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*(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 25 April 2018, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional 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\$158,380,000, subject to and upon the terms of the Provisional Agreement.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated in the Provisional Agreement exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSAL**

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#### **THE PROVISIONAL AGREEMENT**

##### **Date**

25 April 2018

##### **Parties**

- (1) Vendor : Emwell Limited, an indirect wholly-owned subsidiary of the Company
- (2) Purchaser : Beautymate Hong Kong Limited

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.

## **Property**

The Property comprises (1) Workshops 1 – 19 (inclusive) on the Fifth Floor (including the Flat Roofs of Workshops 3 and 4) of Block A of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong (“**Shatin Industrial Centre**”); and (2) Car Parking Space L45 on the Second Floor of Shatin Industrial Centre. The Property is vacant at the date of this announcement.

The Purchaser agreed to purchase and to accept the Property on an “as is” basis with vacant possession.

## **Consideration and Terms of Payment**

The consideration for the Disposal is HK\$158,380,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$7,919,000 being an initial deposit and part payment of the Consideration has been paid on 25 April 2018 to the Vendor's solicitors as stakeholder upon signing of the Provisional Agreement;
- (2) a sum of HK\$7,919,000 being further deposit and part payment of the Consideration shall be payable to the Vendor's solicitors as stakeholder upon signing of the Formal Agreement on or before 15 May 2018; and
- (3) a sum of HK\$142,542,000 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 industrial 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). If the Purchaser raises and delivers any requisition or objection in respect of the title of the Property which the Vendor is unable or unwilling to remove or comply with, or if the title of the Property is defective, the Vendor may annul the Disposal, in which case the deposit(s) paid shall be returned by the Vendor to the Purchaser but without costs or compensation.

## **Completion**

Pursuant to the Provisional Agreement, a Formal Agreement shall be signed on or before 15 May 2018. Completion of the Disposal shall take place on or before 8 October 2018.

The Provisional Agreement is personal to the Purchaser. The Purchaser shall have no right to request the Vendor to enter into any formal agreement or assignment with or in favour of any third party for the Disposal, and the Purchaser shall have no right to transfer the benefit of the Provisional Agreement to any third party.

### **Termination and Deposits**

If the Vendor fails to complete the Disposal in accordance with the Provisional Agreement (for reason other than defect in title of the Property), (1) the deposit(s) paid shall be returned by the Vendor to the Purchaser; and (2) the Vendor shall pay the Purchaser a sum equivalent to the amount of the deposit(s) paid by the Purchaser (up to 10% of the Consideration) as liquidated damages.

If the Purchaser fails to complete the Disposal in accordance with the Provisional Agreement, the deposit(s) paid by the Purchaser (up to 10% of the Consideration) shall be absolutely forfeited to the Vendor as liquidated damages.

### **INFORMATION ON 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 VENDOR**

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

### **INFORMATION ON THE PURCHASER**

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability.

### **REASON FOR AND BENEFIT 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. Accordingly, the Directors believe that the Disposal will enable the Group to reallocate capital into future investment opportunities and pursue other growth opportunities.

The Company intends to use the net sale proceeds from the Disposal as general working capital or 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 an industrial property held by the Group for investment purpose.

The Property was previously leased out until December 2017. The Group received a rental income of approximately HK\$3,858,000 and approximately HK\$3,179,000 respectively for the financial year ended 31 March 2017 and the period from 1 April 2017 to 31 December 2017.

As at 31 March 2018, the unaudited carrying value of the Property was approximately HK\$123,939,000. Since the date of the acquisition of the Property by the Group on 30 May 2003, the Group has recognised an unaudited accumulated gain on change in fair value of investment properties in respect of the Property of approximately HK\$112,830,000 up to 31 March 2018. The Disposal is expected to enable the Company to record gain on change in fair value of investment properties before costs and expenses of approximately HK\$34,441,000 for the financial year ending 31 March 2019 (subject to audit and may be different from the expected amount) being the premium of the Consideration for the Disposal over the unaudited carrying value of the Property as at 31 March 2018 in the account of the Vendor.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated in the Provisional Agreement exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following 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 on or before 8 October 2018 in accordance with the terms of the Provisional Agreement and the Formal Agreement
“connected persons”	has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration for the Disposal pursuant to the Provisional Agreement
“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 Provisional Agreement and the Formal Agreement
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser on or before 15 May 2018 pursuant to the Provisional 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 of Hong Kong Limited
“Property”	(1) Workshops 1 – 19 (inclusive) on the Fifth Floor (including the Flat Roofs of Workshops 3 and 4) of Block A of Shatin Industrial Centre; and (2) Car Parking Space L45 on the Second Floor of Shatin Industrial Centre
“Provisional Agreement”	the provisional agreement for sale and purchase dated 25 April 2018 entered into between the Vendor and the Purchaser in respect of the Property
“Purchaser”	Beautymate Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shatin Industrial Centre”	has the meaning as ascribed under the paragraph headed “The Provisional Agreement – Property” in this announcement
“Vendor”	Emwell Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 25 April 2018

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

***Non-executive Chairman***  
Mr. Cha Mou Sing, Payson

***Non-executive Director***  
Mr. Cha Mou Daid, Johnson

***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