

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.

This announcement is for information purposes only, and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

**NOTICE ON
THE STOCK EXCHANGE OF HONG KONG LIMITED**



AMTD GROUP COMPANY LIMITED

(the "Group")

(Incorporated in the British Virgin Islands with limited liability)

**U.S.\$200,000,000 7.625 per cent. Senior Perpetual Securities
(Stock code: 5222)**

**HKD1,445,000,000 6.30 per cent. Notes due 2020 extendable to 2021 or 2022
(Stock code: 5283)**

**U.S.\$18,285,000 5.0 per cent. Notes due 8 March 2022
(Stock Code: 5861)**

**U.S.\$150,000,000 5.0 per cent. Notes due 8 September 2022
(Stock Code: 5876)**

under the U.S.\$1,000,000,000 Medium Term Note Programme

On 31 December 2019, AMTD Property as purchaser and P&R as seller entered into the Hotel Interests Disposal Agreement, pursuant to which P&R agreed to sell and AMTD Property agreed to purchase the Hotel Holding Company Sale Shares, representing 50% equity interest in the Hotel Holding Company and the Hotel Holding Company Sale Loan at a consideration of HK\$270.0 million (subject to any adjustments in accordance with the Hotel Interests Disposal Agreement). The Hotel is currently valued at HK\$1,200,000,000.

Completion of the Transaction took place on 31 December 2019. Post the Transaction, the financial statements of Hotel Holding Group will be consolidated into the consolidated financial statements of AMTD Property and the Group.

The Hotel Interests Disposal Agreement also granted the Hotel Call Option and the Hotel Put Option to AMTD Property and P&R, respectively, which if fully exercised, would lead to AMTD Property acquiring further equity interests up to 100% in Hotel Holding Company at stipulated stepped up prices, as set out pursuant to the terms of the Hotel Interests Disposal Agreement.

On 31 December 2019, the Group, AMTD Property, P&R, Hotel Holding Company and Fine Cosmos

further entered into the Hotel Shareholders' Agreement setting out certain rights and obligations of the shareholders of the Hotel Holding Company.

As a Hong Kong home-grown comprehensive financial conglomerate, the Transaction signifies the Group's strong commitment and confidence in Hong Kong as well as its further expansion into Asia's property sector, following its recent completion of property acquisition in Singapore (renamed to Oakwood Premier AMTD Singapore, please refer to stock exchange announcement dated 19 September 2019 for details). Moreover, the Transaction also further strengthens the Group's strategic partnership and cooperation with the Regal Hotels Group, one of the largest hotel operators in Hong Kong, across various business opportunities including but not limited to international capital markets transactions and property investment opportunities.

INFORMATION ON THE HOTEL HOLDING GROUP

The Hotel Holding Company, is a limited liability company established in the BVI. It is the sole beneficial owner of Fine Cosmos which in turn holds the Hotel.

The Hotel Holding Group is engaged in the investment and development of the Hotel, the key specifications of which are as follows:

| | |
|---------------------|---|
| Location: | Nos. 5-7 Bonham Strand West and Nos. 169-171 Wing Lok Street, Sheung Wan, Hong Kong |
| No. of guestrooms: | 98 guestrooms and suites (162 room bays) |
| No. of storeys: | 32 storeys (including basement and ground floor) |
| Gross floor area: | Approximately 5,236 square metres |
| Covered floor area: | Approximately 6,838 square metres |

The occupation permit for the Hotel was issued on 19 November 2019. It is expected that the Hotel Licence of the Hotel will be obtained before 30 June 2020.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|----------------------------|--|
| "AMTD Property" | AMTD Property Investment Holdings Limited, a company incorporated in British Virgin Islands, a wholly owned subsidiary of the Group |
| "Fine Cosmos" | Fine Cosmos Development Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of the Hotel Holding Company |
| "Hotel" | a contemporary select-service hotel developed at Nos. 5-7 Bonham Strand West and Nos. 169-171 Wing Lok Street, Sheung Wan, Hong Kong |
| "Hotel Call Option" | the call option granted by P&R to AMTD Property under the Hotel Interests Disposal Agreement to purchase from P&R (i) an additional 1% |

equity interest in the Hotel Holding Company; (ii) an additional 1% of the Hotel Shareholders' Loan; and (iii) 51% of the then outstanding Top Up Loan

| | |
|--|--|
| "Hotel Holding Company" | Dense Globe Investments Limited, a company incorporated in the BVI |
| "Hotel Holding Company Sale Loan" | equivalent to 50% of all amounts, including principal and interest, owing by Fine Cosmos to P&R as at the completion date of the Transaction, and for the avoidance of doubt, excluding the Top Up Loan |
| "Hotel Holding Company Sale Share(s)" | 50 ordinary share(s) in the issued share capital of the Hotel Holding Company, representing 50% equity interest of the entire issued share capital of the Hotel Holding Company |
| "Hotel Holding Group" | Hotel Holding Company and Fine Cosmos |
| "Hotel Interests Disposal Agreement" | the sale and purchase agreement dated 31 December 2019 and entered into between AMTD Property and P&R in respect of the Hotel Interests Disposal |
| "Hotel Put Option" | the put option granted by AMTD Property to P&R under the Hotel Interests Disposal Agreement to sell to AMTD Property, subject to the exercise of the Hotel Call Option by AMTD Property, (i) an additional equity interest of up to 49% in the Hotel Holding Company; (ii) up to an additional 49% of the Hotel Shareholders' Loan; and (iii) up to an additional 49% of the then outstanding Top Up Loan, at an option price of up to HK\$676.20 million plus the face value of up to 49% of the then outstanding Top Up Loan |
| "Hotel Shareholders' Agreement" | the shareholders agreement dated 31 December 2019 and entered into, among others, the Group, AMTD Property and P&R |
| "Hotel Shareholders' Loan" | all amounts, including principal and interest, owing by Fine Cosmos to the shareholders of the Hotel Holding Company and for the avoidance of doubt, excluding the Top Up Loan |
| "P&R" | P&R Holdings Limited |
| "Regal Hotels Group" | Regal Hotels International Holdings Limited (stock code: 78) and its subsidiaries |
| "Share Mortgage" | the mortgage on Hotel Holding Company Sale Shares between AMTD Property and P&R |
| "Top Up Loan" | a term loan in the amount of up to HK302.8 million to be advanced by P&R (as the lender) to Fine Cosmos (as the borrower) for the development |

of the Hotel after completion of the Transaction

"Transaction"

the purchase of the Hotel Holding Company Sale Shares and the Hotel Holding Company Sale Loan by AMTD Property from P&R pursuant to the terms of the Hotel Interests Disposal Agreement

By Order of the Board
AMTD GROUP
Calvin CHOI
Chairman

13 January 2020

As at the date of this announcement, the directors of the Company are Mr. CHOI, Chi Kin Calvin (Chairman), Mr. WONG, Yui Keung Marcellus (Executive Vice Chairman), Mr. GAO, Yu and Dr. Feridun Hamdullahpur.