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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: 00896)



HKR INTERNATIONAL LIMITED
香港興業國際集團有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00480)

JOINT ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
RELATING TO SERVICES
RENDERED TO HAINING GROUP

SERVICES

The boards of directors of Hanison and HKRI are pleased to announce that on 31 March 2015:-

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

IMPLICATIONS UNDER THE LISTING RULES

Hanison is a non-wholly owned subsidiary of HKRI.

Haining Fusheng is an indirect wholly owned subsidiary of Clear Shine which is in turn indirectly majority owned by CCM Trust. Haining Jiafeng is an indirect 49% owned joint venture of Hanison and indirect 51% owned joint venture of Clear Shine and is in turn indirectly majority owned by CCM Trust. CCM Trust (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 and connected person of each of Hanison and HKRI with approximately 68.30% and 41.48% direct and indirect shareholding interest in Hanison and

HKRI respectively. Accordingly, each of Clear Shine, Haining Fusheng and Haining Jiafeng is regarded as a connected person of Hanison and HKRI respectively for the purpose of the Listing Rules and the transactions between members of Haining Group and members of each of Hanison Group and HKRI Group (including Hanison Group) constitute connected transactions for Hanison and HKRI pursuant to the Listing Rules.

IMPLICATION FOR HANISON

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

IMPLICATION FOR HKRI

Reference is made to the announcement of HKRI dated 13 December 2013 in relation to the continuing connected transactions for rendering services to Haining Group by HKRI Group for three financial years ending 31 March 2016 in respect of Haining Project and the annual cap of the respective year. Given that the services provided by HPML to Haining Fusheng and Haining Jiafeng and the relevant annual cap under the Agreements for the financial year ending 31 March 2016 falls within the services and annual cap under the Framework Agreement which had been duly approved by the board of directors of HKRI and announced on 13 December 2013 in accordance with Chapter 14A of the Listing Rules, the entering into the Agreements and the annual cap under the Agreements for the financial year ending 31 March 2016 need not require any re-compliance for HKRI under Rule 14A.54 of the Listing Rules.

Nevertheless, as the aggregate annual cap for the transactions contemplated under the Agreements for each of the two years ending 31 March 2018 results in all applicable percentage ratios to be above 0.1% but less than 5%, the transactions contemplated thereunder constitute continuing connected transactions for HKRI which are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from independent shareholders' approval.

Each of Mr. Cha Mou Sing, Payson (non-executive chairman of Hanison and chairman of HKRI), Mr. Cha Mou Zing, Victor (deputy chairman and managing director of HKRI), Mr. Cha Mou Daid, Johnson (non-executive director of Hanison and HKRI) and Ms. Wong Cha May Lung, Madeline (non-executive director of HKRI), are considered to have a material interest in the transactions contemplated under the Agreements, are required to abstain, and have abstained from, voting on the relevant board resolutions to approve the Agreements and the transactions contemplated thereunder. Save for the above, no director of Hanison and HKRI has a material interest in the transactions contemplated under the Agreements and none of the directors of Hanison and HKRI is required to abstain, or has abstained from, voting on the relevant board resolutions to approve the aforementioned transactions.

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 Jiafeng*

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

(b) *Between HPML and Haining Fusheng*

Site Supervision Agreement.

Term

A term of 3 years commencing from 1 April 2015 to 31 March 2018, 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 Agreement and the Non-PRC Project Management Service Agreement entered into with Haining Jiafeng 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 the Cross-border Project Management Service Agreement are in respect of the Haining Project in Hong Kong and the PRC, and the services provided by HPML under the Non-PRC Project Management Service Agreement 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 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 RMB19,200 (equivalent to approximately HK\$24,000) and RMB44,800 (equivalent to approximately HK\$56,000) from Haining Jiafeng under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement respectively, to be calculated on the basis of actual time spent.

HPML will also receive monthly site supervision fees in the sum of approximately RMB222,000 (equivalent to approximately HK\$277,500) from Haining Fusheng and RMB74,000 (equivalent to approximately HK\$92,500) 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 Agreements are as follows:-

Relevant Financial Year	Annual Cap for Project Management Services [^]	Annual Cap for Site Supervision Services	Aggregated Annual Cap
1 April 2015 – 31 March 2016	RMB768,000 (equivalent to approximately HK\$960,000)	RMB3,552,000 (equivalent to approximately HK\$4,440,000)	RMB4,320,000 (equivalent to approximately HK\$5,400,000)
1 April 2016 – 31 March 2017	RMB768,000 (equivalent to approximately HK\$960,000)	RMB3,552,000 (equivalent to approximately HK\$4,440,000)	RMB4,320,000 (equivalent to approximately HK\$5,400,000)

1 April 2017 – 31 March 2018	RMB768,000 (equivalent to approximately HK\$960,000)	RMB3,552,000 (equivalent to approximately HK\$4,440,000)	RMB4,320,000 (equivalent to approximately HK\$5,400,000)
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[^] The annual cap for Project Management Services represents the aggregate project management fees under the Cross-border Project Management Service Agreement and the Non-PRC Project Management Service Agreement.

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, office, retail and hotel developments in Haining City, Zhejiang Province, the PRC.

The entering into of the Agreements will enable Hanison Group to fully utilise its expertise and experience for the master planning of large-scale integrated development projects and will ensure that the high quality standards of Hanison Group can be applied to the Haining Project.

The directors of Hanison and HKRI (including the independent non-executive directors) believe that the transactions contemplated under the 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 Hanison, HKRI and their shareholders as a whole.

Each of Mr. Cha Mou Sing, Payson (non-executive chairman of Hanison and chairman of HKRI), Mr. Cha Mou Zing, Victor (deputy chairman and managing director of HKRI), Mr. Cha Mou Daid, Johnson (non-executive director of Hanison and HKRI) and Ms. Wong Cha May Lung, Madeline (non-executive director of HKRI), are considered to have a material interest in the transactions contemplated under the Agreements, are required to abstain, and have abstained from, voting on the relevant board resolutions to approve the Agreements and the transaction contemplated thereunder. Save for the above, no director of Hanison and HKRI has a material interest in the transactions contemplated under the Agreements and none of the directors of Hanison and HKRI is required to abstain, or has abstained from, voting on the relevant board resolutions to approve the aforementioned transactions.

LISTING RULES IMPLICATIONS OF THE CONTINUING CONNECTED TRANSACTIONS

Hanison is a non-wholly owned subsidiary of HKRI.

Haining Fusheng is an indirect wholly owned subsidiary of Clear Shine which is in turn indirectly majority owned by CCM Trust. Haining Jiafeng is an indirect 49% owned joint venture of Hanison and indirect 51% owned joint venture of Clear Shine and is in turn indirectly majority owned by CCM Trust. CCM Trust (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 and connected person of each of Hanison and HKRI with approximately 68.30% and 41.48% direct and indirect shareholding interest in Hanison and HKRI respectively. Accordingly, each of Clear Shine, Haining Fusheng and Haining Jiafeng is regarded as a connected person of Hanison and HKRI respectively for the purpose of the Listing Rules and the transactions between members of Haining Group and members of each of Hanison Group and the HKRI Group (including Hanison Group) constitute connected transactions for Hanison and HKRI pursuant to the Listing Rules.

Implication for Hanison

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

Implication for HKRI

Reference is made to the announcement of HKRI dated 13 December 2013 in relation to the continuing connected transactions for rendering services to Haining Group by HKRI Group for three financial years ending 31 March 2016 in respect of Haining Project and the annual cap of the respective year. Given that the services provided by HPML to Haining Fusheng and Haining Jiafeng and the relevant annual cap under the Agreements for the financial year ending 31 March 2016 falls within the services and annual cap under the Framework Agreement which had been duly approved by the board of directors of HKRI and announced on 13 December 2013 in accordance with Chapter 14A of the Listing Rules, the entering into the Agreements and the annual cap under the Agreements for the financial year ending 31 March 2016 need not require any re-compliance for HKRI under Rule 14A.54 of the Listing Rules. The annual caps for the financial year ending 31 March 2016 before and after the Agreements are set out as follows:-

Before Agreements

Relevant Financial Year	Services rendered by HKRI Group (excluding Hanison Group)	Services rendered by Hanison Group	Annual Cap
1 April 2015 – 31 March 2016	HK\$3,500,000	RMB10,344,000 [#] (equivalent to approximately HK\$12,930,000)	HK\$3,500,000 and RMB10,344,000 [#] (equivalent to approximately HK\$12,930,000)

[#] assuming that Hanison's annual cap for the year remains the same as the previous year

After Agreements

Relevant Financial Year	Services rendered by HKRI Group (excluding Hanison Group)	Services rendered by Hanison Group	Annual Cap
1 April 2015 – 31 March 2016	HK\$3,500,000	RMB4,320,000 [@] (equivalent to approximately HK\$5,400,000)	HK\$3,500,000 and RMB4,320,000 [@] (equivalent to approximately HK\$5,400,000)

[@] annual cap pursuant to the Agreements

Nevertheless, as the aggregate annual cap for the transactions contemplated under the Agreements for each of the two years ending 31 March 2018 results in all applicable percentage ratios to be above 0.1% but less than 5%, the transactions contemplated thereunder constitute continuing connected transactions for HKRI which are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from independent shareholders' approval.

INFORMATION OF HKRI

HKRI is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. HKRI and its subsidiaries are principally engaged in property development, property investment, property management and related services, hospitality businesses and healthcare services. Hanison and HPML are indirect non-wholly owned subsidiaries of HKRI.

INFORMATION OF HANISON AND HPML

Hanison is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. Hanison and its subsidiaries are principally engaged in building construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products. HPML is a company providing services in project management.

INFORMATION OF HAINING FUSHENG, HAINING JIAFENG AND CLEAR SHINE

Clear Shine is an investment holding company incorporated in the British Virgin Islands. Haining Fusheng and Haining Jiafeng are incorporated in the PRC and 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 joint announcement, unless the context requires otherwise, the following terms and expressions have the following meanings:-

“Agreements”	the Cross-border Project Management Service Agreement, the Non- PRC Project Management Service Agreement and the Site Supervision Agreements entered into between HPML and each of Haining Fusheng and Haining Jiafeng, as applicable, on 31 March 2015 in relation to the Haining Project
“CCM Trust”	CCM Trust (Cayman) Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the corporate trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects. As at the date of this joint announcement, CCM Trust holds approximately 68.30% and 41.48% direct and indirect shareholding interest in Hanison and HKRI respectively, and is, therefore, a substantial shareholder and connected person of Hanison and HKRI
“Cha Family”	a group of persons comprising, <i>inter alia</i> , Mr. Cha Mou Sing, Payson, Mr. Cha Mou Zing, Victor, Mr. Cha Mou Daid, Johnson and Ms. Wong Cha May Lung, Madeline, being the directors of Hanison and/or HKRI
“Clear Shine”	Clear Shine International Limited, a company incorporated in the British Virgin Islands and is indirectly majority owned by CCM Trust

“Cross-border Project Management Service Agreement”	the agreement dated 31 March 2015 and entered into between HPML and Haining Jiafeng in relation to the project management of the Haining Project
“Framework Agreement”	the Framework Agreement for services in relation to the Haining Project entered into between HKRI and Clear Shine on 13 December 2013
“Haining Fusheng”	海寧富盛房地產有限公司 (Translation: Haining Fusheng Real Estate Development Limited), a company incorporated in the PRC and an indirect wholly owned subsidiary of Clear Shine
“Haining Group”	Clear Shine and its subsidiaries from time to time, including but not limited to Haining Fusheng, and Haining Jiafeng, being together responsible for the Haining Project
“Haining Jiafeng”	海寧嘉豐房地產有限公司 (Translation: Haining Jiafeng Real Estate Development Limited), a company incorporated in the PRC and a joint venture company indirectly held by Clear Shine and Hanison on a 51%:49% basis
“Haining Project”	a large-scale integrated development project comprising residential, office, retail and hotel developments (where applicable, each of Hanison Group and HKRI Group has been providing or may provide services) in Haining City, Zhejiang Province, the PRC
“Hanison”	Hanison Construction Holdings Limited (stock code:00896), a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the main board of the Stock Exchange. Hanison is directly and indirectly owned as to approximately 49% by HKRI
“Hanison Group”	Hanison and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKRI”	HKR International Limited (stock code:00480), a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“HKRI Group”	HKRI and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HPML”	Hanison Project Management Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Hanison and non-wholly owned subsidiary of HKRI

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-PRC Project Management Service Agreement”	the agreement dated 31 March 2015 and entered into between HPML and Haining Jiafeng in relation to the project management of the Haining Project
“PRC”	the People’s Republic of China (for the purposes of this joint announcement, excluding Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Site Supervision Agreement(s)”	the agreement dated 31 March 2015 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

Unless otherwise specified in this joint announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1.0 = HK\$1.25. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

By order of the board of
Hanison Construction Holdings Limited
Wong Sue Toa, Stewart
Managing Director

By order of the board of
HKR International Limited
Cha Mou Zing, Victor
Deputy Chairman & Managing Director

Hong Kong, 31 March 2015

** Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*

As at the date of this joint announcement, the board of directors of Hanison comprises:-

Non-executive Chairman
Mr. Cha Mou Sing, Payson

Non-executive Directors
Mr. Cha Mou Daid, Johnson
Dr. Lam Chat Yu

Executive Directors
Mr. Wong Sue Toa, Stewart (*Managing Director*)
Mr. Tai Sai Ho (*General Manager*)

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

As at the date of this joint announcement, the board of directors of HKRI comprises:-

Chairman

Mr. Cha Mou Sing, Payson

Non-executive Directors

The Honourable Ronald Joseph Arculli

Mr. Cha Mou Daid, Johnson

Ms. Wong Cha May Lung, Madeline

Deputy Chairman & Managing Director

Mr. Cha Mou Zing, Victor

Independent Non-executive Directors

Dr. Cheng Kar Shun, Henry

Mr. Cheung Wing Lam, Linus

Ms. Ho Pak Ching, Loretta

Mr. Tang Kwai Chang

Executive Directors

Mr. Chung Sam Tin, Abraham

Mr. Tang Moon Wah