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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 PROVISION OF FINANCIAL ASSISTANCE

THE SALE AND PURCHASE AGREEMENT

On 30 November 2020 (after trading hours), the Purchaser (a joint venture company in which the Company indirectly holds 40% interest), the Vendors, the Purchaser's Guarantors and the Vendors' Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares and the Sale Loans at the total consideration of HK\$351,280,000, of which HK\$84,512,000 is to be contributed by the Company as the Chun Wo Shareholder's Loan in proportion to the Company's indirect interest in the Purchaser.

Further, pursuant to the Sale and Purchase Agreement, Chun Wo Property is required to provide Chun Wo Guarantee for the due and punctual performance of the Purchaser's obligations under the Sale and Purchase Agreement, with the liability under the Chun Wo Guarantee capped at HK\$16,000,000.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Chun Wo Shareholder's Loan and the Chun Wo Guarantee in aggregate exceeds 5% but is less than 25%, those transactions 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

On 30 November 2020 (after trading hours), the Purchaser (a joint venture company in which the Company indirectly holds 40% interest), the Vendors, the Purchaser's Guarantors and the Vendors' Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares and the Sale Loans at the total consideration of HK\$351,280,000.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized below:

Date

30 November 2020

Parties

- (1) Purchaser: Rainbow Jasper Limited, a joint venture company owned as to 60% by Big Huge Holdings Limited and 40% by Grand Palace Global Limited, which is an indirect wholly-owned subsidiary of the Company
- (2) Vendors:
 - (a) East Harvest Development Limited
 - (b) City Harbour Limited
- (3) Purchaser's Guarantors:
 - (a) Joyful Bonus
 - (b) Chun Wo Property
- (4) Vendors' Guarantors:
 - (a) Mr. Tang Shing Bor
 - (b) Mr. Tang Yiu Sing

The ultimate beneficial owner of Big Huge Holdings Limited and Joyful Bonus is Mr. Lam Chun Sum, a director of certain insignificant subsidiaries of the Company. Save for the above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Vendors, the Vendors' ultimate beneficial owner (being Mr. Tang Shing Bor) and the Vendors' Guarantors are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares and the Sale Loans at the total consideration of HK\$351,280,000.

The Sale Shares represent the entire issued share capital of the Target Companies as at the date of the Sale and Purchase Agreement and immediately before Completion. The Sale Loans represent all the shareholders' loans due to the Vendors by the Target Companies on the Completion Date. As at the date of this announcement, the Target Companies collectively hold 100% interest in the Property, which, as at the date of the Sale and Purchase Agreement, is a piece of cleared site expected to be redeveloped into a block of mixed-use residential and retail building.

Consideration and Chun Wo Shareholder's Loan

The consideration for the Acquisition is HK\$351,280,000, which is to be financed as to HK\$140,000,000 through banking facility and as to HK\$211,280,000 by way of interest-free shareholders' loan (the "**JV Shareholders' Loan**"), repayable on demand. Proportionate to its indirect shareholding in the Purchaser, the Company is required to contribute HK\$84,512,000, representing 40% of the JV Shareholders' Loan, to the Consideration.

The Chun Wo Shareholder's Loan was arrived at after arm's length negotiations between the shareholders of the Purchaser, with reference to the capital requirement for the Acquisition and the availability of the amount of banking facilities. The Chun Wo Shareholder's Loan will be financed by internal resource of the Group.

Chun Wo Guarantee

Pursuant to the Sale and Purchase Agreement, during a period of eight years from the Completion Date, if the Property is redeveloped to include any commercial or retail portions (the "**Commercial Portions**") and the Target Companies intend to sell all or any part of the Commercial Portions, the Purchaser shall first give to the Vendors a right of first refusal to purchase the relevant Commercial Portions.

Further, the Purchaser agrees that in the event of the redevelopment of the Property, if the Target Companies receive proceeds from the successful disposal of properties erected on the Property (whether by way of property disposal or shares sale) and such proceeds exceeds HK\$700,000,000, then an one-off payment in the amount equal to 30% of the excessive amount shall be paid to the Vendors on the last day of the fifth year from the date on which the occupation permit in respect of the Property after redevelopment is issued by the Building Authority.

The Purchaser's Guarantors have provided several guarantees to secure the due and punctual performance of the above obligations of the Purchaser, with liability thereunder capped at HK\$40,000,000. Proportionate to its 40% indirect interest in the Purchaser, Chun Wo Property is required to pay to the Vendors a maximum amount of HK\$16,000,000 in the event of the breach of the above obligations by the Purchaser.

Completion

Completion shall take place at or before 3:00 p.m. on the Completion Date upon fulfilment or waiver (as the case may be) of all conditions set out in the Sale and Purchase Agreement.

Upon Completion, the Consideration and hence the Chun Wo Shareholder's Loan shall be paid in full. Following Completion, the Company will indirectly own 40% interest in each of the Target Companies, and the Target Companies will become associates of the Company.

INFORMATION ON THE TARGET COMPANIES

The Target Companies

The Target Company 1 is a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor 1. The Target Company 2 is a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor 2.

The Target Companies are principally engaged in property investment. The principal assets of the Target Companies are 100% interest in the Property collectively.

As at the date of this announcement, the ultimate beneficial owner of the Target Companies is Mr. Tang Shing Bor.

INFORMATION ON THE VENDORS AND THE VENDORS' GUARANTORS

The Vendors

Each of the Vendors is a company incorporated in the BVI with limited liability with principal activity in investment holding. The ultimate beneficial owner of the Vendors is Mr. Tang Shing Bor.

The Vendors' Guarantors

The Vendors' Guarantors are Mr. Tang Shing Bor and Mr. Tang Yiu Sing.

INFORMATION ON THE GROUP, THE PURCHASER AND THE PURCHASER'S GUARANTORS

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), non-franchised bus services and other activities.

The Purchaser

The Purchaser 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 Purchaser is owned as to 60% by Big Huge Holdings Limited and 40% by Grand Palace Global Limited, an indirect wholly-owned subsidiary of the Company.

The Purchaser's Guarantors

Joyful Bonus is a company incorporated in the BVI with limited liability and its principal activity is investment holding.

Chun Wo Property 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, it is an indirect wholly-owned subsidiary of the Company holding 40% interest in the Purchaser.

As at the date of this announcement, the ultimate beneficial owner of Big Huge Holdings Limited and Joyful Bonus is Mr. Lam Chun Sum, a director of certain insignificant subsidiaries of the Company.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE

The Company considers that the Acquisition is in line with the business development strategies and planning of the Group, and offers a good opportunity to the Group to enhance its property development and investment portfolio. Currently the Property is a cleared site and is expected to be redeveloped as a block of mixed-use residential and retail building. Foundation works for the Property are scheduled to commence in 2021 and pre-sale of residential units will be commenced in the same year. The Group expects cash flow can be generated with the sale of the residential units.

As the Company will benefit from the Acquisition as an indirect shareholder holding 40% interest, the Directors are of the view that the provision of the Chun Wo Shareholder's Loan and the Chun Wo Guarantee 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 Chun Wo Shareholder's Loan and the Chun Wo Guarantee in aggregate exceeds 5% but is less than 25%, those transactions 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:

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loans from the Vendors by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chun Wo Guarantee”	the guarantee to be provided by Chun Wo Property in favour of the Vendors to secure the due and punctual performance of the obligations of the Purchaser under the Sale and Purchase Agreement, with the relevant liability capped at HK\$16,000,000 with reference to its 40% indirect interest in the Purchaser
“Chun Wo Property”	Chun Wo Property Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Chun Wo Shareholder’s Loan”	HK\$84,512,000 shareholder’s loan to be provided by the Company to the Purchaser in proportion to the Company’s 40% indirect interest in the Purchaser, to finance the Consideration
“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 sale and purchase of the Sale Shares and Sale Loans in accordance with the Sale and Purchase Agreement
“Completion Date”	29 December 2020 or any other date agreed by the Vendors and the Purchaser in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$351,280,000, being the consideration of the Acquisition
“Director(s)”	the director(s) of the Company
“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

“Joyful Bonus”	Joyful Bonus Limited, a company incorporated in the BVI with limited liability which is wholly owned by Mr. Lam Chun Sum
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a piece of land situated at Nos. 61-67 Soy Street, Mong Kok, Kowloon, Hong Kong
“Purchaser”	Rainbow Jasper Limited, a company incorporated in the BVI with limited liability and is directly owned as to 60% by Big Huge Holdings Limited and 40% by Grand Palace Global Limited which is an indirect wholly-owned subsidiary of the Company
“Purchaser’s Guarantors”	Joyful Bonus and Chun Wo Property
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 November 2020 entered into between the Purchaser and the Vendors, the Purchaser’s Guarantors and the Vendors’ Guarantors in respect of the Acquisition
“Sale Loans”	Sale Loan 1 and Sale Loan 2
“Sale Loan 1”	all the shareholder’s loan due to the Vendor 1 by the Target Company 1 on the Completion Date, which is to be assigned to the Purchaser on Completion
“Sale Loan 2”	all the shareholder’s loan due to the Vendor 2 by the Target Company 2 on the Completion Date, which is to be assigned to the Purchaser on Completion
“Sale Shares”	Sale Share 1 and Sale Shares 2
“Sale Share 1”	the 1 ordinary share of the Target Company 1 which is legally and beneficially owned by the Vendor 1, representing the entire issued share capital of the Target Company 1 as at the date of the Sale and Purchase Agreement and immediately before Completion
“Sale Shares 2”	the 10,000 ordinary shares of the Target Company 2 which are legally and beneficially owned by the Vendor 2, representing the entire issued share capital of the Target Company 2 as at the date of the Sale and Purchase Agreement and immediately before Completion
“Share(s)”	ordinary share(s) of HK\$0.10 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 Companies”	Target Company 1 and Target Company 2

“Target Company 1”	Asia Hero (H.K.) Limited, a company incorporated in Hong Kong with limited liability
“Target Company 2”	Open Bright Limited, a company incorporated in Hong Kong with limited liability
“Vendors”	Vendor 1 and Vendor 2
“Vendor 1”	East Harvest Development Limited, a company incorporated in the BVI with limited liability and is wholly owned by Mr. Tang Shing Bor
“Vendor 2”	City Harbour Limited, a company incorporated in the BVI with limited liability and is wholly owned by Mr. Tang Shing Bor
“Vendors’ Guarantors”	Mr. Tang Shing Bor and Mr. Tang Yiu Sing
“%”	per cent

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

Hong Kong, 30 November 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 and Madam Li Wai Hang, Christina, the non-executive directors of the Company are Ms. Wong Wendy Dick Yee and Ir Dr. Wong Nai Keung, Philco, and the independent non-executive directors of the Company are Mr. Wu William Wai Leung, Mr. Lam Yau Fung, Curt, Mr. Ho Gilbert Chi Hang and Dr. Yim Yuk Lun, Stanley BBS JP.