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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 896)

EXERCISE OF PUT OPTION

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

Reference is made to the announcement of Hanison Construction Holdings Limited (the “**Company**”) dated 21 February 2018 and the circular of the Company dated 27 March 2018 (the “**Circular**”) in relation to the disposal of 50% interest in Gallant Elite Enterprises Limited (the “**Target Company**”) and the grant of Put Option. Capitalised terms used herein shall have the same meanings as defined in the Circular unless otherwise defined.

BACKGROUND OF PUT OPTION

Pursuant to the Shareholders Deed dated 28 March 2018 executed by the Vendor, the Purchaser and the Target Company, the Vendor has granted to the Purchaser the Put Option, pursuant to which the Purchaser is entitled to, sell back the Put Interests (i.e. the Sale Share, representing 50% interest held by the Purchaser in the Target Company, and shareholder loan made available by the Purchaser to the Target Company) to the Vendor at the Purchaser’s discretion, at an exercise price as determined in the manner as set out in the Shareholders Deed. The Put Option is exercisable by the Purchaser at any time during the period starting after (and exclusive of) 28 June 2020 (being the date falling the expiry of 27 months following the Completion Date) and ending on (and inclusive of) 28 September 2020 (being the date falling the expiry of 30 months following the Completion Date).

INFORMATION OF THE TARGET GROUP

The Target Company is engaged in investment holding and is the ultimate holding company of the subsidiary which in turn is the sole owner of the Property. The Property is the property known as “PEAKCASTLE” situated at No. 476 Castle Peak Road, Kowloon, Hong Kong, a commercial property, with an aggregate gross floor area of approximately 145,394 square feet. The units in the Property are currently leased to different tenants.

EXERCISE OF PUT OPTION

On 25 September 2020, the Vendor received the notice to exercise the Put Option from the Purchaser whereby the Vendor will purchase the Put Interests from the Purchaser (the “**Transfer**”) at the exercise price (the “**Price**”) as agreed between the Purchaser and the Vendor in the manner set out in the Shareholders Deed.

Subject to the maximum cap of HK\$1,300,000,000 (i.e. the maximum cap as set out in the Shareholders Deed), the Price payable by the Vendor to the Purchaser for the Transfer shall be a cash sum of HK\$800,000,000 (the “**Cash Sum**”) which shall then be subject to:

- (a) an initial adjustment with reference to the net asset value of the Target Group on a consolidated basis as at the date of the Transfer as shown in the pro forma consolidated statement of financial positions of the Target Company as at the date of Transfer (the “**Pro Forma NAV**”) under which 50% of the Pro Forma NAV shall be added to (if the Pro Forma NAV is a positive figure) or deducted from (if the Pro Forma NAV is a negative figure) the Cash Sum; and
- (b) a further adjustment with reference to the net asset value of the Target Group on a consolidated basis as at the date of the Transfer as shown in the consolidated statement of financial positions of the Target Company as at the date of Transfer finalized between the Vendor and the Purchaser after the completion of the Transfer (the “**Final NAV**”) under which an amount equal to the difference between 50% of the Final NAV and 50% of the Pro Forma NAV shall be added to (if 50% of the Final NAV is greater than 50% of the Pro Forma NAV) or deducted from (if 50% of the Final NAV is less than 50% of the Pro Forma NAV) the Cash Sum.

The completion of the Transfer shall take place on 28 September 2020. Upon completion of the Transfer, each Target Group will become wholly owned subsidiaries of the Company.

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

Hong Kong, 25 September 2020

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

Dr. Zhang Wei

(also alternate director to Mr. Cha Mou Sing, Payson)

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