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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: 00896)



香港興業國際集團有限公司\*  
**HKR International Limited**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 00480)

## JOINT ANNOUNCEMENT

### MAJOR TRANSACTION IN RELATION TO THE DISPOSAL

### DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL

#### THE DISPOSAL

On 30 July 2015 (after the trading hours of the Stock Exchange), Hanison, through its direct wholly owned subsidiary, agreed to dispose of its 100% equity interest in the Target Company which is the legal and beneficial owner of the Properties and to assign the Sale Loans at a total consideration of HK\$710,000,000 (subject to adjustment, if any).

Hanison has been treated as a non-wholly owned subsidiary of HKRI starting from 1 April 2013 as a result of the application of HKFRS 10. While the Disposal relates to a transaction entered into by Hanison and its subsidiary, the Disposal also constitutes a notifiable transaction of HKRI under the Listing Rules.

Accordingly, the boards of directors of Hanison and HKRI are pleased to announce that on 30 July 2015 (after the trading hours of the Stock Exchange), the Vendor, the Guarantor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which (i) the Vendor conditionally agreed to sell the Sale Shares and to assign the Sale Loans at a total consideration of HK\$710,000,000 (subject to adjustment, if any); (ii) the Guarantor agreed to guarantee the performance of the Vendor under the Sale and Purchase Agreement; and (iii) the Purchaser conditionally agreed to purchase the Sale Shares and to accept the assignment of the Sale Loans.

#### LISTING RULES IMPLICATIONS

Hanison is a non-wholly owned subsidiary of HKRI and hence the Vendor is an indirect non-wholly owned subsidiary of HKRI (each as a result of the application of HKFRS 10). Therefore, the Disposal also constitutes a notifiable transaction of HKRI under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 25% but is less than 75% for Hanison, the Disposal constitutes a major transaction of Hanison and is subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

Hanison has obtained written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of its shareholders comprising Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited, which together are beneficially interested in an aggregate of 366,277,599 shares of Hanison, representing approximately 67.79% of the entire issued capital of Hanison as at the date of this joint announcement. Great Wisdom Holdings Limited is a wholly owned subsidiary of HKRI and HKRI is owned as to approximately 41.48% by CCM Trust (Cayman) Limited. Accordingly, Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited are a closely allied group of shareholders of Hanison.

To the best knowledge, information and belief of the directors of Hanison, after having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Disposal and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Disposal. As such, no extraordinary general meeting will be convened by Hanison for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Disposal will be despatched to the shareholders of Hanison on or before 25 September 2015. As additional time is required for Hanison to prepare the relevant information including the statement of indebtedness of Hanison for inclusion in such circular, Hanison will apply to the Stock Exchange for an extension of the deadline for the despatch of the circular stipulated in Rule 14.41(a) of the Listing Rules.

**Completion is subject to the fulfillment of the Conditions Precedent and therefore the Disposal may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.**

## **INTRODUCTION**

On 30 July 2015 (after the trading hours of the Stock Exchange), Hanison, through its direct wholly owned subsidiary, agreed to dispose of its 100% equity interest in the Target Company which is the legal and beneficial owner of the Properties and to assign the Sale Loans at a total consideration of HK\$710,000,000 (subject to adjustment, if any).

Hanison has been treated as a non-wholly owned subsidiary of HKRI starting from 1 April 2013 as a result of the application of HKFRS 10. While the Disposal relates to a transaction entered into by Hanison and its subsidiary, the Disposal also constitutes a notifiable transaction of HKRI under the Listing Rules.

Accordingly, the boards of directors of Hanison and HKRI are pleased to announce that on 30 July 2015 (after the trading hours of the Stock Exchange), the Vendor, the Guarantor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which (i) the Vendor conditionally agreed to sell the Sale Shares and to assign the Sale Loans at a total consideration of HK\$710,000,000 (subject to adjustment, if any); (ii) the Guarantor agreed to guarantee the performance of the Vendor under the Sale and Purchase Agreement; and (iii) the Purchaser conditionally agreed to purchase the Sale Shares and to accept the assignment of the Sale Loans.

## **SALE AND PURCHASE AGREEMENT**

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

### **Parties**

- (1) Vendor : Hanison Construction Holdings (BVI) Limited
- (2) Purchaser : Jianmai Limited
- (3) Guarantor : Sanney Limited

To the best knowledge, information and belief of the directors of Hanison and HKRI, after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with Hanison, HKRI and their connected persons.

### **Subject of the Disposal**

Pursuant to the Sale and Purchase Agreement, (i) the Vendor conditionally agreed to sell the Sale Shares representing the entire issued share capital of the Target Company and to assign the Sale Loans; (ii) the Guarantor agreed to guarantee the performance of the Vendor under the Sale and Purchase Agreement; and (iii) the Purchaser conditionally agreed to purchase the Sale Shares and to accept the assignment of the Sale Loans.

### **Consideration**

The total cash consideration for the Disposal is HK\$710,000,000 (subject to adjustment, if any), of which an amount equal to the amount of the Sale Loans outstanding at the Completion Date shall be the consideration for the Sale Loans, and the balance shall be the consideration for the Sale Shares.

The Purchaser paid the Deposit (equivalent to 10% of the total consideration) to the Vendor's solicitors as stakeholders on signing the Sale and Purchase Agreement, with the balance of the total consideration to be paid by the Purchaser to the Vendor on Completion.

The consideration was determined based on arm's length negotiations between the Vendor and the Purchaser, and is subject to downward adjustment by reference to the difference between the Target Company's estimated net asset value as of the Completion Date, based on a pro-forma completion accounts of the Target Company, and the final net asset value based on an audit of such completion accounts. Such downward adjustment will be made on a dollar-for-dollar basis if the final net asset value is less than the lower of HK\$55,000,000 or the estimated net asset value.

## **Conditions Precedent**

Completion is conditional upon certain customary Conditions Precedent being satisfied (or waived by the Purchaser in its discretion, where applicable) on or before the Longstop Date, including but not limited to:

- (1) the Target Company obtaining the Provisional Basic Terms Offer;
- (2) Hanison and HKRI having complied with all applicable requirements under the Listing Rules for implementing all the transactions contemplated under the Sale and Purchase Agreement; and
- (3) the Purchaser's Parent Company having complied with all applicable requirements under the Listing Rules for implementing all the transactions contemplated under the Sale and Purchase Agreement.

The Vendor and the Purchaser shall use their best endeavours to procure that the Conditions Precedent for which they are responsible are fulfilled.

If the Conditions Precedent are not fulfilled or waived (as applicable) on or before the Longstop Date, the obligations of the parties under the Sale and Purchase Agreement shall forthwith cease and terminate and neither party shall have any claim against the other party, save as to any antecedent breach.

## **Guarantee**

The Guarantor has agreed to guarantee as primary obligor the performance by the Vendor of its obligations under the Sale and Purchase Agreement.

## **Completion**

Completion shall take place on the Completion Date, which shall not be earlier than 30 October 2015, or on such date which may be agreed by the Vendor and the Purchaser in writing.

## **DEED OF ASSIGNMENT**

The Deed of Assignment will be entered into on or about the Completion Date.

## **Parties**

- (a) Vendor (as assignor)
- (b) Purchaser (as assignee)
- (c) Target Company (as debtor)

## **Principal terms of the Deed of Assignment**

Pursuant to the Deed of Assignment, the Vendor as the assignor and the beneficial owner will agree to assign to the Purchaser as the assignee all its benefits of and interests in the Sale Loans owed by the Target Company as debtor as at Completion.

## DEED OF TAX INDEMNITY

The Deed of Tax Indemnity will be entered into on or about the Completion Date.

### Parties

- (a) Vendor (as covenantor to the Purchaser and the Target Company)
- (b) Purchaser (as covenantee)
- (c) Target Company (as covenantee)

### Principal terms of the Deed of Tax Indemnity

Pursuant to the Deed of Tax Indemnity and Sale and Purchase Agreement, the Vendor as the covenantor will agree and undertake to indemnify the Purchaser and the Target Company as the covenantees in respect of any liabilities arising from taxation made against the Target Company up to the date of the Deed of Tax Indemnity for an amount not in excess of HK\$30,000,000.

## INFORMATION OF THE TARGET COMPANY

The Target Company is the sole legal and beneficial owner of the Properties.

Set out below is the audited financial information of the Target Company for the years ended 31 March 2014 and 2015:

	<b>For the year ended 31 March</b>	
	<b>2014</b>	<b>2015</b>
	<i>HK\$</i>	<i>HK\$</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Net (loss) before taxation and extraordinary items	(8,000)	<b>(12,000)</b>
Net (loss) after taxation and extraordinary items	(8,000)	<b>(12,000)</b>

The audited net asset value of the Target Company as at 31 March 2015 was approximately HK\$55,500,000.

Upon Completion, the Target Company will cease to be a subsidiary of Hanison and HKRI. Accordingly, its financial results will cease to be consolidated in the accounts of Hanison and HKRI.

## INFORMATION OF HANISON

Hanison is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. Hanison and 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 OF HKRI**

HKRI is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. HKRI and its subsidiaries (excluding Hanison and its subsidiaries) are principally engaged in property development, property investment, property management and related services, hospitality businesses and healthcare services. Hanison and the Vendor are non-wholly owned subsidiaries of HKRI (each as a result of the application of HKFRS 10).

## **INFORMATION OF THE VENDOR**

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of Hanison and is treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10).

## **INFORMATION OF THE GUARANTOR**

The Guarantor is a company incorporated in Hong Kong with limited liability and principally engaged in property development business. It is an indirect wholly owned subsidiary of Hanison and is treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10).

## **INFORMATION OF THE PURCHASER**

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Purchaser's Parent Company.

## **REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL**

The directors of Hanison and HKRI undertake strategic reviews of its assets from time to time with a view to maximising returns to the shareholders of Hanison and HKRI. The directors of Hanison and HKRI consider that the current market presents a good opportunity for Hanison and HKRI to unlock the value of the Target Company. Accordingly, the directors of Hanison and HKRI believe that the Disposal will enable Hanison to reallocate capital into future investment opportunities and pursue other growth opportunities.

Upon Completion, it is estimated that Hanison would realise a gain on the Disposal before taxation attributable to the owners of Hanison of approximately HK\$379,400,000, taking into account its 100% equity interest in the Target Company. The actual gain on the Disposal to be recorded by Hanison is subject to audit and may be different from the estimated amount as the actual gain or loss will depend on, amongst other factors, the actual net asset value of the Target Company as at the Completion Date.

Upon Completion, it is estimated that HKRI would realise a gain on the Disposal before taxation attributable to the owners of HKRI of approximately HK\$184,400,000, taking into account its approximately 48.6% equity interest in Hanison. The actual gain on the Disposal to be recorded by HKRI is subject to audit and may be different from the estimated amount as the actual gain or loss will depend on, amongst others, the actual net asset value of the Target Company as at the Completion Date.

Hanison intends to apply the net proceeds from the Disposal to repay bank loans, as general working capital and/or financing any possible property or other business investments.

The respective boards of directors of Hanison and HKRI consider that the Disposal and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable and in the interests of Hanison, HKRI and their respective shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Hanison is a non-wholly owned subsidiary of HKRI and hence the Vendor is an indirect non-wholly owned subsidiary of HKRI (each as a result of the application of HKFRS 10). Therefore, the Disposal also constitutes a notifiable transaction of HKRI under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 25% but is less than 75% for Hanison, the Disposal constitutes a major transaction of Hanison and is subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

Hanison has obtained written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of its shareholders comprising Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited, which together are beneficially interested in an aggregate of 366,277,599 shares of Hanison, representing approximately 67.79% of the entire issued capital of Hanison as at the date of this joint announcement. Great Wisdom Holdings Limited is a wholly owned subsidiary of HKRI and HKRI is owned as to approximately 41.48% by CCM Trust (Cayman) Limited. Accordingly, Great Wisdom Holdings Limited, HKRI and CCM Trust (Cayman) Limited are a closely allied group of shareholders of Hanison.

To the best knowledge, information and belief of the directors of Hanison, after having made all reasonable enquiries, no shareholder of Hanison has any material interest in the Disposal and is required to abstain from voting if Hanison were to convene an extraordinary general meeting for the approval of the Disposal. As such, no extraordinary general meeting will be convened by Hanison for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Disposal will be despatched to the shareholders of Hanison on or before 25 September 2015. As additional time is required for Hanison to prepare the relevant information including the statement of indebtedness of Hanison for inclusion in such circular, Hanison will apply to the Stock Exchange for an extension of the deadline for the despatch of the circular stipulated in Rule 14.41(a) of the Listing Rules.

**Completion is subject to the fulfillment of the Conditions Precedent and therefore the Disposal may or may not proceed. As such, shareholders and potential investors of Hanison and HKRI are advised to exercise caution when dealing in the shares of Hanison and HKRI.**

## DEFINITIONS

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

“Business Day(s)”	a day or days on which banks are open for business in Hong Kong other than (a) a general holiday as defined in the General Holidays Ordinance (Cap 149); (b) a Saturday; and (c) any day on which typhoon signal No. 8 or above is hoisted or the black rainstorm warning signal is issued during the period from 9:00 a.m. to 5:00 p.m. on any weekday;
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion Date”	the date of Completion, being the date which is 14 days after the day on which the last of the Conditions Precedent has been satisfied or waived (provided that if such date is not a Business Day, the Business Day immediately thereafter) or on such other date which may be agreed by the Vendor and the Purchaser in writing;
“Conditions Precedent”	the conditions precedent to Completion;
“connected persons”	has the meaning as ascribed to it under the Listing Rules;
“Deed of Assignment”	the deed of assignment in respect of the Sale Loans to be entered into among the Vendor, the Purchaser and the Target Company upon Completion;
“Deed of Tax Indemnity”	the deed of tax indemnity to be entered into among the Vendor, the Purchaser and the Target Company upon Completion;
“Deposit”	the sum of HK\$71,000,000 payable by the Purchaser to the Vendor’s solicitors as stakeholders;
“Disposal”	the sale of the Sale Shares and the assignment of the Sale Loans pursuant to the Sale and Purchase Agreement;
“Government”	the Government of Hong Kong;
“Guarantor”	Sanney Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of Hanison and is treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10);

“Hanison”	Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code: 00896). Hanison is treated as a non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10) which holds approximately 48.6% interest therein;
“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;
“HKFRS”	Hong Kong Financial Reporting Standards;
“HKRI”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (stock code: 00480);
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Longstop Date”	30 June 2016, or if any of the Conditions Precedent are not fulfilled by such date, the Purchaser may elect to defer the date to 30 September 2016, or on such date which may be agreed by the Vendor and the Purchaser in writing;
“Properties”	(a) Lots Nos. 736, 737RP, 741B, 742RP, 745, 747, 750RP, 751RP, 752, 754, 755, 756RP, 777, 778, 779, 780, 781, 783, 785, 786, 787, 788, 789, 790, 791, 792, 793A, 793RP, 794, 795, 799, 800, 801, 802, 803, 804, 806, 807, 810, 811, 812, 813, 814, 815A, 815RP, 816, 817, 818, 819, 820, 821, 822A, 822RP, 825, 826, 827, 828, 831, 832, 833, 834, 835, 837, 838, 839, 840, 841, 842, 843, 845RP, 848RP, 851RP, 852A, 913RP, 914, 915RP, 916RP, 917, 918, 919, 920, 921, 925, 927, 928, 929, 931, 932A, 932B, 932RP, 933, 934, 936RP, 939RP, 940RP, 941RP, 948RP, 949RP, 950ARP, 950RP, 951, 952, 953, 954, 955, 956RP, 1571RP, 1578RP, 1579 in Demarcation District No. 129, Lau Fau Shan, Yuen Long, New Territories, Hong Kong; and  (b) (i) Lots Nos. 852BRP, 854A&B, 856, 858RP, 1518, 1553A, 1553B, 1553RP, 1554B, 1554C, 1554D, 1554E, 1588, 1589 in Demarcation District No.129, Lau Fau Shan, Yuen Long, New Territories, Hong Kong; and (ii) Lots Nos. 947RP, 1538, 1554RP in Demarcation District No.129, Lau Fau Shan, Yuen Long, New Territories, Hong Kong;
“Provisional Basic Terms Offer”	a provisional basic terms offer (including plans and the special conditions) in relation to the Surrender and Regrant from the Government;

“Purchaser”	Jianmai Limited, a company incorporated in the British Virgin Islands with limited liability and a subsidiary of the Purchaser’s Parent Company;
“Purchaser’s Parent Company”	LVGEM (China) Real Estate Investment Company Limited, a company incorporated in the Cayman Islands and the securities of which are listed on the main board of the Stock Exchange (stock code: 00095);
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 July 2015 entered into among the Vendor, the Guarantor and the Purchaser in respect of the Disposal;
“Sale Loans”	loans owed by the Target Company to the Vendor, which at Completion shall in aggregate not exceed HK\$237,000,000;
“Sale Shares”	two ordinary shares in the Target Company, representing the entire issued and paid up share capital of the Target Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Surrender and Regrant”	the surrender to the Government of certain lots of land and a regrant of land by the Government to the Target Company comprising such surrendered lots and regranted land, which collectively are to be known as Lot No.3575 in Demarcation District No.129;
“Target Company”	Wisdom Concept Development Limited, a company incorporated in Hong Kong with limited liability and the sole legal and beneficial owner of the Properties; and
“Vendor”	Hanison Construction Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly owned subsidiary of Hanison and is treated as an indirect non-wholly owned subsidiary of HKRI (as a result of the application of HKFRS 10).

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

By order of the board of  
**HKR International Limited**  
**Cha Mou Zing Victor**  
*Deputy Chairman & Managing Director*

Hong Kong, 30 July 2015

*\* Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*

As at the date of this joint announcement, the board of directors of Hanison 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

As at the date of this joint announcement, the board of directors of HKRI comprises:

***Chairman***

Mr Cha Mou Sing Payson

***Non-executive Directors***

The Honourable Ronald Joseph Arculli

Mr Cha Mou Daid Johnson

Ms Wong Cha May Lung Madeline

***Deputy Chairman & Managing Director***

Mr Cha Mou Zing Victor

***Independent Non-executive Directors***

Dr Cheng Kar Shun Henry

Mr Cheung Wing Lam Linus

Ms Ho Pak Ching Loretta

Mr Tang Kwai Chang

***Executive Directors***

Mr Chung Sam Tin Abraham

Mr Tang Moon Wah