
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 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 and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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興勝創建控股有限公司

HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

PROPOSALS RELATING TO
(i) RE-ELECTION OF DIRECTORS
(ii) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(iii) BONUS ISSUE OF SHARES
(iv) AMENDMENT TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Hanison Construction Holdings Limited to be held at Pheasant Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 2 August 2005 at 10:30 a.m. is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

6 July 2005

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Pheasant Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on Tuesday, 2 August 2005 at 10:30 a.m.
“AGM Notice”	the notice of AGM
“Bonus Issue”	the proposed issue of Bonus Shares to the Shareholders on the basis of 1 Bonus Share for every 4 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)” or “Board”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	30 June 2005, 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
“Record Date”	2 August 2005, being the date for determination of entitlement to the final dividend for the year ended 31 March 2005 and the Bonus Issue

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares in the registers of members of the Company as from time to time
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Latest date of dealing in Shares cum-entitlements to the final dividend and the Bonus Issue	Wednesday, 27 July 2005
First day of dealing in Shares ex-entitlements to the final dividend and the Bonus Issue	Thursday, 28 July 2005
Latest time for lodging transfers of Shares for entitlements to the final dividend and the Bonus Issue	4:00 p.m. on Friday, 29 July 2005
Closure of Registers of Members (both days inclusive)	Monday, 1 August 2005 to Tuesday, 2 August 2005
Record Date for entitlements to the final dividend and the Bonus Issue	Tuesday, 2 August 2005
Date of AGM	Tuesday, 2 August 2005
Despatch of dividend cheques and certificates for Bonus Shares	Wednesday, 31 August 2005
First date of dealing in the Bonus Shares	Friday, 2 September 2005

LETTER FROM THE BOARD



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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

Directors:—

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

Registered Office:—

P.O. Box 309, Ugland House
South Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

Principal Office in Hong Kong:—

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

* *Non-executive Director*

** *Independent Non-executive Director*

6 July 2005

To the Shareholders

Dear Sir or Madam,

PROPOSALS RELATING TO
(i) RE-ELECTION OF DIRECTORS
(ii) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(iii) BONUS ISSUE OF SHARES
(iv) AMENDMENT TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you the AGM Notice, and information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates to issue and repurchase Shares; (iii) the Bonus Issue; and (iv) the amendment to the Articles of Association of the Company.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Article 116 of the Articles of Association of the Company, Dr. Lam Chat Yu and Mr. Shen Tai Hing shall retire from office by rotation at the AGM. In addition, Dr. Lau Tze Yiu, Peter who was appointed as an independent non-executive Director of the Company during the year, will hold office until the AGM pursuant to Article 99 of the Company's Articles of Association. All retiring Directors, being eligible, offer themselves for re-election.

Details of the above retiring Directors are set out in Appendix I to this circular.

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

At the last annual general meeting of the Company held on 29 July 2004, a general mandate was given to the Directors to exercise the power of the Company to issue Shares. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of the ordinary resolutions No. 5(A) and 5(C) as set out in the AGM notice 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 plan to issue any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of the Listing Rules.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 29 July 2004, 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 AGM. It is therefore proposed to seek your approval of the ordinary resolution No. 5(B) as set out in the AGM notice to give a fresh general mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution (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 II to this circular.

LETTER FROM THE BOARD

BONUS ISSUE

In the announcement dated 21 June 2005 of the annual results of the Company for the year ended 31 March 2005, the Directors proposed the Bonus Issue to the Shareholders whose names appear on the Registers of Members 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 4 existing Shares then held. The Bonus Shares will rank pari passu with the existing issued Shares in all respects from the date of issue, except that they will not rank for the final dividend for the year ended 31 March 2005 and the Bonus Issue.

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 354,588,856 Shares in issue. Assuming that no further Shares are issued or repurchased prior to the Record Date, 88,647,212 Bonus Shares will be issued and an amount of HK\$8,864,721.2, standing to the credit of the share premium account of the Company will be capitalized in accordance with Article 142 of the Company's Articles of Association and accordingly such sum will be applied in paying up in full at par the Bonus Shares.

Conditions

The Bonus Issue is conditional upon the following:—

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Bonus Shares.

Closure of Registers of Members

The Registers of Members of the Company will be closed from Monday, 1 August 2005 to Tuesday, 2 August 2005, both dates inclusive. During this period no share transfer will be registered. In order to qualify for the final dividend for the year ended 31 March 2005 and 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, 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 Friday, 29 July 2005.

Listing and Dealings

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonus Shares. No part of the share capital of the Company is listed on or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

Subject to the granting of the listing of and permission to deal in the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants 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 Operational Procedures in effect from time to time.

It is expected that certificates for the Bonus Shares will be posted to the persons entitled thereto at their respective addresses shown in the Registers of Members on the Record Date or in the case of joint holders, to the address of the joint holder whose name stands first in the Registers of Members in respect of the joint holding, at their own risk on 31 August 2005.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on 2 September 2005 and will be subject to stamp duty in Hong Kong.

Reasons for the Bonus Issue

The Directors believe that the Bonus Issue represents a return to our Shareholders' investment in the Company, and it will enhance the liquidity of the Shares in the market and enlarge the Company's Shareholder and capital base.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has announced revisions to the Listing Rules concerning corporate governance practices which became effective on 1 January 2005 and required, among other things, all directors of listed companies to retire by rotation at least once every three years. The Directors therefore propose a special resolution No. 7 as set out in the AGM Notice to amend the existing Article 116 of the Company's Articles of Association.

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, 46th 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.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Article 80 of the Articles of Association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

RECOMMENDATION

The Directors consider that the above proposals relating to the re-election of Directors, the general mandate to issue new Shares, the Repurchase Mandate, the Bonus Issue and the amendment to the Articles of Association of the Company 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,
By Order of the Board
Cha Mou Sing, Payson
Chairman

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The followings are the details of the Directors proposed for re-election at the AGM:—

1. **Mr. Shen Tai Hing**, aged 63, was appointed an executive Director in November 2001. He has been a director of HKR International Limited since 1994 until his resignation in December 2001. Mr. Shen is also a director of two subsidiaries of the Group. Mr. Shen obtained his master degree from the University of Pittsburgh in the United States of America.

Mr. Shen does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, Mr. Shen had notified the Company of his interest in 6,562 Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Mr. Shen. Upon approval of the proposed amendment to the Articles of Association of the Company at the AGM, Mr. Shen will be subject to retirement by rotation and re-election at annual general meeting at least once every three years. The amount of director's emoluments for Mr. Shen was HK\$100,000 for the year ended 31 March 2005 which was determined by the Board by reference to his duties and responsibilities with the Company, the remuneration benchmark in the industry and the prevailing market conditions.

2. **Dr. Lam Chat Yu**, aged 53, is an executive Director. He joined the Group in November 2001 and has more than 20 years of investment experience in the technology sector, including 15 years in Silicon Valley, California, the United States of America and 8 years in Asia. Dr. Lam earned his doctorate in management from The Sloan School, Massachusetts Institute of Technology. Prior to joining the Group, Dr. Lam was a vice president at C.M. Capital Corporation in the United States of America, where he specialised in software venture companies and listed technology companies in the United States of America.

Dr. Lam does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and does not have any interests in Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Dr. Lam. Upon approval of the proposed amendment to the Articles of Association of the Company at the AGM, Dr. Lam will be subject to retirement by rotation and re-election at annual general meeting at least once every three years. The amount of director's emoluments for Dr. Lam was HK\$106,000 for the year ended 31 March 2005 which was determined by the Board by reference to his duties and responsibilities with the Company, the remuneration benchmark in the industry and the prevailing market conditions.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

3. **Dr. Lau Tze Yiu, Peter**, aged 45, was appointed an independent non-executive Director in September 2004. Dr. Lau is an Associate Professor of the Department of Accountancy and Law of the Hong Kong Baptist University. He holds a bachelor degree in commerce from Saint Mary's University in Canada, a master degree in business administration from Dalhousie University in Canada and a doctorate degree of philosophy in accounting from the Chinese University of Hong Kong. He is a member of The Institute of Chartered Accountants of Ontario in Canada (CA), a member of The Certified Management Accountants Society of British Columbia and Yukon in Canada (CMA), a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA), and an associate member of The Taxation Institute of Hong Kong (ATIHK). He is also a Senate member of the Hong Kong Baptist University until 31 August 2005 and was president (1992-1993) of the City Lions Club of Hong Kong.

Dr. Lau does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and does not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered into between the Company and Dr. Lau. Upon approval of the proposed amendment to the Articles of Association of the Company at the AGM, Dr. Lau will be subject to retirement by rotation and re-election at annual general meeting at least once every three years. The amount of director's emoluments for Dr. Lau was HK\$75,000 for the period from 30 September 2004 to 31 March 2005 which was determined by the Board by reference to his duties and responsibilities with the Company, the remuneration benchmark in the industry and the prevailing market conditions.

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 the Latest Practicable Date, the issued share capital of the Company comprised 354,588,856 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 35,458,885 Shares.

REASONS FOR REPURCHASES

The Directors 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 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 believe that such repurchases will benefit the Company and its Shareholders. At present, the Directors have no intention to repurchase any of the Shares.

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 2005) 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.

UNDERTAKING

The Directors 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.

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.

As at the Latest Practicable Date,

- (i) HKR International Limited ("HKRI") through its wholly owned subsidiary, Great Wisdom Holdings Limited, was directly and indirectly interested in 173,748,766 Shares representing 49% of the issued share capital of the Company;
- (ii) Novantenor Limited held directly 62,507,997 Shares representing approximately 17.63% of the issued share capital of the Company and indirectly 173,748,766 Shares representing 49% shareholding interest in the Company held by HKRI. As Novantenor Limited holds approximately 37.46% shareholding interest in HKRI and pursuant to the Securities and Futures Ordinance, Novantenor Limited is deemed to be interested in the 173,748,766 Shares held by HKRI. Novantenor Limited is holding these shares and the shares in HKRI as the trustee of certain irrevocable discretionary trusts of which members of the Cha Family (comprising, for this purpose, Dr. Cha Chi Ming, Ms. Wong May Lung, Madeline (being a daughter of Dr. Cha Chi Ming), Mr. Cha Mou Sing, Payson, Mr. Cha Mou Zing, Victor and Mr. Cha Mou Daid, Johnson (being the sons of Dr. Cha Chi Ming), Mr. Cha Yiu Chung, Benjamin (being a grandson of Dr. Cha Chi Ming) together with their respective associates, excluding, as the case may be, HKRI) (the "Cha Family") are among the discretionary objects;
- (iii) LBJ Regents Limited held directly and indirectly 23,242,165 Shares representing approximately 6.55% of the issued share capital of the Company. LBJ Regents Limited is also holding these shares as the trustee of certain irrevocable discretionary trusts of which members of the Cha Family (as defined above) are among the discretionary objects.

In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interests of the Cha Family would be increased from 73.18% to 81.31% of the issued share capital of the Company. The Directors are not aware of any consequences which would give rise to an obligation to make a mandatory offer under Rule 26 of the Code. 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 PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
July	0.400	0.364
August	0.472	0.364
September	0.464	0.400
October	0.496	0.432
November	0.608	0.464
December	0.850	0.576
2005		
January	0.700	0.650
February	0.690	0.610
March	0.800	0.670
April	0.740	0.680
May	0.750	0.670
June	0.910	0.680

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.



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 the Annual General Meeting of Hanison Construction Holdings Limited (the “Company”) will be held at Pheasant Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 2 August 2005 at 10:30 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 2005.
2. To declare a final dividend for the year ended 31 March 2005.
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 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 registers 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 the following resolution as **Ordinary Resolution**:

“**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”), an amount of HK\$8,864,721.2 standing to the credit of the share premium account of the Company be capitalized in accordance with Article 142 of the Company’s Articles of Association and the Directors be and are hereby authorized to apply such sum in paying up in full at par 88,647,212 new shares of HK\$0.10 each in the capital of the Company (“Bonus Share(s)”) to be allotted and issued as fully paid to the shareholders of the Company whose names appear on the Registers of Members of the Company as at the close of business on 2 August 2005, on the basis of 1 Bonus Share for every 4 existing shares of the Company then held by them respectively;
- (B) the Bonus Shares to be issued shall, subject to the Memorandum and Articles of Association of the Company, rank *pari passu* in all respects with the existing issued shares of the Company, except that they will not rank for the final dividend for the year ended 31 March 2005 and the issue of Bonus Shares mentioned in this resolution;
- (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 authorized to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares.”

7. To consider and, if thought fit, pass the following resolution as **Special Resolution**:

“**THAT** the Articles of Association of the Company be and are hereby amended by deleting the first sentence of Article 116 and substituting the following therefor:

At each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that notwithstanding anything herein, every Director shall be subject to retirement at least once every three years.”

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

Hong Kong, 6 July 2005

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, 46th 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 Monday, 1 August 2005 to Tuesday, 2 August 2005 (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 and 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, 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 Friday, 29 July 2005.
5. With reference to the proposed resolutions No. 5(A) and 5(C), the Directors of the Company wish to state that they have no immediate plan to issue any new shares in the Company pursuant to the general mandates to be given thereunder.