

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**MAJOR TRANSACTION
IN RELATION TO
THE CONDITIONAL DISPOSAL OF INTEREST IN
PAGSON DEVELOPMENT LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 23 December 2017, the Vendor, an indirect wholly owned subsidiary of the Company, entered into a binding Provisional Agreement with the JV Partner, holder of the remaining 50% share capital in the Target Company, and the Purchaser pursuant to which the Vendor and the JV Partner together have conditionally agreed to sell their entire interests in the share capital in and the shareholder's loans owing by the Target Company, and the Purchaser has agreed to acquire the same at an aggregate consideration of HK\$1,038,000,000 (subject to be adjusted), 50% of which, namely the Consideration in the amount of HK\$519,000,000 (subject to be adjusted), will be attributable to the Sale Shares and Shareholder's Loan.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company in respect of the Disposal is 25% or more but is less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek for 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 67,829,571 shares in the Company respectively, representing in total 53.49% of the entire issued share capital of the Company as at the date of this announcement. To the best of knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, no shareholder of the Company 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. 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 Disposal and a further announcement will be made as appropriate. A circular, containing among other things, details of the Disposal will be despatched to the Shareholders on or before 28 March 2018.

Completion is subject to the fulfilment of the Conditions and therefore the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

THE DISPOSAL

The Board is pleased to announce that on 23 December 2017, the Vendor, an indirect wholly owned subsidiary of the Company, entered into a binding Provisional Agreement with the JV Partner, and the Purchaser in relation to the Disposal, pursuant to which the Vendor and the JV Partner together have conditionally agreed to sell their entire interests in the share capital in and the shareholder's loans owing by the Target Company, and the Purchaser has agreed to acquire the same at an aggregate consideration of HK\$1,038,000,000 (subject to be adjusted), 50% of which, namely the Consideration in the amount of HK\$519,000,000 (subject to be adjusted), will be attributable to the Sale Shares and Shareholder's Loan.

THE PROVISIONAL AGREEMENT

Date

23 December 2017

Parties

- (a) the Vendor, an indirect wholly owned subsidiary of the Company, as one of the seller
- (b) JV Partner, as one of the seller
- (c) the Purchaser

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, both the JV Partner and the Purchaser and their respective ultimate owners are third parties independent of and not connected with the Company and its connected persons.

Subject Matter

The entire issued share capital of the Target Company (including the Sale Shares) and all shareholder's loans owing by the Target Company to the Vendor and the JV Partner (including the Shareholder's Loan) as at the Completion Date and the Property on an "as is" basis.

Consideration

The total purchase price payable by the Purchaser under the Provisional Agreement is HK\$1,038,000,000, subject to be adjusted as described in paragraphs (c) and (d) below, 50% of which, representing the Consideration attributable to the Sale Shares and the Shareholder's Loan, shall be apportioned as follows:

- (i) the consideration for the assignment of the Shareholder's Loan shall be the face value of the entire sum of the Shareholder's Loan as at the Completion Date; and
- (ii) the consideration for the transfer of the Sale Shares shall be the amount of the Consideration less the consideration for the assignment of the Shareholder's Loan set out in sub-paragraph (i) above.

The Consideration shall be paid in the following manner:

- (a) a sum of HK\$25,000,000, being the Initial Deposit, is payable to the Vendor's solicitors as stakeholders upon signing of the Provisional Agreement;
- (b) a sum of HK\$26,900,000, being the Further Deposit, shall be paid to the Vendor's solicitors as stakeholders on or before 28 February 2018;
- (c) the balance of the Consideration and a sum in respect of the adjustment of the Consideration as determined according to the following formula shall be paid by the Purchaser to the Vendor's solicitors and all the Deposits shall be applied as part payment of the Consideration upon Completion (as the case may be):
 - (i) there shall be added to the Consideration 50% of the amount of the consolidated assets of the Target Group as shown in the unaudited pro-forma completion accounts (other than the Property); and
 - (ii) there shall be deducted from the Consideration 50% of the amount of the consolidated liabilities of the Target Group as shown in the unaudited pro-forma completion accounts (other than any existing bank loan which shall be repaid and discharged by the Vender and the JV Partner on or before Completion, any deferred tax liabilities and the shareholder's loans which shall be assigned to the Purchaser); and
- (d) 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) within 10 business days after agreement or determination of the Completion Accounts (to be delivered to the Purchaser within 60 days after the Completion Date):
 - (i) there shall be added (deducted) to the Consideration 50% of the amount by which the consolidated assets of the Target Group as shown in the Completion Accounts (other than the Property) is more (less) than that as shown in the unaudited pro-forma completion accounts; and
 - (ii) there shall be deducted (added) from the Consideration 50% of the amount by which the consolidated liabilities of the Target Group as shown in the Completion Accounts (other than any existing bank loan which shall be repaid and discharged by the Vender and the JV Partner on or before Completion, any deferred tax liabilities and the shareholder's loans which shall be assigned to the Purchaser) is more (less) than that as shown in the unaudited pro-forma completion accounts.

The total purchase price payable by the Purchaser was determined based on arm's length negotiations between the Vendor, the JV Partner and the Purchaser, having taken into account the offer price of comparable properties in nearby locations and the face value of all shareholder's loans owing by the Target Company to the Vendor and the JV Partner.

Conditions

Completion is conditional on the satisfaction of the following conditions on or before the Completion Date:

- (a) subject to the release of all securities attaching to the share capital of the Target Company upon Completion, the Vendor and the JV Partner being the legal and beneficial owner of the entire share capital in, and all shareholder's loans from the Vendor and the JV Partner to the Target Company;
- (b) subject to the release of all securities attaching to the Property, the Target Company being able to show and give good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (c) the sale and purchase contemplated under the Sale and Purchase Agreement shall be transacted in accordance with the requirements under the Listing Rules.

The Purchaser may at any time waive in writing any of the conditions set out in paragraphs (a) to (b) above.

Termination and Refund of Deposits

The Purchaser may terminate the Provisional Agreement if it is not satisfied with the due diligence investigation of the Target Company and the Property in certain circumstances as set out in the Provisional Agreement whereupon the Initial Deposit and the Further Deposit (to the extent paid) will be refunded. If the Provisional Agreement is not terminated, and the Vendor and the JV Partner are in material default in disposing of the share capital in, and their shareholder's loans to, the Target Company, the Initial Deposit and the Further Deposit (to the extent paid) will be refunded together with the payment of an amount equal to the Initial Deposit and the Further Deposit (to the extent paid) to the Purchaser.

Following the signing of the Sale and Purchase Agreement, the agreement may also be terminated if the Conditions are not satisfied or waived on or before the Completion Date whereupon and the Deposits paid will be refunded.

Completion

Completion of the Disposal is conditional on the completion of the sale and purchase of the entire interest of the JV Partner in the share capital of the Target Company and all shareholder's loan owing by the Target Company to the JV Partner at the same time.

Completion shall take place on or before 10 April 2018 or such other date as the parties may agree in writing.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

The Target Company is engaged in investment holding and is the ultimate holding company of the subsidiary which in turn is the sole owner of the Property. The Property is the property known as "SUCCESS CENTRE (成功中心)" situated at Nos. 26-38 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong (The Remaining Portion of Lot No. 303 in Demarcation District No. 444) a 29-storey industrial building, with an aggregate gross floor area of approximately 240,485 square feet.

Set out below is the consolidated financial information of the Target Group for the period from 25 January 2017 (date of incorporation) to 31 March 2017:

From 25 January 2017
(date of incorporation)
to 31 March 2017
HK\$'000
(Unaudited)

Net loss before taxation and extraordinary items	(5,389)
Net loss after taxation and extraordinary items	(5,389)

The unaudited consolidated net liability value of the Target Group as at 31 March 2017 is approximately HK\$5,389,000.

The Target Company is currently recorded and accounted for as a joint venture in the Company's financial statements. Upon Completion, the Company will cease to hold any interest in the Target Group.

INFORMATION OF 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 OF THE JV PARTNER

The principal business activity of the JV Partner is investment holding. The JV Partner is a company incorporated in the Cayman Islands with limited liability.

INFORMATION OF THE PURCHASER

The principal business activity of the Purchaser is investment holding. The Purchaser is a company incorporated in Hong Kong with limited liability.

REASONS FOR THE DISPOSAL

The Directors undertake strategic reviews of the Company's assets from time to time with a view to maximise returns to the Shareholders. The Directors consider that the current market presents a good opportunity for the Company to unlock the value of the Target Company. 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.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The Group expects to recognise a gain on the disposal before costs and expenses relating to the Disposal of approximately HK\$80,300,000, taking into account its 50% equity interest in the Target Company. The actual gain on the Disposal to be recorded by the Company is subject to audit and may be different from the estimated amount.

Proceeds arising from the Disposal is expected to be used as general working capital and/or financing any possible property or other business investments.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company in respect of the Disposal is 25% or more but is less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will seek for 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 67,829,571 shares in the Company respectively, representing in total 53.49% of the entire issued share capital of the Company as at the date of this announcement. To the best of knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, no shareholder of the Company 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. 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 Disposal and a further announcement will be made as appropriate. A circular, containing among other things, details of the Disposal will be despatched to the Shareholders on or before 28 March 2018.

Completion is subject to the fulfilment of the Conditions and therefore the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following words and 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, 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 Provisional Agreement and the Sale and Purchase Agreement
“Completion Accounts”	the audited consolidated accounts of the Target Group as at the Completion Date prepared and audited in accordance with the terms of the Provisional Agreement

“Completion Date”	the date on which Completion takes place in accordance with the terms of the Provisional Agreement and the Sale and Purchase Agreement
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Conditions”	the conditions set out under the section headed “Conditions” of this announcement
“Consideration”	the consideration of HK\$519,000,000 subject to adjustment payable by the Purchaser in respect of the Disposal, representing 50% of the purchase price payable by the Purchaser attributable to the Sale Shares and the Shareholder’s Loan under the Provisional Agreement and the Sale and Purchase Agreement
“Deposits”	collectively, the Initial Deposit and the Further Deposit
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder’s Loan by the Vendor pursuant to the Provisional Agreement and the Sale and Purchase Agreement
“Further Deposit”	a sum of HK\$26,900,000 payable by the Purchaser to the Vendor
“Group”	the Company and its subsidiaries
“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\$25,000,000 paid by the Purchaser to the Vendor
“JV Partner”	Starion II Cayman Limited, a company incorporated in the Cayman Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property known as “SUCCESS CENTRE (成功中心)” situated at Nos. 26-38 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong (The Remaining Portion of Lot No. 303 in Demarcation District No. 444) a 29-storey industrial building, with an aggregate gross floor area of approximately 240,485 square feet
“Provisional Agreement”	the provisional sale and purchase agreement dated 23 December 2017 entered into between the Vendor, JV Partner and the Purchaser in respect of the sale and purchase of the entire issued share capital of the Target Company and all shareholder’s loans owing by the Target Company to the Vendor and the JV Partner

“Purchaser”	Power Gain Investment Limited, a company incorporated in Hong Kong with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement to be entered into tentatively on or before 31 January 2018 between the Purchaser, the Vendor and the JV Partner in respect of the sale and purchase of the entire issued share capital of the Target Company and all shareholder’s loans owing by the Target Company to the Vendor and the JV Partner pursuant to the Provisional Agreement
“Sale Shares”	such number of ordinary shares in the Target Company representing 50% of the entire issued and paid up share capital of the Target Company held by the Vendor
“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholder’s Loan”	face value of the entire sum of shareholder’s loan owing by the Target Company to the Vendor as at the Completion Date, which is unsecured and interest free
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Pagson Development Limited, a company incorporated in the British Virgin Islands with limited liability and a 50% owned joint venture of the Company and is the ultimate holder of the Property
“Target Group”	Target Company and its subsidiaries
“Vendor”	Honour Gain Global Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

By order of the Board
HANISON CONSTRUCTION HOLDINGS LIMITED
Wong Sue Toa, Stewart
Managing Director

Hong Kong, 23 December 2017

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