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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 PROVISION OF GUARANTEES**

#### **COMPLETION OF THE DISPOSAL**

The Agreement was entered into by the Vendor and the Purchaser on 14 June 2023, whereby the Vendor agreed to sell the Sale Shares (i.e. 20.99% of the shares of the Target Company) to the Purchaser for a consideration of RM7,664,848 (equivalent to approximately HK\$12,954,000). Completion took place also on 14 June 2023. Since then, the shares of the Target Company are held as to 30% by the Vendor, 20.99% by the Purchaser and 49.01% by Aladdin, and the Target Company ceased to be a subsidiary of the Company.

#### **EXISTING GUARANTEES TO THE TARGET GROUP**

As at the date of this announcement, the Company has provided the Existing Guarantees in favour of Bank A and Bank B under banking facilities granted to the Target Group by Bank A and Bank B respectively. The Existing Guarantees remain effective after Completion.

#### **LISTING RULES IMPLICATIONS**

The continuation of the Existing Guarantees constitutes a discloseable transaction of the Company under Rule 14.04(1)(e) of the Listing Rules as one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amount under the Existing Guarantees exceeds 5% but is less than 25%, and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **BACKGROUND**

Immediately prior to the Completion, the Target Company was an indirectly non-wholly owned subsidiary of the Company as the shares of the Target Company were held as to 50.99% by the Vendor and 49.01% by Aladdin. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Aladdin and its ultimate beneficial owners (including the Purchaser) are Independent Third Parties (apart from Aladdin's shareholding in the Target Company and the Purchaser is one of the directors of the Target Company).

## **AGREEMENT**

The Agreement was entered into by the Vendor and the Purchaser on 14 June 2023, whereby the Vendor agreed to sell the Sale Shares (i.e. 20.99% of the issued shares of the Target Company) to the Purchaser for a consideration of RM7,664,848 (equivalent to approximately HK\$12,954,000). Completion took place also on 14 June 2023 in accordance with the terms and conditions of the Agreement. Since then, the shares of the Target Company are held as to 30% by the Vendor, 20.99% by the Purchaser and 49.01% by Aladdin, and the Target Company ceased to be a subsidiary of the Company.

The Completion was conducted on the same date of 14 June 2023 as the beneficial interests in the Sale Shares have been transferred from the Vendor to the Purchaser. The other legal Malaysia procedures to be followed under the Agreement will be dealt with by the Vendor and the Purchaser.

## **EXISTING GUARANTEES**

### *Bank A banking facilities*

Bank A has been providing to the Target Group banking facilities of different nature including overdraft facilities, trade finance facilities, term loan facilities, contract financing facilities, domestic recourse factoring, revolving credits, and bank guarantees.

To the best knowledge of the Directors, as at the date of this announcement, the total facilities amount is RM57,319,000 (equivalent to approximately HK\$96,869,000), while the total outstanding amount owed by the Target Group to Bank A is RM27,645,000 (equivalent to approximately HK\$46,720,000).

The Existing Bank A Guarantees provided by the Company are up to 51% of the Target Group's indebtedness to Bank A.

The Purchaser has provided 100% guarantees in favour of Bank A under the banking facilities provided by Bank A to the Target Group.

### *Bank B banking facilities*

Bank B has been providing to the Target Group banking facilities of different nature including revolving loan facilities, trade facilities, guarantee/bond facilities and import documentary credit facilities.

To the best knowledge of the Directors, as at the date of this announcement, the total facilities amount is RM92,650,000 (equivalent to approximately HK\$156,579,000), while the total outstanding amount owed by the Target Group to Bank B is RM82,708,000 (equivalent to approximately HK\$139,777,000).

The Company has provided the Existing Bank B Guarantees and the Purchaser has also provided guarantees in favour of Bank B under such banking facilities, on a joint and several basis.

Both the Existing Bank A Guarantees and the Existing Bank B Guarantees remain effective after Completion.

### **REASONS FOR AND BENEFITS OF THE EXISTING GUARANTEES REMAINING EFFECTIVE**

Bank A and Bank B had suggested before providing the banking facilities to the Target Group that, without the Existing Guarantees, they would not extend such facilities to the Target Group. In particular, Bank B indicated that one important basis that it was willing to provide banking facilities to the Target Group was the long-term relationship between the Group and its affiliated bank in Hong Kong. Thus, Bank B requested the Company to provide joint and several guarantees (i.e. the Existing Bank B Guarantees). On that basis, the Company provided the Existing Guarantees with the view to assisting the Target Group in obtaining banking facilities from Bank A and Bank B.

In fact, such banking facilities have been providing the necessary funds for the Target Group to operate and develop its business activities. Notwithstanding the Completion, the Target Group will continue to need banking facilities for its operations and stable development. Following the Disposal, the Company remains to have 30% stake in the shares of the Target Company and it is in the interest of the Company to see that the Target Group can continue to enjoy the banking facilities provided by Bank A and Bank B. On that basis, the Company allows the Existing Guarantees to continue their effect after the Completion.

To manage the risks underlying the Existing Guarantees, the Company has sought indemnities from the Purchaser and Aladdin:

- (a) The Purchaser and Aladdin have provided indemnities in favour of the Company on 14 June 2023, whereby, they agree to indemnify the Company on a joint and several basis without first seeking compensation from the Target Company, in the event that the Company is demanded by Bank A to honour the Existing Bank A Guarantees beyond 30% of the Target Company's indebtedness under the Bank A banking facilities.

(b) The Purchaser and Aladdin have provided indemnities in favour of the Company on 14 June 2023, whereby, they agree to indemnify the Company on a joint and several basis without first seeking compensation from the Target Company, to the maximum extent of 70% of the Company's liabilities in the event that the Company is demanded by Bank B to honour the Existing Bank B Guarantees.

With such indemnities in place and if they are duly performed, the Company's liabilities under the Existing Guarantees can be limited to 30% of the Target Group's indebtedness in the Bank A and Bank B banking facilities, and the 30% reflects the Company's post-Disposal shareholding percentage in the Target Company.

The Board is of view that continuing to provide the Existing Guarantees carries genuine commercial purposes. The Existing Guarantees are on normal commercial terms. The Board has taken measures to manage the Company's risks under the Existing Guarantees as mentioned above. Therefore, the Board considers that the continuation of the Existing Guarantees is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION OF THE VENDOR AND THE GROUP**

The Vendor 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, tunnel and other facility management services), non-franchised bus services and manufacturing of positron emission tomography radiopharmaceuticals.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company incorporated in Malaysia with limited liability and is principally engaged in construction and other professional services including interior design and fitting-out.

## **INFORMATION OF THE PURCHASER**

The Purchaser is of Malaysian nationality. To the best knowledge of the Directors, the Purchaser holds 70% of the shares of Aladdin and is one of the directors of Target Company, which is an insignificant subsidiary of the Company (as defined in Rule 14A.09 of the Listing Rules).

## **LISTING RULES IMPLICATIONS**

None of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement reaches 5%. Although the Purchaser is a director of Target Company, the Target Company is an insignificant subsidiary of the Company (as defined in Rule 14A.09 of the Listing Rules), and therefore neither the Purchaser nor Aladdin is a connected person of the Company. Accordingly, the Agreement does not constitute a notifiable transaction or a connected transaction under Chapters 14 and 14A of the Listing Rules respectively.

Upon Completion, the Target Company ceased to be a subsidiary of the Company and became an “affiliated company” as defined in Rule 13.11(2)(a) of the Listing Rules. The continuation of the Existing Guarantees constitutes a discloseable transaction of the Company under Rule 14.04(1)(e) of the Listing Rules as one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate guaranteed amount under the Existing Guarantees exceeds 5% but is less than 25%, and is therefore 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:

“Agreement”	the share sale and purchase agreement entered into between the Vendor and the Purchaser on 14 June 2023 in relation to the Disposal
“Aladdin”	Aladdin World Sdn. Bhd., a company incorporated in Malaysia
“Bank A”	a commercial bank incorporated in Malaysia
“Bank B”	a commercial bank incorporated in Malaysia, and being a member of an international banking group
“Board”	the board of the 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 respect of the transfer of beneficial interests in the Sale Shares from the Vendor to the Purchaser in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor pursuant to the Agreement

“Existing Bank A Guarantees”	the guarantees provided by the Company in favour of Bank A under the banking facilities provided by Bank A to the Target Group
“Existing Bank B Guarantees”	the guarantees provided by the Company in favour of Bank B under the banking facilities provided by Bank B to the Target Group
“Existing Guarantees”	the Existing Bank A Guarantees and the Existing Bank B Guarantees
“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
“Purchaser”	Dato’ Lim Yuk Meng
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“Sale Shares”	8,181,810 shares of the Target Company held by the Vendor before the Completion, representing 20.99% of the issued shares of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	ECO Group Holdings Sdn. Bhd., a company incorporated in Malaysia
“Target Group”	the Target Company and its subsidiaries (as defined under Malaysia law)

“Vendor”	Champ Smart Development Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
“%”	per cent

*For the purpose of this announcement and for the purpose of illustration only, RM amounts have been translated using the rate of RM1.00=HK\$1.69. Such translation should not be construed as a representation that the RM amounts in question have been, could have been or could be converted to HK\$ at such rate or at all.*

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

Hong Kong, 14 June 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Pang Yat Ting, Dominic, Mr. Xu Jianhua, Jerry, Ir Dr. Pang Yat Bond, Derrick JP and Mr. Shea Chun Lok, Quadrant, the non-executive directors of the Company are Ms. Wong Wendy Dick Yee and Dr. Yim Yuk Lun, Stanley BBS JP, 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. Yen Gordon.*