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

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF THE ENTIRE INTEREST IN THE TARGET GROUP**

THE DISPOSAL

The Board is pleased to announce that on 15 July 2019 (after trading hours), the Vendor, (an indirect wholly-owned subsidiary of the Company), the Guarantor, (a direct wholly-owned subsidiary of the Company), and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal, pursuant to which (i) the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued and paid up share capital of the Target Company), free from all encumbrances, and (ii) the Vendor conditionally agreed to assign and the Purchaser conditionally agreed to take the assignment of the benefit of the Sale Loan, collectively at the Consideration of HK\$420,000,000 (subject to adjustment, if any).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated under the Sale and Purchase Agreement exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising CCM Trust (Cayman) Limited and its subsidiaries and LBJ Regents Limited which are beneficially interested in 487,702,041 and 61,022,931 shares in the Company respectively, representing in total 50.30% of the entire issued share capital of the Company as at the date of this announcement. CCM Trust (Cayman) Limited and LBJ Regents Limited hold shares in the Company as the trustees of certain but not identical discretionary trusts of which members of the Cha family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being Directors) are among the discretionary objects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholder has any material interest in the Disposal and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Disposal is required to be despatched to the shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 5 August 2019. As it is expected that the Company will require more time to prepare the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. The Company will make further announcement after it has obtained the waiver from the Stock Exchange.

Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed “The Sale and Purchase Agreement – Conditions Precedent” in this announcement. Therefore, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.

THE DISPOSAL

The Board is pleased to announce that on 15 July 2019 (after trading hours), the Vendor, (an indirect wholly-owned subsidiary of the Company), the Guarantor, (a direct wholly-owned subsidiary of the Company), and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal, pursuant to which (i) the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued and paid up share capital of the Target Company), free from all encumbrances, and (ii) the Vendor conditionally agreed to assign and the Purchaser conditionally agreed to take the assignment of the benefit of the Sale Loan, collectively at the Consideration of HK\$420,000,000 (subject to adjustment, if any).

THE SALE AND PURCHASE AGREEMENT

Date

15 July 2019

Parties

- (1) Vendor: Shangzhi Limited, an indirect wholly-owned subsidiary of the Company
- (2) Purchaser: Elevest Limited
- (3) Guarantor: Hanison Construction Holdings (BVI) Limited, a direct wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

Subject Matter

The Sale Share, representing the entire issued and paid up capital of the Target Company, free from all encumbrances; and the benefit of the Sale Loan.

The sole direct wholly-owned subsidiary of the Target Company (the “**Subsidiary**”) is the sole owner of the Property situated at Subsection 4 of Section A of Inland Lot No. 679, Subsection 5 of Section A of Inland Lot No. 679, Subsection 3 of Section A of Inland Lot No. 679 and Subsection 2 of Section A of Inland Lot No. 679 together with the messuages erections and buildings thereon now known as “One Eleven” (formerly known as “ovolo”), at No. 111 (formerly Nos. 109, 111, 113 and 115) High Street, Hong Kong.

The Disposal shall be conducted with the Property subject to the existing tenancies (to the extent they have not expired) as set out in the Sale and Purchase Agreement.

Consideration

The Consideration shall initially be HK\$420,000,000, subject to adjustment (if any) by reference to the NAV, which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$21,000,000 has been paid to the Vendor’s solicitors as escrow agent under the Letter of Intent of 31 May 2019 (the “**Initial Deposit**”);
- (2) a sum of HK\$21,000,000 has been paid to the Vendor’s solicitors as escrow agent upon the signing of the Sale and Purchase Agreement (the “**Further Deposit**”);
- (3) the remaining balance of the Consideration, as adjusted according to the following formula shall be paid by the Purchaser to the Vendor or the Vendor’s solicitors upon Completion:
 - a. there shall be added to the Consideration the amount of NAV as set out in the pro-forma completion accounts made up to the Completion Date if it is a positive amount; or
 - b. there shall be deducted from the Consideration the amount of NAV as set out in the pro-forma completion accounts made up to the Completion Date if it is a negative amount; and
- (4) a sum in respect of the final adjustment of the Consideration as determined according to the following formula shall be paid by the Purchaser or the Vendor (as the case may be) on a dollar-for-dollar basis within 15 Business Days after finalisation of the completion accounts:
 - a. there shall be added to the Consideration the amount (if any) by which the NAV determined by reference to the completion accounts made up to the Completion Date is more than the NAV as set out in the pro-forma completion accounts made up to the Completion Date; or
 - b. there shall be deducted from the Consideration the amount (if any) by which the NAV determined by reference to the completion accounts made up to the Completion Date is less than the NAV as set out in the pro-forma completion accounts made up to the Completion Date.

The Consideration was arrived at after arm’s length negotiation between the Purchaser and the Vendor having considered the offer price of comparable properties in nearby locations.

Conditions Precedent

Completion is subject to the satisfaction or waiver of the following conditions precedent:

- a. the transactions contemplated under the Sale and Purchase Agreement being transacted in accordance with the requirements under the applicable Listing Rules;
- b. no material part of the Property (i.e. such part(s) of the Property which comprise(s), in total, 10% or more of the total gross floor area of the Property) having been destroyed, condemned, closed or declared dangerous under the Buildings Ordinance or the Demolished Buildings (Re-development of Sites) Ordinance (Cap.337 of the Laws of Hong Kong);
- c. no Target Group Company, without the prior written consent of the Purchaser, having entered into any agreement between the date of the Sale and Purchase Agreement and Completion that materially and adversely affects the use of the Property, or has a material adverse effect on the Property or a Target Group Company, which exceeds the amount of HK\$1,000,000, other than, amongst other things, in the ordinary course of business; and
- d. the fundamental warranties (as defined in the Sale and Purchase Agreement) remaining true and correct as at the Completion Date.

The Purchaser may waive any of the conditions precedent set out in the Sale and Purchase Agreement save for the condition precedent set out in paragraph (a) above.

If any of the conditions precedent has not been satisfied in full (or waived) on or before the Completion Date, the Vendor shall return the Initial Deposit and the Further Deposit (without interest or cost) to the Purchaser, in which event none of the parties shall have any further claim or cause of action against any other party.

If the Vendor does not proceed to Completion on the Completion Date where all conditions precedent have been satisfied in full (or waived), the Vendor shall return the Initial Deposit and the Further Deposit (without interest or cost) to the Purchaser, and immediately upon demand, pay to the Purchaser an amount equivalent to the aggregate value of the Initial Deposit and Further Deposit. The Purchaser can in addition claim damages for the Vendor's breach of the Sale and Purchase Agreement and/or seek specific performance of its obligations under the Sale and Purchase Agreement.

If the Purchaser does not proceed to Completion on the Completion Date where all conditions precedent have been satisfied in full (or waived), the Vendor may retain and forfeit the Initial Deposit and the Further Deposit and in addition claim damages for the Purchaser's breach of the Sale and Purchase Agreement and/or seek specific performance of its obligations under the Sale and Purchase Agreement.

Guarantee

The Guarantor has agreed to guarantee the performance and observance by the Vendor of its obligations, commitments and warranties under the Sale and Purchase Agreement.

Completion

Completion shall, subject to the fulfilment or waiver of all conditions precedent as set out in the Sale and Purchase Agreement, take place on 15 August 2019 or such other date as the Vendor and the Purchaser may agree in writing.

INFORMATION ON THE TARGET COMPANY, SUBSIDIARY AND PROPERTY AS WELL AS FINANCIAL EFFECT OF THE DISPOSAL

The Target Company is an investment holding company with the sole purpose of holding the Subsidiary. The Subsidiary is a property holding company with the sole purpose of holding the Property.

Set out below is a summary of certain unaudited consolidated financial information of the Target Group for each of the financial years ended 31 March 2018 and 31 March 2019:

	For the year ended 31 March 2018 (HK\$'000)	For the year ended 31 March 2019 (HK\$'000)
Net profit before taxation and extraordinary items	20,830	6,749
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The unaudited consolidated net asset value of the Target Group as at 31 March 2019 was approximately HK\$180,534,000.

Upon Completion, each member of the Target Group will cease to be a subsidiary of the Group and their financial results will no longer be consolidated with the financial statements of the Group.

INFORMATION ON THE COMPANY

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 Company and its subsidiaries 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.

INFORMATION ON THE VENDOR AND THE GUARANTOR

The Vendor is an investment holding company incorporated in BVI and an indirect wholly-owned subsidiary of the Company.

The Guarantor is an investment holding company incorporated in BVI and a direct wholly-owned subsidiary of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is an exempted company incorporated in the Cayman Islands, carrying out the principal activity of investment holding.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Directors undertake strategic reviews of the Company's assets from time to time with a view to maximising returns to the shareholders of the Company. The Directors consider that the current market presents a good opportunity for the Company to unlock the value of the Target Group. Accordingly, the Directors believe that the Disposal will enable the Company to reallocate capital into future investment opportunities and pursue other growth opportunities.

The Directors (including the independent non-executive Directors) consider that the Disposal and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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The Company has obtained written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising CCM Trust (Cayman) Limited and its subsidiaries and LBJ Regents Limited which are beneficially interested in 487,702,041 and 61,022,931 shares in the Company respectively, representing in total 50.30% of the entire issued share capital of the Company as at the date of this announcement. CCM Trust (Cayman) Limited and LBJ Regents Limited hold shares in the Company as the trustees of certain but not identical discretionary trusts of which members of the Cha family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being Directors) are among the discretionary objects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholder has any material interest in the Disposal and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Disposal is required to be despatched to the shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 5 August 2019. As it is expected that the Company will require more time to prepare the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. The Company will make further announcement after it has obtained the waiver from the Stock Exchange.

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DEFINITIONS

“Board”	the board of Directors
“Business Day”	means any day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“BVI”	the British Virgin Islands
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated under the laws of 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 Sale and Purchase Agreement
“Completion Date”	15 August 2019 or such other date as the Vendor and Purchaser may agree in writing on which Completion shall take place in accordance with the terms of the Sale and Purchase Agreement
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	initially HK\$420,000,000, subject to adjustment (if any)
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share and assignment of the Sale Loan pursuant to the Sale and Purchase Agreement
“Further Deposit”	a sum of HK\$21,000,000 paid by the Purchaser to the Vendor’s solicitors as escrow agent on 15 July 2019
“Group”	the Company together with its subsidiaries
“Guarantor”	Hanison Construction Holdings (BVI) Limited, a limited liability company incorporated under the laws of the BVI
“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”	a sum of HK\$21,000,000 paid by the Purchaser to the Vendor’s solicitors as escrow agent on 31 May 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Letter of Intent”	the letter of intent dated 31 May 2019 entered into between the Vendor and the Purchaser relating to the Disposal
“NAV”	net asset value, i.e. the total consolidated assets of the Target Group (other than, the value of the Property, leasehold improvement, furniture and fixtures, equipment and deferred tax assets (if any)); <i>minus</i> the total consolidated liabilities of the Target Group (other than, the liability in respect of any shareholder loan (including the Sale Loan) and deferred tax liabilities arising from the commercial building allowance for the Property) as at Completion as shown in the pro-forma completion accounts or the completion accounts (as the case may be)
“Property”	the property situated at Subsection 4 of Section A of Inland Lot No. 679, Subsection 5 of Section A of Inland Lot No. 679, Subsection 3 of Section A of Inland Lot No. 679 and Subsection 2 of Section A of Inland Lot No. 679 together with the messuages erections and buildings thereon now known as “One Eleven” (and formerly known as “ovolo”), at No. 111 (formerly Nos. 109, 111, 113 and 115) High Street, Hong Kong
“Purchaser”	Elevest Limited, an exempted company incorporated under the laws of the Cayman Islands
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 July 2019 entered into among the Vendor, the Guarantor and the Purchaser in respect of the Disposal
“Sale Share”	one (1) share representing the entire issued share capital of the Target Company
“Sale Loan”	the loan owing by the Target Company to the Vendor as at Completion to be shown in the pro-forma completion accounts
“shareholder(s)”	holder(s) 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
“subsidiary”	has the meaning as ascribed to it under the Listing Rules
“Subsidiary”	Masswell International Limited (茂中國際有限公司), a limited liability company incorporated under the laws of Hong Kong
“Target Company”	General Mark Holdings Limited (廣誌控股有限公司), a limited liability company incorporated under the laws of the BVI
“Target Group”	the Target Company together with its subsidiary
“Target Group Company”	any of the companies within the Target Group as the context may require

“Vendor” Shangzhi Limited (尚志有限公司), a limited liability company incorporated under the laws of the BVI

“%” per cent

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

Hong Kong, 15 July 2019

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

Non-executive Chairman

Mr. Cha Mou Sing, Payson

Executive Directors

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

Mr. Tai Sai Ho (*General Manager*)

Mr. Lo Kai Cheong

Non-executive Directors

Mr. Cha Mou Daid, Johnson

Dr. Zhang Wei

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

Independent Non-executive Directors

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun