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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 896)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 13 April 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at the aggregate consideration of HK\$79,000,000 subject to and upon the terms of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board is pleased to announce that further to the preliminary agreement entered into between the Vendor and the Purchaser on 30 March 2022, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into a formal sale and purchase agreement on 13 April 2022 with the Purchaser (i.e. the Sale and Purchase Agreement), pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at the aggregate consideration of HK\$79,000,000 subject to and upon the terms of the Sale and Purchase Agreement.

The Sale and Purchase Agreement

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

Date

13 April 2022

Parties

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company, as the vendor
- (ii) the Purchaser, as the purchaser

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

Subject matter

The Property comprises (i) Workshops 11 and 12 on the Second Floor of Block A of Shatin Industrial Centre (沙田工業中心), Nos.5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong; and (ii) Car Parking Space L46 on the Second Floor of Shatin Industrial Centre (沙田工業中心), Nos.5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong. The Property is an industrial property with a total saleable area of approximately 9,105 square feet and an unaudited book value as at 31 March 2022 of approximately HK\$10,931,000.

The Property is held as a property, plant and equipment of the Group. It will be sold on an “as-is” basis free from other encumbrances with vacant possession.

Consideration

The consideration payable under the Sale and Purchase Agreement is HK\$79,000,000 and has been and shall be paid by the Purchaser to the Vendor in the following manner:

- (a) a sum of HK\$3,950,000, being the initial deposit, has been paid on 30 March 2022;
- (b) a sum of HK\$3,950,000, being the further deposit, has been paid upon the signing of the Sale and Purchase Agreement; and
- (c) a sum of HK\$71,100,000, being the balance of the consideration, shall be settled on or before the date of Completion.

The consideration was determined based on arm’s length negotiations between the Vendor and the Purchaser with reference to the prevailing market price of similar industrial properties in nearby locations.

Title requisition

The Vendor shall prove and give title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong), respectively, failing which all moneys paid by the Purchaser to the Vendor shall be returned to the Purchaser, and the Purchaser shall also be entitled to recover damages (if any).

Costs

All stamp duty and registration fees payable in relation to the Disposal shall be borne by the Purchaser.

Completion

Completion will take place on or before 14 October 2022 (unless otherwise agreed between the parties).

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The principal business activities of the Group are 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 Vendor is a property investment company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in sugar manufacturing and wholesale business. It is ultimately beneficially owned by Lam Hon Fui and Lam Tap Ma, both of whom are businessmen, as to 50% and 50%, respectively.

REASONS FOR THE DISPOSAL

The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximising returns to the Shareholders. The Directors consider that the Disposal presents a good opportunity for the Company to unlock the value of the Property. Accordingly, the Directors believe that the Disposal will enable the Company to reallocate capital into future investment opportunities and pursue other opportunities.

The Directors consider that the Disposal, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The Property is used by the Group for storage. Upon Completion, the Group will no longer need to incur any expenses in relation to the operation of the Property, which amounted to approximately HK\$1,047,000 and HK\$1,054,000 for the financial years ended 31 March 2021 and 31 March 2022, respectively, and this would have a positive effect on the earnings of the Group.

Upon Completion, the Group expects to recognise a gain on disposal of property, plant and equipment of approximately HK\$68,069,000 before costs and expenses relating to the Disposal in the financial year ending 31 March 2023.

The proceeds arising from the Disposal are expected to be used as general working capital and/or financing and possible property or business investments.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“connected persons”, “percentage ratio” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	ALL THOSE 92 equal undivided 4,620th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as SHA TIN TOWN LOT NO.261 And of and in the messuages erections and buildings thereon now known as SHATIN INDUSTRIAL CENTRE (沙田工業中心), Nos.5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong, comprising (i) Workshops 11 and 12 on the Second Floor of Block A of Shatin Industrial Centre (沙田工業中心); and (ii) Car Parking Space L46 on the Second Floor of Shatin Industrial Centre (沙田工業中心)
“Purchaser”	Yuen Tung Sugar Factory Industrial Company Limited (遠東糖廠實業有限公司), a company incorporated in Hong Kong with limited liability
“Sale and Purchase Agreement”	the formal sale and purchase agreement dated 13 April 2022 entered into between the Vendor and the Purchaser in respect of the Disposal

“Shareholders”	holders of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Clear Profit Holdings Limited (顯利控股有限公司), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 13 April 2022

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

Non-executive Chairman

Mr. Cha Mou Daid, Johnson

Non-executive Director

Dr. Lam Chat Yu

Executive Directors

Mr. Wong Sue Toa, Stewart (*Managing Director*)

Mr. Tai Sai Ho (*General Manager*)

Mr. Chow Ka Fung

Independent Non-executive Directors

Mr. Chan Pak Joe

Dr. Lau Tze Yiu, Peter

Dr. Sun Tai Lun