

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



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

CONNECTED TRANSACTIONS DISPOSALS OF PROPERTIES

THE DISPOSALS

The board of directors of Hanison and HKRI are pleased to announce that on 16 July 2015 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI, entered into SPA A and SPA B with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy Property A and Property B at a consideration of HK\$5,468,000 and HK\$5,490,000 respectively.

LISTING RULES IMPLICATIONS

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability of which Mr Tang Moon Wah (“Mr Tang”) together with his associate is its beneficial owner. Given that Mr Tang is an executive director of HKRI, the Purchaser is a connected person of Hanison and HKRI for the purpose of the Listing Rules and the Disposals constitute connected transactions on the part of Hanison and HKRI respectively under Chapter 14A of the Listing Rules.

As the aggregate consideration of the transactions contemplated under the SPAs resulted in certain applicable percentage ratios (as defined in the Listing Rules) of Hanison being above 0.1% but less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement of Hanison under Chapter 14A of the Listing Rules.

As the aggregate consideration of the transactions contemplated under the SPAs resulted in an applicable percentage ratio (as defined in the Listing Rules) of HKRI being above 0.1% but less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement of HKRI under Chapter 14A of the Listing Rules.

INTRODUCTION

On 16 July 2015 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI, entered into SPA A and SPA B with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy Property A and Property B at a consideration of HK\$5,468,000 and HK\$5,490,000 respectively.

SPA A AND SPA B

The terms (except for the particulars of the respective Properties and the consideration) under each of SPA A and SPA B entered into with the Purchaser are identical.

Date

16 July 2015

Parties

- (1) Vendor : Emwell Limited, an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI
- (2) Purchaser : Polytime International Limited

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability of which Mr Tang, a director of HKRI, together with his associate is its beneficial owner. Accordingly, the Purchaser is a connected person of Hanison and HKRI for the purpose of the Listing Rules.

Properties

Property A

Workshop 17 on the Fifth Floor of Block B, Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong

Property B

Workshop 18 on the Fifth Floor of Block B, Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong

The Properties are currently vacant and vacant possession of the Properties will be delivered to the Purchaser upon completion of the Disposals. The Vendor will perform alteration and addition works for the subdivision of the Fifth Floor, Block B, Shatin Industrial Centre into different units with necessary approval and acknowledgement from the Buildings Department, Hong Kong at its own costs before completion of the Disposals. The alteration and addition works are expected to be completed by early 2016.

Consideration and Terms of Payment

Property A

The consideration for Property A is HK\$5,468,000 which was paid and shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$546,800 being initial deposit had been paid by the Purchaser to the Vendor's solicitors as stakeholders upon signing of SPA A;
- (2) a sum of HK\$3,280,800 being further deposit shall be paid by the Purchaser to the Vendor's solicitors as stakeholders on or before 16 October 2015; and
- (3) a sum of HK\$1,640,400 being balance of the consideration shall be paid by the Purchaser to the Vendor upon completion of the Disposal.

Property B

The consideration for Property B is HK\$5,490,000 which was paid and shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$549,000 being initial deposit had been paid by the Purchaser to the Vendor's solicitors as stakeholders upon signing of SPA B;
- (2) a sum of HK\$3,294,000 being further deposit shall be paid by the Purchaser to the Vendor's solicitors as stakeholders on or before 16 October 2015; and
- (3) a sum of HK\$1,647,000 being balance of the consideration shall be paid by the Purchaser to the Vendor upon completion of the Disposal.

The consideration for each of Property A and Property B was arrived at after arm's length negotiation between the Purchaser and the Vendor and taking into consideration the market value of the Properties of HK\$5,460,000 and HK\$5,490,000 respectively as set out in the valuation report conducted by DTZ Debenham Tie Leung Limited, an independent valuer, as at 2 June 2015.

Completion

Completion of the Disposals shall take place on or before 29 February 2016. The Vendor does not warrant that the alteration and addition works will be approved by the Buildings Department, Hong Kong or that the alteration and addition works will be completed on or before the date of completion. The Properties will be delivered to the Purchaser in their "as is" conditions as of the time of completion by reason of the alteration and addition works or any ongoing alteration and addition works and the Purchaser agrees to waive any objection or requisition on title or otherwise.

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 Group) 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.

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 THE VENDOR

The Vendor is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability of which Mr Tang, a director of HKRI, together with his associate is its beneficial owner.

REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSALS

Property A and Property B were acquired by Hanison Group in May 2003 at a cost of approximately HK\$465,000 and HK\$467,000 respectively. They were let out during the two financial years immediately preceding the Disposals but have been vacated since January and June 2015 respectively.

For the years ended 31 March 2014 and 2015, the pre-tax net income attributable to Property A was approximately HK\$44,600 and HK\$36,230 respectively and the after-tax net income attributable to Property A was approximately HK\$37,240 and HK\$30,250 respectively.

For the years ended 31 March 2014 and 2015, the pre-tax net income attributable to Property B was approximately HK\$30,700 and HK\$31,900 respectively and the after-tax net income attributable to Property B was approximately HK\$25,640 and HK\$26,640 respectively.

As at 31 March 2015, the audited carrying values of Property A and Property B were approximately HK\$4,596,000 and HK\$4,613,000 respectively. The Disposals are expected to enable Hanison and HKRI to recognise a gain in a total of approximately HK\$1,749,000 and HK\$857,000 (taking into account its approximately 49% interest in Hanison) respectively before expenses, being the premium of the consideration for the Disposals over the carrying values of Property A and Property B in the account of the Vendor.

The respective boards of Hanison and HKRI consider that the current market presents a good opportunity for Hanison Group and HKRI Group to realise their investment in the Properties. The proceeds from the Disposals will be applied as general working capital of Hanison Group.

The directors (including the independent non-executive directors) of each of Hanison and HKRI believe that the terms and conditions of the Disposals are on normal commercial terms, which are fair and reasonable and in the interest of Hanison, HKRI and their shareholders as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability of which Mr Tang, a director of HKRI, together with his associate is its beneficial owner. Accordingly, the Purchaser is a connected person of Hanison and HKRI for the purpose of the Listing Rules and the Disposals constitute connected transactions on the part of Hanison and HKRI respectively under Chapter 14A of the Listing Rules.

As the aggregate consideration of the transactions contemplated under the SPAs resulted in certain applicable percentage ratios (as defined in the Listing Rules) of Hanison being above 0.1% but less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt

from the independent shareholders' approval requirement of Hanison under Chapter 14A of the Listing Rules.

As the aggregate consideration of the transactions contemplated under the SPAs resulted in an applicable percentage ratio (as defined in the Listing Rules) of HKRI being above 0.1% but less than 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of HKRI under Chapter 14A of the Listing Rules.

Mr Tang, who has material interest in the Disposals, has abstained from voting on the resolution for approving the Disposals at the relevant board meeting of HKRI.

DEFINITIONS

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

“Disposals”	the disposals of Property A and Property B by the Vendor to the Purchaser at a consideration of HK\$5,468,000 and HK\$5,490,000 respectively and each construes a Disposal;
“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);
“HKRI Group”	HKRI and its subsidiaries from time to time;
“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 a non-wholly owned subsidiary of HKRI which holds approximately 49% interest therein;
“Hanison Group”	Hanison and its subsidiaries from time to time;
“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”	Rules Governing the Listing of Securities on the Stock Exchange;
“Property A”	Workshop 17 on the Fifth Floor of Block B, Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong;
“Property B”	Workshop 18 on the Fifth Floor of Block B, Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong;
“Properties”	Property A and Property B;

“Purchaser”	Polytime International Limited, a company incorporated in Hong Kong with limited liability of which Mr Tang Moon Wah, a director of HKRI, together with his associate is its beneficial owner;
“SPA A”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 16 July 2015 for the disposal of Property A by the Vendor to the Purchaser;
“SPA B”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 16 July 2015 for the disposal of Property B by the Vendor to the Purchaser;
“SPAs”	SPA A and SPA B;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	Emwell Limited, a company incorporated in Hong Kong with limited liability and indirect wholly owned subsidiary of Hanison and indirect non-wholly owned subsidiary of HKRI.

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
Chung Sam Tin Abraham
Executive Director

Hong Kong, 16 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

Deputy Chairman & Managing Director

Mr Cha Mou Zing Victor

Executive Directors

Mr Chung Sam Tin Abraham

Mr Tang Moon Wah

Non-executive Directors

The Honourable Ronald Joseph Arculli

Mr Cha Mou Daid Johnson

Ms Wong Cha May Lung Madeline

Independent Non-executive Directors

Dr Cheng Kar Shun Henry

Mr Cheung Wing Lam Linus

Ms Ho Pak Ching Loretta

Mr Tang Kwai Chang