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## **Hysan Development Company Limited**

**希慎興業有限公司**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code : 00014)

**(1) Discloseable Transaction  
Acquisition of the Target Company –  
Indirect Holder of a Property in Shanghai, the PRC**

**And**

**(2) Continuing Connected Transaction –  
Escrow Agreement**

**And**

**(3) Possible Connected Transaction  
Provision of Financial Assistance to the Group  
by a Connected Person –  
Entrusted Loan of the Sellers**

**(1) DISCLOSEABLE TRANSACTION : ACQUISITION OF THE TARGET  
COMPANY – INDIRECT HOLDER OF A PROPERTY IN SHANGHAI, THE PRC**

The Board is pleased to announce that pursuant to the Sale and Purchase Agreement dated 17 September 2021, the Company (through the Purchaser) has agreed to acquire the entire equity interest of the Target Company from the Sellers (i.e. the Acquisition).

The Target Company is currently an indirect holder of 60% equity interest in the Project Company, being the registered owner of the Property. The Acquisition is subject to the condition precedent that the Sellers having, through the Intermediate HoldCo, acquired the remaining 40% equity interest in the Project Company (i.e. the Minority Acquisition). Upon Completion of the Acquisition, the Purchaser shall directly own the entire issued shares of the Target Company, which in turn through Target Company's ownership of the entire issued shares of the Intermediate HoldCo, indirectly own the entire equity interest in the Project Company. The principal asset of the Project Company is the Property.

The Property is a completed office/retail mixed used development known as "City Link" (世紀盛薈廣場) located at Nos. 668 and 688 Xinzha Road, Shanghai, the PRC (中國上海市新閘路668號、688號).

The Consideration is an amount equal to approximately RMB3,500 million (equivalent to approximately HK\$4,235 million) (which represents the consideration for the Sale Shares and Sale Loans) subject to adjustment as at Completion.

## **(2) CONTINUING CONNECTED TRANSACTION : ESCROW AGREEMENT**

Pursuant to the Sale and Purchase Agreement, the Sellers and the Purchaser have, on 17 September 2021, entered into the Escrow Agreement with HSBC (which is a connected person of the Company). Under the Escrow Agreement, the Sellers and the Purchaser shall engage HSBC as their Escrow Agent to hold the Escrow Amount for an upfront fee and a yearly administration fee.

## **(3) POSSIBLE CONNECTED TRANSACTION : PROVISION OF FINANCIAL ASSISTANCE TO THE GROUP BY A CONNECTED PERSON – ENTRUSTED LOAN OF THE SELLERS**

There will be outstanding on Completion an entrusted loan (i.e. the Entrusted Loan) with a total amount up to RMB1,800 million (equivalent to approximately HK\$2,178 million) procured by certain affiliates of the Sellers as entrusting party, through HSBC (China) as lending agent to the Project Company as borrower for a term of six months. Such Entrusted Loan will be repaid by capital injection to be made by the Purchaser into the Project Company (“**Capital Injection**”) within six months from Completion, forming part of the Consideration payable under the Sale and Purchase Agreement.

Upon Completion, the Project Company will become an indirect wholly-owned subsidiary of the Company, the Entrusted Loan, being provided through HSBC (China) (which is a connected person of the Company), will, at any time prior to the repayment of such Entrusted Loan, constitute provision of financial assistance to the Group by a connected person under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

### **(i) The Acquisition**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition after Completion exceeds 5% but all percentage ratios are less than 25%, the transactions contemplated under the Sale and Purchase Agreement constitute a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under the Listing Rules.

### **(ii) The Escrow Agreement**

Certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Escrow Agreement exceed 1%. Since (i) such continuing connected transaction is a transaction between the Company and a connected person at the subsidiary level; and (ii) the Board (including the independent non-executive Directors) have considered, confirmed and approved that the Escrow Agreement is on normal commercial terms and the terms of the Escrow Agreement are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Escrow Agreement is only subject to the announcement and reporting requirements but is exempt from the circular, independent financial advice and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **(iii) Entrusted Loan**

Upon Completion, it is expected that the transactions contemplated under the Entrusted Loan will constitute a connected transaction for the Company, and the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Entrusted Loan is expected to exceed 5%. Based on the current understanding about the Entrusted Loan (including the loan amount, the term and the interest rate), the Board considers that Rule 14A.101 of the Listing Rules shall be applicable to the Entrusted Loan, and therefore the Entrusted Loan shall be subject to announcement and reporting requirements but shall be exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will publish a separate announcement if and when required.

**The Acquisition is subject to the completion of the Minority Acquisition, being the condition precedent set out in the Sale and Purchase Agreement, and therefore may or may not proceed to Completion. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares or any securities of the Company.**

### **(1) DISCLOSEABLE TRANSACTION: ACQUISITION OF THE TARGET COMPANY, INDIRECT HOLDER OF A PROPERTY IN SHANGHAI, THE PRC**

The Purchaser (being an indirect wholly-owned subsidiary of the Company) has entered into the Sale and Purchase Agreement dated 17 September 2021 with the Sellers, pursuant to which the Sellers have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loans, subject to the terms and conditions of the Sale and Purchase Agreement.

Subject and subsequent to Completion, the Purchaser has agreed to, via the Intermediate HoldCo, inject additional capital into the Project Company (i.e. the Capital Injection) for the purpose of enabling the Project Company to repay the Entrusted Loan (which shall form part of the Sale Loans).

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

#### **Date**

17 September 2021

#### **Parties**

- |     |                        |   |
|-----|------------------------|---|
| (1) | Sellers:               | Seller 1 and Seller 2, both are indirect wholly-owned subsidiaries of CKA |
| (2) | Sellers' Guarantor:    | Bayswater, an indirect wholly-owned subsidiary of CKA                     |
| (3) | Purchaser:             | Hysan (Shanghai), an indirect wholly-owned subsidiary of the Company      |
| (4) | Purchaser's Guarantor: | the Company   |

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Sellers, Bayswater and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Assets to be Acquired**

- (i) The Sale Loans (Please also refer to the section “Entrusted Loan and Capital Injection” below); and
- (ii) The Sale Shares, representing the entire issued shares of the Target Company, of which 50% shall be acquired from Seller 1 and the other 50% shall be acquired from Seller 2.

### **Condition Precedent**

The Target Company is currently an indirect holder of 60% equity interest in the Project Company, being the owner of the Property. The Acquisition is conditional upon the Sellers, through the Intermediate HoldCo, having acquired all of the remaining 40% equity interests and rights in the Project Company from the Onshore Partners (the “**Minority Acquisition**”). Upon completion of the Minority Acquisition, the Intermediate HoldCo shall wholly own the Project Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Onshore Partners and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Consideration and Payment Schedule**

The Consideration is payable in cash and is an amount equal to approximately RMB3,500 million (equivalent to approximately HK\$4,235 million) subject to adjustments and shall be apportioned as follows:

- (a) an amount equal to the face value of the Sale Loans as at Completion being the consideration for the Sale Loans; and
- (b) the remaining amount (the “**Sale Shares Consideration**”) being consideration for the Sale Shares.

The Consideration has been and shall be paid as follows:

- (a) upon signing of the Sale and Purchase Agreement, the Purchaser has paid to the Sellers RMB350 million (equivalent to approximately HK\$424 million) as deposit (the “**Deposit**”);
- (b) the balance of the Consideration after netting off the Deposit and the amount to repay the Entrusted Loan by Capital Injection shall be settled partly with the funds in the Escrow Amount to be released in accordance with the Sale and Purchase Agreement and partly by payment from the Purchaser to the Sellers at Completion in accordance with the Sale and Purchase Agreement; and
- (c) an amount equivalent to the Entrusted Loan will be paid to the Project Company by Capital Injection within six months after Completion to repay the Entrusted Loan (forming part of the Sale Loans) in accordance with the Sale and Purchase Agreement.

The Acquisition will be funded by internal resources and available banking facilities of the Group.

## **Post-Completion Adjustment**

The Sale Shares Consideration will be adjusted within 15 Business Days after finalization of the Completion Balance Sheet. Such adjustment shall be with reference to the aggregate amount of all the assets (excluding the Property) less the aggregate amount of all the liabilities and debts of the Target Company and its subsidiaries as at Completion and be made in accordance with the Completion Balance Sheet.

The Consideration was arrived at arm's length negotiations between the Sellers and the Purchaser after taking into account of the market price of other properties in the vicinity of the Property, economic factors, value and the potential of the Property, and the property valuation of the Property as at the Valuation Date was RMB3,700 million (equivalent to approximately HK\$4,477 million) according to the Valuation Report.

## **Escrow Arrangement**

Pursuant to the Sale and Purchase Agreement, the Sellers and the Purchaser also entered into the Escrow Agreement with HSBC (which is a connected person of the Company) on 17 September 2021 to engage HSBC as their Escrow Agent to hold the Escrow Amount in escrow in accordance with the terms of the Escrow Agreement.

The Escrow Amount shall be used partly to fund certain immaterial transaction expenses to be borne by the Purchaser in accordance with the Sale and Purchase Agreement, partly as part payment of the Consideration to be released in accordance with the terms of the Sale and Purchase Agreement, and partly as comfort money for the Sellers in funding the Minority Acquisition prior to Completion, such comfort money to be refunded to the Purchaser upon Completion

Please also refer to the section headed “(2) Continuing Connected Transaction: Escrow Agreement” below.

## **Refund of Deposit and Escrow Amount**

If the Sale and Purchase Agreement is terminated by the Sellers due to the Purchaser's default under the Sale and Purchase Agreement, the Deposit shall be forfeited by the Sellers and, in addition, the Sellers will be entitled to liquidated damages of RMB350 million (equivalent to approximately HK\$424 million). If the Sale and Purchase Agreement is terminated by the Purchaser due to the Sellers' default under the Sale and Purchase Agreement, the Deposit shall be refunded to the Purchaser. In each case, the Escrow Amount shall also be returned to the Purchaser in accordance with the Sale and Purchase Agreement, except in certain default by the Purchaser. Also, certain immaterial transaction expenses to be borne by the Purchaser will be deducted from the Escrow Amount as set out in the Sale and Purchase Agreement.

## **Completion and Long Stop Date**

Completion shall take place on the sixth Business Day after the satisfaction of the condition precedent (exclusive of the date when the condition precedent is satisfied) or on the sixth Business Day after the Sellers having notified the Purchaser of creation of a mortgage over the Property following finalization of the Entrusted Loan as security for the Entrusted Loan, whichever is the later. If the condition has not been fulfilled or waived on or before the Long Stop Date, then the Sellers and the Purchaser may terminate the Sale and Purchase Agreement, and the Sellers shall refund the Deposit and (to the extent already received by them) the Escrow Amount to the Purchaser.

## **Entrusted Loan and Capital Injection**

The Entrusted Loan shall be a loan for an amount of up to RMB1,800 million (equivalent to approximately HK\$2,178 million) for a fixed term of six months secured with a mortgage over the Property. It is expected that the Project Company will repay the Entrusted Loan with funds to be provided by the Purchaser by way of the Capital Injection within six months after Completion.

## **Guarantors**

The Company has agreed to guarantee the performance by the Purchaser of its obligations under the Sale and Purchase Agreement.

Bayswater has agreed to guarantee the performance by the Sellers of their obligations under the Sale and Purchase Agreement.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Hysan Group's principal businesses are property investment, management and development.

The Board considers the Acquisition a strategic long-term investment for the Company. The Acquisition significantly expands the scale of Hysan's portfolio and diversifies Hysan's business in the PRC market. The Board considers that the Acquisition is in line with the business strategy to strengthen the investment property portfolio which will generate additional stable recurring rental income for the Hysan Group, thereby increasing Shareholders' value.

The Directors consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

## **(2) CONTINUING CONNECTED TRANSACTION: ESCROW AGREEMENT**

Pursuant to the Sale and Purchase Agreement, the Sellers and the Purchaser have entered into the Escrow Agreement on 17 September 2021 with HSBC (which is a connected person of the Company).

## **THE ESCROW AGREEMENT**

### **Date**

17 September 2021

### **Parties**

Sellers: Seller 1 and Seller 2, both are indirect wholly-owned subsidiaries of CKA

Purchaser: Hysan (Shanghai), an indirect wholly-owned subsidiary of the Company

Escrow Agent: HSBC

Escrowed Amount: RMB1,132 million (equivalent to approximately HK\$1,370 million)

Fee: an upfront fee of US\$5,000 (equivalent to approximately HK\$38,900) and a yearly administration fee of US\$17,000 (equivalent to approximately HK\$132,260)

### **Term**

The term of the Escrow Agreement will commence on the date of the Escrow Agreement and shall terminate upon the release by the Escrow Agent of all the Escrow Amount held by it, or on the third anniversary from the date of the Escrow Agreement, or upon earlier termination under the Escrow Agreement, whichever is the earlier.

### **Escrow Arrangement**

The Escrow Agent shall hold the Escrow Amount for the Sellers and the Purchaser in accordance with the terms of the Escrow Agreement.

### **Escrow Agent's Fee and Annual Cap**

The Escrow Agent's fees were determined with reference to the prevailing market rates for escrow services provided by licensed banks in Hong Kong.

The Escrow Agent's fees (an upfront fee of US\$5,000 and yearly administration fee of US\$17,000) shall be borne by the Sellers and the Purchaser equally and payable within 15 days from the date an invoice is sent by the Escrow Agent.

The total cap for the annual fee to be paid by the Purchaser to the Escrow Agent under the Escrow Agreement is US\$22,000 (equivalent to HK\$171,160).

### **REASONS FOR AND BENEFITS OF THE ESCROW ARRANGEMENT**

HSBC is a well-established and trusted escrow agent for supporting complex transactions. Entering into the Escrow Agreement can facilitate the payment arrangement contemplated under the Sale and Purchase Agreement and hence the Acquisition.

The proposed terms of the Escrow Agreement have been determined after arm's length negotiations with the Sellers and the Escrow Agent. The Directors (including the independent non-executive Directors) consider that the proposed terms of the Escrow Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and that entering into of the Escrow Agreement is in the interests of the Group and the shareholders of the Company as a whole.

None of the Directors has a material interest in the Escrow Agreement. Lee Irene Yun-Lien, Chairman of the Company and an executive Director, is also an independent non-executive director of HSBC, and had abstained voluntarily from voting on the relevant Board resolution approving the Escrow Agreement.

### **(3) POSSIBLE CONNECTED TRANSACTION : PROVISION OF FINANCIAL ASSISTANCE TO THE GROUP BY A CONNECTED PERSON – ENTRUSTED LOAN OF THE SELLERS**

As set out in the section headed “Entrusted Loan and Capital Injection” above, it is expected that prior to Completion, the Entrusted Loan will be entered into between certain affiliates of the Sellers as entrusting party, HSBC (China) (which is a connected person of the Company) as lending agent and the Project Company as borrower.

After Completion, the Project Company will become an indirect wholly-owned subsidiary of the Company, and the Entrusted Loan will therefore constitute provision of financial assistance to the Group by a connected person under Chapter 14A of the Listing Rules. The Company will publish a separate announcement in accordance with the Listing Rules if and when required.

### **FURTHER INFORMATION ON THE TARGET COMPANY, THE PROJECT COMPANY AND THE PROPERTY**

#### **The Target Company**

The Target Company is a company incorporated in the British Virgin Islands with limited liability on 31 March 2005, which in turn owns the entire issued shares of the Intermediate HoldCo. The Target Company has no material assets other than its wholly-owned subsidiary, the Intermediate HoldCo, and the principal activity of the Target Company is the holding of 100% interest in the Intermediate HoldCo.

As at 31 July 2021, the unaudited net asset value of the Target Company and the Intermediate HoldCo were HK\$181,412,064 and HK\$188,177,047 respectively; the unaudited net losses before and after taxation of the Target Company for the year ended 31 December 2020 were HK\$9,946 and HK\$9,946 respectively (31 December 2019: HK\$4,560 and HK\$4,560); the audited net losses before and after taxation of the Intermediate HoldCo for the year ended 31 December 2020 were HK\$64,788 and HK\$64,788 respectively (31 December 2019: HK\$47,256 and HK\$47,256).

#### **The Project Company**

As at the date of the Sale and Purchase Agreement, the Intermediate HoldCo owns 60% of the equity interest of the Project Company. The Project Company is a limited liability company established in the PRC on 15 January 1998 and is owned by the Intermediate HoldCo, an onshore partner A and an onshore partner B (i.e. the “Onshore Partners”) in the shareholding ratio of 60%, 25% and 15% respectively. As at 31 July 2021, the registered capital of the Project Company is RMB221,750,000 (equivalent to approximately HK\$268,317,500) and such registered capital has been fully paid up. The principal activity of the Project Company is the holding of the Property.

As at 31 July 2021, taking into account the property valuation, the unaudited net asset value of the Project Company was RMB1,998,789,245 (equivalent to approximately HK\$2,418,534,986); the unaudited net losses before and after taxation of the Project Company for the year ended 31 December 2020 were RMB116,527,096 (equivalent to approximately HK\$140,997,786) and RMB117,018,073 (equivalent to approximately HK\$141,591,868) respectively (31 December 2019: RMB112,009,976 (equivalent to approximately HK\$135,532,071) and RMB87,568,767 (equivalent to approximately HK\$105,958,208)).



## **The Property**

The Property is a completed office/retail mixed used development with a gross floor area of approximately 86,500 square metres known as “City Link” (世紀盛薈廣場) located at Nos. 668 and 688 Xinzha Road, Shanghai, the PRC. The Property comprises a 24-storey tower plus a 3-storey basement, which is currently vacant and is intended to be used as an office/retail mixed used development with approximately 320 parking spaces.

## **INFORMATION ON THE PARTIES**

The Hysan Group’s principal businesses are property investment, management and development. The Hysan Group has a sizeable property portfolio in Hong Kong with one of its core businesses in property leasing.

Hysan (Shanghai) is principally engaged in property investment, management and development. Hysan (Shanghai) is indirectly wholly owned by the Company.

CKA is a multinational corporation, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1113). The CKA Group has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, aircraft leasing, pub operation and investment in infrastructure and utility asset operation.

Seller 1 is principally engaged in investment holding. Seller 1 is indirectly wholly owned by CKA.

Seller 2 is principally engaged in investment holding. Seller 2 is indirectly wholly owned by CKA.

Bayswater is principally engaged in investment holding. Bayswater is indirectly wholly owned by CKA.

## **LISTING RULES IMPLICATIONS**

### **The Acquisition**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all percentage ratios are less than 25%, the transactions contemplated under the Sale and Purchase Agreement constitute a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under the Listing Rules.

### **The Escrow Agreement**

Hang Seng holds approximately 24.64% equity interest in Barrowgate, an indirect non-wholly owned subsidiary of the Company, and therefore is a substantial shareholder of Barrowgate and a connected person of the Company. HSBC is the holding company of Hang Seng and therefore a connected person of the Company. The entering into of the Escrow Agreement between HSBC and the Purchaser constitutes a continuing connected transaction of the Company.

Certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Escrow Agreement exceed 1%. Since (i) such continuing connected transaction is a transaction between the Company and a connected person at the subsidiary level; and (ii) the Board (including the independent non-executive Directors) have considered, confirmed and approved that the Escrow Agreement is on normal commercial terms, and the terms of the Escrow Agreement are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Escrow Agreement is only subject to the announcement and reporting requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **Entrusted Loan**

Hang Seng holds approximately 24.64% equity interest in Barrowgate, an indirect non-wholly owned subsidiary of the Company, and therefore is a substantial shareholder of Barrowgate and a connected person of the Company. HSBC is the holding company of Hang Seng, and HSBC (China) is its group companies and therefore a connected person of the Company.

Upon Completion, it is expected that the transaction contemplated under the Entrusted Loan will be a connected transaction for the Company, and the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Entrusted Loan is expected to exceed 5%. Based on the current understanding about the Entrusted Loan (including the loan amount, the term and the interest rate), the Board considers that Rule 14A.101 of the Listing Rules shall be applicable to the Entrusted Loan, and therefore the Entrusted Loan shall be subject to announcement and reporting requirements but shall be exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will publish a separate announcement if and when required.

**The Acquisition is subject to the completion of the Minority Acquisition, being the condition precedent set out in the Sale and Purchase Agreement, and therefore may or may not proceed to Completion. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares or any securities of the Company.**

### **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares and Sale Loans by the Purchaser pursuant to the Sale and Purchase Agreement;
“Barrowgate”	Barrowgate Limited, a company incorporated in Hong Kong and a 65.36% owned subsidiary of the Company;
“Bayswater”	Bayswater Developments Limited, a company incorporated in British Virgin Islands;
“Board”	the board of Directors;

“Business Day”	a day (other than a Saturday or Sunday or any public holiday in the PRC, Hong Kong or Singapore and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm) on which licensed banks are open for ordinary business in the PRC, Hong Kong and Singapore;
“Capital Injection”	the capital injection to be made by the Purchaser, subsequent to Completion, to the Project Company for an amount equal to and to be used for repayment of the Entrusted Loan;
“CKA”	CK Asset Holdings Limited, a company incorporated in Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1113);
“CKA Group”	CKA and its subsidiaries;
“Company”	Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 14);
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion Balance Sheet”	the balance sheets of the Target Company and its subsidiaries as at Completion prepared in accordance with the terms of the Sale and Purchase Agreement;
“Consideration”	an amount equal to approximately RMB3,500 million (equivalent to approximately HK\$4,235 million) subject to adjustments payable by the Purchaser to the Sellers in respect of the Acquisition;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Deposit”	has the meaning ascribed thereto under the section headed “The Sale and Purchase Agreement – Consideration and Payment Schedule” in this announcement;
“Directors”	the directors of the Company;
“Entrusted Loan”	the outstanding financing provided by certain affiliates of the Sellers as entrusting party (through HSBC (China) as lending agent) to the Project Company as at Completion for an amount of up to RMB1,800 million (equivalent to approximately HK\$2,178 million);
“Escrow Account”	escrow account(s) established and maintained by the Escrow Agent pursuant to the Escrow Agreement;
“Escrow Agent”	HSBC, being the escrow agent in respect of the Escrow Amount appointed pursuant to the provisions of the Escrow Agreement;

“Escrow Agreement”	the escrow agency agreement entered into between the Sellers, the Purchaser and the Escrow Agent on 17 September 2021 in respect of the escrow arrangement contemplated under the Sale and Purchase Agreement;
“Escrow Amount”	RMB1,132 million (equivalent to approximately HK\$1,370 million);
“Hang Seng”	Hang Seng Bank Limited, a licensed bank in Hong Kong;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a licensed bank in Hong Kong;
“HSBC (China)”	HSBC Bank (China) Limited, Shanghai Branch;
“Hysan Group” or “Group”	the Company and its subsidiaries;
“Intermediate HoldCo”	Beright Investments Limited, a company incorporated in the British Virgin Islands;
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange;
“Long Stop Date”	30 June 2022;
“Minority Acquisition”	has the meaning ascribed thereto under the section headed “The Sale and Purchase Agreement – Condition Precedent” in this announcement;
“Onshore Partners”	two onshore partners who own 25% and 15% of the equity interest of the Project Company separately as at the date of this announcement;
“Purchaser” or “Hysan (Shanghai)”	Hysan (Shanghai) Limited, a company incorporated in the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China;
“Project Company”	Cheung Wo DaSheng Properties (Shanghai) Limited (長和達盛地產(上海)有限公司), a company incorporated in the PRC;

“Property”	City Link (世紀盛薈廣場) located at Nos. 668 and 688 Xinzha Road, Shanghai, the PRC (中國上海新聞路668號、688號);
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Sellers as vendors, the Purchaser as purchaser, Bayswater as vendors’ guarantor, and the Company as purchaser’s guarantor on 17 September 2021 in respect of the Acquisition;
“Sale Loans”	the aggregate amount due and owing by the Target Company and its subsidiaries to the Sellers (including affiliates of the Sellers under the Entrusted Loan) as at Completion and currently expected to be not more than RMB1,880 million (equivalent to approximately HK\$2,275 million);
“Sale Shares”	10 ordinary shares, representing 100% of the issued shares of the Target Company;
“Sale Shares Consideration”	has the meaning ascribed thereto under the section headed “The Sale and Purchase Agreement – Consideration and Payment Schedule” in this announcement;
“Seller 1”	Chinex Limited, a company incorporated in the British Virgin Islands;
“Seller 2”	Coworld Investments Limited, a company incorporated in the British Virgin Islands;
“Sellers”	Seller 1 and Seller 2, each a Seller;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary (subsidiaries)”	has the meaning ascribed thereto under the Listing Rules;
“Target Company”	Scorecity Investments Limited, a company incorporated in the British Virgin Islands;
“US\$”	United States dollars, the lawful currency of the United States;
“Valuation Date”	14 September 2021;
“Valuation Report”	the valuation report on the Property dated 14 September 2021 by Savills Valuation and Professional Services Limited, the independent property valuer for the purpose of the Acquisition; and
“%”	per cent.

*For the purpose of this announcement, the exchange rates of RMB1.00 = HK\$1.21 and US\$1.00 = HK\$7.78 have been used for currency translation, where applicable. Such an exchange rate is used for illustrative purpose and does not constitute representation that any amount in RMB, US\$ or HK\$ has been, could have been or may be converted at such a rate.*

By Order of the Board  
**Lee Irene Yun-Lien**  
*Chairman*

Hong Kong, 17 September 2021

*As at the date of this announcement, the Board comprises: Lee Irene Yun-Lien (Chairman), Churchouse Frederick Peter\*\*, Fan Yan Hok Philip\*\*, Poon Chung Yin Joseph\*\*, Wong Ching Ying Belinda\*\*, Jebson Hans Michael\* (Yang Chi Hsin Trevor as his alternate), Lee Anthony Hsien Pin\* (Lee Irene Yun-Lien as his alternate), Lee Chien\* and Lee Tze Hau Michael\*.*

\* *Non-Executive Directors*

\*\* *Independent Non-Executive Directors*

*This announcement is published on the websites of the Company ([www.hysan.com.hk](http://www.hysan.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*