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

**MAJOR TRANSACTION  
IN RELATION TO THE ACQUISITION  
OF A TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 11 October 2019 (after trading hours), the Buyer (an indirect wholly-owned subsidiary of the Company) entered into the SPA with the Seller and the Seller's Guarantor in relation to the acquisition of the Sale Share and the Shareholder Loan (if any) at the Consideration (i.e. the aggregate sum of (a) the Offer Price of HK\$740,800,000 minus the Air-Conditioning Price Adjustment Amount; and (b) the Actual Adjusted NCAV Amount).

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 25% but below 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising CCM Trust (Cayman) Limited and its subsidiaries and LBJ Regents Limited which are beneficially interested in 487,702,041 and 61,022,931 shares respectively, representing in total 50.30% of the entire issued share capital of the Company as at the date of this announcement. CCM Trust (Cayman) Limited and LBJ Regents Limited hold shares as the trustees of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being Directors) are among the discretionary objects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Acquisition.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the Acquisition is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 1 November 2019. To allow for more time to prepare the information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and will publish further announcement(s) in compliance with the requirement under the Listing Rules as and when appropriate.

**Completion is subject to the fulfilment or waiver of various Conditions Precedent and therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 11 October 2019 (after trading hours), the Buyer (an indirect wholly-owned subsidiary of the Company) entered into the SPA with the Seller and the Seller's Guarantor in relation to the acquisition of the Sale Share and the Shareholder Loan (if any) at the Consideration (i.e. the aggregate sum of (a) the Offer Price of HK\$740,800,000 minus the Air-Conditioning Price Adjustment Amount; and (b) the Actual Adjusted NCAV Amount).

## **THE SPA**

The principal terms of the SPA are summarised as follows:

### **Date**

11 October 2019

### **Parties**

- (a) the Buyer
- (b) the Seller
- (c) the Seller's Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Seller, the Seller's Guarantor and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

### **Subject Matter**

Subject to the terms and conditions of the SPA, the Buyer has conditionally agreed to purchase from the Seller, the Sale Share (representing the entire issued and paid-up share capital of the Target Company) and the Shareholder Loan (if any), all free and clear of any encumbrances (other than certain permitted encumbrances as agreed in the SPA) at the Consideration (i.e. the aggregate sum of (a) the Offer Price of HK\$740,800,000 minus the Air-Conditioning Price Adjustment Amount; and (b) the Actual Adjusted NCAV Amount).

The Target Company is principally engaged in the serviced residence and hotel business operated at the Property in the name "Citadines Mercer Hong Kong", and holds the Property located at No.29 Jervois Street, Hong Kong. The Property is a 28-storey serviced residence building and has a total of 55 guestrooms with a total gross floor area of 37,933 square feet.

## **Consideration**

The Consideration shall be the aggregate sum of (a) the Offer Price of HK\$740,800,000 minus the Air-Conditioning Price Adjustment Amount; and (b) the Actual Adjusted NCAV Amount.

The Consideration shall be paid in the following manner:

- (a) an aggregate sum of HK\$74,080,000, being the Deposit Amount, has been paid to the Seller's solicitors as stakeholders on or before the date of the SPA;
- (b) the Buyer shall pay the Existing Bank Loan Amount as directed and instructed by the Seller in favour of the Lender upon Completion;
- (c) the Buyer shall pay the remaining balance of the Offer Price (after deducting the Deposit Amount, the Existing Bank Loan Amount and the Air-Conditioning Price Adjustment Amount, and adjusted by the Estimated Adjusted NCAV Amount) to the Seller upon Completion; and
- (d) the difference between the Estimated Adjusted NCAV Amount and the Actual Adjusted NCAV Amount (if any) shall be settled in the manner and at such time as described under the paragraphs headed "THE SPA – Adjustments to the Consideration" below.

## **Adjustments to the Consideration**

For the purpose of carrying out the Completion, the Seller and the Buyer agree to first adopt the Offer Price minus the Air-Conditioning Price Adjustment Amount and the Estimated Adjusted NCAV Amount as the initial consideration.

Subject to and following Completion, the Seller shall deliver the draft Completion Accounts to the Buyer not later than thirty (30) days after Completion. Subject to the Seller's delivery of the draft Completion Accounts, the Buyer shall at its cost procure the draft Completion Accounts to be audited by the Reporting Accountants and deliver the draft Completion Accounts as audited by the Reporting Accountants to the Seller within sixty days (60) after Completion. If there is no disagreement by the Seller, the draft Completion Accounts as audited by the Reporting Accountants shall be deemed as the Completion Accounts. If agreement cannot be reached, the Seller and the Buyer shall jointly appoint an expert to make a decision on the dispute in the manner set out in the SPA. The Seller and the Buyer shall then calculate the Actual Adjusted NCAV Amount with reference to the figures as shown in the Completion Accounts, and make the adjustment (if any) as follows:

- (a) if the Actual Adjusted NCAV Amount exceeds (or is less negative than) the Estimated Adjusted NCAV Amount, the Buyer shall pay the Seller an amount equal to such excess; or
- (b) if the Actual Adjusted NCAV Amount is less than (or more negative than) the Estimated Adjusted NCAV Amount, the Seller shall pay the Buyer an amount equal to such excess.

The Consideration was determined and arrived at after arm's length negotiation between the Seller and the Buyer, having taken into account the offer prices of comparable properties in nearby locations and the face value of the Shareholder Loan. The Consideration will be settled in cash and be fully funded by the internal resources of the Group.

### **Conditions Precedent**

Completion is conditional upon the Conditions Precedent being satisfied (or waived by the Buyer) on the Completion Date. The Conditions Precedent include, among others, the following:

- (a) the fundamental warranties of the Seller relating to its authority, the Sale Share and the Property as set out in the SPA remaining true and accurate in all material respects on the Completion Date; and
- (b) no Major Damage having occurred during the period between the signing of the SPA and the Completion Date.

### **Completion**

Completion is conditional upon the satisfaction (or waiver by the Buyer) of the Conditions Precedent, which shall take place on 8 November 2019 (i.e. the Completion Date).

If any Condition Precedent has not been duly fulfilled on or before the Completion Date, then the Buyer may on that date, at its option, by notice to the Seller: (a) waive the Conditions Precedent which have not been satisfied; or (b) terminate the SPA.

### **Pre-Completion Undertakings**

The Seller has given certain customary pre-completion undertakings in relation to the state of affairs of the Target Company for agreement of similar nature and size in the SPA.

### **Warranties and limitation of claim**

The Seller has given certain customary warranties in relation to the Target Company, the Property, the Sale Share, the Shareholder Loan and the business carried out by the Target Company for agreement of similar nature and size in the SPA.

The total liability of the Seller and the Seller's Guarantor under the SPA shall not exceed the Offer Price (for a claim under or in relation to the fundamental warranties as prescribed under the SPA). The total liability of the Seller and the Seller's Guarantor under the transaction documents (excluding warranty claim relating to a fundamental warranty) shall not exceed a sum equal to HK\$148,160,000 (i.e. 20% of the Offer Price).

The Buyer shall not be entitled to claim in respect of any relevant claim any special, indirect or consequential losses.

### **Guarantee by the Seller's Guarantor**

The Seller's Guarantor irrevocably and unconditionally guarantees to the Buyer the due and punctual performance of each obligation of the Seller contained in the SPA.

## Costs

Each party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of the SPA and other transaction documents. The stamp duty payable on the transfer of the Sale Share shall be borne by the Buyer.

## INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company:

- (a) is principally engaged in the serviced residence and hotel business operated at the Property in the name “Citadines Mercer Hong Kong”; and
- (b) holds the Property located at No.29 Jervois Street, Hong Kong.

Immediately prior to Completion, the Target Company is wholly-owned by the Seller. In carrying out the serviced residence and hotel business, certain premises of the Property are leased to the tenants and customers of the hotel and accordingly the Acquisition is subject to the aforesaid existing leases.

Set out below is the audited financial information of the Target Company for the year ended 31 December 2017 and 31 December 2018:

	<b>For the year ended 31.12.2017 (HK\$'000)</b>	<b>For the year ended 31.12.2018 (HK\$'000)</b>
Net loss before taxation and extraordinary items	2,440	2,120
Net loss after taxation and extraordinary items	2,644	2,219

The audited total asset value and the audited net liabilities of the Target Company as at 31 December 2018 is HK\$154,834,000 and HK\$8,211,000 respectively.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. Accordingly, its financial results will be consolidated in the accounts of the Company.

## INFORMATION ON THE COMPANY AND THE BUYER

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 Buyer is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

## **INFORMATION ON THE SELLER AND THE SELLER'S GUARANTOR**

The Seller is a company incorporated in Singapore and its principal business activity is investment in the Target Company.

The Seller's Guarantor is a company incorporated in Singapore and holds all of the issued share capital of the Seller through an intermediate holding company. Its principal business activity includes property investments. The Seller's Guarantor is in turn held by CapitaLand Limited, which is an entity listed on the Singapore stock exchange.

## **REASONS 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. The Directors consider that 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 the property investment portfolio.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the transactions contemplated under the SPA 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 exceeds 25% but below 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising CCM Trust (Cayman) Limited and its subsidiaries and LBJ Regents Limited which are beneficially interested in 487,702,041 and 61,022,931 shares respectively, representing in total 50.30% of the entire issued share capital of the Company as at the date of this announcement. CCM Trust (Cayman) Limited and LBJ Regents Limited hold shares as the trustees of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being Directors) are among the discretionary objects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Acquisition.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the Acquisition is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 1 November 2019. To allow for more time to prepare the information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and will publish further announcement(s) in compliance with the requirement under the Listing Rules as and when appropriate.

**Completion is subject to the fulfilment or waiver of various Conditions Precedent and therefore the Acquisition 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 Sale Share and the Shareholder Loan (if any) by the Buyer pursuant to the SPA
“Actual Adjusted NCAV Amount”	in respect of the Target Company, the actual Adjusted NCAV Amount as set out in the Completion Accounts
“Adjusted NCAV Amount”	in respect of the Target Company, the aggregate amount (which may be a positive or a negative amount) as at Completion of all current assets (other than the insurance proceeds recovered in respect of claims relating to the Property, if any) minus all current liabilities (excluding the Shareholder Loan Amount, if any), which will be determined with reference to the Pro Forma Completion Accounts or the Completion Accounts (as the case may be)
“Air-Conditioning Price Adjustment Amount”	the amount of HK\$3,000,000 being the price adjustment amount for the repair in relation to certain faulty air-conditioners in the Property
“Board”	the board of Directors
“Business Days”	a day other than a Saturday or Sunday or public holiday in Hong Kong or Singapore, on which banks are open in Hong Kong and Singapore to the general public for business and on which no tropical cyclone warning signal no. 8 or above and no black rainstorm warning signal is in force in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.
“Buyer”	Oriental Effort Limited, a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“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 Acquisition in accordance with the terms of the SPA
“Completion Accounts”	the completion accounts of the Target Company as audited by the Reporting Accountants, or as determined by the expert jointly appointed by the Seller and the Buyer in the event of disagreement, in the manner as set out in the SPA
“Completion Date”	8 November 2019, or such other date as mutually agreed in writing between the Seller and the Buyer, being the date on which Completion shall take place in accordance with the terms of the SPA

“Conditions Precedent”	conditions precedent to the Completion
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Buyer to the Seller for the purchase of the Sale Share and the Shareholder Loan (if any) which is the aggregate sum of (a) the Offer Price of HK\$740,800,000 minus the Air-Conditioning Price Adjustment Amount; and (b) the Actual Adjusted NCAV Amount
“Deposit Amount”	the deposit in the aggregate sum of HK\$74,080,000 which has been paid by the Buyer to the Seller’s solicitors as stakeholders on or before the date of the SPA
“Director(s)”	the directors of the Company
“Estimated Adjusted NCAV Amount”	the estimated Adjusted NCAV Amount at Completion determined with reference to the Pro Forma Completion Accounts
“Existing Bank Loan”	means the HK\$186,000,000 term loan facility dated 16 January 2015 between the Target Company, as the borrower, and the Lender, as the lender bank
“Existing Bank Loan Amount”	the amount outstanding under the Existing Bank Loan from time to time, together with any and all further interest, prepayment fees, break funding fees, commitment fees, costs and expenses and other amount(s), incurred by or payable to the Lender to fully release and discharge the existing securities with effect from Completion
“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
“Lender”	the lender bank of the Existing Bank Loan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Damage”	any damage to the Property, such that restoration or repair of the Property to a substantially similar physical state and condition as at the date of the SPA would require more than twelve (12) months to complete
“Offer Price”	the offer price of HK\$740,800,000

“Pro Forma Completion Accounts”	the pro forma statement of financial position of the Target Company and the pro forma statement of comprehensive income of the Target Company for the period from the day immediately following the last accounting date to the Completion Date, which will be delivered to the Buyer no later than five (5) Business Days prior to (but excluding) the Completion Date (or within such other period as the Seller and the Buyer may agree in writing) for review by the Buyer
“Property”	the entire block of building located at No. 29 Jervois Street, Hong Kong
“Reporting Accountants”	KPMG, the reporting accountants of the Target Company
“Sale Share”	one share of the Target Company, representing the entire issued and paid-up share capital of the Target Company, free from encumbrances
“Seller”	Citadines Mercer (Hong Kong) Pte. Ltd., a company incorporated in Singapore which is the legal and beneficial owner of the Sale Share and the Shareholder Loan (if any)
“Seller’s Guarantor”	The Ascott Holdings Limited, a company incorporated in Singapore and holds all of the issued share capital of the Seller through an intermediate holding company
“Shareholder”	holder of the ordinary share of HK\$0.1 each in the share capital of the Company
“Shareholder Loan”	the loan provided by the Seller to the Target Company and owing by the Target Company to the Seller at Completion (if any), the benefit of which will be assigned to the Buyer on Completion
“Shareholder Loan Amount”	the amount outstanding from the Target Company to the Seller under the Shareholder Loan at Completion (if any)
“SPA”	the sale and purchase agreement entered into between the Seller and the Buyer in relation to the Acquisition on 11 October 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Excel Chinese International Limited, a company incorporated in Hong Kong
“%”	per cent

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

Hong Kong, 11 October 2019

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. Zhang Wei

*(also alternate director to Mr. Cha Mou Sing,  
Payson)*

***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