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

VOLUNTARY ANNOUNCEMENT
FORMATION OF JOINT VENTURE
AND
ACQUISITION OF CENTRAL INDUSTRIAL BUILDING

This announcement is made by the Company on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Company.

The Board is pleased to announce that on 28 February 2018, Excellent Delight, an indirect wholly owned subsidiary of the Company, entered into the binding Memorandum of Understanding with the JV Partner, an independent third party, pursuant to which Excellent Delight and the JV Partner agreed on the operation of Victorious Troops Limited, i.e. the JV Holdco, a company owned as to 50% of its issued share capital by each of Excellent Delight and the JV Partner, in indirectly acquiring and redeveloping the Property for sale. The Board is also pleased to announce that on 28 February 2018, the Provisional Sale and Purchase Agreement was entered into by Popular Castle Limited, a wholly owned subsidiary of the JV Holdco with the Vendor on the acquisition of the entire share capital in and shareholders' loan owing by the target company, being the ultimate holding company of the Property for an initial cash consideration of HK\$720 million subject to adjustment.

Completion of the Acquisition is subject to the fulfillment of various conditions precedent and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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MEMORANDUM OF UNDERSTANDING ON FORMATION OF JOINT VENTURE

Date

28 February 2018

Parties

- (a) Excellent Delight, as a shareholder of the JV Holdco
- (b) Hanison Construction Holdings (BVI) Limited, a direct wholly owned subsidiary of the Company, as Excellent Delight's obligor
- (c) JV Partner, as a shareholder of the JV Holdco
- (d) Controller of the JV Partner, as the JV Partner's obligor
- (e) the JV Holdco

The JV Holdco is owned as to 50% of its issued share capital by each of Excellent Delight and the JV Partner respectively and is expected to be accounted for as a joint venture.

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

Board Composition

The board of directors of each JV Group companies shall comprise four directors and each of Excellent Delight and the JV Partner shall nominate two directors. The right to appoint the chairman of the board of directors of each JV Group companies shall vest in Excellent Delight and the JV Partner in alternate years. The chairman shall not be entitled to a second or casting vote in board meeting.

Funding

It is expected that the initial maximum funding to be provided by each of Excellent Delight and the JV Partner for the Acquisition and the redevelopment of the Property will be up to HK\$550 million.

Restriction on Transfer

Neither Excellent Delight nor the JV Partner shall dispose of their shareholding in the JV Holdco without the consent of the other for a period of 4 years from the date of the definitive joint venture agreement.

Other Arrangements

After completion of the Acquisition, a subsidiary of the JV Group will enter into services agreements with certain indirect wholly owned subsidiaries of the Company, pursuant to which the JV Group shall engage these subsidiaries to provide project management service, marketing management services, property management services and estate management services in respect of the redevelopment and sale of the Property.

ACQUISITION – PROVISIONAL SALE AND PURCHASE AGREEMENT

Date

28 February 2018

Parties

- (a) Popular Castle Limited, a direct wholly owned subsidiary of JV Holdco as the purchaser
- (b) the Vendor as the vendor
- (c) owner of the Vendor as the guarantor

To the best of knowledge, information and belief of the Directors, after having made all reasonable enquires, the Vendor and its ultimate owners are third parties independent of and not connected with the Company and its connected persons.

Subject

Popular Castle Limited shall acquire from the Vendor the entire share capital in and shareholders' loan owing by the target company, being the ultimate holding company of the Property for an initial cash consideration of HK\$720 million subject to adjustment with reference to its consolidated net asset value as at completion of the Acquisition.

Completion of the Acquisition is conditional upon the satisfaction of, among other things, the completion of a satisfactory due diligence investigations over the Property and its holding companies, and a disposal of certain unrelated assets by the target company on or before 29 June 2018.

Completion is expected to take place on or before 29 June 2018.

INFORMATION ON THE PROPERTY

The Property is the property known as Central Industrial Building located at 57-61 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong and will be held for redevelopment for sale.

REASONS FOR THE JOINT VENTURE AND 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. After formation of the joint venture, the Group will be the management contractor and will provide project management and marketing services on the redevelopment of the Property. It will enable the Group to fully utilise its expertises and resources for the redevelopment of the Property. The Directors consider the Acquisition is a valuable investment opportunity for the Group. Accordingly, the Directors believe that the Acquisition will enable the Group to strengthen and enhance its property development portfolio.

Completion of the Acquisition is subject to the fulfillment of the conditions precedent and therefore 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 expressions have the following meanings:

“Acquisition”	the acquisition of the entire share capital in and shareholders' loan owing by the target company being the ultimate holding company of the Property by Popular Castle Limited from the Vendor pursuant to the Provisional Sale and Purchase Agreement
“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
“connected person”	has the meaning as ascribed under the Listing Rules
“Directors”	the directors of the Company
“Excellent Delight”	Excellent Delight Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“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
“JV Group”	collectively the JV Holdco and its subsidiaries
“JV Holdco”	Victorious Troops Limited, a company incorporated in the British Virgin Islands with limited liability

“JV Partner”	a company incorporated in the British Virgin Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the binding memorandum of undertaking entered into on 28 February 2018 by Excellent Delight, Hanison Construction Holdings (BVI) Limited, the JV Partner, the controller of the JV Partner and the JV Holdco in relation to the operation of the JV Holdco
“Property”	the property known as Central Industrial Building located at 57-61 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement dated 28 February 2018 entered into between the Vendor and the Popular Castle Limited, a direct wholly owned subsidiary of the JV Holdco in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Reformer 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, 28 February 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