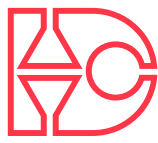


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興勝創建控股有限公司

HANISON CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

DISCLOSEABLE TRANSACTION DISPOSAL

THE DISPOSAL

The Board is pleased to announce that on 14 September 2023, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Preliminary Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the consideration of HK\$68,000,000 subject to the terms of the Preliminary Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under the Listing Rules.

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The Preliminary Sale and Purchase Agreement

The principal terms of the Preliminary Sale and Purchase Agreement are summarised as follows:

Date

14 September 2023

Parties

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company, as the vendor
- (ii) the Purchaser, as the purchaser

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons.

Property

The Property comprises (i) the shops on the ground floor, first floor and second floor of the Building; (ii) two loading and unloading bays on the ground floor of the Building; and (iii) two signage areas on the third floor of the Building. The Property is a commercial property with a total saleable area of approximately 4,029 square feet and is held as an investment property of the Group.

The Property is sold on an “as-is” basis subject to the Tenancy. The Vendor shall transfer the Tenancy Deposit to the Purchaser on an interest-free basis at Completion and the parties agree that the Tenancy Deposit shall be deducted from the balance of the Consideration at Completion.

Consideration

The Consideration payable under the Preliminary Sale and Purchase Agreement is HK\$68,000,000.

The Consideration has been and shall be paid by the Purchaser in the following manner:

- (a) a sum of HK\$2,000,000, being the initial deposit (the “**Initial Deposit**”), has been paid to the Vendor’s solicitors as stakeholder upon signing of the Preliminary Sale and Purchase Agreement;
- (b) a sum of HK\$4,800,000, being the further deposit (the “**Further Deposit**”, together with the Initial Deposit, the “**Consideration Deposits**”), shall be paid to the Vendor’s solicitors as stakeholder on or before the Formal Agreement Date; and
- (c) the balance of the Consideration, after deducting the Consideration Deposits and the Tenancy Deposit of HK\$1,169,118, being a sum of HK\$60,030,882, shall be paid to the Vendor (or as the Vendor may direct) at Completion.

The Consideration was determined based on arm’s length negotiations between the Vendor and the Purchaser with reference to the prevailing market price of similar properties at similar locations and the prevailing rental yield as compared to the Property.

Completion

Completion shall take place on or before 29 December 2023.

Formal Agreement

The Vendor and the Purchaser shall use all reasonable endeavours to enter into the Formal Agreement on or before the Formal Agreement Date. In the event the parties fail to agree on the terms of the Formal Agreement on or before the Formal Agreement Date, the Preliminary Sale and Purchase Agreement shall remain in full force and effect and the parties shall continue to fulfill their respective obligations under the Preliminary Sale and Purchase Agreement.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The principal business activities of the Group are 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 Vendor is a company incorporated under the laws of Hong Kong with limited liability and is a property holding company with the sole purpose of holding the Property as at the date of the Preliminary Sale and Purchase Agreement. It is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in supplying pet products. It is ultimately beneficially owned by Mr. Chan Chow Pui.

REASONS FOR THE DISPOSAL

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximising returns to the Shareholders. The Directors consider that the Disposal presents an opportunity for the Company to unlock the value of the Property in the current market environment.

The Directors consider that the Disposal, the terms of the Preliminary Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The Property was leased out and has generated an annual rental income of approximately HK\$1,374,000 for the financial year ended 31 March 2023. There was no rental income generated from the Property for the financial year ended 31 March 2022. Upon Completion, the Group will lose rental income from the Property, which will have a negative effect on the earnings of the Group but will reduce expenses incurred in respect of the Property.

Upon Completion, the Group expects to recognise a loss on change in fair value of investment properties from the Disposal of approximately HK\$11,700,000 before costs and expenses relating to the Disposal in the financial year ending 31 March 2024. The actual loss to be recorded by the Company is subject to audit and may be different from the estimated amount. As at 31 July 2023, the unaudited book value of the Property was approximately HK\$79,700,000.

The proceeds arising from the Disposal are expected to be used as general working capital.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Building”	West Park, No. 256 Tung Chau Street, Kowloon, Hong Kong
“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
“connected persons”, “percentage ratio” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration in the amount of HK\$68,000,000 payable by the Purchaser in respect of the Disposal
“Consideration Deposits”	has the meaning as defined in the section headed “The Disposal – The Preliminary Sale and Purchase Agreement – Consideration”
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Preliminary Sale and Purchase Agreement
“Formal Agreement”	the formal agreement in relation to the Disposal to be entered into between the Vendor and the Purchaser on substantially the same terms as the Preliminary Sale and Purchase Agreement
“Formal Agreement Date”	28 September 2023
“Further Deposit”	has the meaning as defined in the section headed “The Disposal – The Preliminary Sale and Purchase Agreement – Consideration”
“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”	has the meaning as defined in the section headed “The Disposal – The Preliminary Sale and Purchase Agreement – Consideration”

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preliminary Sale and Purchase Agreement”	the preliminary sale and purchase agreement dated 14 September 2023 entered into between the Vendor and the Purchaser in relation to the Disposal
“Property”	the shops on the ground floor, first floor and second floor of the Building, two loading and unloading bays on the ground floor of the Building and two signage areas on the third floor of the Building
“Purchaser”	Vetapet & Associates Limited (施惠德洋行有限公司), a company incorporated under the laws of Hong Kong with limited liability
“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy”	the existing tenancy agreement in respect of the shops on the ground floor, first floor and second floor of the Building
“Tenancy Deposit”	the deposit received by the Vendor under the Tenancy, being the amount of HK\$1,169,118
“Vendor”	Westpac Limited (西豐有限公司), a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 14 September 2023

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

Non-executive Chairman

Mr. Cha Mou Daid, Johnson

Non-executive Director

Dr. Lam Chat Yu

Executive Directors

Mr. Wong Sue Toa, Stewart (*Managing Director*)

Mr. Tai Sai Ho (*General Manager*)

Mr. Chow Ka Fung

Independent Non-executive Directors

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun

Dr. Chan Fan Cheong, Tony