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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: 896)

### DISCLOSEABLE TRANSACTION

### IN RELATION TO SUCCESSFUL TENDER FOR THE PROPERTY

#### THE SUCCESSFUL TENDER FOR THE PROPERTY

The Board is pleased to announce that on 20 June 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, received the Acceptance of Offer from the Vendors confirming that its tender for the Property at the Purchase Price of HK\$166,380,000 has been accepted.

#### LISTING RULES IMPLICATIONS

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

#### THE SUCCESSFUL TENDER

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#### THE ACQUISITION

##### Parties

- (a) Regal Prosper Limited (an indirect wholly-owned subsidiary of the Company) as purchaser
- (b) Yip Yun Chi, Ip Kwong Chi and Ip Lai Sheung (the executors of the estate of Yip (or Ip) Lee (or Li) Yu Yee, also known as Li (or Lee) Yu Yee, deceased) as vendors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons.

## **The Property**

All those pieces or parcels of ground registered at the Land Registry as the remaining portion of Kowloon Inland Lot No.2344 and the remaining portion of Kowloon Inland Lot No.2345 together with the messuages erections and buildings erected thereon now known as Nos. 99/101 Lai Chi Kok Road, Kowloon, Hong Kong. It is a 15-storey building known as Ying Yu Building. It has a gross floor area of approximately 24,600 square feet and a lease term of 75 years renewable for 75 years commencing from 4 March 1929. The Property is currently used for commercial purpose and is fully leased with nineteen existing tenancies. The lease terms for the tenancies vary but the longest lease will expire in June 2019. The aggregate monthly rental of the existing nineteen tenancies amounts to approximately HK\$317,000. The Property will be acquired on an as is basis, subject to the existing tenancies of the Property.

## **Consideration**

The Purchase Price for the Property is HK\$166,380,000, which shall be paid in the following manners:

- (a) a sum of HK\$8,000,000, being the Initial Deposit and part payment of the Purchase Price, has been paid by the Purchaser to the Vendors' solicitors as stakeholders on 20 June 2017 upon the acceptance of the tender for the Property by the Vendors;
- (b) a sum of HK\$8,638,000, being the Further Deposit (together with the Initial Deposit, equal to 10% of the Purchase Price) and part payment of the Purchase Price, shall be paid by the Purchaser to the Vendors' solicitors as stakeholders upon signing of the Memorandum of Agreement at or before 12:00 noon on 28 June 2017; and
- (c) the balance of the Purchase Price in the sum of HK\$149,742,000 shall be paid by the Purchaser to the Vendors' solicitors upon completion of the Acquisition at or before 12:00 noon on 8 September 2017.

The Company, having (i) made reference to the recent sale prices of commercial properties and land transactions in West Kowloon; (ii) taken into account the recent growth in the property market in Hong Kong and the potential rental growth of the Property; and (iii) considered that the Acquisition of an en-bloc building will give the Group control over the whole building with maximum flexibility to manage, upgrade, redevelop and implement plans to enhance the overall value and return of the Property, considered the consideration of HK\$166,380,000 to be fair and reasonable. The Purchase Price will be fully funded by the internal resources of the Company.

## **Memorandum of Agreement**

Under the terms of the Conditions of Sale, the Purchaser shall enter into the Memorandum of Agreement with the Vendors in respect of the Acquisition on 28 June 2017.

## **Completion**

Completion of the Acquisition shall take place on 8 September 2017.

## **INFORMATION ON THE COMPANY AND THE PURCHASER**

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.

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

## **REASONS AND BENEFITS FOR THE ACQUISITION**

The Directors undertake strategic reviews of the Company's assets from time to time with a view to maximising returns to the shareholders of the Company. The Directors consider that the Property is located at a very good location and the Acquisition is a valuable investment opportunity for the Company. The Property is a commercial property currently leased out for rental return, the Company will enjoy rental income derived from the Property. Accordingly, the Directors believe that the Acquisition will strengthen and enhance the property investment portfolio and rental income base of the Group. The Group will consider all options to improve the return and value of the assets to the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the Conditions of Sale are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

## **DEFINITIONS**

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

“Acceptance of Offer”	the letter of acceptance of offer issued by the Vendors to the Purchaser dated 20 June 2017
“Acquisition”	the acquisition of the Property under the terms of the Conditions of Sale
“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
“Conditions of Sale”	the agreement and conditions of sale of the Property as set out in the tender document
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Further Deposit”	a sum of HK\$8,638,000, together with the Initial Deposit, equal to 10% of the Purchase Price to be paid by the Purchaser upon signing of the Memorandum of Agreement

“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\$8,000,000 paid by the Purchaser to the Vendors’ solicitors as stakeholders on 20 June 2017 and part payment of the Purchase Price
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement to be entered into between the Vendors and the Purchaser in relation to the Acquisition on 28 June 2017
“Purchaser”	Regal Prosper Limited (昇興有限公司), a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Property”	all those pieces or parcels of ground registered at the Land Registry as the remaining portion of Kowloon Inland Lot No.2344 and the remaining portion of Kowloon Inland Lot No.2345 together with the messuages erections and buildings erected thereon now known as Nos. 99/101 Lai Chi Kok Road, Kowloon, Hong Kong and known as Ying Yu Building
“Purchase Price”	a sum of HK\$166,380,000, being the consideration for the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Yip Yun Chi, Ip Kwong Chi and Ip Lai Sheung (the executors of the estate of Yip (or Ip) Lee (or Li) Yu Yee, also known as Li (or Lee) Yu Yee, deceased)
“%”	per cent

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

Hong Kong, 20 June 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*)

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