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

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE DISPOSAL OF THE ENTIRE INTEREST IN  
REGAL PROSPER LIMITED**

**THE DISPOSAL**

The Board is pleased to announce that on 10 January 2022, the Vendor (an indirect wholly-owned subsidiary of the Company), the Vendor's Guarantor (a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Preliminary Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase (a) the entire issued share capital in the Target Company (i.e. the Sale Share); and (b) the loan owing by the Target Company to the Vendor as at Completion (i.e. the Sale Loan), at the aggregate consideration of HK\$280,000,000 (subject to adjustment) subject to the terms of the Preliminary Agreement.

Upon Completion, the Company will cease to have any interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under the Listing Rules.

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## **The Preliminary Agreement**

The principal terms of the Preliminary Agreement are summarised as follows:

### ***Date***

10 January 2022

### ***Parties***

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company, as the vendor
- (ii) the Vendor's Guarantor, a direct wholly-owned subsidiary of the Company, as the Vendor's guarantor
- (iii) the Purchaser, as the purchaser

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons.

### ***Subject Matter***

The Sale Share, representing the entire issued share capital in the Target Company, and the Sale Loan, representing the loan owing by the Target Company to the Vendor as at Completion. The Target Company directly holds 100% legal and beneficial ownership of the Property. The Property is sold on an "as-is" basis free from encumbrances save for the Bank Loan Securities which will be released on Completion.

The parties shall not be obliged to complete the sale and purchase of the Sale Share or the assignment of the Sale Loan unless the sale and purchase of the Sale Share and the assignment of the Sale Loan are completed simultaneously.

### ***Consideration***

The Consideration payable under the Preliminary Agreement is HK\$280,000,000, subject to be adjusted as described in the paragraph headed "Adjustment to the Consideration" below, has been and shall be paid by the Purchaser in the following manner:

- (a) a sum of HK\$14,000,000, being the initial deposit (the "**Initial Deposit**"), has been paid to the Vendor's solicitors as stakeholder upon signing of the Preliminary Agreement;
- (b) a sum of HK\$14,000,000, being the further deposit (the "**Further Deposit**", together with the Initial Deposit, the "**Deposits**"), shall be paid to the Vendor's solicitors as stakeholder on or before the Formal Agreement Date; and

- (c) the balance of the Consideration (the “**Completion Payment**”), after deducting the Deposits, shall be settled at Completion in the following manner:
- (i) a sum equal to the amount payable to fully release and discharge the Bank Loan Securities (if any) shall be paid directly to the relevant bank; and
  - (ii) the remaining balance of the Completion Payment shall be paid to the Vendor.

If the Further Deposit has not been paid on or before the Formal Agreement Date, the Vendor may by notice terminate the Preliminary Agreement and the Initial Deposit shall be forfeited to the Vendor as damages.

### ***Adjustment to the Consideration***

The Consideration shall be adjusted such that there shall be added to the Consideration the amount (if any) by which the Net Asset Value is more than zero, or there shall be deducted from the Consideration the amount of Net Liabilities. The adjustment shall be paid by the Purchaser or the Vendor (as the case may be) within 5 business days after agreement or determination of the Completion Accounts.

The Consideration was determined based on arm’s length negotiations between the Vendor and the Purchaser with reference to the prevailing market price of similar properties at similar locations and the prevailing rental yield as compared to the Property.

### ***Conditions Precedent***

Completion is conditional upon the following conditions precedent being satisfied (or waived by the Purchaser) on or before the Completion Date:

- (a) the Target Company being able to show and give title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);
- (b) the Purchaser having undertaken a due diligence review of the Target Company and being satisfied with the due diligence results;
- (c) certain warranties by the Vendor remaining true, accurate and not misleading in all material respects on the Completion Date; and
- (d) the transactions contemplated under the Preliminary Agreement being transacted in accordance with the requirements under the Listing Rules (to the extent applicable).

If any of the conditions precedent set out above has not been satisfied or waived by the Purchaser (as the case may be) on or before the Completion Date, the Vendor shall be entitled to terminate the Preliminary Agreement by notice to the Purchaser, unless the parties otherwise agree in writing, and the Vendor shall return the Deposits to the extent already paid by the Purchaser without any interest or cost.

## ***Completion***

Completion shall take place on the Completion Date. Upon Completion, the Company will cease to have any interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Group.

## ***Guarantee***

The Vendor's Guarantor guarantees to the Purchaser the performance of the Vendor's obligations under the Preliminary Agreement and to pay, on demand, any sum which the Vendor fails to pay to the Purchaser in accordance with the Preliminary Agreement.

## ***Formal Agreement***

The Vendor and the Purchaser shall use all reasonable endeavours to agree and enter into the Formal Agreement on or before 10 February 2022 (or such other date as the Vendor and the Purchaser may agree in writing) (i.e. the Formal Agreement Date). In the event the parties fail to agree on the terms of the Formal Agreement, the Preliminary Agreement shall remain in full force and effect and the Disposal shall be completed in accordance with the Preliminary Agreement.

## **INFORMATION OF THE TARGET COMPANY AND THE PROPERTY**

The Target Company is a company incorporated under the laws of Hong Kong with limited liability and is a property holding company with the sole purpose of holding the Property.

The Property is a commercial property located at Nos. 99/101 Lai Chi Kok Road, Kowloon with a total gross floor area of approximately 24,271 square feet. The Property is currently vacant and held as an investment property of the Group.

Set out below is a summary of certain financial information of the Target Company for each of the financial years ended 31 March 2020 and 31 March 2021:

	<b>For the year ended 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>approximately</i>	<i>approximately</i>
	<i>(audited)</i>	<i>(audited)</i>
Net loss before taxation and extraordinary items	3,388	5,672
Net loss after taxation and extraordinary items	3,358	5,672

The unaudited net liability value of the Target Company as at 30 November 2021 was approximately HK\$24,066,000.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The principal business activities of the Group are 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.

The Vendor is an investment holding company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of each of the Company and the Vendor's Guarantor.

The Vendor's Guarantor is an investment holding company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a corporation sole established under and by virtue of the Order of Friars Minor in Hong Kong Incorporation Ordinance (Cap. 1166 of the Laws of Hong Kong) as the local representative in Hong Kong of the Order of Friars Minor, a religious order within the Catholic Church.

## **REASONS FOR 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 Company to unlock the value of the Target Company. Accordingly, the Directors believe that the Disposal will enable the Company to reallocate capital into future investment opportunities and pursue other opportunities.

The Directors consider that the Disposal, the terms of the Preliminary Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS**

As the Target Company is operating at a loss, and upon Completion, the Group will no longer need to incur any expenses in relation to the operation of the Property, which amounted to approximately HK\$1,001,000 and HK\$2,238,000 for the financial years ended 31 March 2020 and 31 March 2021, respectively, the Disposal would have a positive effect on the earnings of the Group. Upon Completion, the Group expects to recognise a gain on change in fair value of investment properties of approximately HK\$57,300,000 before costs and expenses relating to the Disposal in the financial year ending 31 March 2022. The actual gain on the Disposal to be recorded by the Company is subject to audit and may be different from the estimated amount.

The proceeds arising from the Disposal are expected to be used as general working capital and/or financing possible property or business investments.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under the Listing Rules.

## DEFINITIONS

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

“Bank Loan”	the loan owing by an indirect wholly-owned subsidiary of the Company to a third-party bank in Hong Kong
“Bank Loan Securities”	the existing security documents in relation to the Bank Loan entered into by an indirect wholly-owned subsidiary of the Company in favour of the relevant bank (including, among others, a mortgage over the property)
“Board”	the board of Directors
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Preliminary Agreement
“Completion Accounts”	the statement of financial position of the Target Company as at Completion and the statement of profit or loss and other comprehensive income for the period from 1 April 2021 to the Completion Date
“Completion Date”	the date of Completion, being 15 March 2022 or such other date as the Vendor and Purchaser may agree in writing
“Completion Payment”	has the meaning as defined in the section headed “The Disposal – The Preliminary Agreement – Consideration”
“connected persons”, “percentage ratio” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration in the amount of HK\$280,000,000 (subject to adjustment) payable by the Purchaser in respect of the Disposal
“Deposits”	has the meaning as defined in the section headed “The Disposal – The Preliminary Agreement – Consideration”
“Directors”	the directors of the Company

“Disposal”	the disposal of the Sale Share and the Sale Loan by the Vendor to the Purchaser pursuant to the Preliminary Agreement
“Formal Agreement”	the formal agreement in relation to the Disposal to be entered into among the Vendor, the Vendor’s Guarantor and the Purchaser on substantially the same terms as the Preliminary Agreement
“Formal Agreement Date”	10 February 2022 or such other date as the Vendor and the Purchaser may agree
“Further Deposit”	has the meaning as defined in the section headed “The Disposal – The Preliminary Agreement – Consideration”
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Deposit”	has the meaning as defined in the section headed “The Disposal – The Preliminary Agreement – Consideration”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value” and “Net Liabilities”	the total assets of the Target Company (other than the Property) as at Completion minus total liabilities of the Target Company (other than the liability in respect of the Sale Loan, the Bank Loan and deferred tax liabilities) as at Completion; it being referred to as “Net Asset Value” if it is a positive figure, and “Net Liabilities” if it is a negative figure
“Preliminary Agreement”	the preliminary agreement dated 10 January 2022 entered into among the Vendor, the Vendor’s Guarantor and the Purchaser in relation to the Disposal
“Property”	ALL THOSE pieces or parcels of ground respectively registered in the Land Registry as THE REMAINING PORTION OF KOWLOON INLAND LOT NO.2344 and THE REMAINING PORTION OF KOWLOON INLAND LOT NO.2345 Together with the messuages, erections and buildings erected thereon now known as NOS.99/101 LAI CHI KOK ROAD, KOWLOON, HONG KONG
“Purchaser”	The Minister in Hong Kong of the Order of Friars Minor (香港天主教方濟會會長), a corporation sole established under and by virtue of the Order of Friars Minor in Hong Kong Incorporation Ordinance (Cap. 1166 of the Laws of Hong Kong)

“Sale Loan”	the unsecured, interest-free loan owing by the Target Company to the Vendor as at Completion, amounting to approximately HK\$249,680,000 as at the date of this announcement
“Sale Share”	one ordinary share in the Target Company, representing the entire issued share capital of the Target Company held by the Vendor
“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Regal Prosper Limited (昇興有限公司), a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Vendor prior to Completion
“Vendor”	Towering Glory Limited (陞榮有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendor’s Guarantor”	Hanison Construction Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct 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, 10 January 2022

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

***Non-executive Chairman***

Mr. Cha Mou Daid, Johnson

***Non-executive Director***

Dr. Lam Chat Yu

***Executive Directors***

Mr. Wong Sue Toa, Stewart (*Managing Director*)

Mr. Tai Sai Ho (*General Manager*)

Mr. Chow Ka Fung

***Independent Non-executive Directors***

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun