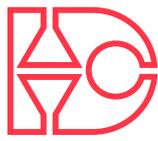


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**興勝創建控股有限公司**

**HANISON CONSTRUCTION HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 896)

## **DISCLOSEABLE TRANSACTION**

### **DISPOSAL OF PROPERTY**

#### **THE DISPOSAL**

The Board is pleased to announce that on 22 December 2020 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at a consideration of HK\$208,552,888 subject to and upon the terms of the Sale and Purchase Agreement.

#### **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios in respect of the transaction contemplated in the Sale and Purchase Agreement exceed 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSAL**

On 22 December 2020, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at a consideration of HK\$208,552,888 subject to and upon the terms of the Sale and Purchase Agreement.

#### **THE SALE AND PURCHASE AGREEMENT**

##### **Date**

22 December 2020 (after trading hours)

##### **Parties**

- (1) Vendor: Tai Kee Pipes Limited (泰記有限公司), an indirect wholly-owned subsidiary of the Company
- (2) Purchaser: CRABEC (Shanghai) Limited (路橋(上海)有限公司)

## **Property**

The Property is a piece of agricultural land, with an aggregate site area of approximately 142,066 square feet. The Property comprises all those pieces or parcels of ground respectively registered in the Land Registry as The Remaining Portion of Lot No.2028, Lot No.2034, Section A of Lot No.2052, Section B of Lot No.2052, Lots Nos.2053, 2054, 2055, 2056, 2057, The Remaining Portion of Lot No.2059, The Remaining Portion of Lot No.2060, Lot No.2062, The Remaining Portion of Section A of Lot No.2063, The Remaining Portion of Section B of Lot No.2063, The Remaining Portion of Section C of Lot No.2063, Lot No.2064, The Remaining Portion of Lot No.2065, The Remaining Portion of Lot No.2066 and Lot No.2068, all in Demarcation District No.76, Ping Che, Fanling, New Territories, Hong Kong.

The Property is held as investment property of the Group.

As at the date of this announcement, part of the Property is licensed to an independent third party of the Group for open storage purposes for the period from 1 June 2019 to 31 May 2021 at a monthly licence fee of HK\$250,000 and an insignificant part of the Property is occupied by a third party individual without the Vendor's consent. Save as aforesaid, the Property will be sold on an "as-is where-is" basis free from other encumbrances.

## **Consideration and Terms of Payment**

The Consideration is HK\$208,552,888, which has been or shall be paid by the Purchaser in the following manner:

- (1) a sum of HK\$20,855,288.80 being the deposit and part payment of the Consideration (the "**Deposit**") has been paid on 22 December 2020 to the Vendor upon signing of the Sale and Purchase Agreement; and
- (2) a sum of HK\$187,697,599.20 being the balance of the Consideration shall be payable upon Completion.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor having considered the market value of the agricultural properties nearby.

## **Title Requisition**

The Vendor shall show, prove and give title to the Property in accordance with the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong), failing which the Vendor may annul the Disposal, in which case the Deposit shall be returned by the Vendor to the Purchaser without interest, costs or compensation.

## **Completion**

Completion shall take place on or before the Completion Date, currently set on 22 January 2021 subject to be changed as the Vendor and Purchaser may agree.

## **INFORMATION ON THE VENDOR AND THE COMPANY**

The Vendor is a property investment company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in 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.

## **INFORMATION ON THE PURCHASER**

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of China Road and Bridge Corporation (中國路橋工程有限責任公司) and is principally engaged in infrastructure construction.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximising returns to the Shareholders. The Directors consider that the current market presents a good opportunity for the Group to unlock the value of the Property, such that the Group may relocate such capital for other investment opportunities as and where such opportunities arise. It is therefore the Company's intention to use the net sale proceeds from the Disposal as general working capital and for future investment should such opportunities arise.

The Directors (including the independent non-executive Directors) believe that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL**

The Property is partially licensed out and has generated an annual licence fee income of approximately HK\$2,053,000 and HK\$2,842,000, respectively, for the financial years ended 31 March 2019 and 31 March 2020. Upon Completion, the Group will no longer need to incur any expenses in relation to the operation of the Property but will also cease to earn licence fee income from the Property, and this would have a negative effect on the earnings of the Group.

Upon Completion, which is expected to take place on or before 22 January 2021, and based on the carrying value of the Property as at 30 September 2020 of approximately HK\$208,000,000, the Group is expected to record a gain on change in fair value of investment properties of approximately HK\$553,000 (before costs, expenses and taxes relating to the Disposal) in the second half of the financial year ending 31 March 2021. Since the date of acquisition of the Property by the Group, and up to 30 September 2020, the Group has recognised an accumulated gain on change in fair value of investment properties in respect of the Property of approximately HK\$192,621,000. Taking into account the expected gain to be recognised in the second half of the financial year ending 31 March 2021 arising from the Disposal, the total estimated accumulated gain on change in fair value of investment properties in respect of the Property will be approximately HK\$193,174,000 (before costs, expenses and taxes relating to the Disposal). The actual gain on the Disposal to be recorded in the second half of the financial year ending 31 March 2021 is subject to audit, and will be calculated based on the carrying value of the Property as at the Completion Date and net of any incidental expenses and therefore may be different from the estimated amount.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios in respect of the transaction contemplated in the Sale and Purchase Agreement exceed 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following respective meanings:

“Board”	the board of Directors
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	22 January 2021 or such other date as the Vendor and Purchaser may agree
“connected persons”, “percentage ratios” and “subsidiary(ies)”	each has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration for the Disposal pursuant to the Sale and Purchase Agreement
“Deposit”	has the meaning as ascribed under the paragraph headed “The Sale and Purchase Agreement – Consideration and Terms of Payment” in this announcement
“Director(s)”	director(s) of the Company

“Disposal”	the disposal of the Property by the Vendor to the Purchaser subject to and upon the terms of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	ALL THOSE pieces or parcels of ground respectively registered in the Land Registry as The Remaining Portion of Lot No.2028, Lot No.2034, Section A of Lot No.2052, Section B of Lot No.2052, Lots Nos.2053, 2054, 2055, 2056, 2057, The Remaining Portion of Lot No.2059, The Remaining Portion of Lot No.2060, Lot No.2062, The Remaining Portion of Section A of Lot No.2063, The Remaining Portion of Section B of Lot No.2063, The Remaining Portion of Section C of Lot No.2063, Lot No.2064, The Remaining Portion of Lot No.2065, The Remaining Portion of Lot No.2066 and Lot No.2068, all in Demarcation District No.76, Hong Kong
“Purchaser”	CRABEC (Shanghai) Limited (路橋(上海)有限公司), a company incorporated in Hong Kong with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 December 2020 entered into between the Vendor and the Purchaser in respect of the Disposal
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Tai Kee Pipes Limited (泰記有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 22 December 2020

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

***Non-executive Chairman***

Mr. Cha Mou Daid, Johnson

***Non-executive Director***

Dr. Zhang Wei

***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