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

ANNOUNCEMENT

SECOND SUPPLEMENTAL AGREEMENT RELATING TO THE JOINT DEVELOPMENT ARRANGEMENT OF THE SKW SITE

Reference is made to the announcements dated 20 December 2005 and 11 February 2010 (the “**Previous Announcements**”) and the Circular dated 1 February 2006, all issued by the Company, in relation to the SKW Development Agreement and the Supplemental Agreement. Save as otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Previous Announcements and the Circular.

The Board wishes to announce that on 19 January 2021, HCL (a wholly owned subsidiary of the Company) entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) in respect of the Project relating to the SKW Development to develop the SKW Site as a residential development with (i) the Company, (ii) FYL (a wholly owned subsidiary of Sun Hung Kai Properties Limited (“**SHK**”) and (iii) SHK to, among other things, further extend the term of the SKW Development Agreement and change the respective Relevant Shares in the SKW Site owned by HCL and FYL.

The joint development arrangement under the SKW Development Agreement as supplemented by the Second Supplemental Agreement is a joint arrangement formed solely for the Project, namely the development of the SKW Site (i.e. the various land lots in Demarcation District Nos. 374 and 375 in So Kwun Wat) for sale. This announcement is published in order to inform the shareholders of the Company of the Group’s latest business development in terms of the SKW Development, which is considered as inside information of the Company discloseable under Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

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The Board wishes to announce that on 19 January 2021, HCL (a wholly owned subsidiary of the Company) entered into the Second Supplemental Agreement in respect of the Project relating to the SKW Development to develop the SKW Site as a residential development with (i) the Company; (ii) FYL (a wholly owned subsidiary of SHK) and (iii) SHK to, among other things, further extend the term of the SKW Development Agreement and change the respective Relevant Shares in the SKW Site owned by HCL and FYL.

Since the signing of the SKW Development Agreement, efforts have been made to design the planning of the SKW Development and application has been submitted to the Town Planning Board for planning permission. The Board is delighted to announce that (i) the proposed rezoning to increase the plot ratio and (ii) the latest planning permission have been approved by and obtained from the Town Planning Board on 4 September 2015 and 3 May 2019, respectively, and the Government has determined the land premium payable for the SKW Site which is an aggregate amount of approximately HK\$2,683 million. Such land premium offered by the Government is acceptable to both FYL and HCL. Taking into consideration the latest development schedule for the SKW Development, the parties to the SKW Development Agreement entered into the Second Supplemental Agreement pursuant to which, among other things, the parties agreed to (i) further extend the term of the SKW Development Agreement to 31 December 2021 which may be further extended for two years until 31 December 2023 by either party serving a written notice to the other and (ii) change the respective Relevant Shares in the SKW Site owned by HCL and FYL whereby HCL's Relevant Shares will be adjusted up on a pro-rata basis from 23.63% to 24.82% based on the change in the site area of land to be contributed by FYL to the SKW Development (without any change to the land to be contributed by HCL). The total site area to be regranted by the Government upon land exchange for the development will be approximately 235,990 square feet. The total maximum gross floor area will be approximately 613,570 square feet.

In addition to the amendments made to the SKW Development Agreement pursuant to the Second Supplemental Agreement, the Company contemplated that the total amount of contribution which the respective parties to the SKW Development Agreement will need to contribute for the Project covering the projected increase in the Project Costs and indemnities that may need to be taken by them, shall also be increased. As at the date of this announcement, the Group had already paid approximately HK\$666 million representing the Group's prorated shares of the land premium amount according to the Group's Relevant Shares.

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

Hong Kong, 19 January 2021

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

Non-executive Chairman

Mr. Cha Mou Daid, Johnson

Non-executive Director

Dr. Zhang Wei

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