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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)

UPDATE ON THE MAJOR TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CCCC DEVELOPMENT LIMITED

References are made to the announcements dated 25 August 2016, 31 October 2016, 31 March 2017 and 16 May 2017 respectively and the circular dated 30 September 2016 (the “**Circular**”) made by Asia Allied Infrastructure Holdings Limited (the “**Company**”) in respect of the Acquisition and the Agreement. Unless the context otherwise stated, capitalized terms used herein shall bear the same meanings as those defined in the Circular.

As disclosed in the Company’s announcement dated 25 August 2016 and the Circular, the Vendor and the Purchaser (a wholly-owned subsidiary of the Company) had entered into the Agreement which provided, among other things, that the Completion shall be treated as having not yet taken place as if the Acquisition had never been completed on the Original Completion Date and the Purchaser had never been beneficially interested in or responsible for any liability in respect of the Target Shares. The parties to the Agreement would discuss and determine the matters in relation to the Acquisition, and might enter into the Final Agreement if they could agree on the terms of the Acquisition. However, if the parties failed to enter into the Final Agreement by the Long Stop Date, the Vendor shall within ten days (or such later date as agreed by the Purchaser) repay the Purchaser the First Part Consideration in cash (or in such other manner as agreed by the Purchaser) without any interest thereon, after which the Purchaser and/or its wholly-owned subsidiaries shall immediately transfer the Target Shares back to the Vendor. If the Vendor failed to fulfill its obligations to repay the First Part Consideration to the Purchaser, the Purchaser was entitled to take steps to protect its interest, including (i) selling or procuring its wholly-owned subsidiaries to sell the Target Shares in part or in whole to a third party and claiming any shortfall directly against the Vendor and the Guarantor pursuant to the Sale and Purchase Agreement; and/or (ii) claiming any loss or damages directly against the Vendor and the Guarantor pursuant to the Sale and Purchase Agreement. Details of the Agreement were set out in the Circular. The Agreement was approved at the Company’s SGM held on 31 October 2016.

As announced by the Company on 31 March 2017, the Purchaser and the Vendor did not agree on the terms of the Acquisition or enter into the Final Agreement by the Long Stop Date of 31 March 2017. Since then, the Vendor has been holding HK\$148,000,000 (the “**Outstanding Amount**”) on trust for the Purchaser.

The Company announced on 16 May 2017 that the Purchaser had commenced legal proceedings on 16 May 2017 at the High Court of Hong Kong against the Vendor and the Guarantor for breach of the Sale and Purchase Agreement and the Agreement (including the Vendor’s failure to repay the Outstanding Amount to the Purchaser).

On 2 April 2019, the Purchaser had obtained from the High Court of Hong Kong an order as the final judgement against the Vendor in the sum of HK\$148,000,000 (which is equivalent to the Outstanding Amount) together with interest accrued until full payment of such sum to the Purchaser in respect of another legal action. However, despite the repeated efforts made by the Group to recover the Outstanding Amount from the Vendor, the Group has not yet received any part of the Outstanding Amount up to the date of this announcement.

On 19 June 2019, the Purchaser entered into two conditional agreements with an independent third party to sell the Target Shares and the interests in the Target Group held by the Purchaser to such third party with an aim to recover the Outstanding Amount. Such sale was provided and allowed under the Agreement and therefore does not constitute a separate transaction for the Company. The Board considers that the sale is of interest to the Company and the Shareholders as a whole as it may help the Purchaser to recoup the Outstanding Amount when (a) there is a third party willing to take up the Target Shares and the interests in the Target Group held by the Purchaser and (b) the Group has not received any part of the Outstanding Amount from the Vendor.

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

Hong Kong, 20 June 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.