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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 OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 17 November 2014, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at a consideration of HK\$108,380,000, subject to and upon the terms of the Provisional Agreement.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated in the Provisional Agreement exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 17 November 2014, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at a consideration of HK\$108,380,000, subject to and upon the terms of the Provisional Agreement.

THE DISPOSAL

Provisional Agreement

Date

17 November 2014

Parties

- (1) Vendor : Emwell Limited, a wholly-owned subsidiary of the Company
- (2) Purchaser : Fondation Investment Limited

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

Property

The Property is located at Workshops 1-15 (inclusive) on the 6th Floor (including the flat roofs of workshops 1 and 2 and the roof immediately above workshops 2-14 (inclusive)) of Block A of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong. The Property is currently being leased out.

The asset to be disposed of by the Vendor is its entire interest in the Property. The Purchaser agreed to purchase the Property subject to existing tenancy agreements and licence agreements as set out in the Provisional Agreement.

Consideration and Terms of Payment

The consideration for the Disposal is HK\$108,380,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$5,419,000 being an initial deposit and part payment of the Consideration has been paid on 17 November 2014 to the Vendor's solicitors as stakeholder upon signing of the Provisional Agreement;
- (2) a sum of HK\$5,419,000 being further deposit and part payment of the Consideration shall be payable to the Vendor's solicitors as stakeholder upon signing of the Formal Agreement on or before 15 December 2014;
- (3) a sum of HK\$5,419,000 being part payment of the Consideration shall be payable to the Vendor's solicitors as stakeholder on or before 15 January 2015; and
- (4) a sum of HK\$92,123,000 being the balance of Consideration shall be payable upon Completion.

The consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor having considered the market value of the industrial properties nearby.

Completion

Pursuant to the Provisional Agreement, a Formal Agreement shall be signed on or before 15 December 2014. Completion of the Disposal shall take place on or before 31 March 2015.

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 THE VENDOR

The Vendor is an investment holding company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability.

REASON FOR AND BENEFIT OF THE DISPOSAL

The Board considers that the current market presents a good opportunity for the Group to realise its investment in the Property.

The Company intends to use part of the net sale proceeds from the Disposal to repay certain bank borrowings and release the related mortgage on the Property and the remaining balance to be used by the Group as general working capital or for future investment should such opportunities arise.

The Directors (including the independent non-executive Directors) believe that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

The Property is currently being leased out. The Group received a rental income of approximately HK\$2,297,000 and approximately HK\$1,872,000 respectively for each of the financial years ended 31 March 2013 and 2014. The net profits before taxation attributable to the Property for the financial years ended 31 March 2013 and 2014 were approximately HK\$582,000 and approximately HK\$547,000 respectively. The net profits after taxation attributable to the Property for the financial years ended 31 March 2013 and 2014 were approximately HK\$486,000 and approximately HK\$456,000 respectively.

The Property was acquired by the Group at a cost of approximately HK\$8,352,000 on 30 June 2003. As at 31 March 2014, the carrying value of the Property was approximately HK\$58,485,000. The Disposal is expected to enable the Company to record a book gain before taxation and expenses of approximately HK\$49,895,000, being the premium of the Consideration for the Disposal over the carrying value of the Property in the account of the Vendor.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“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
“Completion”	completion of the Disposal on or before 31 March 2015 in accordance with the terms of the Provisional Agreement and the Formal Agreement
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration for the Disposal pursuant to the Provisional Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser subject and upon the terms of the Provisional Agreement and the Formal Agreement
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser on or before 15 December 2014 pursuant to the Provisional Agreement
“Group”	the Company and its subsidiaries
“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 of Hong Kong Limited
“Property”	Workshops 1-15 (inclusive) on the 6th Floor (including the Flat Roofs of Workshops 1 and 2 and the Roof immediately above Workshops 2-14 (inclusive)) of Block A of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 17 November 2014 entered into between the Vendor and the Purchaser in respect of the Property
“Purchaser”	Fondation Investment Limited, a company incorporated in Hong Kong with limited liability

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Vendor”	Emwell Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 17 November 2014

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
Dr. Lam Chat Yu

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