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興勝創建控股有限公司*
HANISON CONSTRUCTION
HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00896)

HKRI

香港興業國際集團有限公司*
HKR International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00480)

JOINT ANNOUNCEMENT

**MAJOR TRANSACTION
IN RELATION TO
THE POSSIBLE ACQUISITION**

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE POSSIBLE ACQUISITION**

THE POSSIBLE ACQUISITION

The board of directors of Hanison and HKRI are pleased to announce that on 24 July 2015, (after trading hours) the Purchaser, an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI, entered into the MOU with the Vendors in relation to the Possible Acquisition, pursuant to which (i) the Vendors conditionally agreed to sell the Sale Shares representing the entire issued share capital of the Target Company; (ii) the Purchaser conditionally agreed to purchase the Sale Shares at the Consideration of HK\$998,000,000; and (c) the Guarantor shall agree to guarantee the performance of all the obligations of the Vendors under the MOU.

LISTING RULES IMPLICATIONS

Hanison is a non-wholly owned subsidiary of HKRI and therefore a notifiable transaction of Hanison may also constitute a notifiable transaction of HKRI.

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

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Possible Acquisition exceeds 5% but less than 25% for HKRI, the Possible Acquisition constitutes a discloseable transaction of HKRI and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Hanison has obtained written approval for the Possible Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited, which are beneficially

interested in 127,767,230, 135,027,776 and 103,482,593 shares of Hanison respectively, representing approximately an aggregate of 67.79% of the entire issued capital of Hanison as at the date of this announcement. Great Wisdom Holdings Limited is a wholly owned subsidiary of HKRI. HKRI is owned as to approximately 41.48% by CCM Trust (Cayman) Limited. Accordingly, Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited are a closely allied group of shareholders of Hanison.

To the best knowledge, information and belief of the directors of Hanison, having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Possible Acquisition and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Possible Acquisition. As such, no extraordinary general meeting will be convened by Hanison for the purpose of approving the Possible Acquisition as permitted under Rule 14.44 of the Listing Rules.

As the MOU only contains the principal terms of the Possible Acquisition, the Vendors, the Purchaser and the Guarantor will negotiate and agree on the definitive terms of the sale and purchase agreement to be signed. After the signing of the sale and purchase agreement pursuant to the MOU, Hanison and HKRI will publish further announcement containing definitive details of the Possible Acquisition in compliance with the requirements under the Listing Rules.

A circular containing, among other things, further details of the Possible Acquisition will be dispatched to the shareholders of Hanison on or before 25 September 2015. As additional time is required for Hanison to prepare the relevant information including the statement of indebtedness of Hanison for inclusion in the circular, Hanison will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules for an extension of deadline for the despatch of the circular.

Completion is subject to the satisfactory completion of the due diligence investigation and therefore the Possible Acquisition may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.

INTRODUCTION

The board of directors of Hanison and HKRI are pleased to announce that on 24 July 2015 (after trading hours), the Purchaser, an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI, entered into the MOU with the Vendors in relation to the Possible Acquisition.

MEMORANDUM OF UNDERSTANDING

The principal terms of the MOU are summarised as follows:

Parties

- (1) Vendor A : Mr Kong Tak Ho, a natural person
- (2) Vendor B : Lai Tak Holdings Limited, a company incorporated in the British Virgin Islands with limited liability

- (3) Purchaser : Nimble Run Limited, an indirect wholly-owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI

To the best of the knowledge, information and belief of the directors of Hanison and HKRI, after having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owner(s) of Vendor B are third parties independent of and not connected with Hanison, HKRI and their connected persons.

Subject Matter

Pursuant to the MOU, (i) the Vendors conditionally agreed to sell the Sale Shares representing the entire issued share capital of the Target Company; (ii) the Purchaser conditionally agreed to purchase the Sale Shares; and (c) the Guarantor shall agree to guarantee the performance of all the obligations of the Vendors under the MOU.

The Target Company owns the entire interest in the Property known as “Park Building”, which is located at No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon.

Consideration

The Consideration for the Possible Acquisition is HK\$998,000,000 exclusive of bank loans, shareholders loans, loans from related parties or any third parties liabilities or encumbrances, which was paid and shall be paid in the following manner:

- (a) a sum of HK\$50,000,000 being the Initial Deposit has been paid on 24 July 2015 to the Purchaser’s solicitors as stakeholder upon signing of the MOU;
- (b) a sum of HK\$49,800,000 (which together with the Initial Deposit equivalent to 10% of the Consideration) being the further deposit and part payment of the Consideration shall be paid to the Purchaser’s solicitors as stakeholder upon the signing of the sale and purchase agreement; and
- (c) a sum of HK\$898,200,000 being the balance of the Consideration shall be paid to the Vendors upon Completion.

The Consideration is subject to post-Completion adjustment by the difference in net current asset value as at the Completion.

The Consideration was determined based on arm’s length negotiations between the Vendors and the Purchaser which will be settled partly by bank loans and partly from internal resources of Hanison.

Exclusivity and Due Diligence Investigation

The Purchaser shall conduct the due diligence investigation on the Target Company during the Exclusivity Period. The Exclusivity Period shall immediately terminate upon the Purchaser notifying the Vendors that it has discovered material defects in the title of the Property or an issue that has a materially adverse impact on the value of the shares in the Target Company in its due diligence investigation and as a result it will not, or has no intention to, execute the sale and purchase agreement.

During the Exclusivity Period, the Vendors shall not (and shall ensure that its subsidiaries and their respective directors, advisers, agents or employees shall not) enter into or be involved in any discussions, negotiation or agreement with any person (other than the Purchaser or its nominee) for or in relation to the Possible Acquisition and/or the Target Company.

The Vendors, the Purchaser and the Guarantor shall sign the sale and purchase agreement in a form to be agreed and containing the principal terms set out in the MOU upon satisfactory completion of the due diligence investigation and within the Exclusivity Period.

Termination

In the event that the parties terminate the MOU or fail to sign the sale and purchase agreement within the Exclusivity Period because the Purchaser is not satisfied with the due diligence investigation due to a material defect in the title of the Property or an issue that has a materially adverse impact on the value of the shares in the Target Company, the Initial Deposit (without interest) shall be refunded to the Purchaser by the Purchaser's solicitors after due notice has been given to the Vendors.

In all other circumstances (except due to any material default by the Vendors), the Initial Deposit shall be forfeited by the Vendors and the Purchaser's solicitors shall release the Initial Deposit to the Vendors upon receipt of the notice of forfeiture issued by the Vendors' solicitors or the Vendors shall be entitled to take proceedings to enforce specific performance of the MOU. In case of any material default by the Vendors in performing its obligations under the MOU, the Purchaser shall be entitled to elect at its absolute discretion to take proceedings to enforce specific performance of the MOU or to request the Vendors to return the amount of Initial Deposit together with an amount which is equal to the Initial Deposit as liquidated damages.

Guarantee

The Guarantor has agreed to guarantee the performance by the Vendors of its obligations under the MOU.

Completion

Completion shall take place on or before 26 October 2015.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

The Target Company is the sole legal and beneficial owner of the Property and its sole investment is the ownership of the Property. The Property is a 23-storey commercial building known as "Park Building" located at No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon with an aggregate gross floor area of approximately 145,300 square feet. The Property is currently being leased out and the Target Company will be sold to the Purchaser subject to existing tenancies of the Property.

Hanison and HKRI do not have the financial information on the Target Company as at the date of this joint announcement and further announcement containing financial information and details of the Possible Acquisition will be published by Hanison and HKRI in compliance with the requirements under the Listing Rules.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI. Accordingly, its financial results will be consolidated in the accounts of Hanison and HKRI.

INFORMATION OF HANISON

Hanison is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. Hanison and 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 OF HKRI

HKRI is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. HKRI and its subsidiaries (excluding Hanison and its subsidiaries) are principally engaged in property development, property investment, property management and related services, hospitality businesses and healthcare services. Hanison and the Purchaser are non-wholly owned subsidiaries of HKRI.

INFORMATION OF THE VENDORS

Vendor A

Mr Kong Tak Ho is a natural person and a shareholder of the Target Company.

Vendor B

Lai Tak Holdings Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and it is a shareholder of the Target Company.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI.

REASONS FOR AND BENEFITS DERIVED FROM THE POSSIBLE ACQUISITION

The directors of Hanison and HKRI undertake strategic reviews of its assets from time to time with a view to maximising returns to the shareholders of Hanison and HKRI. The directors of Hanison and HKRI consider that the Property is located at a very good location with proximity to mass transit railway stations and the Possible Acquisition is a valuable investment opportunity for Hanison. Hanison will enjoy rental income derived from the Property. Accordingly, the directors of Hanison and HKRI believe that the Possible Acquisition will enable Hanison to strengthen and enhance the investment property portfolio.

The respective boards of Hanison and HKRI consider that the Possible Acquisition and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of Hanison, HKRI and their respective shareholders as a whole.

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To the best knowledge, information and belief of the directors of Hanison, having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Possible Acquisition and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Possible Acquisition. As such, no extraordinary general meeting will be convened for the purpose of approving the Possible Acquisition as permitted under Rule 14.44 of the Listing Rules.

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Completion is subject to the satisfactory completion of the due diligence investigation and therefore the Possible Acquisition may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.

DEFINITIONS

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

“Completion”	completion of the Possible Acquisition in accordance with the terms of the MOU;
“Consideration”	the consideration of HK\$998,000,000 for the Possible Acquisition;
“connected persons”	has the meaning as ascribed to it under the Listing Rules;
“Exclusivity Period”	an exclusive period of 35 business days from the date of the MOU (i.e. up to 11 September 2015);
“Guarantor”	Mr Kong Tak Ho, being one of the Vendors;
“Hanison”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code : 00896). Hanison is a non-wholly owned subsidiary of HKRI which holds approximately 49% interest therein;
“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;
“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code:00480);
“Initial Deposit”	the sum of HK\$50,000,000 paid by the Purchaser to the Purchaser’s solicitors as stakeholders on 24 July 2015;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“MOU”	the memorandum of understanding dated 24 July 2015 entered into between the Purchaser and the Vendors relating to the Possible Acquisition;
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Purchaser pursuant to the MOU;
“Property”	all those pieces or parcels of ground registered in the Land Registry as New Kowloon Inland Lot No.1761 together with the messuages, erections and buildings thereon (if any) now known as “Park Building”, No. 476 Castle Peak Road, Cheung Sha Wan, Kowloon;

“Purchaser”	Nimble Run Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI;
“Sale Shares”	such number of shares in the Target Company representing the entire issued and paid up share capital of the Target Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Billion Mart Development Limited, a company incorporated in Hong Kong with limited liability and the sole legal and beneficial owner of the Property;
“Vendor A”	Mr Kong Tak Ho, a natural person;
“Vendor B”	Lai Tak Holdings Limited, a company incorporated in the British Virgin Islands with limited liability; and
“Vendors”	Vendor A and Vendor B.

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

By order of the board of
HKR International Limited
Cha Mou Zing Victor
Deputy Chairman & Managing Director

Hong Kong, 27 July 2015

** Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong.*

As at the date of this joint announcement, the board of directors of Hanison comprises:

Non-executive Chairman
Mr Cha Mou Sing Payson

Non-executive Directors
Mr Cha Mou Daid Johnson
Dr Lam Chat Yu

Executive Directors
Mr Wong Sue Toa Stewart (*Managing Director*)
Mr Tai Sai Ho (*General Manager*)

Independent Non-executive Directors
Mr Chan Pak Joe
Dr Lau Tze Yiu Peter
Dr Sun Tai Lun

As at the date of this joint announcement, the board of directors of HKRI comprises:

Chairman

Mr Cha Mou Sing Payson

Deputy Chairman & Managing Director

Mr Cha Mou Zing Victor

Executive Directors

Mr Chung Sam Tin Abraham

Mr Tang Moon Wah

Non-executive Directors

The Honourable Ronald Joseph Arculli

Mr Cha Mou Daid Johnson

Ms Wong Cha May Lung Madeline

Independent Non-executive Directors

Dr Cheng Kar Shun Henry

Mr Cheung Wing Lam Linus

Ms Ho Pak Ching Loretta

Mr Tang Kwai Chang