

Chairman's Statement 主席報告書

The Directors of Hanison Construction Holdings Limited (the "Company") have the pleasure of presenting to our shareholders the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

Results for the financial year ended 31 March 2006

For the year ended 31 March 2006, the Group recorded a profit attributable to shareholders of HK\$82.0 million, a decrease of 11.3% compared to last year's figure of HK\$92.4 million (as restated). The decline in the overall earnings was mainly caused by the reduced number of residential units of the Golf Parkview available for sale during the year. Majority of the business sectors were able to sustain stable contributions to the Group.

The consolidated turnover for the year was HK\$876.6 million (2005: HK\$920.7 million). The Group's turnover comprised proceeds from sales of the residential units of the Golf Parkview, revenue from the construction, interior and renovation, building materials and health products businesses, property agency, management services and rental income.

The basic earnings per share for the year was HK18.5 cents (2005: HK20.8 cents, as restated).

As at 31 March 2006, the net asset value of the Group was HK\$555.4 million, representing an increase of 14.9% over last year. Net asset value per share at 31 March 2006 was HK\$1.25 (2005: HK\$1.09, as restated) per share.

Hanison Construction Holdings Limited (興勝創建控股有限公司) (「本公司」) 之董事欣然向各位股東提呈本公司及其附屬公司 (「本集團」) 於截至二零零六年三月三十一日止年度之年報。

截至二零零六年三月三十一日止 財政年度之業績

截至二零零六年三月三十一日止年度，本集團錄得股東應佔溢利為港幣82,000,000元，較去年之港幣92,400,000元（經重列），下跌了11.3%。整體盈利下跌主要因本年度高爾夫景園可供出售的住宅單位數目減少。而其他業務大多能給本集團帶來穩定的收入。

本年度之綜合營業額為港幣876,600,000元（二零零五年：港幣920,700,000元）。本集團之營業額包括銷售高爾夫景園住宅單位所得款項、來自建築、裝飾及維修、建築材料和健康產品業務之收入，以及物業代理、管理服務和租金收入。

本年度每股基本盈利為港幣18.5仙（二零零五年：港幣20.8仙（經重列））。

於二零零六年三月三十一日，本集團之資產淨值為港幣555,400,000元，較去年增加14.9%。於二零零六年三月三十一日，每股資產淨值為港幣1.25元（二零零五年：港幣1.09元（經重列））。

Dividend

The Board has recommended the payment of a final dividend of HK1.5 cents per share for the year ended 31 March 2006 (2005: HK1.5 cents per share) to shareholders whose names appear on the Registers of Members of the Company on 22 August 2006. This together with the interim dividend of HK1 cent per share gives a total of HK2.5 cents per share for the year (2005: HK2.5 cents per share). The proposed dividend will be paid on 22 September 2006 following approval at the annual general meeting.

Business Review

The year 2005 was another year of strong growth for the Hong Kong economy. The Gross Domestic Product rose by an impressive 7.3% in real terms. This was one of the years of the fastest pace of economic growth over the past eight years. The unemployment rate showed further improvement, attributable to the recovery in the economy. The rapid economic development in Mainland China has provided ample opportunities for Hong Kong. The government continues to pursue the policy of developing Hong Kong as a gateway between Mainland China and the world. The agreement reached on Phase III of the Closer Economic Partnership Arrangement in October 2005, on top of the substantial achievements attained in the first two phases, will further enlarge the opportunities available for Hong Kong enterprises with preferential access to Mainland China service market. The further extension of the Individual Visit Scheme, the successful hosting of international conferences, such as the World Trade Organisation's Ministerial Conference in December 2005 and measures to abolish estate duty and exempt offshore funds from profits tax are all conducive to the further strengthening of the Hong Kong economy. In the property sector, developers remained optimistic of the market, as evidenced by the favourable response at the government land auctions held during the year. Although overall property selling prices met with moderation pressure in the fourth quarter under the influence of higher interest rates, the medium to long-term market outlook stayed positive on the back of improved economic fundamentals and market sentiments.

股息

董事會建議向於二零零六年八月二十二日登記於本公司股東名冊內之股東，派發截至二零零六年三月三十一日止年度之末期股息，每股港幣1.5仙(二零零五年：每股港幣1.5仙)。連同已派發之中期股息每股港幣1仙，全年共派股息每股港幣2.5仙(二零零五年：每股港幣2.5仙)。建議的股息須待股東周年大會通過後，在二零零六年九月二十二日派發。

業務回顧

二零零五年是香港經濟強勁增長的另一年，本地生產總值有高達7.3%的實際升幅，是過去八年內經濟增長最迅速的一年。受惠於經濟復甦，失業率進一步有所改善，中國的急速經濟發展給予香港大量的商機，而政府亦陸續推行一系列的政務，務求讓香港成為中國內地與世界往來的門戶。於二零零五年十月所達成的第三階段更緊密經貿關係安排，以及於第一和第二階段所取得的豐富成果，均讓香港企業能取得優先進入中國內地服務業市場的機會。而進一步擴大推行的個人遊計劃；成功舉辦各個國際性會議，如二零零五年十二月舉行的世界貿易組織部長級會議；以及取消遺產稅及豁免離岸基金繳付利得稅等措施，都有助增強香港的經濟。至於物業市場方面，發展商對年內政府拍賣的土地均有理想反應，此可證明他們對市場前景依然感到樂觀。雖然整體物業售價於第四季因高息影響而面對一些壓力，然而，由於經濟的根本因素及市場的氣氛都有所改善，市場中長期前景依然樂觀。

The growing economy, however, failed to act as a catalyst for improvement in the construction sector. In 2005, the total gross value of construction work performed by main contractors decreased by 2.4% in real terms compared with 2004. This was mainly due to the reduction in the number of public housing project works as well as fewer large-scale infrastructure projects and private sector construction projects in progress. This situation has made the construction industry even more competitive. Notwithstanding this severe competition, the Group's construction segment still managed to achieve a turnover of HK\$558.1 million during the year ended 31 March 2006 (last year: HK\$558.8 million). The Group's property development project, Golf Parkview, continued to generate promising financial returns. The attributable turnover from the sales of 18 units of Golf Parkview was HK\$84.2 million (Last year: 29 units for HK\$134.6 million). The Group's other business segments: the building materials business, the interior and renovation external business, the investment property rental business, the health products business and the project and property management business remained stable and the Group achieved a consolidated turnover of HK\$876.6 million and a consolidated net profit attributable to shareholders of HK\$82.0 million.

Below are some highlights of the Group's activities during the year:—

- In December 2004, the Group, together with its joint venture partner, NWS Holdings Limited ("NWS"), acquired a property at La Salle Road, Kowloon Tong at a total consideration of HK\$171.0 million for redevelopment purpose. The acquisition of the property was completed in June 2005.
- In August 2005, 88,647,212 shares of HK\$0.10 each in the capital of the Company were issued to the shareholders of the Company pursuant to a bonus issue on the basis of 1 bonus share for every 4 existing shares.

然而，香港經濟增長並未能刺激建築業有所改善。在二零零五年，由總承建商進行的建築項目總生產值，以實質計算，比二零零四年下跌2.4%，主因是公營房屋工程、大型基建項目及私營的建築項目數目都減少，致使建築業界競爭更為激烈。雖然面對如此激烈的競爭，截至二零零六年三月三十一日止年度，本集團建築部的營業額仍達港幣558,100,000元（上年度：港幣558,800,000元），而本集團的物業發展項目——高爾夫景園持續帶來可觀的財政回報。本年度所售出的高爾夫景園單位有18個，營業額為港幣84,200,000元（上年度：售出單位29個，營業額為港幣134,600,000元），而本集團其他業務包括建築材料、對外之裝飾及維修、投資物業租賃、健康產品和項目及物業管理等都持續穩定發展，令本集團之綜合營業額達港幣876,600,000元，股東應佔綜合溢利則為港幣82,000,000元。

年內，本集團若干主要事務概括如下：

- 於二零零四年十二月，本集團與合營夥伴——新創建集團有限公司（「新創建」）購入位於九龍塘喇沙利道一項物業以作重建，總代價為港幣171,000,000元。於二零零五年六月完成收購該物業。
- 於二零零五年八月，本公司按每持有4股現有股份可獲發1股紅股之基準，向本公司之股東配發本公司股本中每股面值港幣0.10元之紅股，共配發了88,647,212股。

- In September 2005, the Group entered into a provisional agreement to purchase various workshops and car parking spaces on the 2nd floor of Shatin Industrial Centre as investment properties at a total consideration of HK\$27.0 million. Completion of the acquisition took place on 31 March 2006.
- In November 2005, the Group completed the acquisition of a company holding various land lots in Yuen Long, New Territories for HK\$34.6 million. The property will be held for investment purpose.
- In December 2005, the Group signed an agreement with Sun Hung Kai Properties Limited (“SHK”) for joint development of the land lots at So Kwun Wat, Tuen Mun, New Territories as a residential development. In the same month, two of the Group’s 50% owned associated companies (the other 50% was indirectly held by Chevalier International Holdings Limited (“Chevalier”)) entered into an agreement to jointly develop the site in Dongguan, The People’s Republic of China as a commercial development.
- During the year, the Group sold another 18 units of the Golf Parkview. As at 31 March 2006, only one unit remained unsold.
- Subsequent to the year end, the Group disposed of its property interest at Kam Tsin Tsuen, Sheung Shui, New Territories for a consideration of HK\$15.7 million.
- 於二零零五年九月，本集團簽訂臨時協議，購買位於沙田工業中心二樓多個單位和泊車位，作為投資物業，總代價為港幣27,000,000元，於二零零六年三月三十一日完成交易。
- 於二零零五年十一月，本集團以港幣34,600,000元完成購入一間擁有新界元朗多個地段的公司，該物業會作投資之用。
- 於二零零五年十二月，本集團和新鴻基地產發展有限公司(「新鴻基」)簽訂一份協議書，同意聯合發展位於新界屯門掃管笏的地皮為住宅項目。同月，兩間本集團各佔50%權益的聯營公司(其餘50%權益由其士國際集團有限公司(「其士」)間接持有)簽訂一份協議，同意聯合發展位於中華人民共和國東莞市的地塊，作商業用途。
- 於本年度，本集團售出高爾夫景園另外18個單位，於二零零六年三月三十一日，只餘下一個單位尚未出售。
- 於年結後，本集團出售了位於新界上水金錢村的物業權益，代價為港幣15,700,000元。

The Group will continue to proactively participate in a diverse range of businesses. At the same time, it will maintain sufficient financial resources to meet its commitments and future operation requirements. As at 31 March 2006, the value of net current assets was HK\$283.9 million, representing approximately 51.1% of the Group’s net asset value (2005: 55.8%, as restated).

本集團會繼續主動地參與各種不同的業務，同時，維持足夠的財務資源以應付其承擔及未來的業務需求。於二零零六年三月三十一日，流動資產淨值為港幣283,900,000元，佔本集團資產淨值51.1% (二零零五年：55.8% (經重列))。



Future Directions and Prospects

The global economy sustained above-trend growth in the year 2005. The major economic giants: USA, European Union and Mainland China experienced continuous growth throughout the year, with Japan gradually reviving from years of economic hardships. It is envisaged that the world economy will undergo further solid growth in 2006, even though the US economy is expected to ease back into a lower gear. On the back of this favourable global economic climate and with the continuous strong supports from Mainland China, the outlook for the Hong Kong economy remains positive. Due to its well-established financial and legal systems, geographical proximity to Mainland China and good corporate governance standards, Hong Kong becomes a regional financial hub and an international fundraising platform of Mainland China's enterprises. However, there are a number of downside risks, such as the escalating threats of avian flu, record high oil and commodity prices, and repeated interest rate hikes in the US as well as Hong Kong which may bring adverse impact to the local economy.

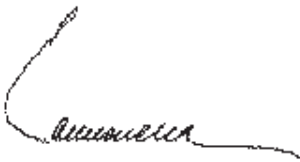
Looking ahead, 2006 will be another challenging year for the Group. Our core businesses are expected to be operating in a highly competitive market. The building construction business and the health products business, in particular, have always been difficult, but what matters most is that we build quality buildings, provide superb health products and service, and control our costs to maintain our competitiveness in the market. We will continue to expand our property development business and to seek new business opportunities. During the year under review, we welcome the opportunities to work with prestigious listed companies such as SHK, NWS and Chevalier to develop the properties in Hong Kong and in the PRC.

未來方向及前景

在二零零五年，世界經濟維持著高增長的趨勢。主要的經濟強國包括美國、歐盟和中國的經濟，全年亦持續增長，而日本亦漸漸從多年的經濟衰退中恢復過來。雖然預計美國的經濟將會有所調整，然而，預期二零零六年全球經濟將會有穩固的增長。受惠於全球利好的經濟氣氛及中國內地不斷的支持，香港的經濟前景仍是正面樂觀的。香港建立了一套健全的金融和司法制度，在地理上又靠近中國大陸，加上在良好的企業管治水平下，成為了一個地區金融中心及中國內地企業籌募國際資金的平台。可是，背後依然存在不少不利的風險，包括禽流感威脅逐漸擴大、石油價格高企、商品價格上升、美國及香港的利率不斷上調等，對香港的本土經濟都會構成負面的影響。

展望二零零六年，本集團將會面對更多的挑戰。我們的核心業務會在競爭激烈的市場中經營，其中尤以樓宇建築和健康食品業務所面對困難最多，但無論如何，我們會繼續興建高質素的樓宇，提供一流的健康食品及優質的服務，同時有效控制成本，保持在市場上的競爭力。我們亦會繼續擴充地產發展業務及尋找更多商機。回顧這一年，我們很歡迎有機會能和聲譽卓越的上市公司如新鴻基、新創建和其士合作，聯合發展於香港和中華人民共和國的地產項目。

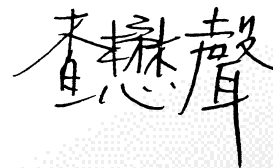
On behalf of the Board, I would like to extend my heartfelt thank to all our staff and to acknowledge the exemplary hard work carried out with commitment and passion at every level of the Group. I would also like to thank our shareholders and business partners for their confidence and support in Hanison.



Cha Mou Sing, Payson
Chairman

Hong Kong, 28 June 2006

本人代表董事會，向所有職員表示衷心的謝意，同時感謝本集團裡各階層同事努力不懈地工作，對工作充滿熱誠和承擔。本人亦謹此多謝各位股東和業務伙伴對興勝不斷的信心和支持。



主席
查懋聲

香港，二零零六年六月二十八日