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亞洲聯合基建控股有限公司

ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 00711.HK)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF PROMISSORY NOTES

SUBSCRIPTION OF PROMISSORY NOTES

The Board is pleased to announce that on 9 May 2019 (after trading hours), the Company and the Issuer entered into the Subscription Agreement, pursuant to which, among other matters, the Company has conditionally agreed to designate AAI Finance, an indirect wholly-owned subsidiary of the Company, to subscribe for, and the Issuer has conditionally agreed to issue to AAI Finance, the Promissory Notes in the principal amount of HK\$180,000,000 for a term of 364 days, extendable until 10 May 2021 upon mutual agreement between the Issuer and the Noteholder, with an interest rate of 5% per annum, payable at maturity.

IMPLICATION UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 5% but is less than 25%, the entering into of the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 9 May 2019 (after trading hours), the Company and the Issuer entered into the Subscription Agreement in respect of the Subscription, the principal terms of which are summarized below.

THE SUBSCRIPTION AGREEMENT

- Date** : 9 May 2019 (after trading hours)
- Parties** : (1) The Company; and
(2) the Issuer
- Subject matter of the Subscription Agreement** : The Company has conditionally agreed to designate AAI Finance, an indirect wholly-owned subsidiary of the Company, to subscribe for, and the Issuer has conditionally agreed to issue to AAI Finance, the Promissory Notes at the Subscription Price.
- The Company intends to fund the Subscription Price of the Promissory Notes by the Group's internal resources.
- Conditions precedent** : The Subscription is subject to, among other things, the following conditions:
- (1) the board of directors of the Issuer having passed relevant resolution(s) approving and authorizing the transaction contemplated under the Subscription Agreement (including but not limited to the issuance of the Promissory Notes);
 - (2) as at the date of the Subscription Agreement and up to the Closing Date, each of the Warranties having remained true, accurate and correct in all material respects and not misleading in any respect; and
 - (3) no relevant government or regulatory body having granted any order or made any rule, regulation or decision that would make the transaction contemplated under the Subscription Agreement void, unenforceable or illegal, or restrict or prohibit the implementation of the transaction thereunder.

Arrangement Fee

: In consideration of the Company entering into the Subscription Agreement, the Issuer has agreed to pay to the Company or AAI Finance arrangement fee (“**Arrangement Fee**”), which amount shall be calculated in accordance with the formula below:

Arrangement Fee = principal amount of the Promissory Notes redeemed at Repayment Date x actual number of days lapsed from the Issue Date (excluding the Repayment Date)/365 x 3%

For the purpose of calculating the Arrangement Fee, Repayment Date includes the Maturity Date (as defined hereinafter) and such date when the Promissory Notes are redeemed in accordance with the Terms and Conditions.

The Arrangement Fee is payable until the Promissory Notes are fully redeemed and notwithstanding the occurrence of any circumstances (including without limitation the transfer of the Promissory Notes to third party).

Closing

: Closing shall take place on the Closing Date.

Use of proceeds

: The proceeds from the Subscription shall be used for investment, general working capital or any other general corporate purpose of the Issuer. The Issuer will look for investment opportunities in relation to city construction in the Greater Bay Area.

THE PROMISSORY NOTES

The principal terms of the Terms and Conditions of the Promissory Notes are set out below:

- Issuer** : SFund International Investment Fund Management Limited
- Principal amount** : HK\$180,000,000
- Interest rate** : The Promissory Notes bear interest from the Issue Date at a rate of 5% per annum, payable at maturity.
- Maturity date** : The Promissory Notes shall mature on the date falling upon the expiry of 364 days from the Issue Date (the “**Maturity Date**”), extendable until 10 May 2021 upon mutual agreement between the Issuer and the Noteholder.
- Redemption at maturity** : Unless previously redeemed, the Promissory Notes will be redeemed at 100% of its principal amount plus accrued interest on the Maturity Date.
- Early redemption** : The Issuer may request to redeem the Promissory Notes in whole or in part in an aggregate principal amount of HK\$10,000,000 or integral multiples thereof on any date which is 6 months after the Issue Date at a redemption price of 100% of the principal amount of the Promissory Notes together with any accrued and unpaid interest.
- Transferability** : Unless prior written consent is obtained from the Issuer, the Noteholder shall not assign or transfer any of the Promissory Notes in whole or in part (in an aggregate principal amount of HK\$10,000,000 or integral multiples thereof) to any third party.
- Status** : The Promissory Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Promissory Notes shall, save for such exceptions as may be provided by applicable laws, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Events of Default** : The Terms and Conditions contains customary events of default provisions which provide that, on the occurrence of certain Events of Default, the Noteholder shall be entitled to demand for repayment from the Issuer of the outstanding principal amount of the Promissory Notes together with any accrued and unpaid interest within 7 Business Days from the date of such demand.
- Listing** : The Promissory Notes will not be listed on any stock exchange.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors believe that the Subscription is complementary to the Group's development strategy and can provide the Group with an opportunity to balance its investment portfolio and diversify the Group's income sources, as well as to generate stable income for the Group. The interest rate of the Promissory Notes and the Arrangement Fee are determined by the Issuer and the Company on an arm's length basis. The Directors consider that the terms of and conditions for the Subscription Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND THE ISSUER

The Company and the Group

The Company is a company incorporated in Bermuda with limited liability. It is principally engaged in investment holding and its subsidiaries are principally engaged in civil engineering, electrical and mechanical engineering, foundation and building construction work, property development and asset leasing, professional services (including provision of security and facility management solutions) and other activities.

The Issuer

The Issuer is a company incorporated in Hong Kong with limited liability. The Issuer and its group are principally engaged in equity investment and fund management. The Issuer is indirect wholly owned by Guangzhou Industrial Investment Fund Management Co., Ltd.* (廣州產業投資基金管理有限公司), which is in turn wholly owned by Guangzhou City Construction Investment Group Co., Ltd.* (廣州市城市建設投資集團有限公司).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Issuer holds 183,802,317 Shares, representing approximately 9.86% of the issued share capital of the Company. Save as disclosed above, the Issuer and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 5% but is less than 25%, the entering into of the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall (unless the context otherwise requires) have the following meanings:

“AAI Finance”	AAI Group Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday, a public holiday and a day on which a typhoon cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted) on which licensed banks are open for general banking business in Hong Kong
“Closing”	Completion of the issue and subscription of the Promissory Notes pursuant to the Subscription Agreement
“Closing Date”	10 May 2019 or such other date as the Issuer and the Company may agree in writing
“Company”	Asia Allied Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00711)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Events of Default”	the events of default under the Promissory Notes pursuant to the Terms and Conditions
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) which is/are not connected person(s) of the Company and is/are independent of the Company and its connected persons
“Issue Date”	the date on which the Promissory Notes are issued, which is expected to be the same date as the Closing Date

“Issuer”	SFund International Investment Fund Management Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noteholder(s)”	the holder(s) of the Promissory Notes
“Promissory Notes”	the unsecured promissory notes in the aggregate principal amount of HK\$180,000,000 to be issued by the Issuer pursuant to the Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Promissory Notes pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 9 May 2019 entered into between the Company and the Issuer in relation to the subscription of the Promissory Notes
“Subscription Price”	the subscription price of HK\$180,000,000 for the Promissory Notes
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Terms and Conditions”	the terms and conditions constituting the Promissory Notes
“Warranties”	the warranties given by the Issuer under the Subscription Agreement
“%”	per cent

* *For identification purpose only*

By Order of the Board
**ASIA ALLIED INFRASTRUCTURE
HOLDINGS LIMITED**
Pang Yat Ting, Dominic
Chairman

Hong Kong, 9 May 2019

As at the date of this announcement, the executive directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Xu Jianhua, Ir Dr. Pang Yat Bond, Derrick, JP, Mr. Shea Chun Lok, Quadrant, Madam Li Wai Hang, Christina and Madam Han Li, and the independent non-executive directors of the Company are Mr. Wu William Wai Leung, Mr. Lam Yau Fung, Curt and Mr. Ho Gilbert Chi Hang.