
INFORMATION ABOUT THE SPIN-OFF AND THE DISTRIBUTION

THE SPIN-OFF

Hanison submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Spin-off and, on 26 January 2018, the Stock Exchange confirmed that Hanison may proceed with the Spin-off.

Hanison is proposing to effect the Spin-off by means of a distribution in specie (i.e. the Distribution). On [•] 2018, Hanison announced that resolutions are expected to be presented to the Hanison Board on or around [•] for the purpose of, among others things, (i) the approval of the proposal relating to the Spin-off which will be implemented by way of the Distribution and (ii) the declaration of a conditional special interim dividend to be satisfied by the Distribution. The Hanison Board also announced that if such conditional special interim dividend is declared, the Record Date will be [REDACTED] and the register of members of Hanison will be closed from [REDACTED] to [REDACTED] for the purpose of determining entitlements to the Distribution.

The Spin-off will be implemented in accordance with the Listing Rules, including Practice Note 15 to the Listing Rules. As Hanison’s disposal of its shareholding interest in the Company is by way of the Distribution with no offering of new Shares or any other securities, there will be no dilution of the indirect attributable interest of the Distribution Qualifying Shareholders in the Company, and the Spin-off will not constitute a transaction under Chapter 14 and 14A of the Listing Rules. Accordingly, no shareholder approval is required in respect of the Distribution or the Spin-off under the Listing Rules.

THE DISTRIBUTION

On [•], the Hanison Board declared a conditional special interim dividend to the Distribution Qualifying Shareholders.

The Distribution will be satisfied wholly by way of a distribution in specie to the Distribution Qualifying Shareholders of an aggregate of [REDACTED] Shares (based on [1,046,176,651] Hanison Shares in issue as at the Latest Practicable Date and assuming it will remain unchanged on the Record Date), representing the entire issued share capital of the Company, in proportion to their shareholdings in Hanison as at the Record Date. Pursuant to the Distribution, the Distribution Qualifying Shareholders will be entitled to two Shares for every five Hanison Shares held as at the Record Date.

As at the Latest Practicable Date, there were outstanding share options (granted pursuant to the share option scheme of Hanison adopted on 21 September 2011) which entitle the holders thereof to subscribe for [54,312,725] Hanison Shares on or before the Record Date. Assuming all such options are exercised on or before the Record Date, there will be a total of [1,100,489,376] Hanison Shares in issue on the Record Date. In that case, the total number of Shares to be distributed to Distribution Qualifying Shareholders will be increased to [REDACTED].

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Fractional entitlements of the Distribution Qualifying Shareholders to the Shares under the Distribution will be disregarded. The Shares will be traded in board lots of [REDACTED] Shares each. As a result of the Distribution, the Distribution Qualifying Shareholders may receive Shares in odd lots. For details of the odd lot arrangements, please refer to the section “Information about this listing document and the Listing – Odd lot arrangements” in this listing document.

Condition to the Distribution

The Distribution is conditional on the Listing Committee granting approval for the listing by way of introduction of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date. If this condition is not satisfied, the Distribution will not be made and the Spin-off will not take place.

Distribution Excluded Shareholders

The distribution of the Shares under the Distribution to certain Hanison Shareholders may be subject to laws of jurisdictions outside Hong Kong. Hanison Shareholders and Beneficial Hanison Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of the Hanison Shareholders and Beneficial Hanison Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Distribution, including obtaining of any governmental, exchange control or other consents which may be required, or compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction. Overseas Hanison Shareholders and Beneficial Hanison Shareholders should consult their professional advisers if they are in doubt as to the potential applicability of, or consequences under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdiction, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the receipt, acquisition, retention, disposal or otherwise with respect to the Shares. It is emphasised that none of the Relevant Persons accepts any responsibility in relation to the above.

Distribution Excluded Shareholder(s) will not receive the Shares. Instead, the Shares which they would otherwise have received pursuant to the Distribution will be sold by Hanison on their behalf as soon as reasonably practicable after commencement of dealings in the Shares on the Stock Exchange if a premium, net of expenses, can be obtained. The proceeds of such sale, net of expenses and duties, will be paid to the Distribution Excluded Shareholder(s) in Hong Kong dollars at his own risk unless the amount falling to be distributed to the Distribution Excluded Shareholder is less than HK\$100, in which case such amount will not be distributed but will be retained for the benefit of Hanison. Such payment of net proceeds to the Distribution Excluded Shareholders is expected to be made within approximately four weeks following the commencement of dealings in the Shares on the Main Board of the Stock Exchange.

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As at the Latest Practicable Date, based on the information provided by Hanison, there were 54 Overseas Hanison Shareholders whose addresses as registered in the register of members of Hanison were outside Hong Kong, namely, Australia, The Bahamas, British Virgin Islands, Canada, Cayman Islands, France, Macau, Malaysia, New Zealand, Singapore, Spain, Sweden, Thailand, United Kingdom and the US. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Hanison Board has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the distribution of the Shares to such Overseas Hanison Shareholders. Based on the legal advice received and, where relevant, taking into account the number of Overseas Hanison Shareholders in the relevant jurisdictions as at the Latest Practicable Date and/or the number of Hanison Shares they then held and assuming that the relevant legal requirements remain unchanged, the Hanison Board and the Board are of the view that the Distribution may be extended to the Overseas Hanison Shareholder(s) whose address is/are in the aforementioned overseas jurisdictions. Accordingly, as at the Latest Practicable Date, there were no Excluded Jurisdictions.

If there is any other jurisdiction outside Hong Kong which is not referred to above in which the address of any Hanison Shareholder as shown in the register of members of Hanison at the Record Date is located or any Hanison Shareholder or Beneficial Hanison Shareholder at the Record Date is otherwise known by Hanison to be located or resident, and such Hanison Shareholders should, in the view of the Hanison Board and the Board having made the relevant enquiries and having considered the circumstances, be excluded from receiving the Shares pursuant to the Distribution on the basis of the legal restrictions under the applicable laws of such jurisdiction or the requirements of the relevant regulatory bodies or stock exchanges in such jurisdiction, the Company will make an announcement.

With respect to the Excluded Jurisdiction(s), if any, Hanison will send a letter to CCASS Participants (other than CCASS Investor Participants) notifying them that, in light of applicable laws and regulations of the Excluded Jurisdiction(s), to the extent they hold any Hanison Shares on behalf of any Beneficial Hanison Shareholder with an address located in any of the Excluded Jurisdiction(s), they should sell the Shares which they receive pursuant to the Distribution on behalf of the Beneficial Hanison Shareholder and pay the net proceeds of such sale to such Beneficial Hanison Shareholder. None of the Relevant Persons takes any responsibility for the sale of such Shares or the payment of the net proceeds of the sale of such Shares to any such underlying Beneficial Hanison Shareholder.

Hanison and the Company reserve the right, in Hanison's and the Company's absolute discretion, to determine whether to allow the participation of any Hanison Shareholder or Beneficial Hanison Shareholder in the Distribution.

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INFORMATION FOR THE OVERSEAS HANISON SHAREHOLDERS

1. Bahamas Overseas Hanison Shareholders

This listing document has not been filed with the Securities Commission of The Bahamas because the Distribution is exempt from the prospectus filing requirements under the Securities Industry Act, 2011, as amended. No offer or sale of any securities can be made in The Bahamas unless the offer is made by or through a firm registered with the Securities Commission of The Bahamas to carry on securities business and in compliance with the Bahamian Exchange Control Regulations.

2. British Virgin Islands Overseas Hanison Shareholders

No shares of the Company may be offered to the public in the British Virgin Islands for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the British Virgin Islands and with the laws of the British Virgin Islands.

3. Cayman Islands Hanison Overseas Shareholders

No shares of the Company may be offered to the public in the Cayman Islands for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the Cayman Islands and with the laws of the Cayman Islands.

4. French Overseas Hanison Shareholders

The distribution of Shares does not require a prospectus to be submitted for approval to the French financial regulator (the “**Autorité des Marchés Financiers**” or “**AMF**”). Persons or entities referred to in point 2°, Section II of Article L. 411-2, II of the French monetary and financial Code (the “**CMF**”) (i.e. qualified investors or a restricted circle of investors) may take part in the offer solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 744-1, D. 754-1 and D. 764-1 of the CMF. The financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the CMF (i.e. articles applicable to public offering and private placement).

5. New Zealand Overseas Hanison Shareholders

This listing document is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The Distribution of shares in the Company is being made to existing shareholders of Hanison in reliance upon the “no consideration” exclusion in Schedule 1 to the Financial Markets Conduct Act 2013. Accordingly, this listing document does not contain all the

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information that a disclosure document would otherwise be required to contain under New Zealand law if that exclusion was not available to it.

6. United Kingdom Overseas Hanison Shareholders

This listing document does not constitute an offer of, nor is it calculated to invite offers for, Shares or other securities of the Company. This document constitutes a ‘financial promotion’ for the purposes of section 21 of the UK Financial Services and Markets Act 2000, as amended (“FSMA”) and its distribution in the United Kingdom is restricted. The Shares must not and will not be offered to the public in the United Kingdom (within the meaning of section 102B of the FSMA) save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of FSMA) being made available to the public before the offer is made. No Shares or other securities have been allotted or issued with a view to any of them being offered for sale to or subscription by the public in the United Kingdom except to: (a) persons who are outside the United Kingdom; (b) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) (as amended) (the “**Order**”); (c) high net worth companies, unincorporated associations and other bodies falling within Article 49(2)(a) to (d) of the Order; (d) certified high net worth individuals within Article 48 of the Order who, in this regard, have signed a statement dated within a period of 12 months ending on the date of receipt of this document complying with Part 1 of Schedule 5 of the Order stating that inter alia, they have either or both: (i) during the financial year immediately preceding the date on which the statement is signed an annual income of not less than £100,000; or (ii) held, throughout the financial year immediately preceding the date on which the statement is signed, net assets to the value of not less than £250,000 (excluding the property which is their primary residence or any loan secured on that residence, any of their rights under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Authorities) Order 2001, or any benefits (in the form of pensions or otherwise) which are payable on termination of their service or death or retirement and to which they are (or their dependants are), or may be entitled; (e) sophisticated investors falling within Article 50 of the Order; (f) self-certified sophisticated investors falling within Article 50A of the Order; and other persons to whom it may lawfully be communicated (all such persons together being “Relevant Persons” for the purpose of this paragraph). It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document. No Shares or other securities will be allotted or issued in connection with, or pursuant to this listing document. This listing document does not comprise a prospectus for the purposes of the FSMA and has not been approved by or filed with the Financial Conduct Authority.

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REASONS FOR AND BENEFITS OF THE SPIN-OFF

The Board and the Hanison Board believe that the Spin-off will be beneficial to the Remaining Group and the Group and their respective shareholders as a whole for the following reasons:

- (i) the business of the Group has been expanding in the past few years and the Board and the Hanison Board consider that it has reached a size and critical mass that justify it being separately listed;
- (ii) the Spin-off will enable the Company to distinguish itself from Hanison and strategise its own expansion and identity, thus allowing it to react more promptly to developments and opportunities;
- (iii) the Distribution places the entirety of the issued share capital of the Company into the hands of the Hanison Shareholders. Hanison Shareholders are being given, via the Distribution, an asset that should, on Listing, represent a liquid asset, that gives each Hanison Shareholder the choice to remain invested or readily realise or alter the mix of his/her investment (as between cash and the Company);
- (iv) by separating the business lines by listed group, each of the Company and Hanison can devise and execute their own, independent, financing strategies, whether via the equity or debt capital or by bank borrowings tailored to the respective time frames for the holding or development of their businesses and assets; and
- (v) the Spin-off will allow the management teams of both the Group and the Remaining Group to focus more effectively on their respective core businesses.