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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
IN RELATION TO THE ACQUISITIONS**

THE ACQUISITIONS

The Board is pleased to announce that on 13 July 2017 (after trading hours), (i) Heroic Elite, an indirect wholly-owned subsidiary of the Company, entered into the WHL SPA with the WHL Vendor and the WHL Guarantor in relation to the WHL Acquisition, pursuant to which the WHL Vendor has conditionally agreed to sell the WHL Sale Share (representing the entire issued and paid-up share capital of WHL) and the WHL Shareholder's Loan, and Heroic Elite has conditionally agreed to make such purchase at the aggregate consideration of HK\$145,370,000, subject to upward or downward adjustments for the WHL NAV as at WHL Completion Date as described under the paragraphs headed "The WHL SPA – Initial Adjustment to the WHL Consideration" and the "The WHL SPA – Further Adjustment to the WHL Consideration" below; and (ii) Oriental Elite, an indirect wholly-owned subsidiary of the Company, entered into the FSL SPA with the FSL Vendor and the FSL Guarantor in relation to the FSL Acquisition, pursuant to which the FSL Vendor has conditionally agreed to sell the FSL Sale Share (representing the entire issued and paid-up share capital of FSL) and the FSL Shareholder's Loan, and Oriental Elite has conditionally agreed to make such purchase at the aggregate consideration of HK\$149,700,000, subject to upward or downward adjustments for the FSL NAV as at FSL Completion Date as described under the paragraphs headed "The FSL SPA – Initial Adjustment to the FSL Consideration" and the "The FSL SPA – Further Adjustment to the FSL Consideration" below.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisitions exceeds 5% but less than 25%, the Acquisitions constitute a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

THE ACQUISITIONS

Reference is made to the announcements made by the Company on 17 May 2017, 30 June 2017 and 7 July 2017.

The Board is pleased to announce that on 13 July 2017 (after trading hours), (i) Heroic Elite, an indirect wholly-owned subsidiary of the Company, entered into the WHL SPA with the WHL Vendor and the WHL Guarantor in relation to the WHL Acquisition, pursuant to which the WHL Vendor has conditionally agreed to sell the WHL Sale Share (representing the entire issued and paid-up share capital of WHL) and the WHL Shareholder's Loan, and Heroic Elite has conditionally agreed to make such purchase at the aggregate consideration of HK\$145,370,000, subject to upward or downward adjustments for the WHL NAV as at WHL Completion Date as described under the paragraphs headed "The WHL SPA – Initial Adjustment to the WHL Consideration" and the "The WHL SPA – Further Adjustment to the WHL Consideration" below; and (ii) Oriental Elite, an indirect wholly-owned subsidiary of the Company, entered into the FSL SPA with the FSL Vendor and the FSL Guarantor in relation to the FSL Acquisition, pursuant to which the FSL Vendor has conditionally agreed to sell the FSL Sale Share (representing the entire issued and paid-up share capital of FSL) and the FSL Shareholder's Loan, and Oriental Elite has conditionally agreed to make such purchase at the aggregate consideration of HK\$149,700,000, subject to upward or downward adjustments for the FSL NAV as at FSL Completion Date as described under the paragraphs headed "The FSL SPA – Initial Adjustment to the FSL Consideration" and the "The FSL SPA – Further Adjustment to the FSL Consideration" below.

THE WHL SPA

The principal terms of the WHL SPA are summarised as follows:

Date

13 July 2017

Parties

- (a) Heroic Elite Investments Limited, an indirect wholly-owned subsidiary of the Company, being the purchaser
- (b) The WHL Vendor
- (c) The WHL Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the WHL Vendor, the WHL Guarantor and their respective ultimate beneficial owners is a third party independent of the Company and the connected persons of the Company.

Subject Matter

Pursuant to the WHL SPA, Heroic Elite conditionally agrees to purchase from the WHL Vendor the WHL Sale Share (representing the entire issued and paid-up share capital of WHL) and the WHL Shareholder's Loan, all free from encumbrances at the aggregate WHL Consideration of HK\$145,370,000, subject to upward or downward adjustments for the WHL NAV as at WHL Completion Date as described under the paragraphs headed "The WHL SPA – Initial Adjustment to the WHL Consideration" and the "The WHL SPA – Further Adjustment to the WHL Consideration" below.

WHL is an investment holding company with the sole-purpose of holding the legal and beneficial interest of entire issued share of WHL SPV. WHL SPV is also an investment holding company with the sole purpose of holding 100% of the legal and beneficial interest of the WHL Properties situated at 20/F., and Car Parking Space Nos. P50 and P51 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories.

Consideration

The WHL Consideration shall be in the sum of HK\$145,370,000, subject to upward or downward adjustments for the WHL NAV as at the WHL Completion Date as set out below.

The WHL Consideration has been or shall be paid by Heroic Elite in the following manners:

- (a) a sum of HK\$7,000,000 being the WHL Initial Deposit has been paid to the WHL Vendor's solicitors as stakeholders on 17 May 2017 upon signing of the WHL MOU;
- (b) a sum of HK\$7,537,000, being the WHL Further Deposit and part payment of the WHL Consideration, has been paid to the WHL Vendor's solicitors as stakeholders upon the signing of the WHL SPA. The WHL Initial Deposit and the WHL Further Deposit are equivalent to 10% of the WHL Consideration; and
- (c) the WHL Balance (as adjusted in accordance with the adjustment mechanism as described under the paragraph headed "The WHL SPA – Initial Adjustment to the WHL Consideration") shall be paid to the WHL Vendor upon WHL Completion.

Initial Adjustment to the WHL Consideration

The WHL Vendor shall procure the preparation of a WHL Draft Completion Accounts as at the WHL Completion Date and deliver the same to Heroic Elite before the WHL Completion Date. Heroic Elite and the WHL Vendor shall then subsequently in good faith attempt to mutually agree on the WHL Draft Completion Accounts before the WHL Completion Date. The WHL Consideration shall accordingly be adjusted as follows:

- (a) upward for such excess of the WHL NAV as set out in the WHL Completion Accounts if the WHL NAV as set out in the WHL Completion Accounts is a positive figure, provided that such upward adjustment on the WHL Consideration, together with the upward adjustment on the WHL Consideration made under the paragraph headed "The WHL SPA – Further Adjustment to the WHL Consideration" below, shall in aggregate be subject to a maximum cap of HK\$5,330,000; or

- (b) downward for such deficiency of the WHL NAV as set out in the WHL Completion Accounts if the WHL NAV as set out in the WHL Completion Accounts is a negative figure.

Further Adjustment to the WHL Consideration

After WHL Completion, the WHL Vendor shall procure that the WHL Completion Accounts to be audited by the auditors and shall use all reasonable endeavours to ensure that the auditors will deliver to the WHL Vendor and Heroic Elite within 90 days after the WHL Completion Date the audited WHL Completion Accounts. If there is any difference in the WHL NAV as calculated by reference to the WHL Completion Accounts and the audited WHL Completion Accounts, the WHL Consideration shall be further adjusted as follows:

- (a) upward based on the difference between the WHL NAV as calculated by reference to the WHL Completion Accounts and the WHL NAV as calculated by reference to the audited WHL Completion Accounts if the WHL NAV as calculated by reference to the WHL Completion Accounts is lower than the WHL NAV as calculated by reference to the audited WHL Completion Accounts, provided that any such further upward adjustment on the WHL Consideration, together with the upward adjustment on the WHL Consideration made under the paragraph headed “The WHL SPA – Initial Adjustment to the WHL Consideration” above, shall in aggregate be subject to a maximum cap of HK\$5,330,000, and in such case, any shortfall shall be paid to the WHL Vendor without interest and within 10 business days after the date on which the audited WHL Completion Accounts are finalised; or
- (b) downward based on the difference between the WHL NAV as calculated by reference to the WHL Completion Accounts and the WHL NAV as calculated by reference to the audited WHL Completion Accounts if the WHL NAV as calculated by reference to the WHL Completion Accounts is greater than the WHL NAV as calculated by reference to the audited WHL Completion Accounts, and in such case, any excess paid on WHL Completion by Heroic Elite shall be returned to Heroic Elite without interest and within 10 business days after the date on which the audited WHL Completion Accounts are finalised.

All costs and expenses in relation to the audit of the WHL Completion Accounts shall be borne by the WHL Vendor and the Heroic Elite on equal basis.

The price for the assignment of the WHL Shareholder’s Loan shall be the face value of the total outstanding amount of the WHL Shareholder’s Loan as at the WHL Completion Date and the price for the sale of the WHL Sale Share shall be the amount of the WHL Consideration less the consideration for the assignment of the WHL Shareholder’s Loan.

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

Guarantee

The WHL Guarantor, being an indirect wholly-owned subsidiary of the WHL Vendor, agreed to guarantee unconditionally and irrevocably as primary obligor, the due observance and performance of the WHL Vendor's agreements, obligations, commitments, undertakings, warranties and indemnities contained in and in accordance with the WHL SPA.

The WHL Guarantor also agreed to provide an undertaking that it shall, during the time when the WHL Guarantee is still subsisting, maintain at all time a net asset value of not less than an amount equivalent to the WHL Consideration.

Conditions Precedent

WHL Completion is conditional upon the WHL Conditions Precedent being fulfilled/satisfied or waived on or before the WHL Long Stop Date. The WHL Conditions Precedent include the following:

- (a) The WHL Vendor being the legal and beneficial owner of the WHL Sale Share and the WHL Shareholder's Loan free from all encumbrances and WHL being the legal and beneficial owner of entire issued share of WHL SPV free from all encumbrances;
- (b) WHL SPV being able to show and prove its title to the WHL Properties in accordance with section 13 of the Conveyance and Property Ordinance (Cap. 219) and give good title to the WHL Properties in accordance with section 13A of the Conveyance and Property Ordinance (Cap. 219) and all applicable Hong Kong law;
- (c) The contents and figures set out in the WHL Draft Completion Accounts are all agreed by the WHL Vendor and Heroic Elite;
- (d) All encumbrances in the WHL Properties and the WHL Sale Share and the shares of WHL SPV shall be released and/or discharged on or before the WHL Completion Date;
- (e) No material adverse change in the business, operation, assets, position (financial, trading or otherwise), profits or prospect and/or other matters or affairs of WHL, WHL SPV and/or the WHL Properties (other than resulting from or in connection with fluctuation in market price or value of the WHL Properties due to market conditions) having occurred on or before the WHL Completion;
- (f) The warranties given by the WHL Vendor remaining true, complete and not misleading in all material respects on the date of the WHL SPA and at all times up to and including the WHL Completion Date;

- (g) All other consents, approvals, waivers and clearances which are necessary under applicable laws (including from governmental or official authorities or board approval) in connection with the execution, delivery and performance of the WHL SPA and the consummation of the transactions as contemplated thereunder having been obtained;
- (h) No applicable law or judicial decision which would prohibit, restrict or materially delay the execution, delivery or performance of the WHL SPA and/or the consummation of the transactions as contemplated thereunder;
- (i) The debts, loans or liabilities owed by any member of the WHL Target Group to the WHL Vendor and/or the affiliates of the WHL Vendor (or any of its subsidiaries (other than WHL Target Group)) which do not form part of the WHL Shareholder's Loan shall be fully repaid and/or settled on or before the WHL Completion Date;
- (j) All liabilities (other than the current liabilities as shown in the WHL Completion Accounts and the WHL Shareholder's Loan) of each member of the WHL Target Group shall be fully discharged on or before the WHL Completion Date;
- (k) Completion of the due diligence review over each member of the WHL Target Group and the WHL Properties and the result of which shall be to the reasonable satisfaction of Heroic Elite;
- (l) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the WHL Acquisition having been duly complied with by the Company; and
- (m) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the WHL Acquisition having been duly complied with by the WHL Vendor's ultimate holding company.

Heroic Elite may in its absolute discretion waive either in whole or in part at any time by notice in writing to the WHL Vendor any of the WHL Conditions Precedent (other than the WHL Conditions Precedent as set out in (g), (h), (l) and (m) above).

If any of the WHL Conditions Precedent has not been fulfilled/satisfied or waived on or before the WHL Long Stop Date, the WHL SPA shall be terminated and the WHL Vendor shall arrange and procure the WHL Vendor's solicitors to return the WHL Initial Deposit and the WHL Further Deposit (without interest) to Heroic Elite within 7 business days from the WHL Long Stop Date.

Completion

Subject to fulfilment/satisfaction and/or waiver (as the case may be) of the WHL Conditions Precedent, WHL Completion shall take place on 14 August 2017 or such other date as may be agreed between the parties in writing.

The parties agree that the sale and purchase of the WHL Sale Share and the assignment of the WHL Shareholder's Loan together form an integral transaction and therefore are inter-conditional, i.e. all transactions for the WHL Acquisition will be subject to a single WHL SPA and the completion of which shall be carried out and proceed simultaneously.

If the WHL Vendor does not proceed to the WHL Completion on the WHL Completion Date where all WHL Conditions Precedent have been satisfied in full (or waived), Heroic Elite shall be entitled to elect at its absolute discretion (i) to seek against the WHL Vendor for specific performance of its obligations under the WHL SPA; or (ii) to request the WHL Vendor to return the WHL Initial Deposit and the WHL Further Deposit (without interest), and pay an amount which is equal to the WHL Initial Deposit and the WHL Further Deposit to Heroic Elite and/or to claim for damages for the WHL Vendor's breach of the WHL SPA.

If Heroic Elite does not proceed to the WHL Completion on the WHL Completion Date where all WHL Conditions Precedent have been satisfied in full (or waived), the WHL Vendor shall be entitled to elect at its absolute discretion (i) to retain the WHL Initial Deposit and the WHL Further Deposit and/or to claim for damages for Heroic Elite's breach of the WHL SPA; or (ii) to seek against Heroic Elite for specific performance of its obligations under the WHL SPA.

If, on or before WHL Completion, Heroic Elite becomes aware that any of the warranties given by the WHL Vendor in the WHL SPA was at the date of the WHL SPA, or has since become, untrue or misleading in any material respect or that there is a breach of the warranties given by the WHL Vendor, and such breach is, in each case material to the WHL Acquisition as a whole which could reasonably be expected to influence the decision of a purchaser for value of the WHL Sale Share and affect the value of the WHL Target Group, and the WHL Vendor and/or the WHL Guarantor shall fail to remedy the breach (if such breach is capable of being remedied) before WHL Completion, Heroic Elite may by notice in writing to the WHL Vendor:

- (i) elect to proceed to WHL Completion, without prejudice to the right of Heroic Elite to claim damages for breach of warranties given by the WHL Vendor pursuant to the terms of the WHL SPA; or
- (ii) rescind the WHL SPA and the WHL Vendor shall forthwith refund or arrange the WHL Vendor's solicitors to refund to Heroic Elite all deposits and other moneys paid to the WHL Vendor or WHL Vendor's solicitors under the WHL SPA, including the WHL Initial Deposit and/or the WHL Further Deposit which have been paid by Heroic Elite, without interest to Heroic Elite, without prejudice to the right of Heroic Elite to claim damages for any breach of the WHL Vendor prior to such recession and/or to seek for specific performance.

Pre-completion Undertakings

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

Warranties

The WHL Vendor has given certain customary warranties in relation to the WHL Target Group, WHL Properties, WHL Sale Share and the WHL Shareholder's Loan for agreement of similar nature and size in the WHL SPA. A tax deed will be signed by the WHL Vendor and the WHL Guarantor in favour of Heroic Elite on the WHL Completion Date, pursuant to which, the WHL Vendor undertakes to indemnify and keep indemnified Heroic Elite (for itself and as trustee for the WHL Target Group) against the amount of any and all liability for tax resulting from any event occurring on or before the WHL Completion Date or in respect of any income, profits or gains earned, accrued or received by any member of the WHL Target Group on or before the WHL Completion Date.

The liability of Heroic Elite for all claims under the WHL SPA shall be limited to actual losses suffered by the WHL Vendor and shall not exceed 10% of the WHL Consideration.

The maximum aggregate amount of liability of the WHL Vendor and the WHL Guarantor for all claims under the WHL SPA and the tax deed to be signed by the WHL Vendor and the WHL Guarantor in favour of Heroic Elite on the WHL Completion Date shall not exceed 100% of the WHL Consideration.

Costs

Each party shall pay its own costs and expenses in relation to the WHL SPA. All stamp duty (if any) payable in respect of the transfer of the WHL Sale Share shall be borne by Heroic Elite.

THE FSL SPA

The principal terms of the FSL SPA are summarised as follows:

Date

13 July 2017

Parties

- (a) Oriental Elite Global Limited, an indirect wholly-owned subsidiary of the Company, being the purchaser
- (b) The FSL Vendor
- (c) The FSL Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the FSL Vendor, the FSL Guarantor and their respective ultimate beneficial owners is a third party independent of the Company and the connected persons of the Company.

Subject Matter

Pursuant to the FSL SPA, Oriental Elite conditionally agrees to purchase from the FSL Vendor the FSL Sale Share (representing the entire issued and paid-up share capital of FSL) and the FSL Shareholder's Loan, all free from encumbrances at the aggregate FSL Consideration of HK\$149,700,000, subject to upward or downward adjustments for the FSL NAV as at FSL Completion Date as described under the paragraphs headed "The FSL SPA – Initial Adjustment to the FSL Consideration" and the "The FSL SPA – Further Adjustment to the FSL Consideration" below.

FSL is an investment holding company with the sole-purpose of holding 100% of the legal and beneficial interest of the FSL Properties situated at 22/F., and Car Parking Space Nos. P44, P45 and P46 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories.

Consideration

The FSL Consideration shall be in the sum of HK\$149,700,000, subject to upward or downward adjustments for the FSL NAV as at the FSL Completion Date as set out below.

The FSL Consideration has been or shall be paid by Oriental Elite in the following manners:

- (a) a sum of HK\$7,000,000 being the FSL Initial Deposit has been paid to the FSL Vendor's solicitors as stakeholders on 17 May 2017 upon signing of the FSL MOU;
- (b) a sum of HK\$7,970,000, being the FSL Further Deposit and part payment of the FSL Consideration, has been paid to the FSL Vendor's solicitors as stakeholders upon the signing of the FSL SPA. The FSL Initial Deposit and the FSL Further Deposit are equivalent to 10% of the FSL Consideration; and
- (c) the FSL Balance (as adjusted in accordance with the adjustment mechanism as described under the paragraph headed "The FSL SPA – Initial Adjustment to the FSL Consideration") shall be paid to the FSL Vendor upon FSL Completion.

Initial Adjustment to the FSL Consideration

The FSL Vendor shall procure the preparation of a FSL Draft Completion Accounts as at the FSL Completion Date and deliver the same to Oriental Elite before the FSL Completion Date. Oriental Elite and the FSL Vendor shall then subsequently in good faith attempt to mutually agree on the FSL Draft Completion Accounts before the FSL Completion Date. The FSL Consideration shall accordingly be adjusted as follows:

- (a) upward for such excess of the FSL NAV as set out in the FSL Completion Accounts if the FSL NAV as set out in the FSL Completion Accounts is a positive figure, provided that such upward adjustment on the FSL Consideration, together with the upward adjustment on the FSL Consideration made under the paragraph headed "The FSL SPA – Further Adjustment to the FSL Consideration" below, shall in aggregate be subject to a maximum cap of HK\$5,500,000; or

- (b) downward for such deficiency of the FSL NAV as set out in the FSL Completion Accounts if the FSL NAV as set out in the FSL Completion Accounts is a negative figure.

Further Adjustment to the FSL Consideration

After FSL Completion, the FSL Vendor shall procure that the FSL Completion Accounts to be audited by the auditors and shall use all reasonable endeavours to ensure that the auditors will deliver to the FSL Vendor and Oriental Elite within 90 days after the FSL Completion Date the audited FSL Completion Accounts. If there is any difference in the FSL NAV as calculated by reference to the FSL Completion Accounts and the audited FSL Completion Accounts, the FSL Consideration shall be further adjusted as follows:

- (a) upward based on the difference between the FSL NAV as calculated by reference to the FSL Completion Accounts and the FSL NAV as calculated by reference to the audited FSL Completion Accounts if the FSL NAV as calculated by reference to the FSL Completion Accounts is lower than the FSL NAV as calculated by reference to the audited FSL Completion Accounts, provided that any such further upward adjustment on the FSL Consideration, together with the upward adjustment on the FSL Consideration made under the paragraph headed “The FSL SPA – Initial Adjustment to the FSL Consideration” above, shall in aggregate be subject to a maximum cap of HK\$5,500,000, and in such case, any shortfall shall be paid to the FSL Vendor without interest and within 10 business days after the date on which the audited FSL Completion Accounts are finalised; or
- (b) downward based on the difference between the FSL NAV as calculated by reference to the FSL Completion Accounts and the FSL NAV as calculated by reference to the audited FSL Completion Accounts if the FSL NAV as calculated by reference to the FSL Completion Accounts is greater than the FSL NAV as calculated by reference to the audited FSL Completion Accounts, and in such case, any excess paid on FSL Completion by Oriental Elite shall be returned to Oriental Elite without interest and within 10 business days after the date on which the audited FSL Completion Accounts are finalised.

All costs and expenses in relation to the audit of the FSL Completion Accounts shall be borne by the FSL Vendor and Oriental Elite on equal basis.

The price for the assignment of the FSL Shareholder’s Loan shall be the face value of the total outstanding amount of the FSL Shareholder’s Loan as at the FSL Completion Date and the price for the sale of the FSL Sale Share shall be the amount of the FSL Consideration less the consideration for the assignment of the FSL Shareholder’s Loan.

The FSL Consideration was determined and arrived after arm’s length negotiation between the FSL Vendor and Oriental Elite, having taken into account the offer prices of comparable properties in nearby locations and the face value of the FSL Shareholder’s Loan. The FSL Consideration will be fully funded by the internal resources of the Group.

Guarantee

The FSL Guarantor, being the fellow subsidiary of the FSL Vendor, agreed to guarantee unconditionally and irrevocably as primary obligor, the due observance and performance of the FSL Vendor's agreements, obligations, commitments, undertakings, warranties and indemnities contained in and in accordance with the FSL SPA.

The FSL Guarantor also agreed to provide an undertaking that it shall, during the time when the FSL Guarantee is still subsisting, (a) hold all the legal and beneficial interests of and in ALL THAT piece or parcel of ground registered in the Land Registry as SHA TIN TOWN LOT No.282 TOGETHER with all subsisting rights and rights of way; or (b) maintain at all time a net asset value of not less than an amount equivalent to the FSL Consideration.

Conditions Precedent

FSL Completion is conditional upon the FSL Conditions Precedent being fulfilled/satisfied or waived on or before the FSL Long Stop Date. The FSL Conditions Precedent include the following:

- (a) The FSL Vendor being the legal and beneficial owner of the FSL Sale Share and the FSL Shareholder's Loan free from all encumbrances;
- (b) FSL being able to show and give good title to the FSL Properties in accordance with sections 13 and 13A of the Conveyance and Property Ordinance (Cap.219) and all applicable Hong Kong law;
- (c) The contents and figures set out in the FSL Draft Completion Accounts are all agreed by the FSL Vendor and Oriental Elite;
- (d) All encumbrances in the FSL Properties and the FSL Sale Share shall be released and/or discharged on or before the FSL Completion Date;
- (e) No material adverse change in the business, operation, assets, position (financial, trading or otherwise), profits or prospect and/or other matters or affairs of FSL and/or the FSL Properties (other than resulting from or in connection with fluctuation in market price or value of the FSL Properties due to market conditions) having occurred on or before the FSL Completion;
- (f) The warranties given by the FSL Vendor remaining true, complete and not misleading in all material respects on the date of the FSL SPA and at all times up to and including the FSL Completion Date;
- (g) All other consents, approvals, waivers and clearances which are necessary under applicable laws (including from governmental or official authorities) in connection with the execution, delivery and performance of the FSL SPA and the consummation of the transactions as contemplated thereunder having been obtained;

- (h) No applicable law or judicial decision which would prohibit, restrict or materially delay the execution, delivery or performance of the FSL SPA and/or the consummation of the transactions as contemplated thereunder;
- (i) The debts, loans or liabilities owed by FSL to the FSL Vendor and/or the affiliates of the FSL Vendor (or any of its subsidiaries) which do not form part of the FSL Shareholder's Loan shall be fully repaid and/or settled on or before the FSL Completion Date;
- (j) All liabilities (other than the current liabilities as shown in the FSL Completion Accounts and the FSL Shareholder's Loan) of FSL shall be fully discharged on or before the FSL Completion Date;
- (k) Completion of the due diligence review over FSL and the FSL Properties conducted up to 30 June 2017, and the result of which shall be to the reasonable satisfaction of Oriental Elite;
- (l) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the FSL Acquisition having been duly complied with by the Company;
- (m) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the FSL Acquisition having been duly complied with by the FSL Vendor's ultimate holding company;
- (n) Closure of all existing bank accounts of FSL; and
- (o) The warranties given by Oriental Elite remaining true, complete and not misleading in all material respects on the date of the FSL SPA and at all times up to and including the FSL Completion Date.

Oriental Elite may in its absolute discretion waive either in whole or in part at any time by notice in writing to the FSL Vendor any of the FSL Conditions Precedent (other than the FSL Conditions Precedent as set out in (g), (h), (l) and (m) above).

If any of the FSL Conditions Precedent has not been fulfilled/satisfied or waived on or before the FSL Long Stop Date, the FSL SPA shall be terminated and the FSL Vendor shall arrange and procure the FSL Vendor's solicitors to return the FSL Initial Deposit and the FSL Further Deposit (without interest) to Oriental Elite within 3 business days from the FSL Long Stop Date.

Completion

Subject to fulfilment/satisfaction and/or waiver (as the case may be) of the FSL Conditions Precedent, FSL Completion shall take place on 14 August 2017 or such other date as may be agreed between the parties in writing.

The parties agree that the sale and purchase of the FSL Sale Share and the assignment of the FSL Shareholder's Loan together form an integral transaction and therefore are inter-conditional, i.e. all transactions for the FSL Acquisition will be subject to a single FSL SPA and the completion of which shall be carried out and proceed simultaneously.

If the FSL Vendor does not proceed to the FSL Completion on the FSL Completion Date where all FSL Conditions Precedent have been satisfied in full (or waived), Oriental Elite shall be entitled to elect at its absolute discretion (i) to take proceedings to enforce specific performance of the FSL SPA and/or to claim for damages for the FSL Vendor's breach of the FSL SPA; or (ii) to request the FSL Vendor to return the FSL Initial Deposit and the FSL Further Deposit (without interest), and pay an amount which is equal to the FSL Initial Deposit and the FSL Further Deposit to Oriental Elite and/or to claim for damages for the FSL Vendor's breach of the FSL SPA.

If Oriental Elite does not proceed to the FSL Completion on the FSL Completion Date where all FSL Conditions Precedent have been satisfied in full (or waived), the FSL Vendor shall be entitled to elect at its absolute discretion (i) to forfeit the FSL Initial Deposit and the FSL Further Deposit and to retain the same for its own use and benefit and/or to claim for damages for Oriental Elite's breach of the FSL SPA; or (ii) to seek against Oriental Elite for specific performance of its obligations under the FSL SPA and/or to claim for damages for Oriental Elite's breach of the FSL SPA.

If, on or before FSL Completion, Oriental Elite becomes aware that any of the warranties given by the FSL Vendor in the FSL SPA was at the date of the FSL SPA, or has since become, untrue or misleading in any material respect or that there is a breach of the warranties given by the FSL Vendor, and such breach is, in each case material to the FSL Acquisition as a whole which could reasonably be expected to influence the decision of a purchaser for value of the FSL Sale Share and affect the value of FSL, and the FSL Vendor and/or the FSL Guarantor shall fail to remedy the breach (if such breach is capable of being remedied) before FSL Completion, Oriental Elite may by notice in writing to the FSL Vendor:

- (i) elect to proceed to FSL Completion, without prejudice to the right of Oriental Elite to claim damages for breach of warranties given by the FSL Vendor pursuant to the terms of the FSL SPA; or
- (ii) rescind the FSL SPA and the FSL Vendor shall forthwith refund or arrange the FSL Vendor's solicitors to refund to Oriental Elite all deposits and other moneys paid to the FSL Vendor or FSL Vendor's solicitors under the FSL SPA, including the FSL Initial Deposit and, if already received by the FSL Vendor (or the FSL Vendor's solicitors), the FSL Further Deposit, without interest to Oriental Elite, without prejudice to the right of Oriental Elite to claim damages for any breach of the FSL Vendor prior to such recession and/or to seek for specific performance.

Pre-completion Undertakings

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

Warranties

The FSL Vendor has given certain customary warranties in relation to FSL, FSL Properties, FSL Sale Share and the FSL Shareholder's Loan for agreement of similar nature and size in the FSL SPA. A tax deed will be signed by the FSL Vendor and the FSL Guarantor in favour of Oriental Elite on the FSL Completion Date, pursuant to which, the FSL Vendor undertakes to indemnify and keep indemnified Oriental Elite (for itself and as trustee for FSL) against the amount of any and all liability for tax resulting from any event occurring on or before the FSL Completion Date or in respect of any income, profits or gains earned, accrued or received by FSL on or before the FSL Completion Date.

The liability of Oriental Elite for all claims under the FSL SPA shall be limited to actual losses suffered by the FSL Vendor and shall not exceed 10% of the FSL Consideration.

The maximum aggregate amount of liability of the FSL Vendor and the FSL Guarantor for all claims under the FSL SPA and the tax deed to be signed by the FSL Vendor and the FSL Guarantor in favour of Oriental Elite on the FSL Completion Date shall not exceed 100% of the FSL Consideration.

Costs

Each party shall pay its own costs and expenses in relation to the FSL SPA. All stamp duty (if any) payable in respect of the transfer of the FSL Sale Share shall be borne by Oriental Elite.

INFORMATION ON WHL, FSL, THE WHL PROPERTIES AND THE FSL PROPERTIES

WHL is an investment holding company with the sole purpose of holding the legal and beneficial interest of entire issued share of WHL SPV. WHL SPV is also an investment holding company with the sole purpose of holding 100% of the legal and beneficial interest of the WHL Properties situated at 20/F., and Car Parking Space Nos. P50 and P51 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories.

FSL is an investment holding company with the sole purpose of holding 100% of the legal and beneficial interest of the FSL Properties situated at 22/F., and Car Parking Space Nos. P44, P45 and P46 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories.

Set out below is the financial information of WHL for the period from 17 November 2014 (date of incorporation) to 31 December 2015 and year ended 31 December 2016:

	For the period from 17.11.2014 (date of incorporation) to 31.12.2015 (HK\$'000) (unaudited)	For the year ended 31.12.2016 (HK\$'000) (unaudited)
Net loss before taxation and extraordinary items	11	7
Net loss after taxation and extraordinary items	11	7

Set out below is the financial information of WHL SPV for the period from 5 December 2014 (date of incorporation) to 31 December 2015 and year ended 31 December 2016:

	For the period from 5.12.2014 (date of incorporation) to 31.12.2015 (HK\$'000) (audited)	For the year ended 31.12.2016 (HK\$'000) (unaudited)
Net loss before taxation and extraordinary items	8	6,809
Net loss after taxation and extraordinary items	8	6,809

Set out below is the financial information of FSL for the period from 14 November 2014 (date of incorporation) to 31 December 2015 and year ended 31 December 2016:

	For the period from 14.11.2014 (date of incorporation) to 31.12.2015 (HK\$'000) (audited)	For the year ended 31.12.2016 (HK\$'000) (audited)
Net loss before taxation and extraordinary items	10	19,298
Net loss after taxation and extraordinary items	10	19,298

The unaudited total asset value and the net liability value of WHL as at 31 May 2017 is approximately HK\$123,617,000 and HK\$17,000 respectively. The unaudited total assets value and the net liability value of WHL SPV as at 31 May 2017 is approximately HK\$115,784,000 and HK\$7,834,000 respectively. No property valuation was performed by the Group in respect of the WHL Properties.

The unaudited total asset value and the net asset value of FSL as at 31 May 2017 is approximately HK\$128,148,000 and HK\$1,700,000 respectively. No property valuation was performed by the Group in respect of the FSL Properties.

Upon completion, each of WHL and FSL will become an indirect wholly-owned subsidiary of the Company. Accordingly, their financial results will be consolidated in the accounts of the Company.

INFORMATION ON THE COMPANY, HEROIC ELITE AND ORIENTAL ELITE

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.

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

Oriental Elite 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 WHL VENDOR, FSL VENDOR, WHL GUARANTOR AND THE FSL GUARANTOR

The WHL Vendor, being the registered shareholder of the WHL Sale Share who agrees to sell the legal and beneficial interests of the WHL Sale Share to Heroic Elite, is a limited company incorporated in the British Virgin Islands. The principal business activity of the WHL Vendor is investment holding.

The FSL Vendor, being the registered shareholder of the FSL Sale Share who agrees to sell the legal and beneficial interests of the FSL Sale Share to Oriental Elite, is a limited company incorporated in the British Virgin Islands. The principal business activity of the FSL Vendor is investment holding.

The WHL Guarantor, being an indirect wholly-owned subsidiary of the WHL Vendor, is a limited company incorporated in Hong Kong. The WHL Guarantor is principally engaged in provision of securities dealing services.

The FSL Guarantor, being a fellow subsidiary of the FSL Vendor, is a limited company incorporated in Hong Kong. The principal business activity of the FSL Guarantor is property investments services.

REASONS FOR THE ACQUISITIONS

It is intended that the Group's existing office will be relocated to the WHL Properties and the FSL Properties. The Directors consider that the WHL Properties and the FSL Properties are located at a better location than the existing office with proximity to mass transit railway stations.

The Directors (including the independent non-executive Directors) consider that the terms of each of the WHL SPA and FSL SPA and the transactions contemplated thereunder 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 Acquisitions exceeds 5% but less than 25%, the Acquisitions constitute a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisitions”	the WHL Acquisition and the FSL Acquisition
“Board”	the board of Directors
“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
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“FSL”	Faithful Sun Limited (忠日有限公司), a limited company incorporated in Hong Kong
“FSL Acquisition”	the acquisition of the FSL Sale Share and the FSL Shareholder's Loan by Oriental Elite pursuant to the FSL SPA
“FSL Balance”	the remaining balance of the FSL Consideration (subject to adjustment for the FSL NAV as at FSL Completion Date as described under the paragraphs headed “The FSL SPA – Initial Adjustment to the FSL Consideration”, if any) to be paid by Oriental Elite to the FSL Vendor upon FSL Completion

“FSL Completion”	completion of the FSL Acquisition in accordance with the terms of the FSL SPA
“FSL Completion Accounts”	the unaudited balance sheet and profit and loss accounts of FSL setting out the FSL NAV as at the FSL Completion Date (but immediately prior to the FSL Completion) to be prepared in accordance with the terms of the FSL SPA
“FSL Completion Date”	14 August 2017, being the date on which FSL Completion shall take place in accordance with the terms of the FSL SPA
“FSL Conditions Precedent”	conditions precedent to the FSL Completion
“FSL Consideration”	the initial consideration of HK\$149,700,000 for the FSL Acquisition, subject to upward or downward adjustments for the FSL NAV as at FSL Completion Date as described under the paragraphs headed “The FSL SPA– Initial Adjustment to the FSL Consideration” and the “The FSL SPA – Further Adjustment to the FSL Consideration”
“FSL Draft Completion Accounts”	the draft FSL Completion Accounts to be prepared and delivered on a pro forma basis 5 business days before the FSL Completion Date and reviewed and agreed by Oriental Elite in accordance with the terms of the FSL SPA
“FSL Further Deposit”	a sum of HK\$7,970,000, being the FSL Further Deposit and part payment of the FSL Consideration
“FSL Guarantee”	the guarantee given by the FSL Guarantor in favour of Oriental Elite for securing the due performance of all obligations of the FSL Vendor in the FSL SPA
“FSL Guarantor”	a limited company incorporated under the laws of Hong Kong which is the fellow subsidiary of the FSL Vendor
“FSL Initial Deposit”	a sum of HK\$7,000,000 paid by Oriental Elite to the FSL Vendor’s solicitors as stakeholders on 17 May 2017
“FSL Long Stop Date”	14 August 2017 (or such other date as Oriental Elite and the FSL Vendor may agree in writing)
“FSL MOU”	the memorandum of understanding issued by Oriental Elite and accepted by the FSL Vendor and the FSL Guarantor on 17 May 2017 in relation to the possible FSL Acquisition

“FSL NAV”	the aggregate amount of all current assets of FSL less the aggregate amount of all current liabilities of FSL as set out in the FSL Completion Accounts
“FSL Properties”	the properties located at 22/F., and Car Parking Space Nos. P44, P45 and P46 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories
“FSL Sale Share”	one share of FSL representing the entire issued and paid-up share capital of FSL, free from encumbrances
“FSL Shareholder’s Loan”	the unsecured interest-free loans owing by FSL to the FSL Vendor at FSL Completion, which shall exclude any bank loans, loans from related parties or any third parties liability or encumbrances. For reference only, the outstanding balance of the FSL Shareholder’s Loan as shown in the unaudited management accounts of FSL as at 31 May 2017 is HK\$126,419,265.39.
“FSL SPA”	the formal sale and purchase agreement entered into between the FSL Vendor, the FSL Guarantor and Oriental Elite in relation to the FSL Acquisition on 13 July 2017
“FSL Vendor”	the corporate registered shareholder of the FSL Sale Share who agrees to sell the legal and beneficial interests of the FSL Sale Share to Oriental Elite
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Heroic Elite”	Heroic Elite Investments Limited, a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Oriental Elite”	Oriental Elite Global Limited, a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“WHL”	Waller Holdings Limited, a limited company incorporated in the British Virgin Islands
“WHL Acquisition”	the acquisition of the WHL Sale Share and the WHL Shareholder’s Loan by Heroic Elite pursuant to the WHL SPA
“WHL Balance”	the remaining balance of the WHL Consideration (subject to adjustment for the WHL NAV as at WHL Completion Date as described under the paragraphs headed “The WHL SPA – Initial Adjustment to the WHL Consideration”, if any) to be paid by Heroic Elite to the WHL Vendor upon WHL Completion
“WHL Completion”	completion of the WHL Acquisition in accordance with the terms of the WHL SPA
“WHL Completion Accounts”	the unaudited balance sheet and profit and loss accounts of WHL and the unaudited balance sheet and profit and loss accounts of WHL SPV (prepared on consolidated basis or other basis as mutually agreed between the WHL Vendor and Heroic Elite) setting out the WHL NAV as at the WHL Completion Date (but immediately prior to WHL Completion) to be prepared in accordance with the terms of the WHL SPA
“WHL Completion Date”	14 August 2017, being the date on which WHL Completion shall take place in accordance with the terms of the WHL SPA
“WHL Conditions Precedent”	conditions precedent to the WHL Completion
“WHL Consideration”	the initial consideration of HK\$145,370,000 for the WHL Acquisition, subject to upward or downward adjustments for the WHL NAV as at WHL Completion Date as described under the paragraphs headed “The WHL SPA – Initial adjustment to the WHL Consideration” and the “The WHL SPA – Further adjustment to the WHL Consideration”
“WHL Draft Completion Accounts”	the draft WHL Completion Accounts to be prepared and delivered on a pro forma basis 5 business days before the WHL Completion Date and reviewed and agreed by Heroic Elite in accordance with the terms of the WHL SPA
“WHL Further Deposit”	a sum of HK\$7,537,000, being the WHL Further Deposit and part payment of the WHL Consideration
“WHL Guarantee”	the guarantee given by the WHL Guarantor in favour of Heroic Elite for securing the due performance of all obligations of the WHL Vendor in the WHL SPA

“WHL Guarantor”	a limited company incorporated under the laws of Hong Kong which is an indirect wholly-owned subsidiary of the WHL Vendor
“WHL Initial Deposit”	a sum of HK\$7,000,000 paid by Heroic Elite to the WHL Vendor’s solicitors as stakeholders on 17 May 2017
“WHL Long Stop Date”	14 August 2017 (or such other date as Heroic Elite and the WHL Vendor may agree in writing)
“WHL MOU”	the memorandum of understanding issued by Heroic Elite and accepted by the WHL Vendor and the WHL Guarantor on 17 May 2017 in relation to the possible WHL Acquisition
“WHL NAV”	the aggregate amount of all current assets of each member of the WHL Target Group as set out in the WHL Completion Accounts less the aggregate amount of all current liabilities of each member of the WHL Target Group as set out in the WHL Completion Accounts
“WHL Properties”	the properties located at 20/F., and Car Parking Space Nos. P50 and P51 on Basement Floor, Kings Wing Plaza 1, No. 3 On Kwan Street, Shatin, New Territories
“WHL Sale Share”	one share of WHL representing the entire issued and paid-up share capital of WHL, free from encumbrances
“WHL Shareholder’s Loan”	the unsecured interest-free loans owing by WHL to the WHL Vendor at WHL Completion, which shall exclude any bank loans, loans from related parties or any third parties liability or encumbrances. For reference only, the outstanding balance of the WHL Shareholder’s Loan as shown in the unaudited management accounts of WHL as at 31 May 2017 is HK\$123,634,495.75
“WHL SPA”	the formal sale and purchase agreement entered into between the WHL Vendor, the WHL Guarantor and Heroic Elite in relation to the WHL Acquisition on 13 July 2017
“WHL SPV”	Rich Victory (Hong Kong) Limited (益旺(香港)有限公司), a limited company incorporated in Hong Kong
“WHL Target Group”	WHL and WHL SPV

“WHL Vendor”

the corporate registered shareholder of the WHL Sale Share who agrees to sell the legal and beneficial interests of the WHL Sale Share to Heroic Elite

“%”

per cent

By Order of the Board of
HANISON CONSTRUCTION HOLDINGS LIMITED
Wong Sue Toa, Stewart
Managing Director

Hong Kong, 13 July 2017

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*)

Independent Non-executive Directors

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun