

---

## 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 accompanying form of proxy 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



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)

**PROPOSAL RELATING TO**  
**(i) BONUS ISSUE OF SHARES**  
**(ii) CONTINUING CONNECTED TRANSACTIONS**  
**FOR CONSTRUCTION TRANSACTIONS AND RENOVATION**  
**TRANSACTIONS WITH THE HKRI GROUP**  
**AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

寶  
橋

BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

---

A letter from the Independent Board Committee (as herein defined) containing its advice and recommendation to the Independent Shareholders (as herein defined) is set out on pages 22 to 23 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 24 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 Friday, 1 February 2013 at 3:00 p.m. is set out on pages 45 to 47 of this circular. A proxy form is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying 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 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 any adjournment thereof should you so wish.**

15 January 2013

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected Timetable</b> .....	7
<b>Letter from the Board</b> .....	8
<b>Letter from the Independent Board Committee</b> .....	22
<b>Letter from Bridge Partners</b> .....	24
<b>Appendix – General Information</b> .....	38
<b>Notice of Extraordinary General Meeting</b> .....	45

---

## DEFINITIONS

---

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

“Agreement”	the conditional Construction and Renovation Services Framework Agreement dated 20 December 2012 made between HKRI and Hanison subject to approvals from the HKRI Independent Shareholders and the Hanison Independent Shareholders;
“Articles”	the articles of association of the Company;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Bonus Issue”	the proposed issue of Bonus Shares to the Shareholders on the basis of 1 Bonus Share for every 10 existing Shares held on the Record Date on the terms and conditions set out in this circular;
“Bonus Share(s)”	new Share(s) to be allotted, issued and distributed pursuant to the Bonus Issue;
“Bridge Partners” or “Independent Financial Adviser”	Bridge Partners Capital Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CHA family”	the family of the late Dr. CHA Chi Ming, the founder and ex-chairman of HKRI;
“Company” or “Hanison”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00896);

---

## DEFINITIONS

---

“Construction Project(s)”	any project(s) relating to (i) the construction of residential, commercial, school, hotel and recreational properties, buildings and related infrastructure and facilities of land bank in Discovery Bay and elsewhere in Hong Kong; and (ii) the large scale alteration and construction works (without demolition) in respect of CDW Building for which the HKRI Group may from time to time seek tenders;
“Construction Transaction(s)”	the transaction(s) between any member(s) of the HKRI Group on the one hand and any member(s) of the Hanison Group on the other to be entered into during the three financial years ending 31 March 2016 in relation to any Construction Project(s) in respect of any tender from the Hanison Group accepted by the HKRI Group;
“Continuing Connected Transaction(s)”	the Construction Transaction(s) and the Renovation Transaction(s);
“Controlling Shareholders”	<p>comprise the stakeholders of the CHA family with interests in HKRI and Hanison, namely CCM Trust (Cayman) Limited (“CCM”), Mingly Asia Capital Limited (“Mingly”) and LBJ Regents Limited (“LBJ”), Mr. CHA Mou Sing Payson and Mr. CHA Mou Zing Victor, together, directly or indirectly interested in approximately 49.85% of HKRI and approximately 23.81% of Hanison (excluding their interest in Hanison held indirectly through HKRI which is approximately 49%), where:</p> <p>(a) CCM is a company incorporated in the Cayman Islands with limited liability and which has a direct interest in HKRI of approximately 38.44% and in Hanison of approximately 19.30%. CCM (which is also indirectly interested in the shares of HKRI held via its subsidiary Mingly, as described in (b) below) is the corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr. CHA Chi Ming’s issue, including Mr. CHA Mou Sing Payson, Mr. CHA Mou Zing Victor, Mr. CHA Mou Daid Johnson, Mr. CHA Yiu Chung Benjamin and Ms. WONG CHA May Lung Madeline, who are directors of HKRI and/or Hanison;</p>

---

## DEFINITIONS

---

- (b) Mingly is a company incorporated in the British Virgin Islands with limited liability, indirectly owned as to 87.50% by CCM, and which has a direct interest in HKRI of approximately 3.04%;
- (c) LBJ is a company incorporated in the British Virgin Islands with limited liability and which has a direct and indirect interest in HKRI of approximately 7.86% and in Hanison of approximately 4.23%. LBJ is the corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr. CHA Chi Ming's issue, including Mr. CHA Mou Sing Payson, Mr. CHA Mou Zing Victor, Mr. CHA Mou Daid Johnson, Mr. CHA Yiu Chung Benjamin and Ms. WONG CHA May Lung Madeline, who are directors of HKRI and/or Hanison;
- (d) Save as mentioned above, Mr. CHA Mou Sing Payson has direct and other indirect interests in HKRI of approximately 0.42% and in Hanison of approximately 0.25%; and
- (e) Save as mentioned above, Mr. CHA Mou Zing Victor has a direct interest in HKRI of approximately 0.08% and in Hanison of approximately 0.03%;

“Director(s)” or “Board” or  
“Hanison Board”

the director(s) of the Company;

“EGM”

the extraordinary general meeting of the Company to be held at Function Room – Cypress, Lobby Floor, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Friday, 1 February 2013 at 3:00 p.m., and any adjournment thereof ;

“EGM Notice”

the notice of the EGM;

---

## DEFINITIONS

---

“Group” or “Hanison Group”	the Company and its subsidiaries from time to time;
“Hanison Independent Shareholders” or “Independent Shareholders”	the independent shareholders of Hanison excluding, for all purposes in connection with the approval of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder, HKRI and its wholly-owned subsidiaries, the Controlling Shareholders and their respective associates;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00480);
“HKRI Board”	Board of directors of HKRI;
“HKRI EGM”	extraordinary general meeting of HKRI to be convened for the purpose of approving the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the Continuing Connected Transactions, and any adjournment thereof;
“HKRI Group”	HKRI and its subsidiaries from time to time;
“HKRI Independent Shareholders”	the independent shareholders of HKRI excluding, for all purposes in connection with the approval of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the Continuing Connected Transactions, the Controlling Shareholders and their respective associates;
“HKSCC”	Hong Kong Securities Clearing Company Limited;

---

## DEFINITIONS

---

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	An independent committee of the Board comprising Mr. CHAN Pak Joe, Dr. LAU Tze Yiu Peter and Dr. SUN Tai Lun, independent non-executive directors of the Company, established for the purpose of advising the Independent Shareholders on the fairness and reasonableness of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder so far as the Independent Shareholders are concerned;
“Latest Practicable Date”	10 January 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date, other than those Overseas Shareholders whom the Directors, after making relevant enquiries, consider the exclusion of those Overseas Shareholders from the Bonus Issue is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Record Date”	13 February 2013, being the date for determination of entitlement to the Bonus Issue;

---

## DEFINITIONS

---

“Renovation Project(s)”	any project(s) relating to the ordinary maintenance and renovation services or assistance in relation to the properties owned, operated or managed from time to time by members of the HKRI Group;
“Renovation Transaction(s)”	the transaction(s) between any member(s) of the HKRI Group on the one hand and any member(s) of the Hanison Group on the other to be entered into during the three financial years ending 31 March 2016 in relation to any Renovation Project(s);
“Services”	means construction, interior and renovation, maintenance and related services including the provision of services as main contractor and sub-contractor for a variety of works including superstructure, foundation, infrastructure facilities, maintenance construction renovation and interior decoration provided from time to time by any member(s) of the Hanison Group to any member(s) of the HKRI Group;
“Shareholder(s)”	shareholder(s) of the Company;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



---

## EXPECTED TIMETABLE

---

*The expected timetable for the Bonus Issue is set out below:*

Despatch circular and notice of EGM . . . . .	Tuesday, 15 January 2013
Latest time for receipt of proxies for EGM . . . . .	3:00 p.m. on Wednesday, 30 January 2013
Date and time of EGM. . . . .	3:00 p.m. on Friday, 1 February 2013
Announcement of poll results of EGM. . . . .	Friday, 1 February 2013
Latest date of dealing in Shares cum-entitlements to the Bonus Issue . . . . .	Monday, 4 February 2013
First day of dealing in Shares ex-entitlements to the Bonus Issue . . . . .	Tuesday, 5 February 2013
Latest time for lodging transfers of Shares for entitlements to the Bonus Issue. . . . .	4:30 p.m. on Wednesday, 6 February 2013
Closure of register of members (both days inclusive) . . . . .	Thursday, 7 February 2013 to Wednesday, 13 February 2013
Record Date for entitlements to the Bonus Issue . . . . .	Wednesday, 13 February 2013
Register of Members re-opens . . . . .	Thursday, 14 February 2013
Certificates for Bonus Shares expected to be despatched . . . . .	Friday, 22 February 2013
Dealings in the Bonus Shares expected to commence . . . . .	Monday, 25 February 2013

*Note:* All times refer to Hong Kong local time in this circular.

---

LETTER FROM THE BOARD

---



興勝創建控股有限公司

HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

*Directors:–*

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

*Registered Office:–*

P.O. Box 309, 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*

15 January 2013

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL RELATING TO  
(i) BONUS ISSUE OF SHARES  
(ii) CONTINUING CONNECTED TRANSACTIONS  
FOR CONSTRUCTION TRANSACTIONS AND RENOVATION  
TRANSACTIONS WITH THE HKRI GROUP  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding (i) the proposed Bonus Issue; and (ii) the Continuing Connected Transactions and the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions), the recommendation of the Independent Board Committee and the advice of Bridge Partners in respect of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder, and to give you notice

---

## LETTER FROM THE BOARD

---

of the EGM, where the necessary resolutions to approve (i) the proposed Bonus Issue; and (ii) the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder will be proposed, and if thought fit, passed.

### **(I) BONUS ISSUE**

Reference is made to the Company's announcements dated 20 November 2012 relating to, among other things, the proposed Bonus Issue and dated 27 December 2012, in which the Directors announced the proposed Bonus Issue to the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date. Subject to the fulfillment of the conditions set out below, the Bonus Issue will be made on the basis of 1 Bonus Share, credited as fully paid, for every 10 Shares then held. The Bonus Shares will rank pari passu with the existing issued Shares in all respects as at the date of issue, except that they will not rank for the interim dividend for the six months ended 30 September 2012.

Fractional entitlements to Bonus Shares will not be allotted and will be aggregated and sold for the benefit of the Company.

As at the Latest Practicable Date, there were 487,559,674 Shares in issue. Assuming that no further Shares are issued or repurchased prior to the Record Date, approximately 48,755,967 Bonus Shares will be issued and an amount of approximately HK\$4,875,596.70, standing to the credit of the share premium account of the Company, will be capitalised in accordance with Article 142 of the Articles and accordingly such sum will be applied in paying up in full at par the Bonus Shares.

### **Conditions to the Bonus Issue**

The Bonus Issue is conditional upon the following:–

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Bonus Issue (including the capitalisation of certain amount standing to the credit of the share premium account of the Company); and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Bonus Shares.

---

## LETTER FROM THE BOARD

---

### **Reasons for the Bonus Issue**

The Bonus Issue represents a return to Shareholders on their investment in the Company and will enlarge the Company's capital base and, in due course, likely the number of Shareholders (on trading of the Bonus Shares). The Directors believe that it will, in due course, enhance the liquidity of the Shares in the market.

### **Closure of Register of Members**

The register of members of the Company will be closed from Thursday, 7 February 2013 to Wednesday, 13 February 2013, both days inclusive. During this period no share transfer will be registered. In order to qualify for entitlements to the Bonus Issue, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 6 February 2013.

### **Status of the Bonus Shares**

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

The Shares are not listed or dealt in on any other stock exchange nor is listing or permission to deal in Shares being or proposed to be sought from any other stock exchange.

### **Trading Arrangements**

Subject to the granting of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement by CCASS with effect from the commencement date of dealings in the Bonus Shares or such other date as may be determined by HKSCC. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from time to time. You should seek the advice of your stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

---

## LETTER FROM THE BOARD

---

It is expected that dealings in the Bonus Shares will commence on Monday, 25 February 2013. Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Share. The Qualifying Shareholders are recommended to consult their professional advisers as to the tax implications on the Bonus Issue and the holding and exercise of the Bonus Shares are a matter of the holders thereof and neither the Company nor any of the Directors accept any responsibility for any tax effect on, or liabilities of, the holders thereof.

### **Certificates for Bonus Shares**

Certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective address shown in the register of members of the Company or, in the case of joint holders, to the address of the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. It is expected that certificates for the Bonus Shares will be posted to the Shareholders by ordinary post at their own risk on or around Friday, 22 February 2013. One share certificate will be issued for all Bonus Shares to each Qualifying Shareholder.

### **Overseas Shareholders**

As at 31 December 2012, there were 36 Overseas Shareholders whose addresses as registered in the register of members of the Company were outside Hong Kong, namely Australia, Bahamas, British Virgin Islands, Canada, Cayman Islands, France, Macau, Malaysia, New Zealand, Portugal, Singapore, Spain, Sweden, United Kingdom and the United States of America.

The Company has made enquiries with foreign legal counsel regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges regarding the issue of Bonus Shares to those Overseas Shareholders with registered addresses in the overseas countries/regions listed in the above paragraph. Based on the advice provided by such foreign legal counsel, the Company is satisfied that it can issue the Bonus Shares to those Overseas Shareholders, subject to the satisfaction of the conditions as set out in paragraph headed "Conditions to the Bonus Issue".

---

## LETTER FROM THE BOARD

---

### (II) CONTINUING CONNECTED TRANSACTIONS

Reference is made to the joint announcement of the Company and HKRI dated 20 December 2012 relating to the Agreement. Hanison and HKRI have entered into the Agreement to provide a framework for governing the outline terms upon which members of the HKRI Group and members of the Hanison Group propose to engage in the Construction Transactions and the Renovation Transactions during the three financial years ending 31 March 2016. The current arrangements between the two groups are due to expire on 31 March 2013.

HKRI has a 100% owned industrial building namely, CDW Building in Tsuen Wan which it proposes to undergo large scale alteration and construction works (without demolition) and other land banks in Hong Kong for development, particularly for the projects in Discovery Bay, Lantau Island which it proposes to develop overtime in phases. The development projects in Discovery Bay and elsewhere in Hong Kong will include residential, commercial, school and recreational projects, for which the HKRI Group proposes, from time to time, to request tenders. All construction projects are subject to the prescribed tendering procedures and scrutinised by independent consultants to secure the fairness and reasonableness on awarding contracts to any contractor. Both HKRI and Hanison anticipate that the Hanison Group will wish to tender for some or all of these projects.

In addition, HKRI anticipates the prospect of engaging Hanison in relation to certain renovation works which members of the HKRI Group may from time to time require in relation to the properties and developments owned, operated or managed by members of the HKRI Group. The HKRI Group may or may not open such renovation works to tender depending on the size of the works involved.

---

## LETTER FROM THE BOARD

---

### **The Agreement**

Date of Agreement: 20 December 2012

Parties: (1) HKRI  
(2) Hanison

Services: The Agreement represents a framework agreement pursuant to which it is envisaged by the parties that members of the Hanison Group will provide the Services to members of the HKRI Group in relation to all Construction Projects which form the subject of the Construction Transactions entered into between the members of the HKRI Group and members of the Hanison Group, and all Renovation Projects which form the subject of Renovation Transactions entered into between members of the HKRI Group and members of the Hanison Group.

Relevant members of the HKRI Group and relevant members of the Hanison Group will enter into subsidiary agreements covering the Construction Transactions and the Renovation Transactions envisaged under the Agreement. Each such subsidiary agreement will set out the particulars and the terms upon which particular Services will be rendered by the Hanison Group to the HKRI Group. The terms of each such subsidiary agreement must (i) comply with the terms of the Agreement; and (ii) be in compliance with the relevant requirements under the Listing Rules. Each such subsidiary agreement entered into pursuant to the Agreement, unless the Agreement is renewed in accordance with the Agreement, shall terminate, or be deemed to have been terminated, upon the termination of the Agreement.

---

## LETTER FROM THE BOARD

---

The Construction Transactions and the Renovation Transactions to be entered into by the HKRI Group and the Hanison Group must be on normal commercial terms or terms no less favourable to the HKRI Group than those offered by the Hanison Group to independent third parties. The calculation of payments to be made shall be determined by reference to the size, nature and anticipated duration of the projects, the location, complexity of work and sub-contractors' costs as well as any other material factors agreed on a project by project basis. Payment of contract sum is effected in stages based on certified amount of work done with reference to level of work completed.

### Annual Caps:

The total value of the Construction Transactions to be entered into between the HKRI Group and the Hanison Group (in terms of certified amount of work done) for each of the three financial years ending 31 March 2016 shall not exceed the following (except as noted below):

1 April 2013 – 31 March 2014	HK\$320 million
1 April 2014 – 31 March 2015	HK\$430 million
1 April 2015 – 31 March 2016	HK\$610 million

The total value of Renovation Transactions to be entered into between the HKRI Group and the Hanison Group (in terms of certified/agreed amount of work done) for each of the three financial years ending 31 March 2016 shall not exceed the following (except as noted below):

1 April 2013 – 31 March 2014	HK\$50 million
1 April 2014 – 31 March 2015	HK\$50 million
1 April 2015 – 31 March 2016	HK\$50 million



---

## LETTER FROM THE BOARD

---

In the event that the total value of the Construction Transactions or Renovation Transactions exceeds the amounts set out above respectively for any year, such transactions and their total value will be subject to review and re-approval by the HKRI Independent Shareholders and the Hanison Independent Shareholders as the case may be at the respective companies' next following annual general meetings or at extraordinary general meetings of HKRI and Hanison convened for this specific purpose.

Term:

The Agreement will take effect as from 1 April 2013 and will continue thereafter for a term expiring on 31 March 2016. The parties agree to, prior to 31 March 2016 and subject to compliance with the Listing Rules and all applicable laws, to seek the approval of the HKRI Independent Shareholders and the Hanison Independent Shareholders to renew the Agreement for a further term of three years or to enter into a new agreement substantially in the same form as the Agreement, in either case, with effect from 1 April 2016. If either party fails to secure the aforesaid approval of its independent shareholders, the Agreement and each subsidiary agreement entered into under the Agreement shall terminate or be deemed to have been terminated effective on 1 April 2016. In the event that any subsidiary agreement which is terminated has not been completed at the time of termination, in relation to each such uncompleted subsidiary agreement, the parties shall make the arrangement or settlement in accordance with the Agreement including but not limited to seeking separate independent shareholders' approvals on those uncompleted agreements.

---

## LETTER FROM THE BOARD

---

### **Basis of Determination of Annual Caps**

The annual caps in respect of the Construction Transactions referred to above were, in the first instance, determined and proposed by HKRI, based upon its own confidential assumptions as to its anticipated development plans for the three financial years ending 31 March 2016 (being information that it would not be appropriate for HKRI to share with Hanison or any other prospective tenderer) and other factors such as (i) the anticipated average construction costs per square metre for a range of standards and styles of residential and non-residential developments of the HKRI Group in terms of certified amount of work done; (ii) the estimated adjusted success rate of the Hanison Group tendering for the Construction Transactions, based upon the historical tendering success rate and participation rate of the Hanison Group over the past six years; (iii) a contingency for possible projects not yet identified for working out the annual caps for the moment; (iv) a buffer in respect of projected projects to allow for further upward adjustment in estimated certified sum in relevant years, whether because of acceleration or alteration of construction or delivery schedules which are not within HKRI's control; and (v) the estimated value of the Construction Transactions to be settled for existing contracts awarded to the Hanison Group up to the year ending 31 March 2013.

The annual caps, as determined by HKRI, have been reviewed and considered by Hanison, which (although not having the benefit of knowing HKRI's planned development schedule) has determined them to be fair and reasonable based upon the aforementioned basis of calculation.

The annual caps in respect of Renovation Transactions are based upon (i) the estimated average cost of renovation work; (ii) estimated Renovation Projects for the three financial years ending 31 March 2016; and (iii) a contingency for possible additional renovation works.

---

## LETTER FROM THE BOARD

---

### Particulars of Past Continuing Connected Transactions

Shareholders of HKRI and Hanison are reminded that the annual caps approved by the HKRI Independent Shareholders and the Hanison Independent Shareholders in March 2010 and the actual values on the aggregate turnover paid and/or payable by the HKRI Group to the Hanison Group in respect of the Construction Transactions and the Renovation Transactions over the three financial years ending 31 March 2013 were:

#### *Construction Transactions*

<b>Financial Year</b>	<b>Annual Cap</b>	<b>Total Transaction Value</b>
1 April 2010 – 31 March 2011	HK\$600 million	HK\$192 million
1 April 2011 – 31 March 2012	HK\$400 million	HK\$242 million
1 April 2012 – 31 March 2013	HK\$400 million	HK\$103 million <sup>note</sup>

#### *Renovation Transactions*

<b>Financial Year</b>	<b>Annual Cap</b>	<b>Total Transaction Value</b>
1 April 2010 – 31 March 2011	HK\$50 million	HK\$59,000
1 April 2011 – 31 March 2012	HK\$50 million	HK\$3,000
1 April 2012 – 31 March 2013	HK\$50 million	Nil <sup>note</sup>

*Note:* Being the total transaction value of the Construction Transactions and the Renovation Transactions made up to 31 December 2012.

---

## LETTER FROM THE BOARD

---

### **Reasons for and Benefits of the Agreement**

The principal business activity of HKRI is investment holding. Its subsidiaries are principally engaged in property development, property investment, property management and related services, hotel and hospitality businesses and healthcare services.

The principal business activity of Hanison is investment holding. Its subsidiaries are principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products.

The commissioning of the Services and the provisioning of the Services represent activities within the ordinary and usual course of business of the HKRI Group and the Hanison Group respectively. Moreover, the Agreement provides the basic framework for future transactions for each of the HKRI Group and the Hanison Group and which each regards as being essential to the continued operation and growth of their respective businesses.

### **Opinions of the Directors**

Members of the Board are of the opinion that the Agreement represents business that is in the ordinary and usual course for the Company. They are also of the opinion that the Agreement reflects normal commercial terms that are arm's length and fair and reasonable so far as its shareholders are concerned and is in the interests of the Company and its shareholders as a whole.

### **Listing Rules Implications**

HKRI, together with its wholly-owned subsidiary, holds approximately 49% of the issued share capital of Hanison, and is, therefore, a substantial shareholder and a connected person of Hanison. Accordingly, the Agreement represents a continuing connected transaction for Hanison and is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

---

## LETTER FROM THE BOARD

---

Moreover, as Hanison is an associate of the Controlling Shareholders of HKRI who, between them, are directly or indirectly interested in more than 30% of Hanison (including, for this purpose, their interests in Hanison held indirectly through HKRI), Hanison is a connected person of HKRI. Accordingly, the Agreement represents a continuing connected transaction for HKRI and is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

The Controlling Shareholders and their respective associates (if any) will abstain from voting at HKRI EGM on the underlying resolution. In addition, HKRI, together with its wholly-owned subsidiary, the Controlling Shareholders and their respective associates (who together hold in aggregate approximately 72.82% of the issued share capital of the Company) will abstain from voting at the Hanison EGM on the underlying resolution.

Mr. CHA Mou Sing Payson, Mr. CHA Mou Daid Johnson and Mr. CHA Yiu Chung Benjamin, who are all non-executive directors of the Company, are also directors of HKRI. They are therefore considered to have a material interest in the Agreement and the Continuing Connected Transactions and abstained from voting on the relevant board resolutions in respect of the Agreement and the Continuing Connected Transactions. Save as disclosed above, none of the Directors have a material interest in the Continuing Connected Transactions or in the Agreement and no other Director is required to abstain from voting on the relevant board resolutions.

### **General**

Shareholders of HKRI and Hanison should note that, apart from the existing construction and renovation contracts, the Construction Transactions and the Renovation Transactions have yet to be entered into, and may ultimately not materialise. In particular, the Construction Transactions may not arise, for example, because HKRI awards the relevant tenders to other contractors or because the HKRI Independent Shareholders and/or the Hanison Independent Shareholders do not give their consent to HKRI and/or Hanison respectively for entering into the Agreement and the transactions contemplated thereunder. Accordingly, shareholders of HKRI and Hanison and other investors are advised to exercise caution when dealing in the securities of HKRI and/or Hanison.

---

## LETTER FROM THE BOARD

---

### THE EGM

The EGM Notice is set out on pages 45 to 47 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.

Pursuant to Rule 13.39(4) of the Listing Rules and article 80 of the Articles, the votes of Shareholders in respect of the resolution to approve the Bonus Issue and, of the Independent Shareholders in respect of the resolution to approve the Agreement (including the respective annual caps for the Construction Transactions and Renovation Transactions) and the transactions contemplated thereunder, 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.

As stated in the joint announcement of the Company and HKRI dated 20 December 2012, the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder is subject also to the approval by HKRI Independent Shareholders at its extraordinary general meeting and therefore an announcement on the relevant results will be made by HKRI as soon as practicable after the conclusion its extraordinary general meeting, in compliance with the requirements of the Listing Rules.

---

## LETTER FROM THE BOARD

---

### ADDITIONAL INFORMATION

#### **Bonus Issue**

The Directors consider that Bonus Issue is in the best interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM in respect thereof.

#### **Continuing Connected Transactions**

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 Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) 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 Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) 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 Agreement and the Continuing Connected Transactions and the advice given by Bridge Partners and recommends the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM in respect thereof.

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

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---



**興勝創建控股有限公司**

**HANISON CONSTRUCTION HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 896)

15 January 2013

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
FOR  
CONSTRUCTION TRANSACTIONS AND RENOVATION TRANSACTIONS  
WITH THE HKRI GROUP**

**INTRODUCTION**

Reference is made to the circular dated 15 January 2013 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 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 Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder so far as the Independent Shareholders are concerned.

The terms of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder are summarised in the section headed “Letter from the Board” set out on pages 8 to 21 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 24 to 37 of the circular. As referred to in the section headed “Letter from the Board”, HKRI, the Controlling Shareholders



---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

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 Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder. Pursuant to rule 13.39(4) of the Listing Rules and article 80 of the Articles, the votes of the Independent Shareholders at the EGM will be taken by poll.

### RECOMMENDATION

The Independent Board Committee has met with the management of the Company to discuss the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) 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 Agreement (including the respective annual caps) in respect of the Construction Transactions and the Renovation Transactions are on normal commercial terms and in the ordinary and usual course of business of the Hanison Group. The Independent Board Committee is of further opinion that the terms of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole and 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 45 to 47 of the circular, for approving and ratifying the terms of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder and authorising the directors of the Company to enter into and implement the terms of the 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 relating to the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder 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

15 January 2013

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

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS FOR CONSTRUCTION TRANSACTIONS AND RENOVATION TRANSACTIONS WITH THE HKRI GROUP**

#### **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 Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the circular of the Company dated 15 January 2013 (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.

---

## LETTER FROM BRIDGE PARTNERS

---

HKRI, together with its wholly-owned subsidiary, holds approximately 49% of the issued share capital of the Company, and is, therefore, a substantial shareholder and a connected person of the Company. Accordingly, the Agreement entered between HKRI and the Company represents a continuing connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules. HKRI together with its wholly-owned subsidiary, the Controlling Shareholders and their respective associates will abstain from voting at the EGM on the underlying resolution.

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 recommendations to the Independent Shareholders as to whether the terms of the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned.

### **BASIS OF OUR OPINION**

In arriving at our opinion and recommendation, we have relied on the information supplied and the opinion and representations expressed by the Directors and the management of the Company. We have reviewed, among others, (i) the tendering documents prepared by Hanison Group both for submitting to the HKRI Group and to independent third parties, (ii) the annual report of the Company for the year ended 31 March 2012 ("Company's Annual Report") and the annual report of HKRI for the year ended 31 March 2012 ("HKRI Annual Report") and (iii) invoices billed to both the HKRI Group and the independent third parties. We have assumed that all statements of belief and intention made by the Directors in the Circular were made after due enquiries and careful consideration. We have also 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, any of their respective subsidiaries or associates, the Directors and 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, accurate and complete up to and including the date of the EGM. We consider that we have been provided with sufficient information to form a reasonable basis of our opinion. 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 which have been provided to us or contained in the Circular.

---

## LETTER FROM BRIDGE PARTNERS

---

We have not, however, carried out any independent verification on the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, HKRI, or their subsidiaries or associated companies, nor have we considered the taxation implication on the Hanison Group or the Shareholders as a result of the Construction Transactions and the Renovation Transactions.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Continuing Connected Transactions 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 with regard to the Continuing Connected Transactions, we have taken the following principal factors and reasons into consideration:

#### **(A) Background, reasons for and benefits of entering into the Agreement**

The principal business activity of Hanison is investment holding. Its subsidiaries are principally engaged in construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products. The principal business activity of HKRI is investment holding. Its subsidiaries are principally engaged in property development, property investment, property management and related services, hotel and hospitality businesses and healthcare services.

As stated in the “Letter from the Board”, HKRI and the Company have entered into the Agreement to provide a framework for governing the outline terms upon which members of the HKRI Group and members of the Hanison Group propose to engage in the Construction Transactions and the Renovation Transactions during the three financial years ending 31 March 2016.

---

## LETTER FROM BRIDGE PARTNERS

---

The Agreement represents a framework agreement pursuant to which it is envisaged by the parties that members of the Hanison Group will provide the Services to members of the HKRI Group in relation to all Construction Projects which form the subject of the Construction Transactions entered into between the members of the HKRI Group and members of the Hanison Group, and all Renovation Projects which form the subject of Renovation Transactions entered into between members of the HKRI Group and members of the Hanison Group. Services to be provided from time to time by members of the Hanison Group to members of the HKRI Group include construction, interior and renovation, maintenance and related services including the provision of services as main contractor and sub-contractor for a variety of works including superstructure, foundation, infrastructure facilities, maintenance construction renovation and interior decoration.

In addition, given that the Services are an integral part of the principal businesses of the Hanison Group, we concur with the Directors' view that the Agreement provides the basic framework for Hanison Group's future transactions and is essential to the continued operation and growth of its business.

Therefore, we are of the view that the entering into the Agreement is in the ordinary and usual course of business of the Hanison Group, and in the interests of the Hanison Group and the Shareholders as a whole.

### **(B) Major terms of the Agreement**

The principal terms of the Agreement are summarized as follows:

- i) the Agreement shall take effect from 1 April 2013 to 31 March 2016. The parties agree to, prior to 31 March 2016 and subject to compliance with the Listing Rules and all applicable laws, to seek the approval of the HKRI Independent Shareholders and the Independent Shareholders to renew the Agreement for a further term of three years or to enter into a new agreement substantially in the same form as the Agreement;
- ii) relevant members of the HKRI Group and relevant members of the Hanison Group will enter into subsidiary agreements ("Subsidiary Agreements") covering the Construction Transactions and the Renovation Transactions envisaged under the Agreement, of which each Subsidiary Agreement will set out the particulars and the terms upon which particular services will be rendered by the Hanison Group to the HKRI Group;

---

## LETTER FROM BRIDGE PARTNERS

---

- iii) the terms of each Subsidiary Agreement must comply with the terms of the Agreement and the relevant requirements under the Listing Rules; and
- iv) each Subsidiary Agreement entered into pursuant to the Agreement, unless the Agreement is renewed, shall terminate, or be deemed to have been terminated, upon the termination of the Agreement.

As stated in the Letter from the Board, the Construction Transactions and the Renovation Transactions to be entered into by the HKRI Group and the Hanison Group must be on normal commercial terms or terms no less favorable to the HKRI Group than those offered by the Hanison Group to independent third parties. The calculation of the contract sum of the Subsidiary Agreements to be made shall be determined by reference to the size, nature and anticipated duration of the projects, the location, complexity of work and sub-contractors' costs as well as any other material factors agreed on a project by project basis. Payment of contract sum is effected in stages based on certified amount of work done with reference to level of work completed.

According to the Agreement, HKRI agrees that the Company or any member of the Hanison Group shall be entitled to submit tenders for some or all Construction Projects and any tenders so submitted will be given due and fair consideration in the context of all other tenders received by the HKRI Group.

In relation to the properties owned, operated or managed from time to time by members of the HKRI Group, HKRI proposes to engage (or procure members of the HKRI Group to engage) the Company (or members of the Hanison Group) to provide services on the Renovation Projects, and the Company is willing to provide or procure members of the Hanison Group to provide services on such Renovation Projects from time to time.

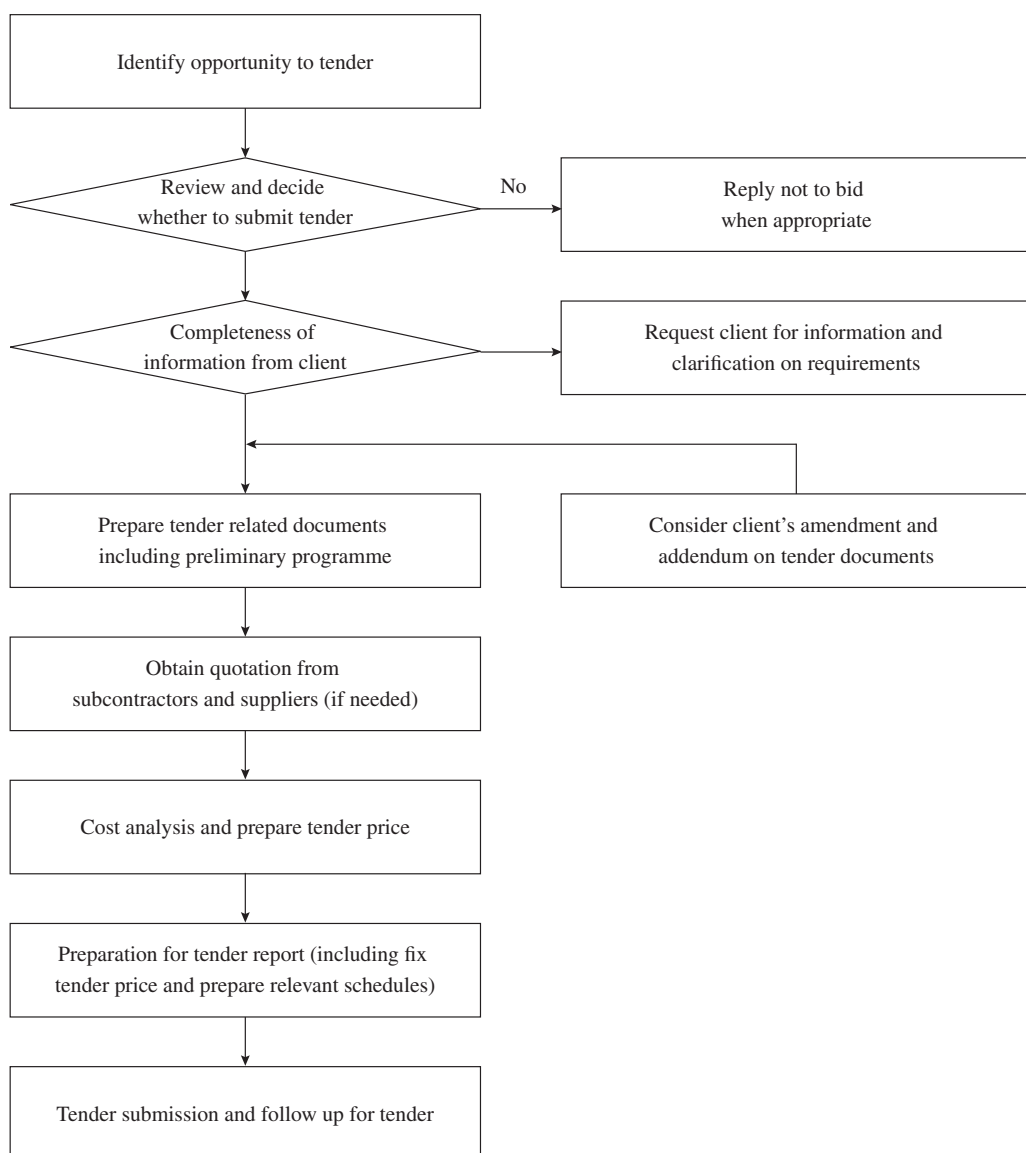
On the basis of the Agreement alone, the Company shall not be compelled to submit tenders for any Construction Projects or Renovation Projects, nor will HKRI be compelled to select the Company in respect of any Construction Projects or Renovation Projects.

---

## LETTER FROM BRIDGE PARTNERS

---

As advised by the Company, Hanison Group's construction contracts are generally awarded through tenders. For public sector works, some tenders are available for submission by invitation from clients and some invitations to tender are advertised in the Hong Kong government gazette and are open to the approved contractors. In the case of private sector works, tenders are usually submitted by invitations from clients. To form our view on whether the pricing basis of the Continuing Connected Transactions is fair and reasonable, we have discussed with the management of the Hanison Group about its tender submission process. The tender submission process ("Tender Submission Process") for the Hanison Group is set out as follows:



---

## LETTER FROM BRIDGE PARTNERS

---

As advised by the management of the Hanison Group, after the Hanison Group has received an invitation from a client to participate in a tender for construction work or has identified an open tender, the Hanison Group will have an initial assessment on the tender documents, including but not limited to, terms and conditions of the tender, scale, complication and nature of the job, expected completion time, technical requirements and client's expectation (the "Job Criteria"). The Hanison Group will also perform site inspection and risk assessment before the tender document is prepared. The management of the Hanison Group confirmed that there is no major difference in the Tender Submission Process between the tender invitations from the HKRI Group or from the outside independent third parties. The Hanison Group does not and will not provide any preferential pricing to the HKRI Group in respect of any Construction Projects, and the pricing is determined based on the Job Criteria.

As further advised by the management of the Hanison Group, the Hanison Group has to go through the selection process of the HKRI Group to obtain construction contracts from the HKRI Group and no priority will be given to the Hanison Group. The pricing of the Construction Transactions has to go through a bidding process, which is determined based on normal commercial terms and similar to those comparable services provided by the Hanison Group to other independent third parties.

Having considered the above, we are of the view that the major terms of the Agreement are normal commercial terms, fair and reasonable so far as the Company and the Shareholders are concerned.



---

## LETTER FROM BRIDGE PARTNERS

---

### (C) Annual Caps

#### *i) The proposed new annual caps in respect of the Construction Transactions (the “Proposed New Construction Transactions Annual Caps”)*

Set out below are the details of (i) the historical transaction amounts in relation to the Construction Projects for each of the financial years ended 31 March 2011 and 31 March 2012 and the nine months ended 31 December 2012; (ii) the previously approved annual caps under the Existing Construction and Renovation Framework Agreement; and (iii) the Proposed New Construction Transactions Annual Caps (in terms of certified amount of work done) for each of the financial years ending 31 March 2014, 31 March 2015 and 31 March 2016:

Historical transaction amounts in relation to the Construction Projects			Previously approved annual caps under the Existing Construction and Renovation Framework Agreement			Proposed New Construction Transactions Annual caps (in terms of revenue recognition)		
For the financial year ended 31 March		For the nine months ended 31 December	For the financial year ended/ending 31 March			For the financial year ending 31 March		
2011	2012	2012	2011	2012	2013	2014	2015	2016
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
192,000	242,000	103,000	600,000	400,000	400,000	320,000	430,000	610,000

According to the “Letter from the Board”, the Proposed New Construction Transactions Annual Caps were, in the first instance, determined and proposed by HKRI, based upon its own confidential assumptions as to its anticipated development plans for the three years ending 31 March 2016 and other factors, including:

- i. the anticipated average construction costs per square metre for a range of standards and styles of residential and non-residential developments of the HKRI Group in terms of certified amount of work done;
- ii. the estimated adjusted success rate of the Hanison Group tendering for the Construction Transactions, based upon its historical tendering success rate and participation rate of the Hanison Group over the past six years;
- iii. a contingency for possible projects not yet identified for working out the annual caps for the moment;

---

## LETTER FROM BRIDGE PARTNERS

---

- iv. a buffer in respect of projected projects to allow for further upward adjustment in estimated certified sum in relevant years, whether because of acceleration or alteration of construction or delivery schedules which are not within HKRI's control; and
- v. the estimated value of the Construction Transactions to be settled for existing contracts awarded to the Hanison Group up to the year ending 31 March 2013.

We noted that the Proposed New Construction Transactions Annual Caps represent an increment as compared to the historical transaction amounts for each of the financial years ended 31 March 2011 and 31 March 2012. Each of the Proposed New Construction Transactions Annual Caps for the years ending 31 March 2014, 31 March 2015 and 31 March 2016 represents approximately 166.67%, 223.96% and 317.71% respectively of the historical transaction amounts for the financial year ended 31 March 2011 and approximately 132.23%, 177.69% and 252.07% respectively of the historical transaction amounts for the financial year ended 31 March 2012.

According to our understanding, the total estimated contract value is the product of the estimated construction unit cost and the expected gross floor area of each Construction Project (based on their own confidential assumptions as to its anticipated development plans for the three years ending 31 March 2016). The basis for determining the Proposed New Construction Transactions Annual Caps for the financial year ending 31 March 2014 has also taken into account the outstanding balance of the Construction Transactions which have been secured from previous years but have not yet completed. The Directors anticipate that the outstanding balance of the existing Construction Transactions carried forward from the previous years will be recognised by the Company in the future financial years. Taking into account the anticipated progress of the various development plans of HKRI, the Proposed New Construction Transactions Annual Caps are set at different amounts for each of the years ending 31 March 2014, 31 March 2015 and 31 March 2016.

---

## LETTER FROM BRIDGE PARTNERS

---

According to the HKRI Annual Report, the HKRI Group has a strong land bank in Hong Kong. The HKRI Group acquired a piece of government land with a site area of freehold land of approximately 18,600 square feet in Sai Kung for residential development in October 2011. The residential project in Sai Kung is under active planning and it is expected that site formation work will commence in 2013. HKRI Group also acquired a seven-storey industrial building in Tsuen Wan in October 2010. The industrial building has been demolished and HKRI plans to rebuild it into a new industrial building with an area of approximately 93,600 square feet or 180 units which is projected for completion in 2014.

In addition, according to the interim report of the HKRI Group for the six months ended 30 September 2012, HKRI Group plans to maximise the potential value of CDW Building under the Hong Kong Government's special waiver for conversion of the entire existing industrial building. HKRI Group is in the preliminary stage of consideration in converting (without demolishing) the CDW Building into full scale of commercial use in the near future.

Furthermore, the HKRI Group has maintained a land bank in which it proposes to develop over time, including the intended remaining phases at Discovery Bay, Lantau Island, New Territories. The Directors anticipate that the HKRI Group may further develop the areas at Discovery Bay, including but not limited to, commencement of various residential, commercial, school and recreational projects. In view of the strong land reserves of the HKRI Group and the anticipated development plans of the HKRI Group, the Directors estimate that the contract value of the Construction Projects from the HKRI Group for the forthcoming years will increase to a large extent.

In view of the fact that (i) the Hanison Group has been undertaking various Construction Projects for the HKRI Group under existing construction contracts relating to development projects at Discovery Bay and the historical transactions have been smoothly and properly executed, and (ii) the Directors estimate that the contract value of the Construction Projects from the HKRI Group in the forthcoming years will increase to a large extent, we concur with the Directors' view that the increase in the Proposed New Construction Transactions Annual Caps allows the Hanison Group to undertake more Construction Projects from the HKRI Group for the financial years ending 31 March 2014, 31 March 2015 and 31 March 2016. To provide reasonable flexibility, the HKRI Group also provided and built in a contingency for possible projects that are not yet identified in determining the Proposed New Construction Transactions Annual Caps and a buffer in respect of the projected projects in order to allow for further upward adjustment in the estimated certified sum in the relevant years, whether because of acceleration or alteration of construction or delivery schedules which are not within HKRI's control.

---

## LETTER FROM BRIDGE PARTNERS

---

Taking into consideration the above factors, we are of the opinion that the Proposed New Construction Transactions Annual Caps (including the basis to determine the Proposed New Construction Transactions Annual Caps) are fair and reasonable so far as the Shareholders are concerned.

***ii) The proposed new annual caps in respect of the Renovation Transactions (“Proposed New Renovation Transactions Annual Caps”)***

Set out below are the details of (i) the historical transaction amounts in relation to the Renovation Projects for each of the financial years ended 31 March 2011 and 31 March 2012 and the nine months ended 31 December 2012; (ii) the previously approved annual caps under the Existing Construction and Renovation Services Framework Agreement; and (iii) the Proposed New Renovation Transactions Annual Caps (in terms of certified or agreed amount of work done) for each of the financial years ending 31 March 2014, 31 March 2015 and 31 March 2016:

Historical transaction amounts in relation to the Renovation Projects			Previously approved annual caps under the Existing Construction and Renovation Services Framework Agreement			Proposed New Renovation Services Annual caps (in terms of revenue recognition)		
For the financial year ended 31 March		For the nine months ended 31 December	For the financial year ended/ending 31 March			For the financial year ending 31 March		
2011	2012	2012	2011	2012	2013	2014	2015	2016
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
59	3	Nil	50,000	50,000	50,000	50,000	50,000	50,000

According to the Letter from the Board, the Proposed New Renovation Transactions Annual Caps are based upon (i) the estimated average cost of renovation work; (ii) estimated Renovation Projects for the financial years ending 31 March 2014, 31 March 2015, and 31 March 2016; and (iii) a contingency for possible additional renovation works.

---

## LETTER FROM BRIDGE PARTNERS

---

According to the above table, the actual historical amounts for the Renovation Transactions for the financial years ended 31 March 2011 and 2012 were only HK\$59,000 and HK\$3,000 respectively, representing approximately 0.12% and 0.01% of the approved annual caps for the respective financial years ended 31 March 2011 and 31 March 2012 respectively. The Proposed New Renovation Transactions Annual Caps will be maintained at HK\$50 million for each of the financial years ending 31 March 2014, 31 March 2015 and 31 March 2016 and is determined with reference to the internal estimation from the HKRI Group for the costs and work in progress in relation to the Renovation Transactions. As advised by the management of the Hanison Group, renovation works (usually involve repair and maintenance works) are from time to time requested by the HKRI Group. The pricing of the Renovation Transactions would be determined based on normal commercial terms and similar to those comparable services offered to other independent third parties. The Hanison Group does not and will not provide any preferential pricing to the HKRI Group in respect of the Renovation Projects. We have reviewed the invoices as billed to both of the HKRI Group and the independent third parties for the similar types of renovation works performed by the Hanison Group and we concur with the view of the Company that the pricing and terms of the Renovation Transactions with the HKRI Group are comparable to those provided to the independent third parties.

In view of certain sizable properties held by the HKRI Group, for example, shopping malls and residential at Discovery Bay and office buildings in Tsuen Wan and Cheung Sha Wan, may need maintenance services in the coming years, the management of the Company believes that there may be more Renovation Transactions to be commissioned by the HKRI Group in the coming years for new property development projects and existing properties that have renovation needs. The Directors also believe that the Proposed New Renovation Transactions Annual Caps will provide the Hanison Group with additional room to take part in the increasing number of Renovation Projects of the HKRI Group.

---

## LETTER FROM BRIDGE PARTNERS

---

In the event that smaller amounts of the annual caps were set and the Hanison Group is requested upon by the HKRI Group on any sizable Renovation Projects that exceed the annual caps, the Hanison Group may fail to capture timely business opportunities as a result of obtaining the Independent Shareholders' approval on revision of annual caps. On the other hand, given that the underlying renovation works in determining the Proposed New Renovation Transactions Annual Caps are confidential information of HKRI, it is impossible for the Company, with limited information available, to precisely determine the actual value of the renovation work to be performed by the Company for the HKRI Group each year. Therefore, in view of the basis for determining the Proposed New Renovation Transactions Annual Caps are reasonable so far as the Shareholders are concerned and the potential business opportunities are in the interest of the Company and Shareholders as a whole, we consider that the Proposed New Renovation Transactions Annual Caps are fair and reasonable so far as the Shareholders are concerned.

Independent Shareholders should note that Proposed New Construction Transactions Annual Caps and Proposed New Renovation Transactions Annual Caps are determined and proposed by HKRI, based on its own confidential assumptions as to its anticipated development plans for the three years ending 31 March 2016 and other factors stated above which may or may not materialise. The Proposed New Construction Transactions Annual Caps and Proposed New Renovation Transactions Annual Caps also do not represent forecasts of revenue to be generated from the operations of the Hanison Group. Consequently, we express no opinion as to how closely the actual amounts to be received by the Hanison Group will correspond with the Proposed New Construction Transactions Annual Caps or the Proposed New Renovation Transactions Annual Caps.

**(D) Re-approval is required if the values exceed the Proposed New Construction Transactions Annual Caps or Proposed New Renovation Transactions Annual Caps**

In the event that the total value of the Construction Transactions or Renovation Transactions exceed the relevant amounts set out above for any year, such transactions and their total values will be subject to review and re-approval by the independent shareholders of HKRI and the Independent Shareholders as the case may be at the next following annual general meeting (or at extraordinary general meeting of the Company convened for this specific purpose).

---

## LETTER FROM BRIDGE PARTNERS

---

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Agreement is on normal commercial terms and the entering into the Agreement is in the ordinary and usual course of business of the Hanison Group. We are also of the view the Agreement (including the respective annual caps for the Construction Transactions and the Renovation Transactions) and the transactions contemplated thereunder is fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the upcoming EGM to approve the Agreement (including the Proposed New Construction Transactions Annual Caps and the Proposed New Renovation Transactions Annual Caps) and the transactions contemplated thereunder.

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

## 1. RESPONSIBILITY STATEMENT

This circular, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular 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				Approximate percentage of issued share capital
		Personal interests	Corporate interests	Other interests	Total	
Cha Mou Sing, Payson	(1) Beneficial owner; (2) Interest of controlled corporation; and (3) Beneficiary of discretionary trusts	668,830	563,877 (Note 1)	107,836,435 (Note 2)	109,069,142	22.37%
Cha Mou Daid, Johnson	Beneficiary of discretionary trusts	–	–	107,150,200 (Note 2)	107,150,200	21.98%
Cha Yiu Chung, Benjamin	Beneficiary of discretionary trusts	–	–	105,150,973 (Note 2)	105,150,973	21.57%
Wong Sue Toa, Stewart	(1) Beneficial owner; and (2) Interest of controlled corporation	4,090,260	3,106,164 (Note 3)	–	7,196,424	1.48%
Tai Sai Ho	Beneficial owner	414,562	–	–	414,562	0.09%



*Notes:*

- (1) The shares are held by Accomplished Investments Ltd., in which the relevant director is deemed to be interested by virtue of Part XV of the SFO.
- (2) These shares are held under certain but not identical discretionary trusts, of which Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin are among the members of the class of discretionary beneficiaries.
- (3) Mr. Wong Sue Toa, Stewart's corporate interests in the Company arise from the fact that he owns 50% of the share capital of Executive Plaza Limited, which holds 3,106,164 shares of the Company.

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

**(b) Substantial Shareholders' Interests**

So far as is known to each director or the chief executive of the Company, as at the Latest Practicable Date, the following persons, other than a director or the chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions

2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

*Long positions in the Shares*

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

*Notes:*

- (a) Great Wisdom is a wholly owned subsidiary of HKRI and therefore HKRI is deemed to be interested in the 238,904,243 shares held by Great Wisdom in accordance with the SFO. Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being directors of the Company, are also directors of HKRI.
- (b) These share interests comprise 94,075,085 shares directly held by CCM Trust, 238,904,552 shares indirectly held through HKRI. As CCM Trust controls more than one-third of the share capital of HKRI (held as to approximately 41.48% by CCM Trust), it is deemed to be interested in the respective share interests of this company. CCM Trust is holding these shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alia, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the directors of the Company) are among the discretionary objects. Mr. Cha Mou Sing, Payson is also a director of CCM Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the directors or the chief executive of the Company was aware of any other person, other than a director or the chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### 3. DIRECTORS' INTERESTS

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

### 4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

Name of director <i>(Note i)</i>	Name of company	Nature of interest	Competing business <i>(Note ii)</i>
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

*Notes:*

- (i) Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin are non-executive directors of the Company, who are not involved in the daily management of the Group. Accordingly, the Company is capable of carrying its business independently of, and at arms-length from the above mentioned competing business.
- (ii) Such businesses may be made through subsidiaries, affiliated companies or by way of other forms of investments.

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

## 5. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group, except the legal actions in respect of allegations of copyright infringement and defamation taken during the financial year ended 31 March 2004 against certain subsidiaries of the Company carrying on health products business. No further steps have been taken against the Group in respect of such actions after the court hearing for directions to appoint experts and exchange witness statements took place in 2004. The Directors are of the opinion that in view of the uncertainty it is not practicable to assess the financial effect.

**6. MATERIAL ADVERSE CHANGE**

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

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

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

<b>Name</b>	<b>Qualification</b>
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.

As at the Latest Practicable Date,

- (a) Bridge Partners 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.
- (b) Bridge Partners did not have any interest, direct or indirect, in any assets which have been, since 31 March 2012 (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.
- (c) Bridge Partners has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name included herein in the form and context in which it appears.

**8. GENERAL**

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

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

## **9. MATERIAL CONTRACTS**

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

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (a) the memorandum of association and bye-laws of the Company;
- (b) the 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 written consent referred to in the paragraph headed "Qualification and Consent of Expert and Expert's Interests" in this appendix; and
- (f) this circular.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---



### 興勝創建控股有限公司

## HANISON CONSTRUCTION HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 896)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting 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 Friday, 1 February 2013 at 3:00 p.m. for the purposes of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. **“THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (A) of this resolution):
  - (A) upon the recommendation of the directors of the company (the “**Directors**”), the approximate sum of HK\$4,875,596.70 standing to the credit of the share premium account of the Company be capitalised in accordance with Article 142 of the Company’s Articles of Association and the Directors be and are hereby authorised to apply such sum in paying up in full at par approximately 48,755,967 new shares of HK\$0.10 each in the capital of the Company (“**Bonus Shares**”) to be allotted and issued as fully paid to the shareholders of the Company whose names appear on the register of members of the Company as at the close of business on 13 February 2013, on the basis of 1 Bonus Share for every 10 existing shares of the Company then held by them respectively;
  - (B) the Bonus Shares to be issued shall, subject to Memorandum and Articles of Association of the Company, rank pari passu in all respects with the existing issued shares of the Company;

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (C) no fractional Bonus Shares shall be allotted and issued as aforesaid, but the fractional entitlements will be disposed of for the benefit of the Company; and
- (D) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares.”

2. **“THAT:**

- (A) the construction and renovation services framework agreement dated 20 December 2012 entered into between the Company and HKR International Limited (the **“Agreement”**), in respect of which a copy of the circular dated 15 January 2013 (the **“Circular”**) marked “A” and a copy of the Agreement marked “B” have 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 **“Continuing Connected Transactions”**) be and are hereby approved, ratified and confirmed;
- (B) the annual caps (as defined in the Circular) in relation to the Continuing Connected Transactions be and are hereby approved, ratified and confirmed; and
- (C) any one director of the Company be and is hereby authorised 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 Continuing Connected Transactions.”

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

Hong Kong, 15 January 2013



---

## 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 Register 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 2:30 p.m. on Friday, 1 February, 2013. 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.