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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**

**REVISION OF ANNUAL CAPS FOR THE PROVISION OF  
SITE SUPERVISION SERVICES  
TO HAINING FUSHENG AND HAINING JIAFENG**

Reference is made to the announcement of the Company dated 2 April 2012 in relation to, among other things, the continuing connected transactions contemplated under the Previous Site Supervision Agreements.

The Board is pleased to announce that on 31 July 2013 New 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 the site supervision fees for the provision of site supervision services in the PRC by HPML to Haining Fusheng and Haining Jiafeng in respect of the Haining Project will be revised with effect from 1 July 2013.

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.

Pursuant to Rule 14A.25 of the Listing Rules, the maximum aggregate value of the transactions contemplated under each of the New Site Supervision Agreements on an annual basis, together with the maximum aggregate value of the transactions contemplated under each of the Cross-border Project Management Service Agreements and Non-PRC Project Management Service Agreements on an annual basis, form a series of transactions and 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.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 2 April 2012 in relation to, among other things, the continuing connected transactions contemplated under the Previous Site Supervision Agreements. Pursuant to the Previous Site Supervision Agreements, HPML will receive monthly site supervision fees in the maximum sum of RMB210,000 from Haining Fusheng and RMB70,000 from Haining Jiafeng respectively, to be calculated on the basis of actual time spent. The existing annual cap(s) for site supervision services ("Existing Annual Cap(s)") as announced in the Company's announcement dated 2 April 2012 were determined on such basis for the three financial years ending 31 March 2015.

However, in view of the current circumstances that more manpower is required to supervise the progress of the Haining Project, the monthly site supervision fees shall be increased to cover the additional manpower employed for the provision of site supervision services.

On 31 July 2013, HPML entered into the New Site Supervision Agreements with each of Haining Fusheng and Haining Jiafeng respectively pursuant to which the monthly site supervision fees (to be calculated on the basis of actual time spent) for the provision of site supervision services in the PRC by HPML to Haining Fusheng and Haining Jiafeng in respect of the Haining Project will be revised with effect from 1 July 2013.

The Existing Annual Caps is RMB3,360,000 for each of the three years ending 31 March 2015. Given the increase in monthly site supervision fees pursuant to the New Site Supervision Agreements, it is estimated that the Existing Annual Caps will no longer be sufficient and shall be revised to cover the estimated additional transaction amount under the New Site Supervision Agreements.

The Existing Annual Caps shall apply for the period from 1 April 2013 to 30 June 2013. The revised annual cap(s) for site supervision services ("Revised Annual Cap(s)") shall apply for the period from 1 July 2013 to 31 March 2014 and for the financial year ending 31 March 2015. The Revised Annual Caps are applicable for a period of 21 months ending 31 March 2015, which is in line with the period originally set forth for the Existing Annual Caps.

The terms of the Previous Site Supervision Agreements and the New Site Supervision Agreements are identical save for the terms as set out in the "Term" and "Consideration and Annual Caps" sections below.

## **THE AGREEMENTS**

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

### **Parties and the Agreements**

HPML has entered into the New Site Supervision Agreements with each of Haining Fusheng and Haining Jiafeng respectively.

### **Term**

A term of 21 months commencing from 1 July 2013 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. Either HPML or each of Haining Fusheng and Haining Jiafeng may, by notice in writing to the other served not less than 30 days, terminate the New Site Supervision Agreement.

### **Services**

The site supervision services to be provided by HPML under the New Site Supervision Agreements entered into with each of 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.

### **CONSIDERATION AND ANNUAL CAPS**

HPML will receive monthly site supervision fees in the maximum sum of RMB397,500 from Haining Fusheng and RMB132,500 from Haining Jiafeng respectively under the New Site Supervision Agreements, to be calculated on the basis of actual time spent.

The site supervision fees were determined on an arm's length basis, based on the prevailing market price for 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 Existing Annual Caps and the Revised Annual Caps for the provision of the site supervision services by HPML to Haining Fusheng and Haining Jiafeng under the New Site Supervision Agreements are as follows:–

<b>Relevant Financial Year</b>	<b>Existing Annual Cap</b>	<b>Revised Annual Cap</b>
1 April 2013 – 31 March 2014	RMB3,360,000 (equivalent to HK\$4,200,000)	RMB5,610,000 (equivalent to HK\$7,012,500)  (comprising RMB840,000, i.e. the maximum monthly fees under the Previous Site Supervision Agreements for the three-month period from 1 April 2013 to 30 June 2013 and RMB4,770,000, i.e. the maximum monthly fees under the New Site Supervision Agreements for the nine-month period from 1 July 2013 to 31 March 2014)
1 April 2014 – 31 March 2015	RMB3,360,000 (equivalent to HK\$4,200,000)	RMB6,360,000 (equivalent to HK\$7,950,000)

The site supervision fees will be paid within 30 days after receipt of the invoices. 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 282,000 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 undertaking of the Haining Project enables the Group to fully utilise its expertise and experience for the master planning of large-scale integrated development projects and the entering into the New Site Supervision Agreements will enable the Group to continue the provision of site supervision services and will ensure that the high quality standards of services of the Group can be applied to the Haining Project.

In view of the fact that more manpower is required to supervise the progress of the Haining Project, the monthly site supervision fees set forth in the Previous Site Supervision Agreements would not be sufficient to cover the additional manpower employed for the provision of site supervision services and therefore shall be revised upward under the New Site Supervision Agreements.

The Directors (including the independent non-executive directors) believe that the transactions contemplated under the New 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 (non-executive director of the Company) and Mr. Cha Yiu Chung, Benjamin (non-executive director of the Company until 17 July 2013), who have material interest in the transactions contemplated under the 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.

Pursuant to Rule 14A.25 of the Listing Rules, the maximum aggregate value of the transactions contemplated under each of the New Site Supervision Agreements on an annual basis, together with the maximum aggregate value of the transactions contemplated under each of the Cross-border Project Management Service Agreements and Non-PRC Project Management Service Agreements on an annual basis, form a series of transactions and 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, property development, property agency and management and trading of health products. HPML is wholly owned by the Company.

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.

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.

Mingly is a company incorporated in the Cayman Islands, the principal activity of which is investment holding.

## 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, inter alia, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, both being the Directors
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands 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 each of 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. (2007)156(East Side)(First Certificate for the Use of State-owned Land No. (2008)4106052041 and Renewed Certificate for the Use of State-owned Land No. (2013)04773), Lot No. (2007)156(West Side)(First Certificate for the Use of State-owned Land No. (2008)4106052042 and Renewed Certificate for the Use of State-owned Land No. (2013)04774), Lot No. (2007)158(First Certificate for the Use of State-owned Land No. (2008)4106092006 and Renewed Certificate for the Use of State-owned Land No. (2013)00447) and Lot No.(2007)159(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
“New Site Supervision Agreement(s)”	the agreement dated 31 July 2013 and entered into between HPML and each of Haining Fusheng and Haining Jiafeng respectively in relation to the site supervision of the Haining Project
“Non-PRC Project Management Service Agreement(s)”	the agreement dated 2 April 2012 and entered into between HPML and each of Haining Fusheng and Haining Jiafeng respectively in relation to the project management of the Haining Project
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong
“Previous Site Supervision Agreement(s)”	the agreement dated 2 April 2012 and entered into between HPML and each of Haining Fusheng and Haining Jiafeng respectively in relation to the site supervision of the Haining Project
“RMB”	Renminbi, the lawful currency of the PRC
“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\$1.25. No representation is made that any amount in Hong Kong dollar or RMB could be converted at such rate.*

Hong Kong, 31 July 2013

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

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

***Non-executive Director***  
Mr. Cha Mou Daid, Johnson

***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