

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



# 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 THE DISPOSAL OF A SUBSIDIARY

#### **THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 13 March 2020 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Guarantor (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Interests at the total consideration of HK\$116,900,000.

#### **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 13 March 2020 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Guarantor (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Interests at the total consideration of HK\$116,900,000.

The principal terms and conditions of the Sale and Purchase Agreement are summarised below.

#### **THE SALE AND PURCHASE AGREEMENT**

##### **Date**

13 March 2020 (after trading hours)

## Parties

- (1) Vendor: Bright Wealth Developments Limited, an indirect wholly-owned subsidiary of the Company
- (2) Purchaser: Earning Hero Limited
- (3) Guarantor: Chun Wo Development Holdings Limited, a direct wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, save that the Purchaser holds 50% interest in the JV Company and one of the ultimate beneficial owners of the Purchaser is a director of certain insignificant subsidiaries of the Company, each of the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Interests at the total consideration of HK\$116,900,000.

The Sale Share represents the total issued share of the Target Company as at the date of the Sale and Purchase Agreement and immediately before Completion. The Sale Loan represents all the shareholder's loan due to the Vendor from the Target Company on the Completion Date, which is to be assigned to the Purchaser on Completion. The principal asset of the Target Company is 50% indirect interest in the Property.

## Consideration

The consideration for the Disposal is HK\$116,900,000 and shall be paid by the Purchaser to the Vendor in the following manners:

- (1) an initial deposit in the amount of HK\$11,690,000 (the "**Deposit**") shall be paid within 7 Business Days following the signing of the Sale and Purchase Agreement; and
- (2) the remaining balance in the amount of HK\$105,210,000 shall be paid in cash upon Completion.

The Consideration is subject to final adjustment with reference to the unaudited proforma management accounts of the Target Company as at the Completion Date.

The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement by taking into consideration of various factors, including but not limited to (i) the factors stated in the section headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT" set out below in this announcement; (ii) the valuation of the Property; (iii) the unaudited net liabilities of the Target Company as at 29 February 2020; (iv) the outstanding amount of the Sale Loan; and (v) the outstanding balance of bank loan owed by the Project Company.

## **Conditions precedent**

Completion is conditional upon satisfaction or waiver (if applicable) of, among others, the following conditions precedents on or before 12:00 noon on the Completion Date:

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review;
- (ii) the warranties remaining true and accurate and not misleading in all material respect as of the Completion Date;
- (iii) the bank having provided written confirmation(s) to provide release to the securities created under the loan agreement executed by Project Company and the bank; and
- (iv) the Vendor having shown and proved that the Project Company has good title to the Property in accordance with the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) as amended from time to time.

Before the Completion Date, conditions (i), (ii) and (iv), among others, above can be waived by the Purchaser. As at the date of this announcement, none of the conditions set out above has been satisfied or waived (as the case may be).

If any of the conditions precedent has not been satisfied or waived (as the case may be) on or before the Long Stop Date, the Sale and Purchase Agreement shall terminate automatically whereupon the Vendor shall refund the Deposit to the Purchaser without interest or compensation and no party shall have any claim against each other.

## **Completion**

Completion shall take place at or before 12:00 noon on the Completion Date when all conditions set out above are fulfilled or waived (as the case may be).

Upon Completion, the Target Company will cease to be the subsidiary of the Company and the financial results of the Target Company will cease to be consolidated into the consolidated financial statements of the Group, and the Company will cease to have any interest in the JV Group.

## **Guarantee and undertaking by the Guarantor**

The Guarantor unconditionally and irrevocably guarantees to the Purchaser (i) the due and punctual performance and observance by the Vendor of all of its obligation and liabilities under the Sale and Purchase Agreement and (ii) to pay, on demand, any sum which the Vendor fails to pay the Purchaser in accordance with the Sale and Purchase Agreement provided that the total liabilities of the Guarantor shall not exceed those of the Vendor under the Sale and Purchase Agreement.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

It is expected that the Group will record a net gain of approximately HK\$13.0 million from the Disposal, taking into account, among other things, the Consideration, the net liabilities of the Target Company and the estimated expenses in connection with the Disposal. 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\$116.5 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 TARGET COMPANY AND THE JV GROUP**

The Target Company is a company incorporated in the BVI with limited liability and is wholly owned by the Vendor.

The Target Company is principally engaged in investment holding. The principal asset of the Target Company is 50% interest in the JV Company which is interested indirectly in the Property.

### **Financial information of the Target Company**

Based on the latest financial information available to the Company as at the date of this announcement, the Target Company recorded a net loss before and after taxation and extraordinary items for the period from the date of incorporation to 29 February 2020 of approximately HK\$8,000.

As at 29 February 2020, the unaudited net liabilities of the Target Company attributable to the Company was approximately HK\$8,000.

## **INFORMATION ON THE GROUP, THE COMPANY AND THE PARTIES TO THE SALE AND PURCHASE AGREEMENT**

### **The Group and the Company**

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 Vendor**

The Vendor is a company incorporated in the BVI with limited liability and its principal activity is investment holding. As at the date of this announcement, the Vendor is an indirect wholly-owned subsidiary of the Company.

### **The Purchaser**

The Purchaser is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The Purchaser is holding the 50% interest in the JV Company.

## **The Guarantor**

The Guarantor is a company incorporated in the Cayman Islands with limited liability and its principal activity is investment holding. As at the date of this announcement, the Guarantor is a direct wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

The Company is of the view that the Disposal is in line with the business development strategies and planning of the Group. The Company considers the rate of return of the Disposal is generally more favourable and higher than that of maintaining the Target Company based on the current property market conditions in Hong Kong. The Disposal enables the Group to optimize its investment portfolio for any potential new investment opportunities that may arise in the future.

On the basis of the foregoing, the Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been agreed after arm's length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **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.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Business Day(s)”	a day (except public holidays, Saturdays and Sundays) on which licensed banks are open for general banking business in Hong Kong
“BVI”	British Virgin Islands
“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 sale and purchase of the Sale Interests in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	date on which the Completion takes place, which shall be on or before 30 June 2020 or such later date as the Vendor and the Purchaser may agree
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	HK\$116,900,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interests by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“Guarantor”	Chun Wo Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“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
“insignificant subsidiary(ies)”	as the meaning ascribed to it under the Listing Rules
“JV Company”	Mega Champion Enterprises Limited, a company incorporated in the BVI with limited liability, which is owned as to 50% by the Target Company and 50% by the Purchaser
“JV Group”	JV Company and Project Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2020 (or such other date as the Vendor and the Purchaser may mutually agree)
“Project Company”	Famous Smart Corporation Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the JV Company as at the date of this announcement
“Property”	Nos. 264, 264A and 264B, Prince Edward Road West, Kowloon, Hong Kong
“Purchaser”	Earning Hero Limited, a company incorporated in the BVI with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 March 2020 entered into among the Vendor, the Purchaser and the Guarantor in relation to the sale and purchase of the Sale Interests
“Sale Interests”	the Sale Share and the Sale Loan

“Sale Loan”	all the shareholder’s loan due to Vendor from the Target Company on the Completion Date, which is to be assigned to the Purchaser on Completion
“Sale Share”	the 1 ordinary share with a par value of US\$1 of the Target Company which is legally and beneficially owned by the Vendor, representing the total issued share of the Target Company as at the date of the Sale and Purchase Agreement and immediately before Completion
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Powerful Profit International Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of the Sale and Purchase Agreement
“Vendor”	Bright Wealth Developments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 13 March 2020

*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.*