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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)

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS**

**PROVISION OF PROJECT MANAGEMENT SERVICES  
TO THE HAINING PROJECT COMPANIES**

The Board is pleased to announce that on 1 April 2009:—

- (1) a Cross-border Project Management Service Agreement was entered into between HPML, a wholly owned subsidiary of the Company and the Haining Project Companies pursuant to which HPML will provide project management services in both Hong Kong and the PRC to the Haining Project Companies in respect of the Haining Project;
- (2) a Non-PRC Project Management Service Agreement was entered into between HPML, a wholly owned subsidiary of the Company and the Haining Project Companies pursuant to which HPML will provide Non-PRC project management services to the Haining Project Companies in respect of the Haining Project.

The Haining Project Companies are indirect wholly owned subsidiaries of VIGL which is in turn indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 69.82% direct and indirect shareholding interest in the Company. Accordingly, the Haining Project Companies are connected persons of the Company for the purpose of the Listing Rules. As the highest of the percentage ratios as defined in Rule 14.07 of the Listing Rules represented by the transactions exceeds 2.5% but is less than 25% and the annual consideration will be less than HK\$10,000,000, the transactions contemplated under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement constitute continuing connected transactions for the Company under Rule 14A.34(2) of the Listing Rules which are only subject to the announcement and reporting requirements under the Listing Rules and no independent shareholders' approval of the Company is required. Details of the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement will be included in the next published annual report of the Company.

## THE AGREEMENTS

The major terms of the agreements are set out below:—

	<b>Cross-border Project Management Service Agreement</b>	<b>Non-PRC Project Management Service Agreement</b>
<b>Date</b>	1 April 2009	1 April 2009
<b>Parties</b>	(i) HPML  (ii) Haining Project Companies	(i) HPML  (ii) Haining Project Companies
<b>Term</b>	A term of 3 years commencing from 1 April 2009 to 31 March 2012, renewable automatically for a further term of 3 years until completion of the Haining Project subject to compliance with the then applicable requirements under the Listing Rules.	A term of 3 years commencing from 1 April 2009 to 31 March 2012, renewable automatically for a further term of 3 years until completion of the Haining Project subject to compliance with the then applicable requirements under the Listing Rules.

### **The Services**

The project management services to be provided by HPML under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement encompass the following:—

- (a) Overall project management of the relevant project, including the supervision of the on-site team and timely delivery of the project;
- (b) Project management in various aspects, including the design stage, submission stage, tender stage and construction stage;
- (c) Project costing;
- (d) Quality control;
- (e) Accounting, treasury, taxation and financial management;
- (f) Personnel and administration; and
- (g) Information technology support.

## CONSIDERATION AND ANNUAL CAPS

HPML will receive monthly project management fees in the sum of approximately RMB90,600 (equivalent to HK\$103,284) and RMB211,400 (equivalent to HK\$240,996) from the Haining Project Companies under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement respectively. The project management fees were determined on an arm's length basis, based on the prevailing market price for project management services provided to independent third parties and the nature and amount of work and services to be provided by HPML to the Haining Project Companies. The fees represent approximately 1% of the estimated construction costs for the Haining Project during the period from 1 April 2009 to 31 March 2012, which is similar to the market comparables for providing similar management services for property development projects of independent third parties.

The expected annual cap(s) ("Annual Cap(s)") for the provision of the project management services by HPML to the Haining Project Companies are as follows:—

<b>Year</b>	<b>Annual Caps</b>	<b>Basis of Calculation</b>
1 April 2009 to 31 March 2010	RMB3,624,000 (equivalent to HK\$4,131,360)	Aggregate monthly project management fees of RMB302,000 (RMB90,600 plus RMB211,400) x 12 months
1 April 2010 to 31 March 2011	RMB3,986,400 (equivalent to HK\$4,544,496)	An increase of 10% from the Annual Cap for the year from 1 April 2009 to 31 March 2010
1 April 2011 to 31 March 2012	RMB4,385,040 (equivalent to HK\$4,998,946)	An increase of 10% from the Annual Cap for the year from 1 April 2010 to 31 March 2011

The Annual Caps were arrived at by reference to the future projection of the estimated construction costs of the Haining Project for the period from 1 April 2009 to 31 March 2012 and the anticipated increase in demand for services as the Haining Project progresses.

The project management fees will be paid within 30 days after receipt of the invoices by cash. The invoices will be issued by HPML on or before the 30th day of each month for the amount to be charged for the immediately preceding month.

## **REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS**

The Haining Project is a large-scale integrated development project comprising hospitality, residential, commercial and retail developments. The project is expected to comprise over 400,000 square metres of gross floor area and is planned for development in 5 phases over a period of nearly 10 years.

The entering into of the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement will enable the Group to fully utilize its expertise and experience for the master planning of large-scale integrated development projects and will ensure that the high quality standards of the Group can be applied to the Haining Project.

The Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement are on normal commercial terms and reflects terms that are fair and reasonable in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Haining Project Companies are indirect wholly owned subsidiaries of VIGL which is in turn indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of a discretionary trust of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 69.82% direct and indirect shareholding interest in the Company. Accordingly, the Haining Project Companies are connected persons of the Company for the purpose of the Listing Rules. As the highest of the percentage ratios as defined in Rule 14.07 of the Listing Rules represented by the transactions exceeds 2.5% but is less than 25% and the annual consideration will be less than HK\$10,000,000, the transactions contemplated under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement constitute continuing connected transactions for the Company under Rule 14A.34(2) of the Listing Rules which are only subject to the announcement and reporting requirements under the Listing Rules and no independent shareholders' approval of the Company is required. Details of the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement will be included in the next published annual report of the Company.

## **FURTHER INFORMATION ABOUT THE COMPANY, HPML, HAINING PROJECT COMPANIES AND VIGL**

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in building construction, interior and renovation works, supply and installation of building materials, trading of health products and property investment and development. HPML is wholly owned by the Company.

VIGL is a company incorporated in the British Virgin Islands, the principal activity of which is the holding of the interests in the Haining Project Companies. The Haining Project Companies are principally engaged in the business of the holding of the land use rights of the lands of the Haining Project and the development of the lands.

## DEFINITIONS

In this Announcement, the following terms and expressions (unless the context otherwise requires) shall have the following meanings:

“Board”	the Board of Directors of the Company
“Cha Family”	comprising, <i>inter alia</i> , Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the Directors
“Company”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Stock Exchange
“Cross-border Project Management Service Agreement”	The agreement dated 1 April 2009 and entered into between HPML and the Haining Project Companies in relation to the management of the Haining Project
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Haining Project”	The integrated property development project on the parcels of land situated at the western side of Wen Yuan Lu, northern side of Qian Jiang Lu, eastern side of Wen Zhong Lu and southern side of Hou Fu Ting Gang, Haining City, Zhejiang Province, the PRC (中國浙江省海寧市區，文苑路西側，錢江路北側，文宗路東側，後富亭港南側) (Lot No. 7155 (East Side) (Certificate for the Use of State-owned Land No. (2008) 4106092057), Lot No. 7155(West Side)(Certificate for the Use of State-owned Land No. (2008) 4106092055), Lot No. 7156 (East Side) (Certificate for the Use of State-owned Land No. (2008) 4106052041), Lot No. 7156 (West Side)(Certificate for the Use of State-owned Land No. (2008) 4106052042), Lot No. 7157 (Certificate for the Use of State-owned Land No. (2008) 4106052045), Lot No. 7158(Certificate for the Use of State-owned Land No. (2008) 4106092006) and Lot No. 7159(Certificate for the Use of State-owned Land No. (2008) 4106092007))
“Haining Project Companies”	海寧富盛房地產有限公司 (Translation: Haining Fusheng Real Estate Development Limited), 海寧嘉豐房地產有限公司 (Translation: Haining Jiafeng Real Estate Development Limited), 海寧凱澄房地產有限公司 (Translation: Haining Haicheng Real Estate Development Limited) and 海寧海興酒店有限公司 (Translation: Haining Haixing Hotel Development Limited), wholly foreign-owned enterprises established in the PRC and indirectly wholly owned by VIGL
“HPML”	Hanison Project Management Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Non-PRC Project Management Service Agreement”	The agreement dated 1 April 2009 and entered into between HPML and the Haining Project Companies in relation to the management of the Haining Project
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VIGL”	Vertex Investments Group Limited, a company incorporated in the British Virgin Islands with limited liability and is indirectly wholly owned by CCM Trust (Cayman) Limited

By Order of the Board  
**Hanison Construction Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Managing Director*

*For use in this announcement, and for illustration purposes only, conversion of RMB to Hong Kong dollar is based on the approximate exchange rate of RMB1 to HK\$1.14. No representation is made that any amount in Hong Kong dollar or RMB could be converted at such rate.*

Hong Kong, 1 April 2009

*As at the date of this announcement, the Board comprises:*

***Non-executive chairman***  
Mr. Cha Mou Sing, Payson

***Non-executive Directors***  
Mr. Cha Mou Daid, Johnson  
Mr. Cha Yiu Chung, Benjamin

***Executive Directors***  
Mr. Wong Sue Toa, Stewart (*Managing Director*)  
Mr. Tai Sai Ho (*General Manager*)  
Dr. Lam Chat Yu  
Mr. Shen Tai Hing

***Independent non-executive Directors***  
Mr. Chan Pak Joe  
Dr. Lau Tze Yiu, Peter  
Dr. Sun Tai Lun