended 30 September 2012 published on 20 November 2012; and
- (m) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Hanison Construction Holdings Limited (the “**Company**”) will be held at Concord Room 1, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 12 December 2012 at 11:00 a.m., for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the sale and purchase agreement dated 1 November 2012 entered into between Hanison Construction Holdings (BVI) Limited and Sky Champion International Limited (the “**Sale and Purchase Agreement**”), in respect of which a copy of the Sale and Purchase Agreement marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, the shareholders’ agreement to be entered into between Hanison Construction Holdings (BVI) Limited and Sky Champion International Limited (the “**Shareholders’ Agreement**”), in respect of which a copy of the Shareholders’ Agreement marked “B” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, the shareholders’ loan agreement to be entered into between Hanison Construction Holdings (BVI) Limited, Sky Champion International Limited and Superior Choice Holdings Limited (the “**Shareholders’ Loan Agreement**”), in respect of which a copy of the Shareholders’ Loan Agreement marked “C” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, and the terms of and the transactions contemplated thereunder (the “**Disposal**”) and all such documents ancillary to the Disposal be and are hereby approved, ratified and confirmed;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) any one director of the Company be and is hereby authorized for and on behalf of the Company to execute all such documents and to do all such acts or things incidental to, ancillary to or in connection with the Disposal.”

By Order of the Board
WONG Sue Toa, Stewart
Managing Director

Hong Kong, 23 November 2012

Notes:

1. Any member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by reference to the order in which the names stand on the Registers of Members in respect of the joint holding.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a member from attending and voting in person at the meeting or any adjourned meeting should he so wish.
4. The registration of the extraordinary general meeting will start at 10:30 a.m. on Wednesday, 12 December 2012. In order to ensure the meeting can start on time, shareholders or their proxies are encouraged to arrive for registration at least 15 minutes before the meeting starts.
5. A proxy form for use at the EGM is enclosed.