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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 DISPOSAL OF PROPERTY

THE PROVISIONAL AGREEMENT

The Board is pleased to announce that on 19 July 2019 (after trading hours), the Company and the Purchaser entered into the Provisional Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire the Property at the consideration of HK\$134,325,500.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes 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 19 July 2019 (after trading hours), the Company and the Purchaser entered into the Provisional Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to acquire the Property.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are summarized below:

Date : 19 July 2019 (after trading hours)

Parties : (1) the Company, as the vendor; and
(2) Bright City International Limited, as the purchaser.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

Asset to be disposed of

The Property is located at Units C1 and C2, 5th Floor, Hong Kong Spinners Industrial Building Phases I and II, 601-603 Tai Nan West Street, 800 Cheung Sha Wan Road, Kowloon, and is currently used as the head office of the Company.

Consideration

The Consideration for the Disposal is HK\$134,325,500, which shall be paid by the Purchaser to the Company in the following manner:

- (1) HK\$6,716,275 shall be paid upon the signing of the Provisional Agreement as the initial deposit;
- (2) HK\$6,716,275 shall be paid on or before 9 August 2019 as the further deposit; and
- (3) the remaining balance of HK\$120,892,950 shall be paid on Completion.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms.

Other terms

Upon Completion, the Company shall procure one of its subsidiaries to enter into a lease agreement in respect of the Property with the Purchaser for a term of five years at a monthly rental (exclusive of management fee, rates and government rent) of HK\$316,000 for the first to third year and HK\$363,400 for the remaining two years.

Formal Agreement

Pursuant to the Provisional Agreement, the Formal Agreement shall be signed on or before 9 August 2019.

Completion

Completion shall take place on or before 9 October 2019.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will record a net gain of approximately HK\$109 million from the Disposal, taking into account, among other things, the Consideration, the book value of the Property of approximately HK\$7.74 million, the estimated expenses in connection with the Disposal and the effect of recognising the lease of the Property by the Group as a right-of-use asset and the related lease liability. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditor of the Company.

The Group expects to receive a net proceeds of approximately HK\$134 million from the Disposal. The Group currently intends to use the proceeds as general working capital and cash reserve for pursuing potential investment opportunities in the future.

INFORMATION ON THE GROUP AND THE PARTIES TO THE PROVISIONAL AGREEMENT

The Company and the Group

The Company is an investment holding company. The Group is principally engaged in civil engineering, electrical and mechanical engineering, foundation and building construction work, property development and assets leasing, professional services (including provision of security and facility management solutions) and other activities.

The Purchaser

The Purchaser is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in property investment business.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Having considered the current market value of the Property (with reference to the market value of similar properties within the same area) and the current property market conditions in Hong Kong, the Board considers that the Disposal, if materializes, represents a good opportunity for the Group to realize its investment in the Property at a considerable return. The Disposal will increase the working capital of the Group and enhance its cash flow to consolidate its financial position.

The terms of the Provisional Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Provisional Agreement 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

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DEFINITIONS

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

“Board”	the board of Directors
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Formal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	HK\$134,325,500, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property pursuant to the terms and conditions of the Provisional Agreement
“Formal Agreement”	the formal agreement for the Disposal, which will be signed on or before 9 August 2019 pursuant to the Provisional Agreement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Units C1 and C2, 5th Floor, Hong Kong Spinners Industrial Building Phases I and II, 601-603 Tai Nan West Street, 800 Cheung Sha Wan Road, Kowloon
“Provisional Agreement”	the provisional sale and purchase agreement dated 19 July 2019 entered into between the Company and the Purchaser in relation to the Disposal
“Purchaser”	Bright City International Limited, a company incorporated in Hong Kong with limited liability, being an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 19 July 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.