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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**

**MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE POSSIBLE ACQUISITIONS**

**THE POSSIBLE ACQUISITIONS**

The Board is pleased to announce that on 17 May 2017 (after trading hours), (i) Heroic Elite, an indirect wholly-owned subsidiary of the Company, entered into the WHL MOU with WHL Vendor and WHL Guarantor in relation to the Possible WHL Acquisition at the aggregate consideration of HK\$145,370,000 (subject to adjustments); and (ii) Oriental Elite, an indirect wholly-owned subsidiary of the Company, entered into the FSL MOU with FSL Vendor and FSL Guarantor in relation to the Possible FSL Acquisition at the aggregate consideration of HK\$149,700,000 (subject to adjustments).

**LISTING RULES IMPLICATIONS**

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

As the WHL MOU and the FSL MOU only contain the principal terms of each of the Possible Acquisitions, WHL Vendor, FSL Vendor, Heroic Elite and Oriental Elite will negotiate and agree on the definitive terms of each of the WHL Formal Agreement and FSL Formal Agreement to be signed respectively. After the signing of the WHL Formal Agreement and FSL Formal Agreement pursuant to the WHL MOU and the FSL MOU respectively, the Company will publish further announcement containing definitive details of each of the Possible Acquisitions in compliance with the requirements under the Listing Rules.

**The Board wishes to emphasise that the WHL MOU and/or the FSL MOU may be terminated and the WHL Formal Agreement and/or FSL Formal Agreement will not be signed if Heroic Elite and/or Oriental Elite is not satisfied with the results of due diligence investigation due to the reasons as stated in the paragraphs headed “Termination” under the sections headed “The WHL MOU” and “The FSL MOU” below. Completion of the Possible Acquisitions under the WHL Formal Agreement and/or FSL Formal Agreement, if signed, would also be subject to a number of conditions which may or may not be fulfilled. As such, the Possible Acquisitions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **THE POSSIBLE ACQUISITIONS**

The Board is pleased to announce that on 17 May 2017 (after trading hours), (i) Heroic Elite, an indirect wholly-owned subsidiary of the Company, entered into the WHL MOU with WHL Vendor and WHL Guarantor in relation to the Possible WHL Acquisition; and (ii) Oriental Elite, an indirect wholly-owned subsidiary of the Company, entered into the FSL MOU with FSL Vendor and FSL Guarantor in relation to the Possible FSL Acquisition.

## **THE WHL MOU**

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

### **Date**

17 May 2017

### **Parties**

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

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

### **Subject Matter**

Pursuant to the WHL MOU, Heroic Elite conditionally agrees to purchase from WHL Vendor the WHL Sale Shares (representing the entire issued and paid-up share capital of WHL) and the WHL Shareholder’s Loans, all free from encumbrances at the aggregate WHL Consideration of HK\$145,370,000, subject to upward or downward adjustments for the net current assets/liabilities of WHL and WHL SPV as at the WHL Completion Date.

WHL is an investment holding company with the sole purpose of holding the legal and beneficial interest of all issued shares 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 net current assets/liabilities of WHL and WHL SPV as at the WHL Completion Date, which shall be paid in the following manners:

- (a) a sum of HK\$7,000,000 being the WHL Initial Deposit has been paid to WHL Vendor's solicitors as stakeholders on 17 May 2017 upon signing of the WHL MOU;
- (b) a sum which, together with the WHL Initial Deposit, equal to 10% of the WHL Consideration, being the WHL Further Deposit and part payment of the WHL Consideration, shall be paid to the WHL Vendor's solicitors as stakeholders upon signing of the WHL Formal Agreement; and
- (c) the remaining balance of the WHL Consideration (subject to upward or downward adjustments for the net current assets/liabilities of WHL and WHL SPV as at the WHL Completion Date) shall be paid to WHL Vendor's solicitors upon the WHL Completion.

All upward adjustments to the WHL Consideration shall in aggregate be subject to a maximum cap of HK\$5,330,000.

The price for the assignment of the WHL Shareholder's Loans shall be the face value of the total outstanding amount of the WHL Shareholder's Loans as at the WHL Completion Date and the price for the sale of the WHL Sale Shares shall be the amount of the WHL Consideration less the price for the assignment of the WHL Shareholder's Loans.

The WHL Consideration was determined and arrived after arm's length negotiation between 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 Loans. The WHL Consideration will be fully funded by the internal resources of the Company.

### **Guarantee**

WHL Guarantor, being an indirect wholly-owned subsidiary of WHL Vendor, agrees to guarantee the due performance of all the obligations of WHL Vendor in the WHL MOU and the WHL Formal Agreement.

WHL Guarantor agrees to provide an undertaking in the WHL Formal Agreement 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 subject to the satisfaction or waiver of the WHL Conditions Precedent on or before the WHL Long Stop Date. The WHL Conditions Precedent include amongst others, the following:

- (a) 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 Date;
- (b) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the Possible WHL Acquisition having been duly complied with by the Company;
- (c) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the Possible WHL Acquisition having been duly complied with by WHL Vendor's ultimate holding company; and
- (d) Completion of the due diligence over WHL and its subsidiaries (including WHL SPV) and the WHL Properties, and the result of which is reasonably satisfactory to Heroic Elite.

If all of the WHL Conditions Precedent have not been satisfied in full (or waived) on or before the WHL Long Stop Date, WHL Vendor shall return or arrange its 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**

WHL Completion shall, subject to the fulfilment and/or waiver of all WHL Conditions Precedent, take place on 29 September 2017 or such other date as Heroic Elite and WHL Vendor may agree in writing.

The parties agree that the sale and purchase of the WHL Sale Shares and the WHL Shareholder's Loans together form an integral transaction and therefore are inter-conditional, i.e. all transaction for the Possible WHL Acquisition will be subject to a single WHL Formal Agreement and the completion of which shall take place simultaneously.

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

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), WHL Vendor shall be entitled to elect at its absolute discretion (i) to retain the WHL Initial Deposit and WHL Further Deposit and/or to claim for damages for Heroic Elite's breach of the WHL Formal Agreement; or (ii) to seek against Heroic Elite for specific performance of its obligations under the WHL Formal Agreement.

### **Exclusivity and Due Diligence Investigation**

Heroic Elite shall conduct the due diligence investigation on WHL and WHL SPV during the WHL Exclusivity Period. During the WHL Exclusivity Period, WHL Vendor shall not enter into or be involved in any discussions, negotiation or agreement with or provide any information to any person (other than Heroic Elite or its nominee) for or in relation to the Possible WHL Acquisition.

During the WHL Exclusivity Period, the parties will negotiate and sign the WHL Formal Agreement which will contain principal terms set out in the WHL MOU and other additional customary terms and conditions, warranties, completion obligations, pre-completion obligations, post-completion undertaking, covenants and indemnities clauses for agreement of similar nature and size. If the parties fail to agree the terms and conditions of the WHL Formal Agreement, the parties agree to extend the WHL Exclusivity Period for 30 days provided that no such extension is allowed if any one of Heroic Elite or WHL Vendor does not act in good faith which causes a prolonged delay in the negotiation and finalization of the WHL Formal Agreement.

### **Termination**

Heroic Elite is entitled to, during the WHL Exclusivity Period, terminate the WHL MOU and elect not to sign the WHL Formal Agreement on ground that Heroic Elite (i) is not satisfied with the results of due diligence investigation due to the existence of one or more material defects identified in the title to the WHL Properties which cannot be rectified in the manner reasonably satisfactory to Heroic Elite on or before the date falling five days immediately preceding the expiration of the WHL Exclusivity Period; and/or (ii) is not satisfied with the results of due diligence investigation due to one or more issues that pose a material adverse impact on the value of the WHL Sale Shares, the shares of WHL SPV, WHL and/or WHL SPV where such material issues cannot be rectified in the manner reasonably satisfactory to Heroic Elite on or before the date falling five days immediately preceding the expiration of the WHL Exclusivity Period. In such an event, WHL Vendor shall return or arrange its solicitors to return the WHL Initial Deposit (without interest) to Heroic Elite within 7 business days upon receiving written notice of termination from Heroic Elite.

In the circumstances where (a) the above termination right has not been exercised by Heroic Elite; and (b) there is a material default made by Heroic Elite in performing its obligations under the WHL MOU, WHL Vendor shall be entitled to elect at its absolute discretion to retain the WHL Initial Deposit which shall be deemed forfeited by WHL Vendor or to take proceedings against Heroic Elite to enforce specific performance of the WHL MOU.

In the circumstances where there is a material default made by WHL Vendor in performing its obligations under the WHL MOU, Heroic Elite shall be entitled to elect at its absolute discretion to take proceedings to seek specific performance of the WHL MOU or to request WHL Vendor to return the amount of the WHL Initial Deposit and pay an amount which is equal to the WHL Initial Deposit as liquidated damages to Heroic Elite.

## **Legally binding provisions**

The parties agree that the WHL MOU shall be legally binding on the parties with effect from the date of the WHL MOU.

## **THE FSL MOU**

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

### **Date**

17 May 2017

### **Parties**

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

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

### **Subject Matter**

Pursuant to the FSL MOU, Oriental Elite conditionally agrees to purchase from FSL Vendor the FSL Sale Shares (representing the entire issued and paid-up share capital of FSL) and the FSL Shareholder's Loans, all free from encumbrances at the aggregate FSL Consideration of HK\$149,700,000, subject to upward or downward adjustments for the net current assets/liabilities of FSL as at the FSL Completion Date.

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 net current assets/liabilities of FSL as at FSL Completion Date, which shall be paid in the following manners:

- (a) a sum of HK\$7,000,000 being the FSL Initial Deposit has been paid to FSL Vendor's solicitors as stakeholders on 17 May 2017 upon signing of the FSL MOU;
- (b) a sum which, together with the FSL Initial Deposit, equal to 10% of the FSL Consideration, being the FSL Further Deposit and part payment of the FSL Consideration, shall be paid to FSL Vendor's solicitors as stakeholders upon signing of the FSL Formal Agreement; and

- (c) the remaining balance of the FSL Consideration (subject to upward or downward adjustments for the net current assets/liabilities of FSL as at the FSL Completion Date) shall be paid to FSL Vendor's solicitors upon the FSL Completion.

All upward adjustments to the FSL Consideration shall in aggregate be subject to a maximum cap of HK\$5,500,000.

The price for the assignment of the FSL Shareholder's Loans shall be the face value of the total outstanding amount of the FSL Shareholder's Loans as at the FSL Completion Date and the price for the sale of the FSL Sale Shares shall be the amount of the FSL Consideration less the price for the assignment of the FSL Shareholder's Loans.

The FSL Consideration was determined and arrived after arm's length negotiation between 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 Loans. The FSL Consideration will be fully funded by the internal resources of the Company.

### **Guarantee**

FSL Guarantor, being the fellow subsidiary of FSL Vendor, agrees to guarantee the due performance of all the obligations of FSL Vendor in the FSL MOU and the FSL Formal Agreement.

FSL Guarantor agrees to provide an undertaking in the FSL Formal Agreement 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 subject to the satisfaction or waiver of the FSL Conditions Precedent on or before the FSL Long Stop Date. The FSL Conditions Precedent include amongst others, the following:

- (a) 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 Date;
- (b) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the Possible FSL Acquisition having been duly complied with by the Company;
- (c) All compliance requirements as required under the Listing Rules and/or requested by the Stock Exchange relating to the Possible FSL Acquisition having been duly complied with by FSL Vendor's ultimate holding company; and

- (d) Completion of the due diligence over FSL and the FSL Properties, and the result of which is reasonably satisfactory to Oriental Elite.

If all of the FSL Conditions Precedent have not been satisfied in full (or waived) on or before the FSL Long Stop Date, FSL Vendor shall return or arrange its 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**

FSL Completion shall, subject to the fulfilment and/or waiver of all FSL Conditions Precedent, take place on 29 September 2017 or such other date as Oriental Elite and FSL Vendor may agree in writing.

The parties agree that the sale and purchase of the FSL Sale Shares and the FSL Shareholder's Loans together form an integral transaction and therefore are inter-conditional, i.e. all transaction for the Possible FSL Acquisition will be subject to a single FSL Formal Agreement and the completion of which shall take place simultaneously.

If FSL Vendor does not proceed to the FSL Completion on the FSL Completion Date where all of the 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 Formal Agreement and/or to claim for damages for breach of the FSL Formal Agreement by FSL Vendor; or (ii) to request FSL Vendor to return the FSL Initial Deposit and FSL Further Deposit (without interest), and pay an amount which is equal to the FSL Initial Deposit and FSL Further Deposit to Oriental Elite and/or to claim for damages for breach of the FSL Formal Agreement by FSL Vendor.

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), 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 Formal Agreement; or (ii) to seek against Oriental Elite for specific performance of its obligations under the FSL Formal Agreement and/or to claim for damages for Oriental Elite's breach of the FSL Formal Agreement.

### **Exclusivity and Due Diligence Investigation**

Oriental Elite shall conduct the due diligence investigation on FSL during the FSL Exclusivity Period. During the FSL Exclusivity Period, FSL Vendor shall not enter into or be involved in any discussions, negotiation or agreement with or provide any information to any person (other than Oriental Elite or its nominee) for or in relation to the Possible FSL Acquisition.

During the FSL Exclusivity Period, the parties will negotiate and sign the FSL Formal Agreement which will contain principal terms set out in the FSL MOU and other additional customary terms and conditions, warranties, completion obligations, pre-completion obligations, post-completion undertaking, covenants and indemnities clauses for agreement of similar nature and size.



## **Termination**

Oriental Elite is entitled to, during the FSL Exclusivity Period, terminate the FSL MOU and elect not to sign the FSL Formal Agreement on ground that Oriental Elite is not satisfied with the results of due diligence investigation due to: (i) the existence of one or more material defects identified in the title to the FSL Properties which cannot be rectified in the manner reasonably satisfactory to Oriental Elite on or before the date falling five days immediately preceding the expiration of the FSL Exclusivity Period; and/or (ii) the existence of one or more issues that pose a material adverse impact on the value of the FSL Sale Shares, and/or FSL other than resulting from or in connection with fluctuation on the market price or value of the FSL Properties due to the market conditions, where such material issues cannot be rectified in the manner reasonably satisfactory to Oriental Elite on or before the date falling five days immediately preceding the expiration of the FSL Exclusivity Period. In such an event, FSL Vendor shall forthwith return or arrange its solicitors to return the FSL Initial Deposit (without interest if the return is within 7 days of the demand) to Oriental Elite.

In the circumstances where (a) the above termination right has not been rightfully exercised or is not exercisable by Oriental Elite; and (b) there is a material default made by Oriental Elite in performing its obligations under the FSL MOU during the FSL Exclusivity Period, FSL Vendor shall be entitled to elect at its absolute discretion (i) to retain the FSL Initial Deposit which shall be deemed forfeited by FSL Vendor and/or claim for damages for Oriental Elite's breach of the FSL MOU, or (ii) to take proceedings against Oriental Elite to enforce specific performance of the FSL MOU.

In the circumstances where there is a material default made by FSL Vendor in performing its obligations under the FSL MOU during the FSL Exclusivity Period, Oriental Elite shall be entitled to elect at its absolute discretion (i) to take proceedings to seek specific performance of the FSL MOU; or (ii) to request FSL Vendor to return the amount of the FSL Initial Deposit, and pay an amount which is equal to the FSL Initial Deposit as liquidated damages to Oriental Elite and/or to claim for damages for FSL Vendor's breach of the FSL MOU.

## **Legally binding provisions**

The parties agree that the FSL MOU shall be legally binding on the parties with effect from the date of the FSL MOU.

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

WHL is an investment holding company with the sole purpose of holding the legal and beneficial interest of all issued shares 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.

The Company does not have the financial information on WHL and FSL as at the date of this announcement and further announcement containing financial information and details of the Possible Acquisitions will be published by the Company in compliance with the requirements under the Listing Rules.

Upon completion of the Possible Acquisitions, 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 VENDORS AND THE GUARANTORS**

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

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

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

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

### **REASONS FOR THE POSSIBLE 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 Possible Acquisitions and the transactions contemplated under the WHL MOU and/or the FSL MOU 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 Possible Acquisitions exceeds 5% but less than 25%, the Possible Acquisitions constitute a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

As the WHL MOU and the FSL MOU only contain the principal terms of each of the Possible Acquisitions, WHL Vendor, FSL Vendor, Heroic Elite and Oriental Elite will negotiate and agree on the definitive terms of each of the WHL Formal Agreement and FSL Formal Agreement to be signed respectively. After the signing of the WHL Formal Agreement and FSL Formal Agreement pursuant to the WHL MOU and the FSL MOU respectively, the Company will publish further announcement containing definitive details of each of the Possible Acquisitions in compliance with the requirements under the Listing Rules.

**The Board wishes to emphasise that the WHL MOU and/or the FSL MOU may be terminated and the WHL Formal Agreement and/or FSL Formal Agreement will not be signed if Heroic Elite and/or Oriental Elite is not satisfied with the results of due diligence investigation due to the reasons as stated in the paragraphs headed “Termination” under the sections headed “The WHL MOU” and “The FSL MOU” above. Completion of the Possible Acquisitions under the WHL Formal Agreement and/or FSL Formal Agreement, if signed, would also be subject to a number of conditions which may or may not be fulfilled. As such, the Possible Acquisitions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following 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
“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 Completion”	completion of the Possible FSL Acquisition in accordance with the terms of the FSL MOU and the FSL Formal Agreement

“FSL Completion Date”	the date on which FSL Completion shall take place in accordance with the terms of the FSL MOU and the FSL Formal Agreement
“FSL Conditions Precedent”	conditions precedent for the FSL Completion
“FSL Consideration”	the initial consideration of HK\$149,700,000 for the Possible FSL Acquisition, subject to upward or downward adjustments for the net current assets/liabilities of FSL as at FSL Completion Date
“FSL Exclusivity Period”	an exclusive period for a period commencing from the date of payment of the FSL Initial Deposit up to 30 June 2017 (or such other period as agreed between the parties to the FSL MOU)
“FSL Formal Agreement”	the formal sale and purchase agreement to be entered into between FSL Vendor, FSL Guarantor and Oriental Elite in relation to the Possible FSL Acquisition
“FSL Further Deposit”	a sum which, together with the FSL Initial Deposit, equal to 10% of the FSL Consideration to be paid by Oriental Elite upon signing of the FSL Formal Agreement
“FSL Guarantee”	the guarantee given by FSL Guarantor in favour of Oriental Elite for securing the due performance of all obligations of FSL Vendor in the FSL MOU and the FSL Formal Agreement
“FSL Guarantor”	a limited company incorporated under the laws of Hong Kong which is the fellow subsidiary of 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”	29 September 2017 (or such other date as Oriental Elite and FSL Vendor may agree in writing)
“FSL MOU”	the memorandum of understanding dated 17 May 2017 entered into between FSL Vendor, FSL Guarantor and Oriental Elite relating to the Possible FSL Acquisition
“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 Shares”	such number of shares in FSL representing the entire issued and paid-up share capital of FSL, free from encumbrances

“FSL Shareholder’s Loans”	the legal and beneficial interest of the shareholder loans (if any) owing by FSL to FSL Vendor on the FSL Completion Date, which shall exclude any bank loans, loans from related parties or any third parties liabilities or encumbrances
“FSL Vendor”	the corporate registered shareholder of FSL Sale Shares who agrees to sell the legal and beneficial interests of FSL Sale Shares to Oriental Elite
“Group”	the Company and its subsidiaries
“Guarantors”	WHL Guarantor and FSL Guarantor
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Possible Acquisitions”	the Possible WHL Acquisition and the Possible FSL Acquisition
“Possible FSL Acquisition”	the possible acquisition of the FSL Sale Shares and the FSL Shareholder’s Loans by Oriental Elite pursuant to the FSL MOU and the FSL Formal Agreement
“Possible WHL Acquisition”	the possible acquisition of the WHL Sale Shares and the WHL Shareholder’s Loans by Heroic Elite pursuant to the WHL MOU and the WHL Formal Agreement
“Properties”	the WHL Properties and the FSL Properties
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	WHL Vendor and FSL Vendor

“WHL”	Waller Holdings Limited, a limited company incorporated in the British Virgin Islands
“WHL Completion”	completion of the Possible WHL Acquisition in accordance with the terms of the WHL MOU and the WHL Formal Agreement
“WHL Completion Date”	the date on which WHL Completion shall take place in accordance with the terms of the WHL MOU and the WHL Formal Agreement
“WHL Conditions Precedent”	conditions precedent for the WHL Completion
“WHL Consideration”	the initial consideration of HK\$145,370,000 for the Possible WHL Acquisition, subject to upward or downward adjustments for the net current assets/liabilities of WHL and WHL SPV as at the WHL Completion Date
“WHL Exclusivity Period”	an exclusive period for a period commencing from the date of payment of the WHL Initial Deposit up to 30 June 2017 (or such other period as agreed between the parties to the WHL MOU)
“WHL Formal Agreement”	the formal sale and purchase agreement to be entered into between WHL Vendor, WHL Guarantor and Heroic Elite in relation to the Possible WHL Acquisition
“WHL Further Deposit”	a sum which, together with the WHL Initial Deposit, equal to 10% of the WHL Consideration to be paid by Heroic Elite upon signing of the WHL Formal Agreement
“WHL Guarantee”	the guarantee given by WHL Guarantor in favour of Heroic Elite for securing the due performance of all obligations of WHL Vendor in the WHL MOU and the WHL Formal Agreement
“WHL Guarantor”	a limited company incorporated under the laws of Hong Kong which is an indirect wholly-owned subsidiary of 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”	29 September 2017 (or such other date as Heroic Elite and WHL Vendor may agree in writing)
“WHL MOU”	the memorandum of understanding dated 17 May 2017 entered into between WHL Vendor, WHL Guarantor and Heroic Elite relating to the Possible WHL Acquisition

“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 Shares”	such number of shares in WHL representing the entire issued and paid-up share capital of WHL, free from encumbrances
“WHL Shareholder’s Loans”	the legal and beneficial interest of the shareholder loans (if any) owing by WHL and/or WHL SPV and/or any of its subsidiaries to WHL Vendor on the WHL Completion Date, which shall exclude any bank loans, loans from related parties or any third parties liabilities or encumbrances
“WHL SPV”	Rich Victory (Hong Kong) Limited (益旺(香港)有限公司), a limited company incorporated in Hong Kong
“WHL Vendor”	the corporate registered shareholder of WHL Sale Shares who agrees to sell the legal and beneficial interests of WHL Sale Shares to Heroic Elite
“%”	per cent

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

Hong Kong, 17 May 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