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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)

**ANNOUNCEMENT
DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF 40% INTEREST IN A SUBSIDIARY**

THE DISPOSAL

The Board is pleased to announce that on 1 November 2012, Hanison BVI, a wholly owned subsidiary of the Company and the sole shareholder of Superior Choice which in turn wholly owns Excel Pointer, as the vendor entered into the Sale and Purchase Agreement with Sky Champion, pursuant to which Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares, representing 40% of the issued share capital of Superior Choice.

LISTING RULES IMPLICATIONS

The applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%. Sky Champion is an indirect wholly owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Accordingly, Sky Champion is a connected person of the Company for the purpose of the Listing Rules and the Disposal constitutes a discloseable and connected transaction on the part of the Company under Chapter 14 and 14A of the Listing Rules. The Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of CCM Trust (Cayman) Limited, Mr. Cha Mou Sing, Payson (Chairman of the Company), Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin (non-executive Directors of the Company) and their respective associates are required to abstain from voting on resolution approving the Sale and Purchase Agreement and the transactions contemplated therein.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and transactions contemplated therein; (ii) recommendations from the independent board committee of the Company; (iii) the advice from the independent financial adviser to the independent board committee of the Company and the independent Shareholders; together with (iv) a notice convening an extraordinary general meeting of the Company at which resolutions will be proposed for the approval of the Sale and Purchase Agreement and the transactions contemplated therein will be sent to the Shareholders on or before 22 November 2012.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed “Conditions Precedent” in this announcement and therefore the Disposal may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 1 November 2012, Hanison BVI, a wholly owned subsidiary of the Company and the sole shareholder of Superior Choice which in turn wholly owns Excel Pointer, as the vendor entered into the Sale and Purchase Agreement with Sky Champion, pursuant to which Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares, representing 40% of the issued share capital of Superior Choice.

THE DISPOSAL

The Sale and Purchase Agreement

Date

1 November 2012

Parties

- (a) Hanison BVI (as the vendor)
- (b) Sky Champion (as the purchaser)

Sky Champion is an indirect wholly owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Therefore, Sky Champion is regarded as a connected person of the Company under the Listing Rules.

Subject of the Disposal

Pursuant to the Sale and Purchase Agreement, Hanison BVI agreed to sell and Sky Champion agreed to purchase the Sale Shares. As at the date of this announcement, Superior Choice is wholly owned by Hanison BVI and the Sale Shares represent 40% of the issued share capital of Superior Choice as at Completion.

Reference is made to the announcement of the Company dated 24 October 2012. Excel Pointer has entered into a formal sale and purchase agreement on 21 September 2012 with an independent third party to purchase the Property and completion of the Property Acquisition shall take place on or before 30 November 2012. Upon completion of the Property Acquisition, Superior Choice will hold the interest in the Property through Excel Pointer.

Consideration

The consideration for the Sale Shares is US\$4.00, representing the par value, payable in cash upon Completion.

Given that the market value of the Property as at the date of the Sale and Purchase Agreement was valued at HK\$318,000,000.00 by Savills Valuation and Professional Services Limited which was identical to the cost of the Property Acquisition on 21 September 2012, there is no income or expense recognised in the unaudited consolidated income statement of Superior Choice and hence the net asset value of the unaudited consolidated statement of financial position of Superior Choice still recorded at the carrying amount which is equal to the par value of 10 ordinary shares of US\$10.00. On this basis, the consideration for the Sale Shares represents the par value and was arrived at after arm's length negotiation between Hanison BVI and Sky Champion and no gain or loss is expected to be accrued to the Group from the Disposal.

In addition to the consideration, immediately upon Completion, Sky Champion shall provide a shareholder's loan to Superior Choice and a guarantee for bank loan obtained by Excel Pointer as set out below and details of which are also mentioned in the section headed "Guarantees" and "The Shareholders' Loan Agreement" below:

- (a) for any shareholder's loan advanced solely by Hanison BVI on the date of Completion, Hanison BVI shall be repaid in the proportion such that the shareholders' loan due and owing by Superior Choice to Hanison BVI and Sky Champion shall be in the proportion of 60:40 respectively; and
- (b) guarantee will be provided by Sky Champion to a bank in proportion to its shareholding of 40% in Superior Choice for a bank loan of HK\$159,000,000.00 obtained by Excel Pointer for financing 50% of the purchase price of the Property Acquisition.

According to the conditions as mentioned above, Sky Champion shall eventually advance a total amount of HK\$63,600,000.00 as shareholder's loan to Superior Choice, being 40% share of 50% of the purchase price of the Property Acquisition (i.e. 40% of HK\$159,000,000.00), plus 40% share of all related costs and expenses, including without limitation agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses.

The remaining balance of 50% of the purchase price of the Property Acquisition will be financed by a bank loan secured by Excel Pointer, in which Sky Champion shall provide a guarantee in the proportion of its 40% shareholding in Superior Choice (i.e. the guarantee of 40% of the bank loan of HK\$159,000,000.00).

The proceeds of the Sale Shares and the amount of shareholder's loan to be repaid to Hanison BVI from the Disposal will be used as general working capital of the Group.

Conditions Precedent

Completion of the sale and purchase of Sale Shares is conditional, inter alia, upon the following conditions being fulfilled or waived (where applicable):

- (a) the obtaining of approval from the shareholders or independent shareholders (as the case may be) of the Company at an extraordinary general meeting approving the Sale and Purchase Agreement and the transactions contemplated therein in accordance with the requirements under the Listing Rules;
- (b) all licenses, permissions, authorizations, regulatory approvals and consents in relation to the transactions contemplated in the Sale and Purchase Agreement under any applicable laws having been obtained;
- (c) Hanison BVI and Sky Champion having entered into the Shareholders' Agreement;
- (d) Hanison BVI, Sky Champion and Superior Choice having entered into the Shareholders' Loan Agreement;
- (e) the warranties provided in the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respect;
- (f) no material adverse effect on the business prospect of the Target Companies; and
- (g) the Formal SPA remains in existence and in full force and effect or the assignment for the Property in favour of Excel Pointer having been entered into (as the case may be).

Completion

Completion shall take place on any Business Day not later than the 3rd Business Day immediately following the day on which all of the conditions set out in the Sale and Purchase Agreement are fulfilled or waived and shall be no later than 17 December 2012 or such date as the parties may agree.

Notwithstanding that the Sale and Purchase Agreement is terminated pursuant to its terms, the completion of the Property Acquisition will not be affected and Excel Pointer shall complete the Property Acquisition pursuant to the Formal SPA.

The Shareholders' Agreement

Parties

- (a) Hanison BVI
- (b) Sky Champion

Principal Terms of the Shareholders' Agreement:

Management of Superior Choice

So long as Hanison BVI and Sky Champion remain as a direct or indirect holder of 60% and 40% issued shares of Superior Choice, each of Hanison BVI and Sky Champion shall be entitled to nominate 3 and 2 persons respectively to be appointed as directors of Superior Choice. The chairman of the board of directors of Superior Choice shall be nominated by Hanison BVI and approved by the board of directors of Superior Choice.

Transact of key decisions

The following matters relating to Superior Choice requires the unanimous approval of Hanison BVI and Sky Champion:

- (a) enter into any agreement or pass any resolution the result of which would lead to any investment other than and not relating to the Property by Superior Choice in excess of HK\$1,000,000;
- (b) enter into any agreement or pass any resolution the result of which would lead Superior Choice to borrow any money or incur any debt or the making of any loan or advance or security to or for the benefit of any person or entity in excess of HK\$1,000,000;
- (c) amend the articles of association of Superior Choice;
- (d) change the name of Superior Choice;
- (e) change the business scope of Superior Choice;
- (f) increase or agree to increase or grant any option over or right to contribute any additional capital or purchase or redeem any paid up capital;
- (g) vary any rights attaching to any registered capital;
- (h) pass any resolution the result of which would be its voluntary winding up, liquidation or receivership, or make any composition or arrangement with creditors;
- (i) change the amount of total investment or registered capital of Superior Choice;
- (j) merge or amalgamate with or into any third party;

- (k) mortgage or charge any of the assets of Superior Choice or the provision of any guarantees by Superior Choice in excess of guidelines from time to time laid down by the shareholders or by the board of Superior Choice;
- (l) borrow any money or incur any debt or the making of any loan or advance or security to or for the benefit of any person or entity in excess of guidelines from time to time laid down by the shareholders or by the board of Superior Choice;
- (m) enter into of any new business or change the nature of the business or the territories in which the business is to be carried on;
- (n) enter into any agreement with any shareholder of Superior Choice (or such shareholder's subsidiary or affiliate);
- (o) change the auditors;
- (p) acquire any premises, whether on a freehold or leasehold basis; and
- (q) set Superior Choice's dividend policy and/or distribute a dividend.

Hanison BVI and Sky Champion shall procure Excel Pointer and any other subsidiary of Superior Choice to adopt the same decision-making principles and the composition of the board of directors as set out above.

Guarantees

Hanison BVI and Sky Champion shall provide guarantee to a bank in proportion to its shareholding in Superior Choice for bank loan obtained by Excel Pointer. In the circumstances that completion of the Property Acquisition has taken place before the Completion, Sky Champion shall immediately after Completion provide such guarantee to the bank for bank loan obtained by Excel Pointer and the guarantee provided by Hanison BVI shall be reduced accordingly.

Restriction on transfer of interest in Superior Choice

Hanison BVI and Sky Champion may sell or dispose of their interest held in Superior Choice provided that they have first notified Superior Choice and all other shareholders offering such interest on the same or more favourable terms.

The Shareholders' Loan Agreement

Parties

- (a) Hanison BVI
- (b) Sky Champion
- (c) Superior Choice

Principal Terms of the Shareholders' Loan Agreement:

Immediately upon completion of the Sale and Purchase Agreement, (i) Sky Champion shall provide a shareholder's loan to Superior Choice in the amount equivalent to 40% of all shareholder's loans solely advanced by Hanison BVI; and (ii) immediately upon the shareholder's loan in item (i) above is advanced by Sky Champion, Superior Choice shall forthwith repay to Hanison BVI the same amount as advanced by Sky Champion, such that the shareholder's loan due and owing by Superior Choice to Hanison BVI shall be reduced accordingly.

In addition, Hanison BVI and Sky Champion agree and undertake to bear in proportion to their respective shareholdings in Superior Choice any other costs and expenses, including without limitation agency fees, stamp duty, legal fees, renovation and all other operational costs and expenses, in relation to the Property.

Any shareholders' loan provided by Hanison BVI and Sky Champion to Superior Choice shall bear no interest.

INFORMATION ON 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 ON HANISON BVI AND EXCEL POINTER

Hanison BVI and Excel Pointer are wholly owned subsidiaries of the Company and are investment holding companies. Hanison BVI, through Superior Choice, holds the entire issued share capital of Excel Pointer. Upon completion of the Property Acquisition pursuant to the Formal SPA, Excel Pointer will hold the Property.

INFORMATION ON SKY CHAMPION

Sky Champion is a company with limited liability and incorporated under the laws of British Virgin Islands. It is an indirectly wholly owned subsidiary of Mingly and is an investment holding company.

INFORMATION ON THE PROPERTY

The Property is a commercial building situated at No.151 Hollywood Road, Hong Kong, and has an aggregate gross floor area of approximately 32,727 square feet. The Property is subject to and with the benefit of subsisting tenancies which are subsisting on the date of completion of the Property Acquisition.

FINANCIAL INFORMATION OF SUPERIOR CHOICE AND ITS SUBSIDIARY

Set out below is a summary of the unaudited consolidated financial information of the Target Companies as at the date of this announcement:

	<i>HK\$</i>
Deposit paid for acquisition of an investment property	31,800,000.00
Amount due to Hanison BVI	<u>(31,799,922.00)</u>
Net asset	<u><u>78.00</u></u>

Superior Choice was incorporated on 26 July 2011 while Excel Pointer was incorporated on 4 May 2012. Both were shelf companies until the Property Acquisition on 21 September 2012. No material income or expense was recorded on the unaudited consolidated income statement for the year ended 31 March 2012.

REASONS FOR THE DISPOSAL AND SOURCE OF FUNDS

The Directors consider that the Property is a high-quality commercial building situated at a very good location of the commercial hub with high occupancy rate and it is a valuable opportunity for the Group to proceed with the Property Acquisition. However, the Directors also note that to proceed with the Property Acquisition singly would drive up the gearing ratio of the Group and tighten up the funds for existing development projects. With due regard to the above situations, the disposal of 40% of the Property interest to a potential investor will allow the Group to maintain majority control of the Property interest and would not tie up so much fund in a single property. Therefore, the Directors consider that the Disposal could allow the Group to seize the opportunity to add a high-quality property to its property portfolio and at the same time maintaining a steady gearing ratio and reserve the funds for other existing development projects.

The shareholders' loan to be provided by Hanison BVI will be from internal resources of the Company. Upon Completion, Superior Choice and Excel Pointer will remain as subsidiaries of the Company and its financial results will be consolidated in the financial statements of the Group.

The Directors (including the independent non-executive Directors) believe that the purchase price and terms of the Sale and Purchase Agreement and the transactions contemplated therein (including the terms of the Shareholders' Agreement and the Shareholders' Loan Agreement) are fair and reasonable under the current market conditions, and that the Disposal is in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%. Sky Champion is an indirect wholly-owned subsidiary of Mingly which is in turn indirectly majority owned by CCM Trust (Cayman) Limited. CCM Trust (Cayman) Limited (as the trustee of certain but not identical discretionary trusts of which members of the Cha Family are among the discretionary objects) is a substantial shareholder of the Company with approximately 68.30% direct and indirect shareholding interest in the Company. Accordingly, Sky Champion is a connected person of the Company for the purpose of the Listing Rules and Sky Champion is a connected person of the Company, the Disposal constitutes a discloseable and connected transaction on the part of the Company under Chapter 14 and 14A of the Listing Rules. The Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Cha Mou Sing, Payson (Chairman of the Company), Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin (non-executive Directors of the Company), have material interest in the Disposal and have abstained from voting in the meeting of the Board approving the Sale and Purchase Agreement, the Shareholders' Agreement and the transaction contemplated therein. Each of CCM Trust (Cayman) Limited, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson, Mr. Cha Yiu Chung, Benjamin, have deemed interests in the Company and their respective associates are required to abstain from voting in the general meeting of the Company on resolution approving the Sale and Purchase Agreement and the transactions contemplated therein.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement and transactions contemplated therein; (ii) recommendations from the independent board committee of the Company; (iii) the advice from the independent financial adviser to the independent board committee of the Company and the independent Shareholders; together with (iv) a notice convening an extraordinary general meeting of the Company at which resolutions will be proposed for the approval of the Sale and Purchase Agreement and the transactions contemplated therein will be sent to the Shareholders on or before 22 November 2012.

Shareholders and investors should note that the Sale and Purchase Agreement is subject to various conditions as stated in the section headed "Conditions Precedent" in this announcement and therefore the Disposal may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

"Business Day"	a day on which licensed banks in Hong Kong are open for general business and excludes Saturdays, Sundays, public holidays in Hong Kong and any day on which a tropical cyclone warning signal no.8 or above is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. or on which a "black rainstorm" warning signal is issued or remains issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"Board"	board of Directors
"Cha Family"	comprising, inter alia, Mr. Cha Mou Sing, Payson, Mr. Cha Mou Daid, Johnson and Mr. Cha Yiu Chung, Benjamin, all being the 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
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning as ascribed under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the proposed disposal of 40% issued share capital in Superior Choice by Hanison BVI to Sky Champion
“Excel Pointer”	Excel Pointer Limited, a company with limited liability and incorporated under the laws of Hong Kong
“Formal SPA”	the formal sale and purchase agreement dated 21 September 2012 entered into between Cheston Investment (Group) Limited as the vendor and Excel Pointer as the purchaser in respect of the sale and purchase of the Property at a purchase price of HK\$318,000,000.00
“Group”	the Company and its subsidiaries
“Hanison BVI”	Hanison Construction Holdings (BVI) Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mingly”	Mingly Corporation, a company incorporated in the Cayman Islands with limited liability and is an indirect subsidiary of CCM Trust (Cayman) Limited
“Property”	All those pieces or parcels of ground registered in the Land Registry as The Remaining Portion of Sub-Section 1 of Section E of Inland Lot No.853, The Remaining Portion of Sub-Section 2 of Section E of Inland Lot No.853 and The Remaining Portion of Section E of Inland Lot No.853 together with the messuages, erections and buildings thereon (No.151 Hollywood Road, Hong Kong)
“Property Acquisition”	the acquisition of the Property pursuant to the Formal SPA

“Sale and Purchase Agreement”	the sale and purchase agreement dated 1 November 2012 entered into between Hanison BVI (as vendor) and Sky Champion (as purchaser) in respect of the sale and purchase of the Sale Shares
“Sale Shares”	4 shares of US\$1.00 each in the share capital of Superior Choice
“Sky Champion”	Sky Champion International Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Shares” and each a “Share”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Hanison BVI and Sky Champion in relation to the Target Companies
“Shareholders’ Loan Agreement”	the shareholders’ loan agreement to be entered into between Hanison BVI, Sky Champion and Superior Choice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superior Choice”	Superior Choice Holdings Limited, a company with limited liability and incorporated under the laws of British Virgin Islands
“Target Companies”	Superior Choice and Excel Pointer

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

Hong Kong, 1 November 2012

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

Non-executive chairman

Mr. Cha Mou Sing, Payson

Non-executive directors

Mr. Cha Mou Daid, Johnson
Mr. Cha Yiu Chung, Benjamin

Executive directors

Mr. Wong Sue Toa, Stewart (*Managing Director*)
Mr. Tai Sai Ho (*General Manager*)
Dr. Lam Chat Yu

Independent non-executive directors

Mr. Chan Pak Joe
Dr. Lau Tze Yiu, Peter
Dr. Sun Tai Lun