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

**MAJOR TRANSACTION  
PROVISION OF GUARANTEE  
IN RELATION TO THE JOINT VENTURE**

**PROVISION OF GUARANTEE**

The Board is pleased to announce that on 16 August 2019 (after trading hours), the Vendor Guarantor I (being a direct wholly-owned subsidiary of the Company), the Vendor (being a 50% joint venture of the Group), the Vendor Guarantor II, the Purchaser and the Purchaser Covenantor entered into the SPA in relation to the Disposal at the Consideration (i.e. the aggregate of HK\$1,080,000,000 and the Consolidated NAV).

To secure the due and punctual performance of the obligations of the Vendor under each of the Transaction Documents, each of the Vendor Guarantors has severally agreed to guarantee the due and punctual performance of the obligations of the Vendor in respect of the Disposal under each of the Transaction Documents (subject to the Maximum Guaranteed Amount), and the liability of each of the Vendor Guarantors under such guarantee is 50% for the Vendor Guarantor I and the remaining 50% for the Vendor Guarantor II.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of the Guarantee exceeds 25% but are less than 100%, the provision of the Guarantee constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek for written approval for the Guarantee 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 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 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 Guarantee and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Guarantee. If such written consent is obtained from such closely allied group of shareholders, no extraordinary general meeting will be convened for the purpose of approving the Guarantee.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the Guarantee is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 6 September 2019.

**The provision of the Guarantee is subject to the compliance requirements as set out in the section headed “Principal terms relating to the Guarantee under the SPA – Effectiveness of the Guarantee” and therefore the Guarantee may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PROVISION OF GUARANTEE**

The Board is pleased to announce that on 16 August 2019 (after trading hours), the Vendor Guarantor I (being a direct wholly-owned subsidiary of the Company), the Vendor (being a 50% joint venture of the Group), the Vendor Guarantor II, the Purchaser and the Purchaser Covenantor entered into the SPA in relation to the Disposal at the Consideration (i.e. the aggregate of HK\$1,080,000,000 and the Consolidated NAV).

To secure the due and punctual performance of the obligations of the Vendor under each of the Transaction Documents, each of the Vendor Guarantors has severally agreed to guarantee the due and punctual performance of the obligations of the Vendor in respect of the Disposal under each of the Transaction Documents (subject to the Maximum Guaranteed Amount), and the liability of each of the Vendor Guarantors under such guarantee is 50% for the Vendor Guarantor I and the remaining 50% for the Vendor Guarantor II.

### **Principal terms relating to the Guarantee under the SPA**

#### ***Date of SPA***

16 August 2019

#### ***Parties***

- (1) Vendor: Victorious Troops Limited, a joint venture owned as to 50% by Excellent Delight (being an indirect wholly-owned subsidiary of the Company) and as to 50% by the JV Partner
- (2) Purchaser: Goodway Asia Limited, a limited company incorporated in Hong Kong
- (3) Purchaser Covenantor: Mr. Tang Shing Bor, the ultimate legal and beneficial owner of the Purchaser
- (4) Vendor Guarantor I: Hanison Construction Holdings (BVI) Limited, a direct wholly-owned subsidiary of the Company, which indirectly holds 50% equity interest in the Target Company through Excellent Delight
- (5) Vendor Guarantor II: China Life Frontier Private Investment Fund L.P., which indirectly holds 50% equity interest in the Target Company through the JV Partner

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser Covenantor, the Vendor Guarantor II and each of their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

### ***Maximum Guaranteed Amount***

The guarantee given by the Vendor Guarantors to the Purchaser pursuant to the terms of the SPA shall be subject to the Maximum Guaranteed Amount, and the liability of each of the Vendor Guarantors under such guarantee is 50% for the Vendor Guarantor I and the remaining 50% for the Vendor Guarantor II.

The Maximum Guaranteed Amount and the liability of each of the Vendor Guarantor I and the Vendor Guarantor II under the guarantee given by the Vendor Guarantors to the Purchaser pursuant to the terms of the SPA was determined and arrived at after arm's length negotiation between the parties to the SPA, having taken into account the equity interest of each of the Vendor Guarantors in the Vendor and the amount of the Vendor's obligations under the SPA.

### ***Effectiveness of the Guarantee***

The provision of the Guarantee by the Vendor Guarantor I is subject to the obtaining of written approval by a closely allied group of Shareholders in compliance with the requirements under the Listing Rules by 30 September 2019 or such later date as may be agreed by the Vendor and the Purchaser, and shall only take effect upon the obtaining of such Shareholders' approval. The guarantee provided by the Vendor Guarantor II shall take effect upon the signing of the SPA.

The guarantee given by the Vendor Guarantors to the Purchaser pursuant to the terms of the SPA is a continuing guarantee which will remain in force until all the obligations of the Vendor under each of the Transaction Documents have been fulfilled.

### ***Subject Matter of the Disposal***

Pursuant to the SPA, (a) the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares (representing the entire issued and paid up share capital of the Target Company); and (b) the Vendor agreed to assign and the Purchaser agreed to accept assignment of the benefit of the Sale Loan, free from all Encumbrances, at the Consideration, subject to the terms of the SPA.

The HK Target Companies comprising Park International, Point Base and Ever Peak are indirectly wholly-owned by the Target Company through the Intermediate Holding Company. The HK Target Companies are the sole owners of the Properties situated at Central Industrial Building, 57-61 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong.

### ***Consideration***

The Consideration is the aggregate of HK\$1,080,000,000 and the Consolidated NAV as shown in the Completion Accounts. The Consideration is subject to a maximum cap of HK\$1,100,000,000.

The Consideration was determined and arrived at after arm's length negotiation between the Vendor and the Purchaser, having taken into account the offer prices of comparable industrial properties in nearby locations and the face value of the Sale Loan.

## ***Conditions Precedent***

Completion is subject to the satisfaction or waiver of the following Conditions Precedent as stated in the SPA:

- (a) the fundamental warranties remaining true, complete and accurate in all respects and not misleading in any respects before and on the Completion Date; and
- (b) the obtaining of written approval by a closely allied group of Shareholders for the provision of the Guarantee by the Vendor Guarantor I in compliance with the requirements under the Listing Rules.

## ***Completion***

Subject to all of the Conditions Precedent being satisfied (or waived by the Purchaser), Completion will take place on the Completion Date. If the Condition Precedent (b) has not been satisfied by the Vendor or waived by the Purchaser on or before 30 September 2019 (or such later date as may be agreed by the Vendor and the Purchaser), the Purchaser may at any time on or before 9 December 2019, by notice to the Vendor, terminate the SPA. If any of the Conditions Precedent has not been satisfied by the Vendor or waived by the Purchaser on or before the Completion Date, unless the Vendor and the Purchaser otherwise agree in writing, the SPA shall forthwith be terminated on the date originally set for Completion.

## ***Pre-closing Undertakings and warranties***

The Vendor has given certain customary pre-closing undertakings in relation to the state of affairs of the Target Group for agreement of similar nature and size in the SPA. In addition, the Vendor has given certain customary warranties in relation to the Target Group, the Properties, the Sale Shares, the Sale Loan for agreement of similar nature and size in the SPA.

## ***Limitation of claim***

The total maximum aggregate amount of liability of the Vendor and the Vendor Guarantors under the Transaction Documents shall not exceed an amount equivalent to the Consideration (in the case of a claim under or in relation to the fundamental warranties or previous transaction documents for the acquisition of the Properties as prescribed under the SPA); or an amount equivalent to twenty percent (20%) of the Consideration (in the case of any claim other than under or in relation to the fundamental warranties or previous transaction documents for the acquisition of the Properties) provided always that the maximum aggregate amount of liability of the Vendor and the Vendor Guarantors under all of the Transaction Documents shall not exceed an amount equivalent to the Consideration.

## **FINANCIAL IMPACT TO THE GROUP IN RELATION TO THE DISPOSAL**

Upon Completion, the Group is expected to record a share of profit of joint ventures of approximately HK\$167,256,000 (before costs, expenses and taxes relating to the Disposal) in the second half of the financial year ending 31 March 2020, which is calculated on the basis of (i) the difference between the consideration of the Disposal and the aggregate of the carrying value of the Properties as at 31 July 2019, and (ii) the accumulated unrecognised share of loss of the joint venture up to 31 July 2019. The actual gain on the Disposal to be recorded in the second half of the financial year ending 31 March 2020 is subject to audit, and will be calculated based on the consolidated financial information of the Target Company as at the Completion Date and net of any incidental expenses and therefore may be different from the estimated amount.

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

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.

The principal business activity of the Vendor Guarantor I is investment holding. It indirectly holds 50% equity interest in the Vendor through Excellent Delight.

## **INFORMATION ON THE VENDOR GUARANTOR II**

Vendor Guarantor II is a close-ended private equity fund. Vendor Guarantor II indirectly owns 50% equity interest in the Target Company through the JV Partner.

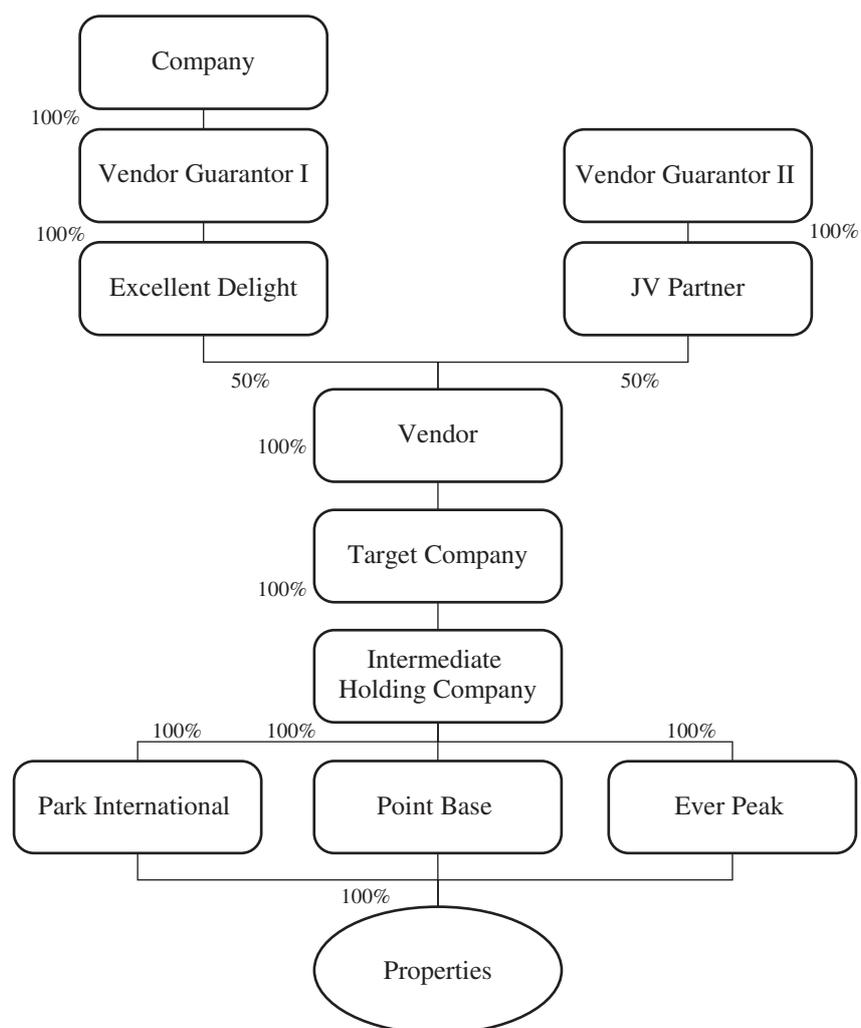
## **INFORMATION ON THE PURCHASER AND THE PURCHASER COVENANTOR**

The principal business activity of the Purchaser is investment holding. The Purchaser Covenantor is an individual who is the ultimate legal and beneficial owner of the Purchaser.

## **INFORMATION ON THE VENDOR**

The Vendor, being an investment holding company, is owned as to 50% by Excellent Delight and as to 50% by the JV Partner. The Vendor holds all of the issued shares of the Target Company, which indirectly holds all of the issued shares of the HK Target Companies through the Intermediate Holding Company. It is the intention of Excellent Delight and the JV Partner that the Vendor shall dispose of the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan pursuant to the SPA.

Set out below is the organisational structure of the relevant parties of the Disposal.



## REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

The Company considers that the Disposal represents an opportunity for the Vendor to realise an investment profit sooner than under the original redevelopment plan, which offers more efficient use of capital. The provision of the Guarantee facilitates the Vendor to realise its investment in the Target Company.

Given that the Vendor is an investment holding company and that the Sale Shares and the Sale Loan are the sole assets held by the Vendor, each of the Vendor Guarantors is requested to provide guarantee to secure the due and punctual performance of the obligations of the Vendor under the Transaction Documents.

After considering that (i) each of the Company and JV Partner indirectly or directly holds 50% equity interest in the Vendor; (ii) the Guarantee provided by Vendor Guarantor I is on a several basis; (iii) the reason as mentioned above; and (iv) the terms of the SPA and the Guarantee were negotiated on an arm's length basis, the Directors take the view that it is commercially sensible to provide the Guarantee to facilitate the Disposal (i.e. the sale of the Sale Shares and the assignment of Sale Loan by the Vendor to the Purchaser).

The Directors (including the independent non-executive Directors) consider that the provision of the Guarantee and the terms and conditions of the Guarantee 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

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of the Guarantee exceeds 25% but are less than 100%, the provision of the Guarantee constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek for written approval for the Guarantee 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 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 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 Guarantee and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Guarantee. If such written consent is obtained from such closely allied group of shareholders, no extraordinary general meeting will be convened for the purpose of approving the Guarantee.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the Guarantee is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 6 September 2019.

**The provision of the Guarantee is subject to the compliance requirements as set out in the section headed "Principal terms relating to the Guarantee under the SPA – Effectiveness of the Guarantee" and therefore the Guarantee may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

"Board"	board of Directors
"Building"	the messuages, erections and buildings thereon now known as "CENTRAL INDUSTRIAL BUILDING (中央工業大廈)" at 57-61 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong
"Business Day"	a day (not being a Saturday, Sunday, public holiday or any day on which typhoon signal No. 8 or above or black rainstorm warning is hoisted in Hong Kong at any time from 9:00 a.m. to 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong
"BVI"	the British Virgin Islands

“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 sale and purchase of the Sale Shares and assignment of the Sale Loan
“Completion Accounts”	the unaudited completion accounts to be delivered to the Purchaser no later than 45 Business Days after (and exclusive of) the Completion Date and will be audited pursuant to the terms of the SPA if the Vendor and the Purchaser fail to reach agreement on the completion accounts
“Completion Date”	subject to the satisfaction or waiver of the Conditions Precedent pursuant to the SPA, 16 March 2020 or such other date as the Vendor and the Purchaser may agree on which Completion takes place
“Conditions Precedent”	conditions precedent to the Completion
“connected person”	has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration payable by the Purchaser for the Sale Shares and the Sale Loan under the SPA is the aggregate of HK\$1,080,000,000 and the Consolidated NAV as shown in the Completion Accounts, which is subject to a maximum cap of HK\$1,100,000,000
“Consolidated NAV”	the total assets (including cash at bank) of the Target Group on a consolidated basis (other than the value of the Properties and any proceeds of insurance being due or payable to any member of the Target Group insofar as relating to any of the Properties) minus the total liabilities of the Target Group on a consolidated basis (other than the liability in respect of the Sale Loan and the actual costs incurred by the relevant member of the Target Group for the demolition works to remove the unauthorised building works) as at Completion as shown in the Completion Accounts
“Disposal”	the sale of the Sale Shares and the assignment of the Sale Loan by the Vendor to the Purchaser pursuant to the SPA
“Directors”	directors of the Company
“Encumbrance”	means a mortgage, charge, pledge, lien, option, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid
“Ever Peak”	Ever Peak Creation Limited (恒鼎創建有限公司), a limited company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of the Target Company

“Excellent Delight”	Excellent Delight Limited (悦傑有限公司), a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee given by the Vendor Guarantor I to the Purchaser pursuant to the terms of the SPA to secure the due and punctual performance of the obligations of the Vendor in respect of the Disposal under each of the Transaction Documents (subject to the maximum liability of 50% of the Maximum Guaranteed Amount)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK Target Companies”	Park International, Point Base and Ever Peak, and “HK Target Company” means any one of them
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Intermediate Holding Company”	Berncastle Group Limited, a company incorporated in the BVI, a direct wholly-owned subsidiary of the Target Company and the sole shareholder of each of the HK Target Companies
“JV Partner”	Frontal Crest Limited, a company incorporated under the laws of the BVI, a shareholder which owns 50% of the issued share capital of the Vendor and a wholly-owned subsidiary of the Vendor Guarantor II
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Guaranteed Amount”	maximum aggregate amount of liability of the Vendor Guarantor I and the Vendor Guarantor II under the guarantee given by the Vendor Guarantor I and the Vendor Guarantor II to the Purchaser pursuant to the terms of the SPA to secure the due and punctual performance of the obligations of the Vendor in respect of the Disposal under each of the Transaction Documents, which shall not exceed an amount equivalent to the Consideration
“Park International”	Park International Investment Limited (栢暉國際投資有限公司), a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Target Company
“Point Base”	Point Base Limited (向基有限公司), a limited company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of the Target Company

“Properties”	the following properties held by Park International, Point Base and Ever Peak which comprise:  <ol style="list-style-type: none"> <li>(1) Godowns A and B on the Ground Floor of the Building;</li> <li>(2) Workshops A and B on the First Floor of the Building;</li> <li>(3) Workshops A and B on the Second Floor of the Building;</li> <li>(4) Workshops A and B on the Third Floor of the Building;</li> <li>(5) Workshops A and B on the 4th Floor of the Building;</li> <li>(6) Workshops A and B on the 5th Floor of the Building;</li> <li>(7) Workshops A and B on the 6th Floor of the Building;</li> <li>(8) Workshops A and B on the 7th Floor of the Building;</li> <li>(9) Main Roof of the Building; and</li> <li>(10) Car Parking Spaces Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 on the Ground Floor of the Building</li> </ol>
“Purchaser”	Goodway Asia Limited (佳達亞洲有限公司), a limited company incorporated in Hong Kong
“Purchaser Covenantor”	Mr. Tang Shing Bor, the ultimate legal and beneficial owner of the Purchaser
“Sale Loan”	all, if any, loan(s) owing by the Target Company to the Vendor as at Completion
“Sale Shares”	two ordinary shares in the capital of the Target Company owned by the Vendor, representing the entire issued share capital of the Target Company
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“SPA”	the formal sale and purchase agreement entered into between the Vendor, the Purchaser, the Purchaser Covenantor and the Vendor Guarantors in relation to the Disposal and the provision of guarantee on 16 August 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Popular Castle Limited, a limited company incorporated in the BVI

“Target Group”	the Target Company, the Intermediate Holding Company, Park International, Point Base and Ever Peak, and a member of the “Target Group” means any one of them
“Transaction Documents”	the SPA, the disclosure letter, the assignment of the Sale Loan, the deed of tax indemnity, and any other documents incidental to the transactions contemplated under the SPA
“Vendor”	Victorious Troops Limited, a joint venture owned as to 50% of its issued share capital by each of Excellent Delight and the JV Partner
“Vendor Guarantor I”	Hanison Construction Holdings (BVI) Limited, a direct wholly-owned subsidiary of the Company
“Vendor Guarantor II”	China Life Frontier Private Investment Fund L.P., a limited partnership formed under the laws of the Cayman Islands and the guarantor of the JV Partner under the SPA
“Vendor Guarantors”	the Vendor Guarantor I and the Vendor Guarantor II
“%”	per cent

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

Hong Kong, 16 August 2019

*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*)

Mr. Lo Kai Cheong

***Independent Non-executive Directors***

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun