
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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTERESTS IN THE TARGET
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



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 18 to 19 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 20 to 37 of this circular.

A notice convening the EGM (as herein defined) to be held at Function Room - Cypress, Lobby Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Wednesday, 8 June 2011 at 11:00 a.m. is set out on pages 50 to 51 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.**

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share pursuant to the Sale and Purchase Agreement
“Articles”	articles of association of the Company
“Assignment of Shareholders’ Loan”	the assignment of Shareholders’ Loan to be entered into between the Vendor and the Purchaser before or upon Completion
“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 relation to the Sale and Purchase Agreement, the Shareholders’ 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, <i>inter alia</i> , Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors
“Company”	Hanison Construction Holdings Limited (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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning as ascribed under the Listing Rules
“Directors”	directors of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Sale and Purchase Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder, and any adjournment thereof
“Group”	the Company and its subsidiaries
“Hill Boom”	Hill Boom Limited 弘京有限公司, a company incorporated in Hong Kong with limited liability and wholly owned by the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HK Subsidiary”	Vast Media International Limited 星漢國際有限公司, a company incorporated in Hong Kong with limited liability
“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 in relation to the Sale and Purchase Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder
“Independent Shareholders”	independent shareholders of the Company excluding, for all purposes in connection with the approval of the Sale and Purchase Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder, CCM Trust (Cayman) Limited, Great Wisdom Holdings Limited, HKR International Limited, LBJ Regents Limited, Cha Mou Sing, Payson, Cha Mou Daid, Johnson, Cha Yiu Chung, Benjamin and their respective associates
“Land”	the parcel of land situate at 中國浙江省海寧市區文苑路西側、後富亭港南側 (West of Wenyuan Road and South of Houfutingang, Haining, Zhejiang Province, the PRC)
“Latest Practicable Date”	19 May 2011, 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 incorporated in the Cayman Islands with limited liability 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

DEFINITIONS

“PRC Subsidiary”	海寧嘉豐房地產有限公司 (Haining Jiafeng Real Estate Development Limited), a wholly foreign owned enterprise incorporated in the PRC with limited liability
“Project”	the development and construction of office, retail, carparking spaces and any other development pertaining to the Land, and the sale of office premises erected thereon
“Purchaser”	Hanison Construction Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Vendor and the Purchaser on 15 April 2011 in relation to the Acquisition
“Sale Share”	1 share of US\$1.00 each in the share capital of the Target
“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 entered into between the Vendor and the Purchaser on 15 April 2011 in relation to the PRC Subsidiary
“Shareholders’ Loan”	the shareholders’ loan provided by the Vendor to the Target in the principal amount of HK\$61,081,052.47
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Wisdom Mount Investments Limited 智升投資有限公司, a company incorporated in the British Virgin Islands with limited liability
“Target Companies”	the Target, HK Subsidiary and PRC Subsidiary

DEFINITIONS

“Taxes” all taxes imposed by any government or taxing authority in the PRC, Hong Kong or elsewhere including, without limitation, all income, profits, undistributed profits, gains, land appreciation tax, enterprise income tax, franchise, sales, transfer, land, property, payroll, use, development, value added, stamp, consumption, estate, gift, customs, excise, receipt, social service and other taxes, duties, levies, rates, contributions, imposts and withholdings, together with all penalties, fines, additions and interest relating thereto

“Vendor” Clear Shine International Limited, a company incorporated in the British Virgin Islands with limited liability

For the purpose of this circular, the exchange rate of RMB1.00 = HK\$1.1715 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged, at this or any other rates.

LETTER FROM THE BOARD



興勝創建控股有限公司
HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

Directors:—

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

Registered Office:—

P.O. Box 309, Ugland 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 May 2011

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTERESTS IN THE TARGET**

INTRODUCTION

Reference is made to the announcement of the Company dated 15 April 2011 relating to the Acquisition. On 15 April 2011, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share, representing 100% issued share capital of the Target, and to assign the Shareholders' Loan at the consideration set out in the section headed "Consideration", the material terms of which are as set out below.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details on the Sale and Purchase Agreement, the Shareholders' Agreement, the Acquisition, the recommendation of the Independent Board Committee and the advice of Bridge Partners in respect of the Sale and Purchase Agreement, the Shareholders' Agreement, the Acquisition and to give notice of the EGM thereof.

THE ACQUISITION

The Sale and Purchase Agreement

Date:

15 April 2011

Parties:

- (a) Clear Shine International Limited (as the Vendor)
- (b) Hanison Construction Holdings (BVI) Limited (as the Purchaser)

As at the date of this circular, the Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as 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 of the Company. Therefore, the Vendor is regarded as a connected person of the Company under the Listing Rules.

Subject of the Acquisition

The Sale Share represents the entire issued share capital of the Target, which wholly owned the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The remaining 51% interest of the PRC Subsidiary is owned by Hill Boom.

Assignment of Shareholders' Loan

The Vendor has provided an interest free Shareholders' Loan in the amount of HK\$61,081,052.47 to the Target, which remains outstanding. Upon Completion, the Shareholders' Loan will be assigned to the Purchaser at cost.

LETTER FROM THE BOARD

Consideration

The consideration for the Acquisition comprises of (i) an amount of RMB80,000,000.00 (equivalent to approximately HK\$93,720,000.00) (the “**Basic Consideration**” and which is subject to further adjustment, if any, as set out below); and (ii) an additional amount of RMB22,785,000.00 (equivalent to approximately HK\$26,692,627.50) less any pertaining deferred tax liabilities in respect of PRC land appreciation tax and enterprise income tax, at prevailing applicable tax rates (the “**Contingent Consideration**”), payable in cash in the following manner:

- (a) 10% of the Basic Consideration (i.e. RMB8,000,000.00, equivalent to approximately HK\$9,372,000.00) shall be payable immediately upon signing of the Sale and Purchase Agreement;
- (b) balance of the Basic Consideration (i.e. RMB72,000,000.00, equivalent to approximately HK\$84,348,000.00) shall be payable at Completion; and
- (c) the Contingent Consideration shall be payable at a date to be mutually agreed by the Vendor and the Purchaser after the occurrence of the following events, whichever is the earliest:
 - (i) completion of the Project, meaning the construction completion of no less than 95% of the total approved gross floor area for the Land and upon which the project completion certificate (竣工驗收證) being issued, provided that the accumulated net profit (after Taxes) of the PRC Subsidiary in relation to the Project exceeds RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00); or
 - (ii) 5 years after the date of Completion, or 5 Business Days after the issue of the accounts of the PRC Subsidiary, which, together with earlier accounts of the PRC Subsidiary, show that the accumulated net profit (after Taxes) of the PRC Subsidiary exceeds RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00), whichever is later; or
 - (iii) without prejudice to the Vendor’s rights under (i) and (ii) above, a date to be mutually agreed in writing by both parties of the Sale and Purchase Agreement, if any.

For the avoidance of doubt, no Contingent Consideration shall be payable if the accumulated net profit (after Taxes) of the PRC Subsidiary does not exceed RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00) and in such case, the Purchaser is not entitled to any dividend of the PRC Subsidiary.

LETTER FROM THE BOARD

The Basic Consideration is subject to the following adjustments after the unaudited consolidated income statements and balance sheet of the Target for the period from 1 January 2011 to the date of Completion (the “**Completion Accounts**”) has been agreed or determined:

- (a) if the amount, calculated by reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target (excluding the book value of the Land) plus 49% of 70% of the market value of the Land as at 31 December 2010 (the “**Market Value of the Land**”) less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders’ Loan at cost, exceeds the Basic Consideration paid by the Purchaser, the Purchaser will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Vendor an amount equal to such excess by telegraph transfer in immediately available funds to the bank account(s) designated by the Vendor (details of which shall be notified in writing to the Purchaser within 5 Business Days after the Completion Accounts have been agreed or determined); and
- (b) if the amount, calculated by reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target (excluding the book value of the Land) plus 49% of 70% of the Market Value of the Land less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders’ Loan at cost, is less than the Basic Consideration paid by the Purchaser, the Vendor will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Purchaser an amount equal to such shortfall by telegraphic transfer in immediately available funds to the bank account(s) designated by the Purchaser (details of which shall be notified in writing to the Vendor within 5 Business Days after the Completion Accounts have been agreed or determined).

All payments of the Basic Consideration and Contingent Consideration shall be made in immediately available funds in Hong Kong Dollars equivalent. The Hong Kong Dollars and RMB conversion rate shall be the middle point rate published by the People’s Bank of China on the Business Day immediately preceding the respective payment due dates.

The consideration for the Acquisition was arrived at after arm’s length negotiation between the Vendor and the Purchaser, having taken into account the Market Value of the Land valued approximately at RMB155,000,000.00 (equivalent to approximately HK\$181,582,500.00). The Vendor agreed to offer a 30% contingent adjustment of the Market Value of the Land, that is RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00) to the Purchaser in calculating the Basic Consideration. The Basic Consideration represents the consolidated net asset value of the Target (excluding the book value of the Land) plus 49% of 70% of the Market Value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates, plus the Shareholders’ Loan at cost. The Contingent Consideration represents 49% of 30% of the Market Value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates.

Since the Project is only at the preliminary stage, the expenses incurred are mainly design and consultancy fees which will be capitalized to the project cost according to Hong Kong Generally Accepted Accounting Principles, and will not affect the consolidated net asset value of the Target. The administrative expenses, from 1 January 2011 to the date of Completion, are mainly office rental

LETTER FROM THE BOARD

and staff costs which will be debited to the income statement, and will reduce the consolidated net asset value of the Target, and hence reduces the Basic Consideration. However, the amount involved will not be significant. Therefore, the Board considers that the adjustment to Basic Consideration is unlikely to lead the Acquisition to fall within a major and connected transaction under the Listing Rules. In the event that the adjustments to the Consideration would lead to the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition to exceed 25%, the Company shall comply with the then applicable reporting, announcement and shareholders' approval requirements under the Listing Rules.

Conditions Precedent

Completion of the Acquisition is conditional, inter alia, upon the following conditions being fulfilled or waived (where applicable):

- (a) the grant of approval by the Shareholders at an extraordinary general meeting of the Sale and Purchase Agreement, the Shareholders' Agreement, the Assignment of Shareholders' Loan and the transactions contemplated therein in accordance with the requirements of the Listing Rules;
- (b) all licenses, permissions, authorizations, regulatory approvals and consents in relation to the transactions contemplated herein under any applicable laws having been obtained;
- (c) the Vendor and the Purchaser having entered into the Shareholders' Agreement (which has been entered into on 15 April 2011);
- (d) the Vendor and the Purchaser having entered into the Assignment of Shareholders' Loan;
- (e) the Vendor having provided to the Purchaser a certificate of incumbency and certificate of good standing of the Target in satisfactory form and dated not more than 10 Business Days prior to the date of Completion;
- (f) the Vendor having provided to the Purchaser a legal opinion confirming that the Vendor validly entered into the Sale and Purchase Agreement dated not more than 10 Business Days prior to the date of Completion;
- (g) the warranties provided in the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respect; and
- (h) no material adverse effect on the business prospect of the Target Companies.

Completion

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 no later than 30 June 2011 or such later date as the parties may agree.

LETTER FROM THE BOARD

The Shareholders' Agreement

Date:

15 April 2011

Parties:

- (a) Clear Shine International Limited
- (b) Hanison Construction Holdings (BVI) Limited

Management of the PRC Subsidiary

So long as the Vendor and the Purchaser remain as a direct or indirect holder of 51% and 49% interest of the PRC Subsidiary, each of the Vendor and the Purchaser shall be entitled to nominate 2 persons to be appointed as directors of the PRC Subsidiary. The chairman of the board of directors and the legal representative of the PRC Subsidiary shall be nominated by the Vendor and approved by the board of directors of the PRC Subsidiary.

Transact of key decisions

The following matters relating to the PRC Subsidiary requires the unanimous approval of the Vendor and the Purchaser:

- (a) enter into any agreement or pass any resolution the result of which would lead the investment of the PRC Subsidiary in excess of RMB5,000,000.00;
- (b) enter into any agreement or pass any resolution the result of which would lead the PRC Subsidiary 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 RMB3,000,000.00;
- (c) amend the articles of association of the PRC Subsidiary;
- (d) change the name of the PRC Subsidiary;
- (e) change the business scope of the PRC Subsidiary;
- (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;

LETTER FROM THE BOARD

- (i) change the amount of total investment or registered capital of the PRC Subsidiary;
- (j) merge or amalgamate with or into any third party;
- (k) mortgage or charge any of the assets of the PRC Subsidiary or the provision of any guarantees by the PRC Subsidiary in excess of guidelines from time to time laid down by the shareholders or by the board of the PRC Subsidiary;
- (l) borrow any money or incur any debt or the making of any loan or advance to 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 the PRC Subsidiary;
- (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 the PRC Subsidiary (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 the PRC Subsidiary's dividend policy and/or distribute a dividend.

In the event of deadlock for matters relating to the PRC Subsidiary that do not fall within any of the key decisions above, such matters would be brought to the Board for consideration and decisions would be made by the Board independently and at which the views of the three independent non-executive Directors will be given due regard. The Board considers that the above mechanism could effectively protect the interests of the Company and in particular its Shareholders as a whole.

Restriction on transfer of interest in the PRC Subsidiary

During a lock-in period of five (5) years from the date of Completion, neither the Vendor nor the Purchaser may sell any interest it held in the PRC Subsidiary and/or any rights attached thereto unless the transferee is its subsidiary or holding company. Following the expiration of the lock-in period, the Vendor and the Purchaser may sell or dispose of their interest held in the PRC Subsidiary provided that they have first notified the PRC Subsidiary and all other shareholders offering such interest on the same or more favourable terms.

Dividend policy of the PRC Subsidiary

The dividend policy of the PRC Subsidiary requires the unanimous consent of the Vendor and the Purchaser. In the event that the accumulated net profit (after Taxes) of the Project is RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00) or below, only Hill Boom but not the HK Subsidiary will be entitled to all dividends from the PRC Subsidiary. In the event that, and after, the accumulated net profit (after Taxes) of the Project is above RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00), each of Hill Boom and the HK Subsidiary shall be entitled to dividends from the PRC Subsidiary in proportion to the percentage of their then capital contribution in the PRC Subsidiary, provided that the Purchaser has settled the Contingent Consideration pursuant to the terms of the Sale and Purchase Agreement.

LETTER FROM THE BOARD

The Purchaser will not be entitled to share the results of capital appreciation of the Land/properties and profits arising from the PRC Subsidiary if the PRC Subsidiary records accumulated net profit (after Taxes) of equal or less than RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00). As the HK Subsidiary will not be entitled to receive dividend from the PRC Subsidiary, the HK Subsidiary could not share the accumulated net profit from the PRC Subsidiary and the profit arising from capital appreciation of the Land and/or properties erected on the Land.

If the accumulated net profit (after Taxes) is equal or less than RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00), the Purchaser is not entitled to share any profit or dividend. In such case, the Company will suffer a loss of RMB1,200,000.00 (equivalent to approximately HK\$1,405,800.00) (representing the difference between 49% of the book cost of the Land and 49% of 70% of the Market Value of the Land less any deferred tax liabilities for the PRC land appreciation tax and enterprise income tax at the prevailing tax rates).

The Directors (including the independent non-executive Directors) considers that given the Vendor has given a 30% contingent adjustment on the Market Value of the Land in determining the Basic Consideration, and the Company is only required to pay the Basic Consideration but not the Contingent Consideration in the event that the accumulated net profit (after Taxes) of the PRC Subsidiary in relation to the Project does not exceed RMB46,500,000.00 (equivalent to approximately HK\$54,474,750.00), the aforementioned dividend policy is fair and reasonable to the Company and the Shareholders as a whole.

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 and development, provision of property agency and management services and sale of health products.

INFORMATION ON THE VENDOR

The principal business activity of the Vendor is investment holding. The Vendor, through the Target Companies, is principally engaged in the business of holding the land use rights of the Land and the development of the Project. The Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited holds the said indirect interests in the Vendor as trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

INFORMATION ON THE TARGET COMPANIES

The Target is an investment holding company, which wholly owned the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The Target Companies, through the PRC Subsidiary, is principally engaged in the business of holding the land use rights of the Land and the development of the Project. As at the date of this circular, the PRC Subsidiary is wholly owned by the Vendor, 51% of which through Hill Boom and 49% of which through the Target.

Hanison Project Management Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company, is providing project management service to the PRC Subsidiary, which constitutes a continuing connected transaction of the Company. Reference is made to the announcement of the Company dated 1 April 2009.

The original purchase price of the Land paid by the Vendor is approximately RMB 100,700,000.00 (equivalent to approximately HK\$117,970,050.00), and the 49% of the value of which shall be RMB49,343,000.00 (equivalent to approximately HK\$57,805,324.50). This land value together with other subsequent assets and liabilities of the Target, the HK Subsidiary and 49% of the PRC Subsidiary represent the consolidated net asset value of Target as at 31 December 2010 (as is now the cost of the Sale Share).

Set out below is a summary of the unaudited consolidated financial information of the Target for the two years ended 31 December 2009 and 2010:

	For the year ended	
	31 December	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation and extraordinary items	(505)	(684)
Net loss after taxation and extraordinary items	(614)	(854)

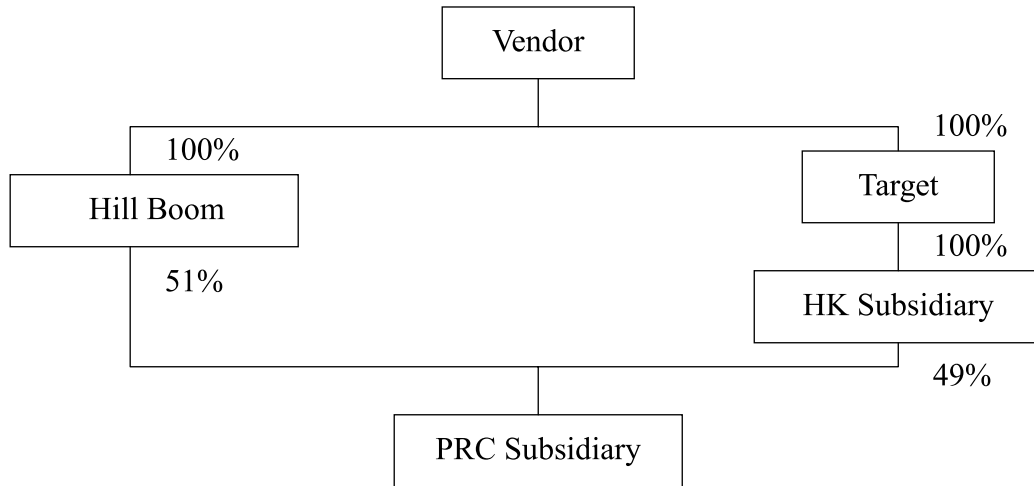
The unaudited consolidated net asset value of the Target, representing 100% interests in the Target and the HK Subsidiary and 49% interest of the PRC Subsidiary, including the book value of the Land as at 31 December 2010, is HK\$31,418,785.14.

The unaudited consolidated net asset value of the Target, representing 100% interests in the Target and the HK Subsidiary and 49% interest of the PRC Subsidiary, excluding the book value of the Land, plus 49% of 70% of the Market Value of the Land less deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, if any, at prevailing applicable tax rates, as at 31 December 2010 is HK\$32,843,849.20.

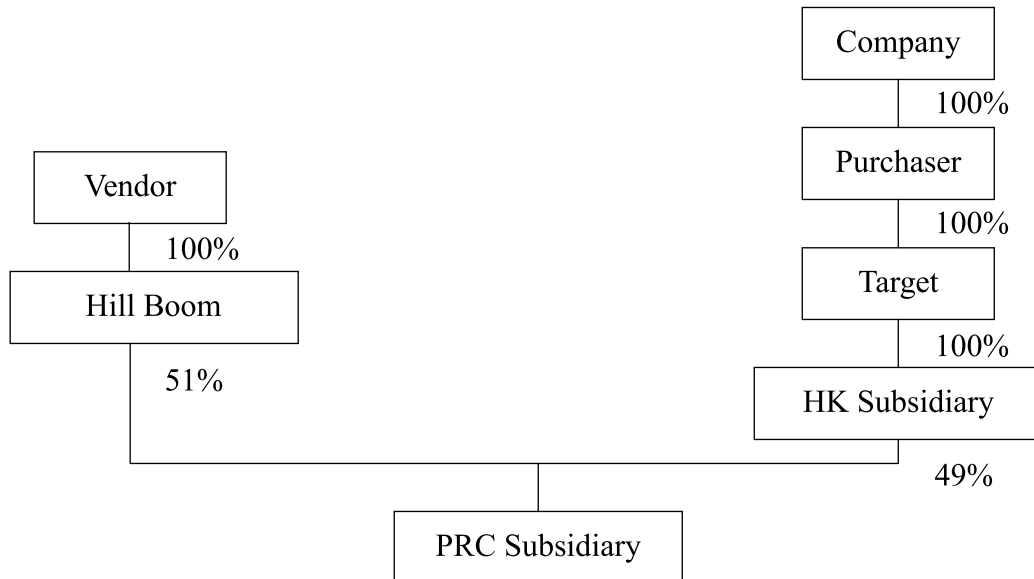
LETTER FROM THE BOARD

The following chart shows the group structure of the Target Companies before and immediately after the Completion:

Simplified shareholding structure — as at the date of this circular



Simplified shareholding structure — upon Completion



LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION AND SOURCE OF FUNDS

The Project is a large-scale office premises development project. The Project is expected to comprise over 124,000 square metres of gross floor area and is planned for development of office premises in 3 phases over a period of nearly 6 years. Phase 1 of the Project is expected to commence in June 2011 and the development cost will be financed by cash in hand, bank loans and the funds generated from pre-sale.

Since the Group is providing project management services on the Project, the Acquisition and participation in the Project will enable the Group to fully utilize its expertise and resources for the master planning and development of the large-scale office premises development in the PRC.

The Directors (including the independent non-executive Directors) believe that the price and terms of the Acquisition are fair and reasonable under the current market conditions, and that the investment in this Project is in the best interests of the Company and its Shareholders as a whole. Since the Shareholders' Loan will be assigned by the Vendor to the Purchaser upon Completion, the Purchaser is effectively acquiring the net assets of the Target and there is no adverse impact on the financial positions of the Company.

The consideration for the Acquisition will be settled partly from bank loans and partly from internal resources of the Company.

Upon Completion, the Target and the HK Subsidiary will become wholly-owned subsidiaries of the Company and their financial results will be fully consolidated in the financial statements of the Group. The PRC Subsidiary will become jointly-controlled entity of the Company and its financial results will be treated by equity accounting in the consolidated financial statements of the Group.

The Directors (including the independent non-executive Directors) believe that the terms and conditions of the Sale and Purchase Agreement, the Shareholders' Agreement and the Assignment of Shareholders' Loan are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited which holds the said indirect interests in the Vendor as 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 of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. The Acquisition 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 (executive Directors of the Company), have material interest in the Acquisition and have abstained from voting on the Board resolution approving the transactions contemplated under the Sale and Purchase Agreement and the Shareholders' Agreement.

Each of CCM Trust (Cayman) Limited (which has direct interest in the Company of approximately 19.30% and indirect interest in the Company through HKR International Limited of approximately 49%), Great Wisdom Holdings Limited (which has direct interest in the Company of approximately 49%), HKR International Limited (which has direct interest in the Company of 309 shares and indirect interest in the Company through Great Wisdom Holdings Limited of approximately 49%), LBJ Regents Limited (which has direct and deemed interest in the Company of approximately 4.23%), Cha Mou Sing, Payson (who has direct and deemed interest in the Company of approximately 22.37%), Cha Mou Daid, Johnson (who has deemed interest in the Company of approximately 21.98%), 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 0.38%) are required to abstain from voting on resolution on approving the transactions contemplated under the Sale and Purchase Agreement and the Shareholders' Agreement.

An announcement on the results of the EGM in respect of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated therein 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 50 to 51 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 Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder.

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 Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder and the principal factors and reasons considered by it in arriving thereat.

The Independent Board Committee has considered the terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder 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 Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder.

Yours faithfully,
By Order of the Board
CHA Mou Sing, Payson
Chairman



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 May 2011

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF EQUITY INTERESTS IN THE TARGET**

INTRODUCTION

Reference is made to the circular dated 23 May 2011 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 terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder and to make a recommendation as to voting at the EGM. Bridge Partners has been appointed as the independent financial adviser to advise the Independent Board Committee on the fairness and reasonableness of the terms of the Sale and Purchase Agreement and the Shareholders' Agreement so far as the Independent Shareholders are concerned.

The terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder are summarised in the section headed "Letter from the Board" set out on pages 5 to 17 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 20 to 37 of the circular. As referred to in the section headed "Letter from the Board", each of CCM Trust (Cayman) Limited, Great Wisdom Holdings Limited, HKR International Limited, LBJ Regents 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 terms of the Sale and Purchase Agreement, the Shareholders' 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.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

The Independent Board Committee has met with the management of the Company to discuss the Sale and Purchase Agreement, the Shareholders' 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 terms of the Sale and Purchase Agreement in respect of the Acquisition, the Shareholders' Agreement and the transactions contemplated thereunder are 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 terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole are 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 50 to 51 of the circular, for approving and ratifying the terms of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder and authorising the directors of the Company to enter into and implement the terms of the Sale and Purchase Agreement, the Shareholders' 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 in respect of the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder dated 23 May 2011 prepared for the purpose of incorporation in this circular:



BRIDGE PARTNERS CAPITAL LIMITED

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

23 May 2011

*To the independent board committee
and the independent shareholders of
Hanison Construction Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF EQUITY INTERESTS IN THE TARGET

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 Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" contained in the circular of Hanison Construction Holdings Limited dated 23 May 2011 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

On 15 April 2011, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Share, representing 100% issued share capital of the Target, and to assign the Shareholders' Loan at the consideration described in the section headed "Principal terms of the Sale and Purchase Agreement" below.

The Sale Share represents the entire issued share capital of the Target, which holds 100% interest of the HK Subsidiary. The HK Subsidiary holds 49% interest of the PRC Subsidiary, which owns the Land and has the right to develop and construct office premises on the Land. The remaining 51% interest of the PRC Subsidiary is owned by Hill Boom Limited, a company incorporated in Hong Kong and wholly-owned by the Vendor.

LETTER FROM BRIDGE PARTNERS

As the applicable percentage ratio (as defined under Rule 14A.10 of the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules. Moreover, the Vendor is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly-owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust 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 of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company. As such, the Acquisition is subject to the reporting, announcement and the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. Each of CCM Trust (Cayman) Limited, Great Wisdom Holdings Limited, HKR International Limited, LBJ Regents Limited, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson, Mr. Cha Yiu Chung, Benjamin and their respective associates are required to abstain from voting on the resolution(s) in respect of the transactions contemplated under the Sale and Purchase Agreement and the Shareholders' Agreement.

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Chan Pak Joe, Dr. Lau Tze Yiu, Peter and Dr. Sun Tai Lun, has been established to make recommendation to the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement and the Shareholders' Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition is in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the Acquisition.

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 certain information provided by the management of the Company, including but not limited to, the Sale and Purchase Agreement, the Shareholders' Agreement and other document incidental to the Acquisition. We have also (i) discussed with the management of the Company regarding the terms of the Sale and Purchase Agreement and the Shareholders' Agreement, the business and future outlook of the Group; (ii) compared the consideration for the Acquisition with the consideration of the Comparable Lands (as defined herein) that were recently sold in the market; (iii) enquired with the valuer in relation to the valuation of the Land and (iv) analysed the property market in Zhejiang Province, the PRC. We have assumed that the information and representations contained or referred to in the Circular and the information and representations that have been provided by the Company and/or the Directors and/or the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete at the time they were made and continue to be true up to and including the date of this circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material fact or information has been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

LETTER FROM BRIDGE PARTNERS

The Circular, for which the Directors have collectively and individually accepted full responsibility, includes particulars given in compliance with the Listing Rules, for the purpose of giving information with regard to the Group. The Directors have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, the information contained in the 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 the Circular misleading.

We consider that we have been provided sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion and recommendation. We have not, however, carried out any independent verification on the information provided by the Directors and/or the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, or its subsidiaries or associated companies, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Acquisition.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Sale and Purchase Agreement, the Shareholders' 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, we have taken the following principal factors and reasons into consideration:

I. Business and financial information of the Group

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 and development, provision of property agency and management services and sales of health products.

LETTER FROM BRIDGE PARTNERS

Set out below is a summary of the consolidated income statement and the consolidated statement of financial position of the Group for the two years ended 31 March 2010 and for the six months ended 30 September 2009 and 2010, extracted from the annual report of the Group for the year ended 31 March 2010 (“**2010 Annual Report**”) and the interim report of the Group for the six months ended 30 September 2010 (“**2010 Interim Report**”).

	For the six months ended 30 September		For the year ended 31 March	
	2010 <i>HK\$’000</i> (unaudited)	2009 <i>HK\$’000</i> (unaudited)	2010 <i>HK\$’000</i> (audited)	2009 <i>HK\$’000</i> (audited)
Revenue (excluding the inter-segment sales)	355,002	494,978	884,370	1,828,475
Cost of sales	(307,085)	(446,884)	(800,140)	(1,723,973)
Gross profit	47,917	48,094	84,230	104,502
Profit/(loss) for the period/year attributable to shareholder	98,135	49,633	109,201	(59,366)
	As at 30 September 2010 <i>HK\$’000</i> (unaudited)		As at 31 March 2010 <i>HK\$’000</i> (audited)	
	2009 <i>HK\$’000</i> (audited)		2009 <i>HK\$’000</i> (audited)	
Bank balances and cash	190,477		186,944	195,643
Total assets	1,881,659		1,807,327	1,736,305
Total liabilities	1,044,411		1,057,135	1,084,312
Net assets	837,248		750,192	651,993

LETTER FROM BRIDGE PARTNERS

Set out below is the segment results (excluding the inter-segment sales) as extracted from the 2010 Annual Report and the 2010 Interim Report:

	For the six months ended		For the year ended	
	30 September		31 March	
	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue from				
construction contract work	222,764	298,183	520,130	1,400,610
Revenue from interior				
and renovation contracts	44,673	65,305	125,774	154,762
Trading and installation of				
building materials	47,225	94,135	159,802	206,967
Sale of health products	23,989	22,860	48,641	45,441
Rental income from				
property investment	14,141	10,743	23,094	19,100
Property agency				
and management				
service income	2,210	3,752	6,929	1,595
Total revenue	<u>355,002</u>	<u>494,978</u>	<u>884,370</u>	<u>1,828,475</u>

For the six months ended 30 September 2010

According to the 2010 Interim Report, the Group recorded the unaudited revenue of approximately HK\$355.00 million for the six months ended 30 September 2010, representing a decline of approximately 28.3% over that of the corresponding period of the preceding year. As set out in the table above, the Group mainly derived its unaudited revenue from its construction contract work which amounted to approximately HK\$222.76 million (approximately 62.8% of the Group's total unaudited revenue), representing a decline of 25.3% against that of the corresponding period of the preceding year. The unaudited revenue derived from the interior and renovation contracts decreased by 31.6% to approximately HK\$44.67 million for the six months ended 30 September 2010. The decrease in revenue from construction contract work and interior and renovation contracts was because some material contracts have been operated in peak stage in 2009 but come to completion stage in 2010 while new contracts received in 2010 have been in the beginning stage. In addition, the building materials division had suffered a drastic decrease in the unaudited turnover by 49.8% to approximately HK\$47.23 million for the six months ended 30 September 2010 due to fierce competition in the market for building materials.

LETTER FROM BRIDGE PARTNERS

Despite the decrease in revenue, the Group achieved a better unaudited net profit of approximately HK\$98.14 million for the six months ended 30 September 2010 as compared with an unaudited net profit of HK\$49.63 million for the corresponding period of the preceding year. The improvement of the net profit was mainly due to (i) the improvement of gross profit margin resulting from the settlement of claims on certain variation orders in dispute regarding construction contract work; (ii) the gain on the change in fair value of the investment properties and (iii) the recognition of revenue from the sale of certain units of One LaSalle, a 50/50 joint venture development project. All units of One LaSalle have been sold as at 31 March 2011.

As set out in the 2010 Interim Report, the Group will continue to adopt a proactive but prudent approach in conducting their business and will make every effort to maintain its competitiveness in the market. The Group will also adjust its strategies to cope well with the challenges of the operating environment and promote the long-term sustainable progress of the Group's businesses.

For the year ended 31 March 2010

During the year under review, the Group continued to engage in the principal business activities as mentioned above. According to the 2010 Annual Report, the audited consolidated turnover of the Group was approximately HK\$884.37 million, representing a decline of approximately 51.6% as compared to that of the previous year. The decrease in the Group's turnover was mainly due to the drop of revenue derived from its construction contract work segment, which was caused by the decrease in the number of construction contracts as a result of the setback of the property market following the financial crisis from the US financial market and housing sector in 2009. The construction contract work segment has generated the revenue of approximately HK\$520.13 million for the year ended 31 March 2010, representing a drop of approximately 62.9% from approximately HK\$1,400.61 million for the corresponding period of the preceding year.

Despite the decrease in the turnover, the Group managed to operate on slightly improved profit margins. The audited net profit for the year ended 31 March 2010 was approximately HK\$109.20 million against an audited net loss of approximately HK\$59.37 million for the preceding year. The main reason for the improvement was due to the surplus from the revaluation of the investment properties of HK\$73.63 million (net amount of approximately HK\$54.40 million after accruing for the relevant expense and deferred tax), and the recognition of a profit of approximately HK\$47.87 million from the sale of certain units of One LaSalle.

II. Background and reasons for the Acquisition

(A) Information on the Target Companies

The Target, which is wholly-owned by the Vendor immediately before the Acquisition, is incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. Apart from its 100% shareholding interest in the HK Subsidiary (which in turn owns 49% equity interest in the PRC Subsidiary), the Target does not have any other business operation.

LETTER FROM BRIDGE PARTNERS

The HK Subsidiary is a company incorporated under the laws of Hong Kong with limited liability and is wholly-owned by the Target. Apart from its 49% equity interests in the PRC Subsidiary, the HK Subsidiary does not have any other business operation.

The PRC Subsidiary is a wholly foreign-owned enterprise incorporated in the PRC with limited liability. The Target, through the PRC Subsidiary, owns the Land and has the land use right to develop and construct office premises on the Land. As at the Latest Practicable Date, the PRC Subsidiary is indirectly wholly-owned by the Vendor, 51% of which through Hill Boom Limited and 49% of which through the Target.

The PRC Subsidiary is the holder of the land use right certificate in relation to the Land, which has a gross site area of 35,680 square meters located at the West of Wenyuan Road and South of Houfutinggang, Haining, Zhejiang Province, PRC (中國浙江省海寧市區文苑路西側、后富亭港南側). As at the Latest Practicable Date, the Land is planned for the development of office premises in 3 phases over a period of approximately 6 years. Phase 1 of the Project is expected to commence in June 2011 and Phase 2 and Phase 3 of the Project are expected to commence in the fourth quarter in 2012 and the second quarter in 2014 respectively. Upon completion of the Project, the total gross floor area of the Project is expected to be over 124,000 square meters, of which approximately 46,000 square meters for Phase 1, approximately 37,000 square meters for Phase 2 and approximately 41,000 square meters for Phase 3. It is estimated that the development of the Project will be completed in second quarter in 2017 and the development cost will be financed by cash in hand, bank loans and the funds generated from pre-sale.

(B) *Continuing Connected Transactions with the PRC subsidiary*

As stated in the announcement of the Company dated 1 April 2009, Hanison Project Management Limited (“**HPML**”), a wholly-owned subsidiary of the Company, has entered into a Cross-border Project Management Service Agreement and a Non-PRC Project Management Service Agreement (the “**Project Management Service Agreements**”) with the PRC Subsidiary, 海寧富盛房地產有限公司 (Haining Fusheng Real Estate Development Limited), 海寧凱澄房地產有限公司 (Haining Haicheng Real Estate Development Limited) and 海寧海興酒店有限公司 (Haining Haixing Hotel Development Limited) (collectively, the “**Haining Project Companies**”), which are wholly foreign-owned enterprises established in the PRC and indirectly wholly-owned by Mingly and Vertex Investments Group Limited.

According to the Project Management Service Agreements, HPML is responsible for providing project management services to the Haining Project Companies (including the PRC Subsidiary) in respect of the integrated property development project on the Land and the parcels of land situated at the northern side of Qian Jiang Lu and eastern side of Wen Zhong Lu, Haining City, Zhejiang Province, the PRC (中國浙江省海寧市區、錢江路北側、文宗路東側) (the “**Haining Project**”). The terms of the Project Management Service Agreements are for 3 years commencing from 1 April 2009 to 31 March 2012, renewable automatically for a further term of 3 years until completion of the Haining Project subject to compliance with the then applicable requirements under the Listing Rules.

LETTER FROM BRIDGE PARTNERS

Pursuant to the Project Management Service Agreements, HPML shall receive monthly project management fee in the sum of approximately RMB302,000 from the Haining Project Companies. The fees represent approximately 1% of the estimated construction costs for the Haining Project during the period from 1 April 2009 to 31 March 2012. The entering into the Project Management Service Agreements allows the Group to fully utilize its expertise and experience for the master planning of the large-scale development in the PRC and maintain high quality standards in the Haining Project.

(C) *Reasons for the Acquisition*

As set out in the 2010 Annual Report, approximately 96.17% of the turnover of the Group in 2010 was generated from Hong Kong. As advised by the Company, the Group has been seeking different investment opportunities in the PRC which are expected to have future growth and will enhance the Shareholders' value. According to the National Bureau of Statistics of China, the national floor space of commercial buildings sold accounted for 1,043.49 million square meters in 2010, representing an increase of approximately 10.1%, as compared to 2009. The total national sales of commercial buildings amounted to RMB5,247.87 billion, representing an increase by 18.3%, as compared to 2009. Given the potential of the property market in the PRC, the Directors consider that the Acquisition will provide a good opportunity for the Group to expand its property development and investment horizon in the PRC.

According to the Directors, it is the current intention of the Group to sell the office premises phase by phase and by pre-sale. The pre-sale revenue generated by Phase 1 can be used to finance its development cost. The development cost for Phase 2 will then be supported by the fund generated from the sale of Phase 1 and the development cost for Phase 3 will then be supported by the fund generated from the sale of previous phases. The development by phases can relieve the financial commitment of the Group while allowing it to participate in the PRC's burgeoning commercial property market.

In addition, as stated in the paragraph headed "Continuing Connected Transactions with the PRC Subsidiary" above, the Group is currently providing project management services to the Project, we concur with the view of the Directors that the Acquisition will enable the Group to fully utilize its expertise and resources for the master planning and the development of the large-scale office premises project in the PRC.

LETTER FROM BRIDGE PARTNERS

(D) *Historical financial performance of the Target Companies*

Set out below is a summary of the unaudited consolidated financial information of the Target for each of the two years ended 31 December 2010:

	For the year ended	
	31 December	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	—	—
Loss before taxation	(505)	(684)
Loss for the year	(614)	(854)

	As at 31 December	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	107,998	101,845
Total liabilities	(76,580)	(73,518)
Net assets	31,418	28,327

As shown in the table above, the Target did not record any turnover for the two years ended 31 December 2010 as the Target Companies did not have any business operation other than the investment in the Land and the construction work has yet to be commenced. For the year ended 31 December 2010, the unaudited consolidated loss of the Target was mainly arising from the expenses of management fee, exchange differences and land use tax, which amounted to approximately HK\$0.34 million, HK\$0.21 million and HK\$0.12 million respectively, offsetting the interest income of HK\$0.78 million from the RMB denominated fixed deposits. The unaudited net loss was narrowed to approximately HK\$0.61 million for the year ended 31 December 2010 from approximately HK\$0.85 million for the year ended 31 December 2009. This was mainly due to a consultancy service fee of HK\$0.44 million related to the feasibility study fee that had been incurred in year 2009. As at 31 December 2010, the consolidated net assets of the Target was approximately HK\$31.42 million, representing an increase of approximately HK\$3.09 million or 10.9%, as compared to HK\$28.33 million as at 31 December 2009.

LETTER FROM BRIDGE PARTNERS

(E) *Prospects of the property market in the Zhejiang Province, PRC*

The economy of the Zhejiang Province has been growing steadily. According to the statistics available at the official website of the People's Government of Zhejiang Province (<http://www.zj.gov.cn>), the gross domestic product of the Zhejiang Province has increased to approximately RMB2,283.2 billion in year 2009, representing an increase of approximately 8.9% from that of 2008. The total investment in fixed assets has also increased to approximately RMB1,074.2 billion in 2009, representing an increase of approximately 15.2% from 2008. Sustainable growth is also evidenced by the increase of the annual disposable income of urban resident per capita by 9.7% from 2008 to 2009, which could in turn boost the demand for both residential and commercial properties.

Owing to the intensifying demand for both residential and commercial properties, the property market in the Zhejiang Province has been expanding rapidly. According to the official website of the People's Government of Zhejiang Province, the investment amount on the real estate properties amounted to approximately RMB225.4 billion in 2009, representing an increase of approximately 11.4%. In 2009, the total added value on construction sector (全年建築業增加值) amounted to approximately RMB138.6 billion in 2009, representing an increase of approximately 15.3% as compared to that of in 2008. The total sales revenue of commodity properties in 2009 amounted to RMB430.3 billion, representing an increase of 130% from 2008.

We noted from an article published on 26 January 2011 on the website of Hong Kong Commercial Newspapers, quoting the findings from "2010 Zhejiang real estate market development report (2010年浙江省房地產業發展報告)" which stated that the growth in the property price in Zhejiang is expected to slowdown. However, the property price in general is unlikely to drop in year 2011 despite the macro-economic control and the tightening of bank credit. The report also mentioned that the property price of Zhejiang Province in 2010 as compared to 2009 has increased over 30% and the total sales revenue of commodity properties in Zhejiang Province has increased by 3.4 times from 2000 to 2009.

LETTER FROM BRIDGE PARTNERS

III. Principal terms of the Sale and Purchase Agreement

(A) *The consideration for the Acquisition and basis of determination*

The consideration for the Acquisition comprises (i) an amount of RMB80.00 million (equivalent to approximately HK\$93.72 million) (the “Basic Consideration” which is subject to further adjustment, if any, as set out below); and (ii) an additional amount of approximately RMB22.79 million (equivalent to approximately HK\$26.69 million) less any pertaining deferred tax liabilities in respect of PRC land appreciation tax and enterprise income tax (the “Contingent Consideration”), payable in cash in the following manner:

- (a) 10% of the Basic Consideration (i.e. RMB8.00 million, equivalent to approximately HK\$9.37 million) shall be payable immediately upon signing of the Sale and Purchase Agreement;
- (b) balance of the Basic Consideration (i.e. RMB72.00 million, equivalent to approximately HK\$84.35 million) shall be payable at Completion; and
- (c) the Contingent Consideration shall be payable at a date to be mutually agreed by the Vendor and the Purchaser after the occurrence of the following events, whichever is the earliest:
 - (i) completion of the Project, meaning the construction completion of no less than 95% of the total approved gross floor area for the Land and upon which the project completion certificate (竣工驗收證) being issued, provided that the accumulated net profit (after Taxes) of the PRC Subsidiary in relation to the Project exceeds RMB46.50 million (equivalent to approximately HK\$54.47 million); or
 - (ii) 5 years after the date of Completion, or 5 Business Days after the issue of the accounts of the PRC Subsidiary, which, together with earlier accounts of the PRC Subsidiary, show that the accumulated net profit (after Taxes) of the PRC Subsidiary exceeds RMB46.50 million (equivalent to approximately HK\$54.47 million), whichever is later; or
 - (iii) without prejudice to the Vendor’s rights under (i) and (ii) above, a date to be mutually agreed in writing by both parties of the Sale and Purchase Agreement, if any.

For the avoidance of doubt, no Contingent Consideration shall be payable if the accumulated net profit (after Taxes) of the PRC Subsidiary does not exceed RMB46.50 million (equivalent to approximately HK\$54.47 million) and in such case, the Purchaser is not entitled to any dividend of the PRC Subsidiary.

LETTER FROM BRIDGE PARTNERS

The Basic Consideration is subject to the following adjustments after the unaudited consolidated income statements and balance sheet of the Target for the period from 1 January 2011 to the date of Completion (the “**Completion Accounts**”) has been agreed or determined:

- (a) if the amount, calculated by reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target (excluding the book value of the Land) plus 49% of 70% of the market value of the Land as at 31 December 2010 (the “Market Value of the Land”) less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders’ Loan at cost, exceeds the Basic Consideration paid by the Purchaser, the Purchaser will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Vendor an amount equal to such excess by telegraph transfer in immediately available funds to the bank account(s) designated by the Vendor (details of which shall be notified in writing to the Purchaser within 5 Business Days after the Completion Accounts have been agreed or determined); and
- (b) if the amount, calculated by making reference to the Completion Accounts, equal to the sum of the consolidated net assets value of the Target (excluding the book value of the Land) plus 49% of 70% of the Market Value of the Land less the deferred tax liabilities for the relevant PRC land appreciation tax and enterprise income tax, plus the assignment of Shareholders’ Loan at cost, is less than the Basic Consideration paid by the Purchaser, the Vendor will, within 7 Business Days after the Completion Accounts have been agreed or determined, pay to the Purchaser an amount equal to such shortfall by telegraphic transfer in immediately available funds to the bank account(s) designated by the Purchaser (details of which shall be notified in writing to the Vendor within 5 Business Days after the Completion Accounts have been agreed or determined).

The consideration for the Acquisition was arrived at after arm’s length negotiation between the Purchaser and the Vendor, having taken into account of the Market Value of the Land valued at approximately RMB155.00 million (equivalent to approximately HK\$181.58 million) according to the valuation report prepared by Jones Lang LaSalle Limited (the “Valuer”), a qualified valuer which is an independent third party. We have reviewed and discussed with the Valuer on the methodology adopted and assumptions used in arriving at the Market Value of the Land held by the Vendor. The Valuer has adopted the direct comparison approach by making reference to the comparable sales evidence available in the relevant market. We considered the aforesaid valuation approach is a normal approach in establishing the Market Value of the Land. As confirmed by the Valuer, the direct comparison approach is a commonly adopted approach for valuation of the Land and it is also consistent with the normal market practice. During the course of our discussion with the Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions used by the Valuer in arriving at the valuation.

LETTER FROM BRIDGE PARTNERS

In order to assess the fairness of the consideration, we have considered five comparable lands (“Comparable Lands”) in the surrounding locality which recently changed hands that were mentioned in the valuation report. We are of the view that the list of the Comparable Lands is exhaustive and we consider that it is fair and representative for comparison with the Land given that (i) the locations of the Comparable Lands are near or close to the Land; (ii) the usage of the Comparable Lands is the same as the Land and (iii) all Comparable Lands are vacant. The following is the list of the Comparable Lands:

Land Sale	Land 1	Land 2	Land 3	Land 4	Land 5
Location	To the north of Haizhou Road and to the east of Huanxiyi Road	To the east of Haining Avenue and to the south of Chengnan Avenue	To the east of Haicheang Road and to the north of Xinyuan Road	To the east of Haichang Road and to the north of Qianjiang Road	To the east of Haichang Road and to the north of Qianjiang Road
Date of transaction	March 2011	November 2010	October 2010	December 2009	August 2009
Permitted use	Commercial/Office	Commercial/Office	Commercial/Office	Commercial/Office	Commercial/Office
Land use term	40 years	40 years	40 years	40 years	40 years
Approx. maximum permitted above ground gross floor area (m ²)	116,824	100,058	270,754	60,929	49,780
Consideration (RMB)	137,500,000	129,300,000	362,000,000	76,800,000	55,900,000
Analysed accommodation value (RMB/m ²)	1,177	1,292	1,337	1,260	1,123

According to the valuation report, the Market Value of the Land was arrived at approximately RMB155.00 million (equivalent to approximately HK\$181.58 million) based on the analysed accommodation value of the Land of approximately RMB1,240/m² (being the average of the analysed accommodation value of the Comparable Lands adjusted by number of factors, including land size and accessibility).

For comparison purposes, we have excluded the Land 4 and Land 5 in the table above due to the fact that those 2 land were completed over a year and therefore relatively less relevant to the current property market condition in the Zhejiang Province. Based on our analysis, the average of the analysed accommodation value of the Land 1, Land 2 and Land 3 is approximately RMB1,269 square meters, which translate to a land value of approximately RMB158.36 million (equivalent to approximately HK\$185.52 million) based on the proposed above-ground gross floor area of 124,796 square meters. In light of the fact that the Market Value of the Land represents a discount of approximately 2.12% to our analysed land value, we consider that the consideration is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM BRIDGE PARTNERS

Furthermore, the Vendor agreed to offer a 30% contingent adjustment of the Market Value of the Land, that is RMB46.50 million (equivalent to approximately HK\$54.47 million) to the Purchaser in calculating the Basic Consideration. Such adjustment shall only be payable as Contingent Consideration upon the satisfaction of the conditions for Contingent Consideration as set out in (A)(c) under the paragraph headed “III. Principal terms of the Sale and Purchase Agreement” above. Under such arrangement, we considered that the Purchaser can on one hand be protected against the downside risk of the Acquisition while on the other hand still enjoy the upside potential gain arising from the Project.

Having considered the above, we consider that the total consideration for the Acquisition is 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.

(B) Assignment of Shareholders’ Loan owed by the Target

Pursuant to the Sale and Purchase Agreement, in consideration of the acquisition of the entire issued share capital of the Target, the Vendor shall at Completion assign to the Purchaser all the rights, title, interests and benefits arising from the outstanding interest free Shareholders’ Loan owed by the Target to the Vendor, at cost, amounting to approximately HK\$61.08 million.

In view of the transfer of the Shareholders’ Loan from the Vendor to the Purchaser is stated at cost, we consider that the Assignment of Shareholders’ Loan is fair and reasonable.

(C) Other major terms of the Sale and Purchase Agreement

We noted from the Sale and Purchase Agreement that the Purchaser shall have the right to terminate the Sale and Purchase Agreement if the Acquisition is not approved by the Independent Shareholders in the EGM. In addition, in the event that Purchaser is not able to acquire the Sale Share as a result of the Vendor’s breach of the Sale and Purchase Agreement, the Vendor shall return the 10% of Basic Consideration paid by the Purchaser to the Purchaser which amounted to RMB8.00 million (equivalent to approximately HK\$9.37 million).

According to the Shareholders’ Agreement, so long as the Vendor and the Purchaser remain as a direct or indirect holder of 51% and 49% interest of the PRC Subsidiary respectively, each of the Vendor and the Purchaser shall be entitled to nominate 2 persons to be appointed as directors of the PRC Subsidiary. The HK Subsidiary has a right to nominate 2 directors into the board of directors of the PRC Subsidiary and unanimous approval of the Vendor and the Purchaser is required for significant business decisions (e.g. entering into any agreement with the result of which would lead the investment of the PRC Subsidiary in excess of RMB5 million or acquisition of any premises, whether on a freehold or leasehold basis etc. Details of the significant business decisions are set out in the section headed “Transact of key decisions” in the “Letter from the Board” in

LETTER FROM BRIDGE PARTNERS

the Circular) made by the board of the directors of the PRC subsidiary. The chairman of the board of directors and the legal representative of the PRC Subsidiary shall be nominated by the Vendor and approved by the board of directors of the PRC Subsidiary. As advised by the Company, in the event of deadlock for matters relating to the PRC Subsidiary that do not fall within any of the key decisions as mentioned under the subsection headed “Transact of key decisions” in the “Letter from the Board” in the Circular, such matters would be brought to the Board for consideration and decisions would be made by the Board independently and at which the views of the three independent non-executive Directors will be given due regard. However, the Company believes that only in rare circumstances that major issues relating to the Project may lead to deadlock situations and those major issues will likely to trigger the requirements for Independent Shareholders’ approval pursuant to the Listing Rules, where independent advisor and Independent Board Committee will be in place to scrutinize the transactions. While all key issues and any future major important issues relating to the Project will be referred to the Company’s Board (including the independent non-executive Directors) for discussion, the independent non-executive Directors will serve as gatekeepers to review each of the issues independently and act in the best interests of the Company and its Shareholders. Therefore, we consider that this mechanism is sufficient to protect the interests of the Company and the Shareholders as a whole.

Pursuant to the Shareholders’ Agreement, in the event that, and after, the accumulated net profit (after Taxes) of the PRC Subsidiary is above RMB46.50 million (equivalent to approximately HK\$54.47 million), the shareholders of the PRC Subsidiary shall be entitled to receive dividends from the PRC Subsidiary in proportion to the percentage of their then capital contribution in the PRC Subsidiary, provided that the Purchaser has settled the Contingent Consideration. However, in the event that the accumulated net profit (after Taxes) of the PRC Subsidiary is RMB46.50 million (equivalent to approximately HK\$54.47 million) or below, the Company will not be entitled to share the results of capital appreciation of the Land/properties and profits arising from the PRC Subsidiary and only Hill Boom but not the HK Subsidiary will be entitled to receive all dividends from the PRC Subsidiary. Nevertheless, the Company is not required to pay the Contingent Consideration in such case. As confirmed by the Directors, the said arrangement can protect the Purchaser against downside risk: if the PRC property market plummets and the Land price devalues substantially, the Purchaser’s loss on investment will be only RMB1.2 million (equivalent to approximately HK\$1.41 million) (representing the differences between 49% of the book cost of the Land of approximately RMB50.86 million (equivalent to approximately HK\$59.58 million) and 49% of 70% of the Market Value of the Land of approximately RMB53.17 million (equivalent to approximately HK\$62.29 million) less any deferred tax liabilities for the PRC land appreciation tax and enterprise income tax at the prevailing tax rate of approximately RMB1.1 million (equivalent to approximately HK\$1.40 million)) as long as the market value of the Land does not drop below the PRC book cost of the Land of RMB103.8 million (equivalent to approximately HK\$121.60 million). Based on the proven financial performance of the Group, we consider that the Group will be able to bear the Purchaser’s investment loss should the PRC property market plummets and therefore it is in the interests of the Company and the Shareholders as a whole.

LETTER FROM BRIDGE PARTNERS

As the HK Subsidiary will not be entitled to receive dividend from the PRC Subsidiary, the HK Subsidiary could not share the accumulated net profit (after Taxes) from the PRC Subsidiary and the profit arising from capital appreciation of the Land and/or properties erected on the Land and the Company shall suffer an investment loss of RMB1.2 million (equivalent to approximately HK\$1.41 million) if the PRC Subsidiary records accumulated net profit (after Taxes) of equal or less than RMB46.50 million (equivalent to approximately HK\$54.47 million) as long as the Market Value of the Land does not drop below the PRC book cost of the Land of RMB103.8 million (equivalent to approximately HK\$121.60 million). In such event, the total consideration payable for the Acquisition will be only the Basic Consideration which represents 70% of the Market Value of the Land. Taken into consideration of (i) the Company is not required to pay the Contingent Consideration if the PRC Subsidiary records the accumulated net profit (after Taxes) of equal or less than RMB46.5 million which help to protect the Purchaser against downside risk as described above; (ii) the upside potential gain of the Project and (iii) the Company is optimistic on the prospects of the property market in the Zhejiang Province, we consider the above arrangement is fair and reasonable.

We have also reviewed the other terms of the Sale and Purchase Agreement (including but not limited to the pre-emption rights) and are not aware of any term that is of material irregularity.

(D) Conclusion

Notwithstanding that the Vendor agreed to offer a 30% contingent adjustment on the Market Value of the Land, that is RMB46.50 million (equivalent to approximately HK\$54.47 million) to the Purchaser in calculating the Basic Consideration, and no Contingent Consideration shall be payable if the accumulated net profit (after Taxes) of the PRC Subsidiary does not exceed RMB46.50 million (equivalent to approximately HK\$54.47 million), we consider that the terms and conditions of the Sale and Purchase Agreement and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

IV. Financial impacts of the Acquisition on the Group

Upon Completion, the Company will indirectly hold 49% equity interest in the PRC Subsidiary. The Target and HK Subsidiary will become wholly-owned subsidiaries of the Company and their financial results will be fully consolidated in the consolidated financial statements of the Group. The PRC Subsidiary will become a jointly-controlled entity of the Company and its financial results will be treated by equity accounting in the consolidated financial statements of the Group. For the assignment of the Shareholders' Loan, the cash balance will be decreased by the amount of the Shareholders' Loan for the Group as a whole. On the other hand, the amount due to Clear Shine will also be decreased by the same amount. As a result, there will be no effect on the earnings and the net asset value of the Company.

LETTER FROM BRIDGE PARTNERS

(A) *Earnings*

According to the unaudited consolidated financial information of the Target, the unaudited consolidated net loss after taxation were approximately HK\$0.61 million and HK\$0.85 million for the two years ended 31 December 2010 respectively. As advised by the Company, the Phase 1 development of the Project is expected to commence in June 2011. It is expected that the revenue will be generated for the Group after the Phase 1 development of the Project has been completed.

(B) *Net asset value*

As extracted from the 2010 Interim Report, the unaudited consolidated net assets of the Group as at 30 September 2010 was approximately HK\$837.25 million. As advised by the Company, the financial results of the Target and the HK Subsidiary will be fully consolidated in the consolidated financial statements of the Group and the financial results of the PRC Subsidiary will be treated by equity accounting in the consolidated financial statements of the Group. There would not be any material change to the net assets of the Group as a result of the Completion.

(C) *Working capital*

As stated in the “Letter from the Board”, the Basic Consideration for the Acquisition is RMB80.00 million (equivalent to approximately HK\$93.72 million) and will be settled partly from bank loans and partly from the internal resources of the Group. According to the 2010 Interim Report, the unaudited cash and bank balances of the Group amounted to approximately HK\$190.48 million as at 30 September 2010. Based on the above, we are of the view that the payment of the Basic Consideration will not have a significant impact on the Group’s working capital position.

The Independent Shareholders should note that the aforementioned analysis is for illustrative purposes only and does not purport to represent what the financial position of the Company will be upon Completion.

LETTER FROM BRIDGE PARTNERS

RECOMMENDATION

Having considered the principal factors and reasons as discussed above and in particular the followings (which should be read in conjunction with and interpreted in the full context of this letter):

- the background of and reasons for the Acquisition as discussed above;
- the consideration for the Acquisition is fair and reasonable considering, among other things, the 30% contingent adjustment of the Market Value of the Land in calculating the Basic Consideration;
- the matter of the deadlock shall be brought and resolved by the Board independently should any deadlock situations occur;
- no Contingent Consideration shall be paid in the case that the accumulated net profit (after Taxes) of the PRC Subsidiary is RMB46.50 million (equivalent to approximately HK\$54.47 million) or below; and
- the impact on the financial position of the Group as a result of the Acquisition to be acceptable;

We consider that the entering into of the Sale and Purchase Agreement and the Shareholders' Agreement by the Group is conducted in the ordinary and usual course of the Company's business which is also in line with the Group's existing business objective and strategies; and the Sale and Purchase Agreement and the Shareholders' Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreement, the Shareholders' Agreement and the transactions contemplated thereunder.

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

^ for identification purposes only

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Limited, an independent valuer, in connection with the valuation of the property held by the Target Companies as at 31 March 2011:



Jones Lang LaSalle Limited
Valuation Advisory Services
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2968 0078
Company Licence No.: C-003464

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物業估價部
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牌照號碼 C-003464



23 May 2011

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: A development site located at the west of Wenyuan Road and south of Houfutinggang, Haining, Zhejiang Province, the PRC (“the Property”)

Instruction and Date of Valuation

We refer to the instruction from Hanison Construction Holdings Limited (“the Instructing Party”) for us to carry out valuation of the captioned property interest. We confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 March 2011 (the “date of valuation”).

Basis of Valuation

Our valuation is made on the basis of the Market Value defined by the Hong Kong Institute of Surveyors as “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”.

In preparing the valuation, we have complied with the requirements as set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

The Property was valued as a single property interest. The valuation presented in this report represents 100% interest of the Property and not the shareholdings of the company holding the property interest thereof.

Valuation Assumptions & Method

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of deferred terms contracts, leasebacks, joint venture agreements, management agreements or any similar arrangements which could serve to affect the value of the Property.

No allowance has been made in our valuation for any unpaid land use fee/premium, compensation, charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

In forming our opinion of value of the Property, we have assumed that the grantee or the user of the Property has free and uninterrupted rights to use and assign the property interest for the whole of the unexpired term as granted. Unless otherwise stated, we have valued the Property on the assumption that it is freely disposable and transferable.

This report and valuation is for the use of the Instructing Party for the stated use only and no responsibility is accepted to any third party for the whole or any part of its contents.

The reported analysis, opinions and conclusions are subject to the assumptions and limiting conditions as stated in this report.

We have assessed the market value of the Property by direct comparison method. In applying direct comparison method, we have compared the subject property with the comparable properties that were recently sold in the market. Comparable properties in similar location and with similar characters to the Property are analyzed and compared to the Property to arrive at a fair comparison of value.

Source of Information and Title Investigation

We have relied to a considerable extent on the information provided by the Instructing Party. We have accepted advice given by the Instructing Party to us on such matters as planning approvals, statutory notices, tenure, ownership details, identification of property interest, site area and proposed gross floor areas and all other relevant matters. We have taken all reasonable care independently both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us. We were also advised by the Instructing Party that no material facts have been omitted from the information supplied and no material information has been withheld.

For title matters, we have relied on the opinion provided by the Instructing Party's PRC legal adviser, King & Wood. We have been provided with copies of certain title documents relating to the Property. However, we have not conducted title searches of the Property nor have we examined the original documents to verify ownership and encumbrances or to ascertain the existence of any lease amendments that may appear on the copies handled to us. All documents have been used for reference only.

Dimensions, measurements and areas included in the valuation report are based on information contained in copies of documents provided to us and are therefore only approximations.

Property Inspection

We inspected the Property and its surrounding environment on 21 April 2011. We have not carried out site measurement to verify the correctness of the site area of the Property and have assumed that the site area shown on the provided title documents is correct.

We were not instructed to carry out any investigations on site in order to determine the suitability of ground conditions and services etc. for future development, nor did we undertake archaeological, ecological or environmental survey.

Our valuation is on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these, or to archaeological or ecological matters. In the course of our assessment, we have assumed that no contamination affecting the Property or the neighbouring land. However, should it be established subsequently that contamination exists at the Property or on any neighbouring land, or that the premises have been or are being put to any contaminative use, we reserve the right to adjust the value reported herein.

Currency

Unless otherwise stated, all currency stated herein this report is in Renminbi (RMB).

The valuation certificate is attached hereto.

Yours faithfully
For and on behalf of
Jones Lang LaSalle Limited

Chris Chan BSc(Hons), MHKIS, MRICS, RPS(GP)
Local Director

Mr. Chan is a member of the Royal Institute of Chartered Surveyors and the Hong Kong Institute of Surveyors. He has about 10 years experience in valuation of properties in Hong Kong and the PRC.

Property	Description, age and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2011								
A development site located at the west of Wenyuan Road and south of Houfutinggang, Haining, Zhejiang Province, the PRC	<p>The Property consists of two land parcels separated by a stream (about 15m wide as scaled off from the provided scheme plan) known as Gaojiaqiaogang (高家橋港) with a total site area of approximately 35,680m².</p> <p>According to the provided information, the Property is planned for an office development with a total gross floor area (GFA) of approximately 152,846m². The area breakdown of the development is as follows:</p>	According to our site inspection, the Property is a generally levelled site and was mostly left vacant. Some temporary structures for the construction of the neighborhood land were also erected on the site.	RMB155,000,000 Renminbi One Hundred and Fifty Five Million								
	<table border="1"> <thead> <tr> <th data-bbox="453 944 496 970">Use</th> <th data-bbox="730 910 831 970">Approx. GFA (m²)</th> </tr> </thead> <tbody> <tr> <td data-bbox="453 1008 517 1034">Office</td> <td data-bbox="751 1008 831 1034">124,796</td> </tr> <tr> <td data-bbox="453 1076 644 1102">Basement Carpark</td> <td data-bbox="751 1076 831 1102">28,050</td> </tr> <tr> <td data-bbox="453 1144 507 1170">Total</td> <td data-bbox="719 1144 831 1178"><u>152,846</u></td> </tr> </tbody> </table>	Use	Approx. GFA (m ²)	Office	124,796	Basement Carpark	28,050	Total	<u>152,846</u>		
Use	Approx. GFA (m ²)										
Office	124,796										
Basement Carpark	28,050										
Total	<u>152,846</u>										
	As advised, the proposed development is scheduled for completion in the second quarter of 2017.										
	The Property is held under two State-owned Land Use Rights Certificates with land use rights terms expiring on 16 February 2058 for office use and 16 February 2048 for commercial use respectively.										

Notes:

1. Based on the company announcement made by the Instructing Party on 15 April 2011, it has through a wholly-owned subsidiary entered into the sale and purchase agreement with the vendor, a connected person of the Instructing Party. Pursuant to the said agreement, the purchaser agreed to purchase the sale share, representing 100% issued share capital of the target company, Wisdom Mount Investments Limited, which wholly owns Vast Media International Limited and Vast Media International Limited holds 49% interest of Haining Jiafeng Real Estate Development Limited. The vendor will also assign the shareholders' loan to the purchaser.
2. According to the provided copy of the State-owned Land Use Rights Grant Contract No. Hai di He (2007) No. 156 (海地合(2007)156號) and its supplementary contract, both dated 30 November 2007, the land use rights of the Property was granted to Haining Jiafeng Real Estate Development Limited ("Haining Jiafeng") (海寧嘉豐房地產有限公司) with the following salient terms:

Site Area	:	35,680 m ²
Permitted Use	:	Commercial and office
Land Premium	:	RMB100,700,000
Land Use Rights Terms	:	50 years for office and 40 years for commercial, commencing from the date of issuance of the State-owned Land Use Rights Certificate
Permitted Plot Ratio	:	Maximum 3.5
Permitted Site Coverage	:	< 30%
Development Conditions	:	Main building structure > 50m
Remarks	:	<ul style="list-style-type: none"> • The grantee agreed to submit the master layout plan of the proposed development within 6 months from the date of signing the land grant contract. • The grantee shall commence construction works within 4 months from the date of issuance of the construction works commencement permit, subject to an extension, on application for a maximum of 1 year. • The grantee shall complete the construction works of the proposed development within 5 years from the date of issuing the State-owned Land Use Right Certificate. The completion date would be postponed in case the construction works commencement date is delayed due to government's act, preliminarily works or reasons beyond the control of the grantee. • The grantee could only assign the Property to other parties upon the grantee has spent 25% of the total investment on the proposed development.

3. According to two provided copies of the State-owned Land Use Rights Certificates No. Hei Guo Yong (2008) No. 06052041 and No. 06052042 (海國用(2008)第06052041號 and 06052042號), both dated 17 February 2008, the Property with a total site area of approximately 35,680m² was granted to Haining Jiafeng with land use rights terms expiring on 16 February 2058 for office use and 16 February 2048 for commercial use respectively.
4. According to the provided copy of the Construction Land Use Planning Permit No. Di Zi Di 330481201100014 (地字第330481201100014號) dated 1 March 2011, the Property is permitted for commercial and office uses.

5. The status of title and grant of major approvals and licenses in accordance with the information provided to us by the Instructing Party and the aforesaid legal opinion are as follows:
- | | | |
|-------|--------------------------------------------|-----|
| (i) | State-owned Land Use Rights Grant Contract | Yes |
| (ii) | State-owned Land Use Rights Certificate | Yes |
| (iii) | Construction Land Use Planning Permit | Yes |
| (iv) | Construction Works Planning Permit | No |
| (v) | Construction Works Commencement Permit | No |
| (vi) | Business License | Yes |
6. We have been provided with the Instructing Party's PRC legal adviser's opinion, which inter-alia, contains the following:
- (i) Haining Jiafeng has fully settled the land premium and relevant deed tax for the Property;
 - (ii) Haining Jiafeng has legally owned the land use rights of the Property;
 - (iii) Haining Jiafeng is entitled to transfer, let or mortgage the land use rights of the Property, subject to the compliance with the relevant condition in the land grant and supplementary land grant contracts; and
 - (iv) The Property was free of any mortgage and seizure until 11 April 2011.
 - (v) Haining Jiafeng has obtained the business license No. 330400400007373 dated 25 November 2007 issued by the Jiaxing Gong Shang Xing Zheng Guan Li Ju (嘉興市工商行政管理局).
 - (vi) Haining Jiafeng is a joint venture limited liability company established in accordance with the laws of the PRC. The total registered capital of Haining Jiafeng is USD16,000,000. It is owned as to 51% by Hill Boom Limited and 49% by Vast Media International Limited.
 - (vii) In accordance with the joint venture agreement (海寧嘉豐房地產有限公司外商合資經營合同) dated 23 October 2007 entered into between Hill Boom Limited ("Party A") and Vast Media International Limited ("Party B"), both parties agreed to share the profit, risk and loss of Haining Jiafeng according to their proportion of the paid up capital from each party, which is 51% by Party A and 49% by Party B.
 - (viii) The said joint venture agreement is legal, valid and binding to both Party A and Party B.
7. We have assessed the Market Value of the Property as a clear development site, with the benefit of good title and vacant possession.
8. According to the information provided by the Instructing Party, it has incurred approximately RMB2,600,000 as the preliminarily consultancy fees for the project. The estimated outstanding construction cost to completion is approximately RMB670,000,000 (excluding marketing, finance and other indirect cost).
9. The capital value of the proposed development, as if completed as at 31 March 2011 would be approximately RMB1,180,000,000.

1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company 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;	668,830	563,877 <i>(Note 1)</i>	107,836,435 <i>(Note 2)</i>	109,069,142	22.37%
	(2) Interest of controlled corporation; and					
	(3) Beneficiary of discretionary trusts					
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	4,090,260	3,106,164 <i>(Note 3)</i>	—	7,196,424	1.48%
	(2) Interest of controlled corporation					
Tai Sai Ho	Beneficial owner	414,562	—	—	414,562	0.09%
Shen Tai Hing	Beneficial owner	9,022	—	—	9,022	0.0019%

Notes:

- (1) The shares are held by Accomplished Investments Ltd., in which the relevant director is deemed to be interested by virtue of Part XV of the SFO.
- (2) 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	49.0%
HKR International Limited ("HKRI") (Note a)	(1) Beneficial owner; and (2) Interest of controlled corporation	238,904,552	49.0%
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 2010 (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 (Note i)	Name of company	Nature of interest	Competing business (Note ii)
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
Cha Yiu Chung, Benjamin	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
Lam Chat Yu (Note iii)	Regal Succeed Limited	Director	(a) Property management, leasing and marketing services in the PRC

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.
- (iii) Mr. Lam Chat Yu is an executive director of the Company and is interested in competing business because of his capacity as a director of Regal Succeed Limited, whose wholly-owned subsidiary in the PRC is engaged in competing business as stated above.

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 2010, 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

- (a) 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 on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Jones Lang LaSalle Limited	An independent professional property valuer

- (b) As at the Latest Practicable Date, Bridge Partners and Jones Lang LaSalle Limited did not have 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.
- (c) As at the Latest Practicable Date, Bridge Partners and Jones Lang LaSalle Limited did not have any interest, direct or indirect, in any assets which have been, since 31 March 2010 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) Each of Bridge Partners and Jones Lang LaSalle Limited 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

The English text of this circular shall prevail over the Chinese text.

9. 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 Sale and Purchase Agreement;
- (b) the Shareholders' Agreement;
- (c) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (d) the letter from Bridge Partners, the text of which is set out in this circular;
- (e) the valuation report of Jones Lang LaSalle Limited, the text of which is set out in this circular; and
- (f) the written consent referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix.

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 Function Room - Cypress, Lobby Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Wednesday, 8 June 2011 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 15 April 2011 entered into between Clear Shine International Limited and Hanison Construction Holdings (BVI) 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, and the shareholders’ agreement dated 15 April 2011 entered into between Clear Shine International Limited and Hanison Construction Holdings (BVI) 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, and the terms of and the transactions contemplated thereunder (the “**Acquisition**”) and all such documents ancillary to the Acquisition be and are hereby approved, ratified and confirmed;
- (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 Acquisition.”

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

Hong Kong, 23 May 2011

NOTICE OF EXTRAORDINARY GENERAL MEETING

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, 8 June 2011. 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.