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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 30 May 2018 (after trading hours), 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\$209,840,000 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.

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THE PROVISIONAL AGREEMENT

Date

30 May 2018 (after trading hours)

Parties

- (1) Vendor: Emwell Limited, an indirect wholly-owned subsidiary of the Company
- (2) Purchaser: Crown Master Enterprises Limited

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

Property

The Property comprises (1) Workshops 1-23 on the Fourth Floor (including the Flat Roofs of Workshops 5 and 6) of Block B of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong ("**Shatin Industrial Centre**"); and (2) Car Parking Space V26 on the First 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 free from encumbrances on an "as is" basis with vacant possession.

Consideration and Terms of Payment

The consideration for the Disposal is HK\$209,840,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$10,565,200 being an initial deposit and part payment of the Consideration has been paid on 30 May 2018 to the Vendor's solicitors as stakeholder upon signing of the Provisional Agreement;
- (2) a sum of HK\$10,418,800 being further deposit and part payment of the Consideration shall be payable to the Vendor's solicitors as stakeholder on or before 12 June 2018 when the Formal Agreement is expected to be signed; and
- (3) a sum of HK\$188,856,000 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.

Completion

Pursuant to the Provisional Agreement, a Formal Agreement shall be signed on or before 12 June 2018. Completion of the Disposal shall take place on or before 28 September 2018.

Termination and Deposits

If the Vendor fails to complete the Disposal in accordance with the Provisional Agreement, (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 or 10% of the Consideration (whichever is the lower) as liquidated damages, and the Provisional Agreement shall be terminated.

If the Purchaser fails to pay any part of the deposits or complete the Disposal in accordance with the Provisional Agreement, the deposit(s) paid by the Purchaser or a sum equivalent to 10% of the Consideration (whichever is the lower) shall be absolutely forfeited to the Vendor as liquidated damages, and the Provisional Agreement shall be terminated.

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 a company incorporated in Hong Kong with limited liability to hold the Property for own use purpose.

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, for future investment should such opportunities arise or to repay the bank loan.

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 partly for self-use purpose and partly for investment purpose.

As at 31 March 2018, the unaudited carrying value of the Property was approximately HK\$32,492,000. The Disposal is expected to enable the Company to record gain of approximately HK\$177,348,000 before costs and expenses 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 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 on or before 28 September 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 12 June 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 1-23 on the Fourth Floor (including the Flat Roofs of Workshops 5 and 6) of Block B of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong (“ Shatin Industrial Centre ”); and (2) Car Parking Space V26 on the First Floor of Shatin Industrial Centre
“Provisional Agreement”	the provisional agreement for sale and purchase dated 30 May 2018 entered into between the Vendor and the Purchaser in respect of the Property
“Purchaser”	Crown Master Enterprises 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
“Shareholders”	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
“%”	per cent.

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

Hong Kong, 30 May 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