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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) Completion of Acquisition of the Target Company – Indirect Holder of a Property in Shanghai, the PRC**

**And**

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

#### **(1) COMPLETION OF ACQUISITION OF THE TARGET COMPANY – INDIRECT HOLDER OF A PROPERTY IN SHANGHAI, THE PRC**

The Board is pleased to announce that the completion of the acquisition of the Target Company, being an indirect holder of the Property known as “City Link” (世紀盛薈廣場) located at Nos. 668 and 688 Xinzha Road, Shanghai, the PRC (中國上海市新聞路668號、688號), took place on 4 January 2022.

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

##### **(i) Entrusted Loan**

On 10 December 2021, the Project Company (which has become an indirect wholly-owned subsidiary of the Company upon Completion) entered into the Entrusted Loan Agreement with the Sellers’ Affiliates and HSBC (China), pursuant to which Sellers’ Affiliates as entrusting party, agreed to grant the Entrusted Loan with an amount up to RMB1,800 million (equivalent to approximately HK\$2,196 million) to the Project Company as borrower through HSBC (China) as lending agent for a term of six months, which is to be secured by a charge over the Property granted by the Project Company by virtue of the Charge Agreement. Such Entrusted Loan will be repaid by the Capital Injection to be made by the Purchaser into the Project Company within six months from Completion.

##### **(ii) Listing Rules Implications**

Hang Seng holds approximately 24.64% equity interest in Barrowgate, an indirect non-wholly owned subsidiary of the Company, and is therefore 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 company and therefore a connected person of the Company.

The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Entrusted Loan Agreement and the Charge Agreement exceeds 5%. Since (i) such 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 the Entrusted Loan Agreement and the Charge Agreement, confirmed that the Entrusted Loan Agreement and the Charge Agreement are on normal commercial terms and the terms of which 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 Entrusted Loan Agreement and the Charge 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. The transaction contemplated under the Entrusted Loan Agreement and the Charge Agreement does not constitute a notifiable transaction for the purpose of Chapter 14 of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement dated 17 September 2021 of the Company (the “**Announcement**”) regarding the Acquisition by the Company of the Target Company, being an indirect holder of the Property 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). Unless otherwise defined, capitalized terms used herein have the same meanings as used in the Announcement.

### **(1) COMPLETION OF ACQUISITION OF THE TARGET COMPANY – INDIRECT HOLDER OF A PROPERTY IN SHANGHAI, THE PRC**

The Board is pleased to announce that, the condition precedent under the Sale and Purchase Agreement has been fulfilled, completion of the acquisition of the Sale Shares and Sale Loans of the Target Company accordingly took place on 4 January 2022. Upon Completion, the Company (through the Target Company) indirectly owns the entire equity interest in the Project Company. The principal asset of the Project Company is the Property.

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

The Board announces that on 10 December 2021, the Project Company entered into the Entrusted Loan Agreement with the Sellers' Affiliates and HSBC (China), pursuant to which the Sellers' Affiliates as entrusting party, agreed to grant the Entrusted Loan in an amount up to RMB1,800 million (equivalent to approximately HK\$2,196 million) to the Project Company as borrower through HSBC (China) as lending agent, subject to the terms and conditions of the Entrusted Loan Agreement.

Upon Completion, the Project Company has become an indirect wholly-owned subsidiary of the Company, the Entrusted Loan therefore constitutes provision of financial assistance to the Group by a connected person under Chapter 14A of the Listing Rules.

Principal terms of the Entrusted Loan Agreement are summarized as follows.

## **ENTRUSTED LOAN AGREEMENT**

### **Date**

10 December 2021

### **Parties**

- (1) Borrower: Project Company
- (2) Entrusting Party: Sellers' Affiliates, all are indirect wholly-owned subsidiaries of CKA
- (3) Lending agent: HSBC (China)

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

### **Principal Terms**

The Entrusted Loan shall be in an amount up to RMB1,800 million (equivalent to approximately HK\$2,196 million) and shall be extended to the Project Company on the date of Completion through HSBC (China) on terms and conditions set out in the Entrusted Loan Agreement. The term of the Entrusted Loan Agreement will be for a period of six months commencing from the date of drawdown of the Entrusted Loan. The interest rate under the Entrusted Loan will be 6% per annum, payable at one month intervals, and the arrangement fee will be 0.18% per annum on the drawdown sum.

The Entrusted Loan is secured by a charge over the Property granted by the Project Company in favour of HSBC (China) pursuant to the Charge Agreement.

## **REASONS FOR AND BENEFITS OF THE ENTRUSTED LOAN AGREEMENT**

The Entrusted Loan, which was procured by the Project Company prior to the Completion for the transition period post-Completion, enables the Project Company to repay certain entrustment loans that are outstanding at the time of Completion, and will be repaid in full by the Capital Injection to be made by the Purchaser into the Project Company within six months from Completion.

The terms of the Entrusted Loan Agreement and the Charge Agreement, including the interest rate and arrangement fee involved thereunder, have been determined after arm's length negotiations among the Project Company, the Sellers' Affiliates and HSBC (China). The Directors (including the independent non-executive Directors) consider that the terms of the Entrusted Loan Agreement and the Charge Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and that the entering into of the Entrusted Loan Agreement and the Charge 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 Entrusted Loan Agreement or the Charge Agreement. Lee Irene Yun-Lien, Chairman of the Board, is also an independent non-executive

director of HSBC, and had abstained voluntarily from voting on the relevant Board resolution approving the Entrusted Loan Agreement and the Charge Agreement.

## **LISTING RULES IMPLICATIONS**

Hang Seng holds approximately 24.64% equity interest in Barrowgate, an indirect non-wholly owned subsidiary of the Company, and is therefore 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 company and therefore a connected person of the Company.

The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Entrusted Loan Agreement and the Charge Agreement exceeds 5%. Since (i) such 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 the Entrusted Loan Agreement and the Charge Agreement, confirmed that the Entrusted Loan Agreement and the Charge Agreement are on normal commercial terms and the terms of which 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 Entrusted Loan Agreement and the Charge 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. The transaction contemplated under the Entrusted Loan Agreement and the Charge Agreement does not constitute a notifiable transaction for the purpose of Chapter 14 of the Listing Rules.

## **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.

The Project Company is principally engaged in property investment and is indirectly wholly owned by the Company upon Completion.

The Sellers' Affiliates, all being indirect wholly-owned subsidiaries of CKA principally engaging in property development, are:

- (1) Hutchison Whampoa Properties (Changzhou) Limited (和記黃埔地產(常州)有限公司);
- (2) Shanghai Hezhao Property Development Co., Ltd. (上海和趙房產開發有限公司);
- (3) Foshan Hutchison Whampoa Properties Limited (佛山市和記黃埔地產有限公司); and
- (4) Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Ltd. (和記黃埔地產(重慶兩江新區)有限公司).

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.

HSBC (China) is a licensed bank in the PRC and is owned by HSBC Holdings plc, the shares of which are listed on the Main Board of the Stock Exchange, the London Stock Exchange, the Bermuda Stock Exchange and the New York Stock Exchange. Both HSBC (China) and HSBC Holdings plc are principally engaged in the provision of banking and financial services.

## DEFINITIONS

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

“Charge Agreement”	the charge agreement entered into between the Project Company and HSBC (China) on 10 December 2021 in respect of the charge of the Property granted by the Project Company in favour of HSBC (China) as security for the Entrusted Loan;
“Entrusted Loan”	the loan facility provided by the Sellers’ Affiliates as entrusting party (through HSBC (China) as lending agent) to the Project Company for an amount up to RMB1,800 million (equivalent to approximately HK\$2,196 million) pursuant to the Entrusted Loan Agreement;
“Entrusted Loan Agreement”	the entrusted loan agreement entered into between the Project Company as borrower, the Sellers’ Affiliates as entrusting party, and HSBC (China) as lending agent on 10 December 2021 in respect of the Entrusted Loan; and
“Sellers’ Affiliates”	Hutchison Whampoa Properties (Changzhou) Limited (和記黃埔地產(常州)有限公司), Shanghai Hezhao Property Development Co., Ltd. (上海和趙房產開發有限公司), Foshan Hutchison Whampoa Properties Limited (佛山市和記黃埔地產有限公司) and Hutchison Whampoa Properties (Chongqing Liangjiangxinqu) Ltd. (和記黃埔地產(重慶兩江新區)有限公司), companies incorporated in the PRC.

*For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.22 has 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 or HK\$ has been, could have been or may be converted at such a rate.*

*The English names of the companies established in the PRC are translations of their Chinese names and are included for identification purpose only.*

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

Hong Kong, 4 January 2022

*As at the date of this announcement, the Board comprises: Lee Irene Yun-Lien (Chairman), Lui Kon Wai (Executive Director and Chief Operating Officer), Churchouse Frederick Peter\*\*, Fan Yan Hok Philip\*\*, Poon Chung Yin Joseph\*\*, Wong Ching Ying Belinda\*\*, Jebesen 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)).*