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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, 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, together with the enclosed form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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
Mr Shen Tai Hing
Dr Sun Tai Lun **

* *Non-executive Director*

** *Independent Non-executive Director*

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3 July 2003

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION AND
NOTICE OF ANNUAL GENERAL MEETING**

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the last annual general meeting of the Company held on 2 August 2002, a general mandate was given to the Directors to exercise the power of the Company to issue shares of HK\$0.10 each of the Company ("Shares"). Such mandate will lapse at the conclusion of the forthcoming annual general

meeting to be held on 31 July 2003 (“AGM”). It is therefore proposed to seek your approval of the ordinary resolutions No. 5(A) and 5(C) as set out in the notice of the AGM to give a fresh general mandate to the Directors to exercise the power of the Company to allot, issue and deal with additional Shares not exceeding the sum of 20% of the issued share capital of the Company at the date of the resolution and the nominal amount of any Shares repurchased by the Company up to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution.

Concerning ordinary resolutions No. 5(A) and 5(C), the Directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the shareholders as a general mandate for the purposes of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 2 August 2002, a general mandate was given to the Directors to exercise the power of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. It is therefore proposed to seek your approval of the ordinary resolution No. 5(B) as set out in the notice of the AGM to give a fresh general mandate to the Directors to exercise the power of the Company to repurchase Shares (the “Repurchase Mandate”).

An explanatory statement, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide requisite information to you for your consideration of the Repurchase Mandate, is set out in Appendix I to this circular.

PROPOSED AMENDMENT TO THE ARTICLES

In the existing Articles of Association of the Company, the definition of “recognised clearing house” makes reference to the Securities and Futures (Clearing Houses) Ordinance. Since the Securities and Futures (Clearing Houses) Ordinance was repealed by the Securities and Futures Ordinance with effect from 1 April 2003, it is therefore proposed to seek your approval of the special resolution No. 6 as set out in the Notice of the AGM to make corresponding amendment to the Company’s Articles of Association. The Directors are of the view that such amendment to the Articles of Association of the Company is necessary for administrative purposes.

FORMS OF PROXY

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that the proposed general mandate to issue new Shares, the proposed Repurchase Mandate and the proposed amendment to the Company’s Articles of Association are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions and the special resolution to be proposed at the AGM.

Yours faithfully,
Cha Mou Sing, Payson
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

SHARE CAPITAL

As at 3 July 2003 (the latest practicable date prior to the printing of this circular), the issued share capital of the Company comprised 283,671,086 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 28,367,108 Shares.

REASONS FOR REPURCHASES

The Directors of the Company believe that the proposed granting of the Repurchase Mandate is in the interests of the Company and its shareholders. While it is not possible to anticipate in advance any specific circumstances in which the Directors of the Company might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per share and/or its earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors of the Company believe that such repurchases will benefit the Company and its shareholders. At present, the Directors of the Company have no intention to repurchase any of the Shares in the Company.

FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose in accordance with the Articles of Association of the Company and the applicable laws of the Cayman Islands. Any repurchases by the Company may be made out of capital paid up on the Shares to be repurchased, funds of the Company which would otherwise be available for dividend or distribution or out of an issue of new Shares made for the purpose of the repurchase and, in the case of any premium payable on the repurchase out of the funds of the Company which would otherwise be available for dividend or distribution or from sums standing to the credit of the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 March 2003) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares of the Company have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Price per share	
	Highest HK\$	Lowest HK\$
2002		
July	0.410	0.250
August	0.300	0.245
September	0.290	0.245
October	0.285	0.240
November	0.390	0.260
December	0.360	0.270
2003		
January	0.330	0.265
February	0.320	0.250
March	0.275	0.235
April	0.240	0.190
May	0.300	0.195
June	0.405	0.250

UNDERTAKING

The Directors of the Company have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association of the Company and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have any present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders of the Company.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors do not intend to exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate to the extent that it would render the aggregate amount of the issued share capital of the Company in the public hands to less than 25%.

SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of printing of this document.



HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hanison Construction Holdings Limited (the “Company”) will be held at Pheasant Room, 1st Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 31 July 2003 at 11:00 a.m. for the purpose of transacting the following businesses:–

Ordinary business

1. To consider and adopt the audited Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 31 March 2003.
2. To declare a final dividend for the year ended 31 March 2003.
3. To re-elect Directors in place of those retiring.
4. To re-appoint Auditors for the ensuing year and to authorise the Directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:–

(A) “**THAT**:–

- (i) subject to paragraph (iii) below and all applicable laws, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional shares in the share capital of the Company and to make, issue, or grant offers, agreements, options, warrants and other securities including but not limited to bonds, debentures and notes convertible into shares in the Company, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the Directors of the Company during the Relevant Period to make, issue or grant offers, agreements or options, warrants and other securities, which would or might require the exercise of such powers after the end of the Relevant Period;

(iii) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to or in consequence of:–

(a) a Rights Issue (as hereinafter defined); or

(b) an issue of ordinary shares in the Company under any option scheme or similar arrangement for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of ordinary shares in the Company or rights to acquire ordinary shares in the Company; or

(c) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of whole or part of a dividend on shares in the Company in accordance with the Articles of Association of the Company from time to time,

shall not exceed the aggregate of:–

(aa) twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution 5(A); and

(bb) (if the Directors of the Company are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution 5(A) (up to a maximum equivalent to ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution 5(A)),

and the said approval shall be limited accordingly; and

(iv) for the purpose of this Resolution 5(A):–

“Relevant Period” means the period from (and including) the date of passing of this Resolution 5(A) until whichever is the earliest of:–

(a) the conclusion of the next Annual General Meeting of the Company;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any other applicable laws to be held; and

- (c) the revocation, variation or renewal of this Resolution 5(A) by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Directors of the Company to holders of shares in the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside Hong Kong).”

(B) “THAT:–

- (i) subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or repurchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the shares which may be purchased or repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (i) above shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution 5(B), and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution 5(B):–

“Relevant Period” means the period from (and including) the date of passing of this Resolution 5(B) until whichever is the earliest of:–

- (a) the conclusion of the next Annual General Meeting of the Company;
- (b) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any other applicable laws to be held; and
- (c) the revocation, variation or renewal of this Resolution 5(B) by an ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “THAT, conditional upon the passing of the above Resolutions 5(A) and 5(B), the Directors of the Company be and are hereby authorized to exercise the powers referred to in paragraph (i) of Resolution 5(A) in respect of the share capital of the Company as referred to in sub paragraph (bb) of paragraph (iii) of Resolution 5(A).”**

Special business

6. To consider and, if thought fit, pass with or without modification, the following resolution as a Special Resolution:

“**THAT** the definition of “recognised clearing house” in article 2 of the Articles of Association of the Company be replaced and substituted in its entirety by the following:

“recognised clearing house” shall mean a recognised clearing house within the meaning of schedule 1 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as from time to time supplemented, amended or substituted, or a clearing house recognised by the laws of any other jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction.”

By Order of the Board
Lo Kai Cheong, Casey
Company Secretary

Hong Kong, 3 July 2003

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by reference to the order in which the names stand on the Registers of Members in respect of the joint holding.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, 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 Registers of Members of the Company will be closed from Tuesday, 29 July 2003 to Thursday, 31 July 2003 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for the proposed final dividend to be approved at the meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Monday, 28 July 2003.
5. With reference to the proposed Resolutions 5(A) and 5(C), the Directors of the Company wish to state that they have no immediate plans to issue any new shares in the Company pursuant to the general mandates to be given thereunder.