

主席報告書 CHAIRMAN'S STATEMENT

It gives me great pleasure to report that Hanison Construction Holdings Limited (the "Company") and its subsidiaries (the "Group") delivered impressive financial results in 2007. As the Chairman of the Company, I hereby present to our shareholders the annual report of the Group for the year ended 31 March 2007.

Results for the Financial Year Ended 31 March 2007

For the year ended 31 March 2007, the consolidated turnover of the Group reached a record high of HK\$1,178.9 million, representing a remarkable increment of 34.5% over last year's figure of HK\$876.6 million. Our construction business was the main contributor to such an appreciable increase in turnover. The profit attributable to shareholders rose to HK\$105.6 million (2006: HK\$82.0 million), which was mainly due to the gain arising from the disposal of the wholly owned subsidiary holding Health Plus Centre and the 50% interest in the Dongguan project.

The basic earnings per share for the year was HK23.8 cents, compared to HK18.5 cents for the same period last year.

The Group witnessed a persistent improvement in net asset value. As at 31 March 2007, the net asset value amounted to HK\$647.6 million (2006: HK\$555.4 million), representing an increase of 16.6% over last year. Net asset value per share at 31 March 2007 was HK\$1.46 (2006: HK\$1.25) per share.

Dividend

To reflect the Group's commendable performance, the board of directors of the Company (the "Board") has recommended the payment of a final dividend of HK2.5 cents per share for the year ended 31 March 2007 (2006: HK1.5 cents per share) to shareholders whose names appear on the Registers of Members of the Company on 17 August 2007. This together with the interim dividend of HK1.5 cents per share gives a total of HK4 cents per share for the year (2006: HK2.5 cents per share). The proposed dividend will be paid on 10 September 2007 following approval at the 2007 Annual General Meeting of the Company.

本人欣然報告，Hanison Construction Holdings Limited (興勝創建控股有限公司) (「本公司」) 及其附屬公司 (「本集團」) 於二零零七年取得令人鼓舞之財務業績。作為本公司之主席，本人謹此向各位股東提呈本集團截至二零零七年三月三十一日止年度之年報。

截至二零零七年三月三十一日止財政年度之業績

截至二零零七年三月三十一日止年度，本集團之綜合營業額創新高，達港幣1,178,900,000元，較去年之港幣876,600,000元大幅增長34.5%。我們之建築業務為推動營業額可觀增長之主要因素。股東應佔溢利增至港幣105,600,000元 (二零零六年：港幣82,000,000元)，主因是出售持有健怡坊中心之全資附屬公司及東莞項目50%權益而錄得收益。

本年度每股基本盈利為港幣23.8仙，去年同期則為港幣18.5仙。

本集團之資產淨值持續增長。於二零零七年三月三十一日，資產淨值為港幣647,600,000元 (二零零六年：港幣555,400,000元)，較去年增加16.6%。於二零零七年三月三十一日，每股資產淨值為港幣1.46元 (二零零六年：港幣1.25元)。

股息

有鑑於本集團表現理想，本公司董事會 (「董事會」) 建議向於二零零七年八月十七日登記於本公司股東名冊內之股東，派發截至二零零七年三月三十一日止年度之末期股息，每股港幣2.5仙 (二零零六年：每股港幣1.5仙)。連同已派發之中期股息每股港幣1.5仙，全年共派股息每股港幣4仙 (二零零六年：每股港幣2.5仙)。建議之股息須待本公司二零零七年股東周年大會通過後，在二零零七年九月十日派發。



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Business Review

Hong Kong economy continued to sustain steady expansion. For the year 2006, the GDP grew year-on-year by 6.8%. Riding on the sustained economic growth over the past three years, the labour market continued to improve across different sectors. By the end of 2006, the overall unemployment rate fell to a 6-year low of 4.4%.

In spite of the favourable macroeconomic environment, the overall construction activity has slowed down. According to the statistics provided by the Census and Statistics Department, the gross value of construction work performed by main contractors at construction sites has decreased from HK\$48,691 million for the year 2005 to HK\$41,712 million for the year 2006. This situation has made the construction industry even more competitive. Amidst this competitive arena, our Construction Division was still able to withstand the challenging business environment and generated respectable turnover for the year under review. However, the combined effects of the construction boom in Macau, the weaker US dollar, the appreciation in RMB and the worldwide rise in commodity price level have pushed up the basic construction costs, leading to the tight gross profit margin for construction projects.

Turnover from our building materials business is in line with last year, although gross profit margin has declined in the face of intense competition.

Leveraging on our experience and reputation in prestigious buildings renovation, our Interior and Renovation Division has recorded satisfactory growth in turnover during the year under review.

For the Group's property development business, we have disposed of 50% interest in the Dongguan project and the remaining residential unit of Golf Parkview during the year. Our property investment business continued to generate a steady stream of rental income to the Group. In December 2006, we disposed of the wholly owned subsidiary holding Health Plus Centre. The gains arising from these disposal transactions had been recorded in the accounts for the year, and the sales proceeds were utilised for reducing the Group's bank loans, for working capital and for future investment purposes.

業務回顧

香港經濟持續穩步擴張，二零零六年本地生產總值按年上升6.8%。受惠於過往三年經濟持續增長，勞工市場內各個行業均持續有所改善。截至二零零六年末，整體失業率下跌至六年來低位之4.4%。

儘管宏觀經濟環境向好，但整體建築活動卻放緩。據政府統計處提供之統計數字，由總承建商於各建築工地進行之建築工程總值由二零零五年之港幣48,691,000,000元下跌至二零零六年之港幣41,712,000,000元，致使建築業界競爭更為激烈。在此競爭環境下，本集團建築部在充滿挑戰之經營環境下仍能屹立不倒，並於回顧年度取得可觀營業額。然而，在澳門建築業興旺、美元疲弱、人民幣升值加上全球商品價格水平上升之共同影響下，基本建築成本被推高，令建築項目之毛利率收窄。

雖然毛利率受競爭激烈影響而下跌，惟本集團建築材料業務之營業額仍與上年度相若。

憑藉本集團於維修著名大廈之經驗及聲譽，本集團之裝飾及維修部於回顧年度之營業額錄得令人滿意之增長。

就物業發展業務而言，本集團於年內出售東莞項目之50%權益及高爾夫景園餘下住宅單位。本集團之物業投資業務繼續為本集團帶來穩定租金收入。於二零零六年十二月，本集團出售了持有健怡坊中心之全資附屬公司。該等出售交易產生之收益已記入年內賬目，而出售所得款項已用於減少本集團之銀行貸款，以及作為營運資金及未來投資用途。

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The rise in retail rentals and the increasing competitive pressure within the health products market have exacerbated the health products retail business. Despite struggling along in such a difficult environment to achieve a turnover close to last year's record, our Health Products Division still suffered a loss of around HK\$730,000 during the year.

Highlights of Corporate Activities

- In May 2006, the Group disposed of its property interest at Kam Tsin Tsuen, Sheung Shui, New Territories for a consideration of HK\$15.7 million and recorded a gain of HK\$7.8 million.
- In November 2006, the Group disposed of its 50% interest in two associated companies indirectly owning two pieces of adjoining land in Dongguan, PRC. The Group's 50% share of the consideration is HK\$45.7 million. A gain of HK\$27.0 million is generated from the transaction. Prior to completion of the disposal, the land was held for joint development with Chevalier International Holdings Limited.
- In December 2006, the Group disposed of the wholly owned subsidiary holding Health Plus Centre, an investment property located in Tai Wai at a consideration of HK\$180 million, realising a profit of HK\$43.5 million.
- In January 2007, the Company entered into the Construction and Renovation Services Framework Agreement with HKR International Limited ("HKRI") setting out the general terms of the construction and renovation transactions between the Group and the HKRI Group for the 3 years ending 31 March 2010.
- In March 2007, the redevelopment of Shek Pai Wan Estate Phase 2 was completed ahead of schedule, representing a great leap forward for the Comprehensive Redevelopment Programme of the Hong Kong Housing Authority.
- Through the acquisition of Million Hope Industries Limited in May 2007, the Group penetrates into the aluminium windows and curtain wall business, establishing a platform for future growth in the building products sector.

健康產品市場之零售租金上升及競爭壓力加大，導致健康產品零售業務表現變差。儘管在如此艱難環境下取得與上年度記錄相近之營業額，惟本集團之健康產品部於年內仍蒙受虧損約港幣730,000元。

企業活動概要

- 於二零零六年五月，本集團以代價港幣15,700,000元出售其於新界上水金錢村之物業權益，錄得收益港幣7,800,000元。
- 於二零零六年十一月，本集團出售其於兩家間接持有中國東莞兩幅毗連地塊之聯營公司之50%權益。本集團分佔代價之50%，即港幣45,700,000元。該交易錄得收益港幣27,000,000元。於出售完成前，該土地乃持作與其士國際集團有限公司共同發展。
- 於二零零六年十二月，本集團以代價港幣180,000,000元出售持有健怡坊中心(位於大圍之投資物業)之全資附屬公司，獲得溢利港幣43,500,000元。
- 於二零零七年一月，本公司與香港興業國際集團有限公司(「興業國際」)訂立建築及裝修服務框架協議，載列出本集團與興業國際集團於截至二零一零年三月三十一日止三個年度進行建築及維修交易之一般條款。
- 於二零零七年三月，石排灣邨第二期重建工程提前完工，代表著香港房屋委員會之整體重建計劃向前邁進一大步。
- 本集團於二零零七年五月收購美亨實業有限公司以涉足鋁窗及幕牆業務，為建築材料分部搭建了未來發展之平台。



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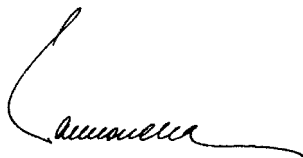
Future Directions and Prospects

The HKSAR government has forecasted a growth rate of 4.5 - 5.5% in real terms for the year 2007. In the Mainland China, the steady export performance and impressive economic expansion will continue to be the drivers of further growth of the Hong Kong economy. In the global context, despite the uncertainty stemming from the US economy, Europe, Japan and other Asian markets all exhibit upbeat economic sentiment, reflecting a positive economic outlook.

Going forward, the Group remains cautiously optimistic about our core businesses in 2007. We have a record high amount of contract on hand, particularly in the construction division, however the gross margins in general decline. To sustain growth, the Group will put continuous effort into cost control, quality enhancement and efficiency improvement.

Over the years, the Group has acquired land and properties at relatively low costs. We expect that these acquisitions will bring promising returns to the Group in the years ahead. We will continue to look for every suitable investment and business opportunity to enhance shareholders' value.

On behalf of the Board, I would like to express my gratitude to our shareholders for their continuous support. I would also take this opportunity to offer my sincere thanks to our staff who contributed to the success of our business. Their devotion is integral to the stability and prosperity of the Group.



Cha Mou Sing, Payson
Chairman

Hong Kong, 26 June 2007

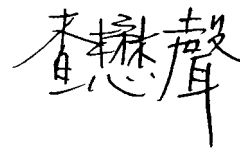
未來發展方向及前景

香港特別行政區政府預測二零零七年度之實質增長率為4.5%-5.5%。於中國內地，穩定的出口表現及強勁的經濟增長將繼續推動香港經濟未來發展。綜觀全球局勢，儘管美國經濟存在不穩定性，但歐洲、日本及其他亞洲市場均出現上升之經濟勢頭，反映經濟前景樂觀。

展望未來，本集團仍對其主要業務於二零零七年之表現持審慎樂觀態度。我們擁有破記錄之手頭合約量，尤其是建築部，但毛利率普遍下跌。為維持增長，本集團將持續致力控制成本、提升品質及提高效率。

過去幾年，本集團以相對較低之成本收購土地及物業。我們預計該等收購將有望在未來幾年為本集團帶來可觀回報。我們將繼續尋求合適之投資及業務商機，以提高股東價值。

本人代表董事會，對股東之不斷支持深表感激，亦藉此機會向所有為本集團業務成功作出貢獻之員工衷心致謝。彼等之積極投入是本集團穩定繁榮之必要動力。



主席
查懋聲

香港，二零零七年六月二十六日