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## 興勝創建控股有限公司

# HANISON CONSTRUCTION HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 896)

### ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

#### **THE ACQUISITION**

The Board is pleased to announce that on 19 May 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Agreement with the Vendor and the Guarantor in relation to the Acquisition at the Consideration of HK\$253,300,000.

#### **IMPLICATIONS UNDER THE LISTING RULES**

The applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are more than 5% but less than 25% and therefore the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 30 March 2015 in respect of the memorandum of understanding in relation to the Acquisition. The Board is pleased to announce that on 19 May 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Agreement with the Vendor and the Guarantor in relation to the Acquisition.

#### **THE AGREEMENT**

Date: 19 May 2015

- Parties:
- (a) Shangzhi Limited, being the Purchaser
  - (b) S. Sundar and Sons Limited, being the Vendor
  - (c) Hind Hotels and Properties Ltd, being the Guarantor

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Vendor and the Guarantor and their ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

### **Subject of the Acquisition**

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase the Sale Share from the Vendor and to accept the assignment of the Sale Loan from the Guarantor at a consideration of HK\$253,300,000. The Guarantor has agreed to guarantee the performance by the Vendor of its obligations under the Agreement.

The Sale Share represents the entire issued share capital of General Mark and the Sale Loan represents all outstanding loan(s) owing by Masswell International to the Guarantor as at the date of Completion. Masswell International is a wholly owned subsidiary of General Mark and Masswell International owns the entire interest in the Property.

The Property is located at No.111 (formerly Nos.109, 111, 113 and 115) High Street, Hong Kong.

### **Consideration**

The Consideration for the Acquisition is HK\$253,300,000, which has been or shall be paid by the Purchaser to the Vendor in the following manner:

- (a) a sum of HK\$8,000,000 being the initial deposit and part payment of the Consideration has been paid on 30 March 2015 to the Vendor's solicitors as stakeholder upon signing of the memorandum of the understanding as announced by the Company on 30 March 2015;
- (b) a sum of HK\$17,330,000 being the further deposit and part payment of the Consideration has been paid to the Vendor's solicitors as stakeholder upon signing of the Agreement on 19 May 2015;
- (c) a sum of HK\$227,970,000 being the balance of the Consideration shall be paid to the Vendor upon Completion.

Out of the Consideration, a sum equal to the principal amount of the Sale Loan outstanding on the date of Completion shall be the Consideration on a dollar for dollar basis for the Sale Loan. Payment of the Consideration for the Sale Loan by the Purchaser to the Vendor upon Completion shall be sufficient discharge of the Purchaser's payment obligations for the assignment of the Sale Loan.

The Consideration is subject to completion adjustment by the difference in net current asset value as of the date of Completion based on a draft completion accounts of Masswell International and post-completion adjustment by the difference in net current asset value as of the date of Completion based on an audited completion accounts of Masswell International to be prepared by the auditor appointed by the Purchaser within 90 days from the date of Completion.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser, having taken into account the offer prices of comparable properties in nearby locations.

## **Guarantee**

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

## **Completion**

Completion shall take place on 17 July 2015 or such other date as may be agreed between the parties to the Agreement in writing (which shall not be later than the Long Stop Date).

## **DEED OF ASSIGNMENT**

The Deed of Assignment will be entered into by the parties upon Completion.

### **Parties:**

- (a) Guarantor (as assignor)
- (b) Purchaser (as assignee)
- (c) Maxwell International (consenting the assignment)

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

Pursuant to the Deed of Assignment, the Guarantor as the legal and beneficial owner shall assign unto the Purchaser all rights and interests in the Sale Loan, which shall represent all outstanding loans due and owing to the Guarantor by Maxwell International.

## **TAX DEED**

The Tax Deed will be entered into by the parties upon Completion.

### **Parties:**

- (a) Vendor (as covenantor)
- (b) Guarantor (as guarantor for the Vendor)
- (c) Purchaser (as beneficiary)

### **Principal terms of the Tax Deed:**

Pursuant to the Tax Deed, the Vendor shall undertake to indemnify the Purchaser against any claim for liability to taxation that relate to matters arising prior to Completion, whether made against any of the Target Companies before or after the date of Completion. The Guarantor agreed to guarantee the performance by the Vendor of its obligations under the Tax Deed.

## **INFORMATION ON THE TARGET COMPANIES AND THE PROPERTY**

General Mark is an investment holding company, and its principal asset is the 100% equity interest in Masswell International, which in turn is the legal and beneficial owner of the Property.

The Property is a 25-storey serviced residence building located at No.111 (formerly Nos.109, 111, 113 and 115) High Street, Hong Kong with an aggregate gross floor area of approximately 19,792 square feet. The Property is currently being leased out and will be sold to the Purchaser on an “as is” basis subject to existing tenancies.

Set out below is audited financial information of Masswell International for the years ended 31 December 2013 and 2014:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2013</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before taxation and extraordinary items	2,036	12,111
Net profit after taxation and extraordinary items	1,839	12,111

The unaudited net asset value of Masswell International as at 31 March 2015 is approximately HK\$98.4 million. General Mark had not prepared any audited accounts since it is incorporated in the British Virgin Islands.

Upon Completion, the Target Companies will become subsidiaries of the Company and their financial results will be consolidated in the consolidated accounts of the Company.

## **INFORMATION ON THE COMPANY AND THE PURCHASER**

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 and provision of property agency and management services and sale of health products. The Purchaser is an indirect wholly owned subsidiary of the Company and is an investment holding company.

## **INFORMATION ON THE VENDOR AND THE GUARANTOR**

The Vendor is an investment holding company incorporated in the Cayman Islands. The Guarantor is a wholly owned subsidiary of the Vendor and carries on the business of serviced residences and hotel in Hong Kong under the brand name “ovolo”.

## **REASONS FOR THE ACQUISITION**

The Directors consider that the Property is at a very good location of the commercial district and the Acquisition is a valuable investment opportunity for the Group. The Group will enjoy rental income derived from the Property. The Directors believe that the investment property portfolio of the Group will be strengthened and enhanced by the Acquisition.

The Consideration will be settled from internal resources of the Company.

Accordingly, the Directors consider that the terms of the Agreement, the Deed of Assignment, the Tax Deed and the transactions contemplated thereunder (including the Consideration) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Acquisition and therefore, none of them has abstained from voting on the Board resolution(s) which approved the Agreement and the transactions contemplated therein.

## **LISTING RULES IMPLICATIONS**

The applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are more than 5% but less than 25% and therefore the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **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 Sale Loan pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 19 May 2015 entered into by the Vendor, the Purchaser and the Guarantor in respect of the Acquisition
“Board”	the board of directors of the Company
“Company”	Hanison Construction Holdings Limited (stock code: 00896), a company incorporated under the laws of 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 and conditions of the Agreement
“Consideration”	the consideration for the Acquisition
“Deed of Assignment”	the deed of assignment in respect of the Sale Loan to be entered into by the Guarantor, the Purchaser and Masswell International upon Completion
“Director(s)”	director(s) of the Company
“General Mark”	General Mark Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly owned subsidiary of the Vendor

“Guarantor”	Hind Hotels and Properties Ltd, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2015
“Masswell International”	Masswell International Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of General Mark
“Property”	all those pieces or parcels of ground registered in the Land Registry as Subsection 4 of Section A of Inland Lot No.679, Subsection 5 of Section A of Inland Lot No.679, Subsection 3 of Section A of Inland Lot No.679 and Subsection 2 of Section A of Inland Lot No.679 together with the messuages, erections and buildings thereon now known as No.111 (formerly Nos.109, 111, 113 and 115) High Street, Hong Kong
“Purchaser”	Shangzhi Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Sale Loan”	unsecured interest-free loan provided by the Guarantor to Masswell International and remains outstanding at Completion
“Sale Share”	1 issued and fully paid up share of General Mark, representing the entire issued share capital of General Mark, being beneficially owned by the Vendor
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	General Mark and Masswell International

“Tax Deed”	the tax deed to be entered into by the Vendor and the Guarantor in favour of the Purchaser upon Completion
“Vendor”	S. Sundar and Sons Limited, a company incorporated under the laws of Cayman Islands with limited liability

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

Hong Kong, 19 May 2015

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

**Non-executive Chairman**  
Mr. Cha Mou Sing, Payson

**Non-executive Directors**  
Mr. Cha Mou Daid, Johnson  
Dr. Lam Chat Yu

**Executive Directors**  
Mr. Wong Sue Toa, Stewart (*Managing Director*)  
Mr. Tai Sai Ho (*General Manager*)

**Independent Non-executive Directors**  
Mr. Chan Pak Joe  
Dr. Lau Tze Yiu, Peter  
Dr. Sun Tai Lun