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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 AND  
SITE SUPERVISION SERVICES  
TO HAINING FUSHENG AND HAINING JIAFENG**

The Board is pleased to announce that on 2 April 2012:–

- (1) Cross-border Project Management Service Agreements were entered into between HPML, a wholly owned subsidiary of the Company, and each of Haining Fusheng and Haining Jiafeng respectively, pursuant to which HPML will provide project management services in both Hong Kong and the PRC to Haining Fusheng and Haining Jiafeng in respect of the Haining Project;
- (2) Non-PRC Project Management Service Agreements were entered into between HPML, a wholly owned subsidiary of the Company, and each of Haining Fusheng and Haining Jiafeng respectively, pursuant to which HPML will provide Non-PRC project management services to Haining Fusheng and Haining Jiafeng in respect of the Haining Project; and
- (3) Site Supervision Agreements were entered into between HPML, a wholly owned subsidiary of the Company, and each of Haining Fusheng and Haining Jiafeng respectively, pursuant to which HPML will provide site supervision services in the PRC to Haining Fusheng and Haining Jiafeng in respect of the Haining Project.

Haining Fusheng is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly owned by CCM Trust (Cayman) Limited. Haining Jiafeng is an indirect 49% owned jointly controlled entity of the Company and 33.15% indirectly owned by Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 17.85% is indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Accordingly, Haining Fusheng and Haining Jiafeng are connected persons of the Company for the purpose of the Listing Rules.

As the aggregate value of the transactions contemplated under each of the Agreements on an annual basis will result in the applicable percentage ratios to be above 0.1% but less than 5%, the transactions contemplated thereunder constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules which are subject to the reporting and announcement requirements and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from independent shareholders' approval.

## **THE AGREEMENTS**

The major terms of the Agreements are set out below:–

### **Parties and the Agreements**

HPML has entered into the following Agreements with each of Haining Fusheng and Haining Jiafeng respectively:–

#### **(a) *Between HPML and Haining Fusheng***

- (i) Cross-border Project Management Service Agreement;
- (ii) Non-PRC Project Management Service Agreement; and
- (iii) Site Supervision Agreement.

#### **(b) *Between HPML and Haining Jiafeng***

- (i) Cross-border Project Management Service Agreement;
- (ii) Non-PRC Project Management Service Agreement; and
- (iii) Site Supervision Agreement.

### **Term**

A term of 3 years commencing from 1 April 2012 to 31 March 2015, 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.

## Services

### ***Cross-border Project Management Service Agreements and Non-PRC Project Management Service Agreements***

The project management services to be provided by HPML under the Cross-border Project Management Service Agreements and the Non-PRC Project Management Service Agreements entered into with Haining Fusheng and Haining Jiafeng respectively encompass the following:–

- (a) Overall project management of the relevant project, including project coordination, 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) Property management consultancy;
- (f) Monitoring of construction quality;
- (g) Planning and monitoring of project progress; and
- (h) Information technology support.

The services provided by HPML under each of the Cross-border Project Management Service Agreements are in respect of the Haining Project in Hong Kong and the PRC, and the services provided by HPML under each of the Non-PRC Project Management Service Agreements are in respect of the Haining Project in Hong Kong. The terms (except for the respective monthly fees) of the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement entered into with each of Haining Fusheng and Haining Jiafeng are identical.

### ***Site Supervision Agreements***

The site supervision services to be provided by HPML under the Site Supervision Agreements entered into with Haining Fusheng and Haining Jiafeng respectively encompass the following:–

- (a) On-site management of contractors' and sub-contractors' compliance with contract requirements;
- (b) On-site supervision of construction progress;
- (c) Site inspection;
- (d) On-site management of project in various aspects, including management of work sequence and assessment of the suitability of building materials and equipments; and
- (e) On-site cost control and quality control.

The services provided by HPML under each of the Site Supervision Agreements are in respect of the Haining Project in the PRC. The terms (except for the respective monthly fees) of the Site Supervision Agreement entered into with each of Haining Fusheng and Haining Jiafeng are identical.

## CONSIDERATION AND ANNUAL CAPS

HPML will receive monthly project management fees in the sum of approximately RMB74,700.00 (equivalent to HK\$92,127.51) and RMB174,300.00 (equivalent to HK\$214,964.19) from Haining Fusheng and approximately RMB24,900.00 (equivalent to HK\$30,709.17) and RMB58,100.00 (equivalent to HK\$71,654.73) from Haining Jiafeng under the Cross-border Project Management Service Agreements and the Non-PRC Project Management Service Agreements respectively, to be calculated on the basis of actual time spent.

HPML will also receive monthly site supervision fees in the sum of approximately RMB210,000.00 (equivalent to HK\$258,993.00) from Haining Fusheng and RMB70,000.00 (equivalent to HK\$86,331.00) from Haining Jiafeng under the Site Supervision Agreements respectively, to be calculated on the basis of actual time spent.

The project management fees and site supervision fees were determined on an arm's length basis, based on the prevailing market price for project management services and site supervision services provided to independent third parties and the nature and amount of work and services to be provided by HPML to Haining Fusheng and Haining Jiafeng.

The Annual Cap(s) for the provision of the project management services and site supervision services by HPML to Haining Fusheng and Haining Jiafeng under the Cross-border Project Management Service Agreements, the Non-PRC Project Management Service Agreements and Site Supervision Agreements are as follows:–

Relevant Financial Year	Annual Cap for Project Management Services (Note)	Annual Cap for Site Supervision Services	Aggregated Annual Cap
1 April 2012 – 31 March 2013	RMB3,984,000.00 (equivalent to HK\$4,913,467.20)	RMB3,360,000.00 (equivalent to HK\$4,143,888.00)	RMB7,344,000.00 (equivalent to HK\$9,057,355.20)
1 April 2013 – 31 March 2014	RMB3,984,000.00 (equivalent to HK\$4,913,467.20)	RMB3,360,000.00 (equivalent to HK\$4,143,888.00)	RMB7,344,000.00 (equivalent to HK\$9,057,355.20)
1 April 2014 – 31 March 2015	RMB3,984,000.00 (equivalent to HK\$4,913,467.20)	RMB3,360,000.00 (equivalent to HK\$4,143,888.00)	RMB7,344,000.00 (equivalent to HK\$9,057,355.20)

*Note:* The Annual Cap for Project Management Services represent the aggregate project management fees under the Cross-border Project Management Service Agreements and the Non-PRC Project Management Service Agreements.

The project management fees and site supervision 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 residential and office developments. The project is expected to comprise approximately 280,196 square metres of gross floor area in aggregate and is planned for residential development in two phases over a period of nearly four years and office development in three phases over a period of nearly six years respectively.

The entering into of the Cross-border Project Management Service Agreements, the Non-PRC Project Management Service Agreements and the Site Supervision Agreements 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 Agreements, the Non-PRC Project Management Service Agreement and the Site Supervision Agreements have been entered into in the ordinary and usual course of business and on normal commercial terms that are fair and reasonable in the interests of the Company and its shareholders as a whole.

Mr. Cha Mou Sing, Payson (Chairman of the Company), Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin (executive Directors of the Company), who have material interest in the transactions contemplated under the Cross-border Project Management Service Agreements; Non-PRC Project Management Service Agreements; and Site Supervision Agreements, have abstained from voting on the Board resolution approving the aforementioned transactions.

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

Haining Fusheng is an indirect 65% owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 35% is indirectly wholly owned by CCM Trust (Cayman) Limited. Haining Jiafeng is an indirect 49% owned jointly controlled entity of the Company and 33.15% indirectly owned by Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited and the remaining 17.85% is indirectly wholly owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Accordingly, Haining Fusheng and Haining Jiafeng are connected persons of the Company for the purpose of the Listing Rules.

As the aggregate value of the transactions contemplated under each of the Agreements on an annual basis will result in the applicable percentage ratios to be above 0.1% but less than 5%, the transactions contemplated thereunder constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules which are subject to the reporting and announcement requirements and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from independent shareholders' approval.

## **FURTHER INFORMATION ABOUT THE COMPANY, HPML, HAINING FUSHENG, HAINING JIAFENG AND MINGLY**

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, property investment and development, and property agency and management and trading of health products. HPML is wholly owned by the Company.

Mingly is a company incorporated in the Cayman Islands with limited liability, the principal activity of which is investment holding. Haining Fusheng and Haining Jiafeng 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:

“Agreements”	the Cross-border Project Management Service Agreements, the Non-PRC Project Management Service Agreements and the Site Supervision Agreements entered into between HPML and each of Haining Fusheng and Haining Jiafeng respectively on 2 April 2012 in relation to the Haining Project
“Annual Cap(s)”	the maximum aggregate annual value in respect of the Agreements
“Board”	board of Directors of the Company
“Cha Family”	comprising, inter alia, 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 (stock code: 896), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Cross-border Project Management Service Agreement(s)”	the agreement dated 2 April 2012 and entered into between HPML and Haining Fusheng and Haining Jiafeng respectively in relation to the project management of the Haining Project
“Directors”	the Directors of the Company
“Group”	the Company and its subsidiaries
“Haining Fusheng”	海寧富盛房地產有限公司 (Translation: Haining Fusheng Real Estate Development Limited)
“Haining Jiafeng”	海寧嘉豐房地產有限公司 (Translation: Haining Jiafeng Real Estate Development Limited)

“Haining Project”	the integrated property development project on the parcels of land situated at the western side of Wen Yuan Lu, northern side of QianJiang 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. 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. 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))
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Mingly”	Mingly Corporation, a company incorporated in the Cayman Islands with limited liability and is an indirect subsidiary of CCM Trust (Cayman) Limited
“Non-PRC Project Management Service Agreement(s)”	the agreement dated 2 April 2012 and entered into between HPML and Haining Fusheng and Haining Jiafeng respectively in relation to the project management of the Haining Project
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Site Supervision Agreement(s)”	the agreement dated 2 April 2012 and entered into between HPML and Haining Fusheng and Haining Jiafeng respectively in relation to site supervision of the Haining Project
“Stock Exchange”	The Stock Exchange of Hong Kong 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\$1.2333. No representation is made that any amount in Hong Kong dollar or RMB could be converted at such rate.*

Hong Kong, 2 April 2012

*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

***Independent non-executive Directors***

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun