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亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 271)

DISCLOSEABLE TRANSACTION

LOAN TRANSACTION

LOAN TRANSACTION

On 26th November, 2019, the Lender, a direct wholly-owned subsidiary of the Company, as lender entered into the Loan Agreement with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Loan in the amount of HK\$45,000,000 on the terms and subject to the conditions therein.

On 26th November, 2020, the Lender as lender entered into the Supplemental Loan Agreement with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date for the Loan from 26th November, 2020 to 26th November, 2021 on the terms and subject to the conditions therein.

On 26th November, 2021, the Lender as lender entered into the Second Supplemental Loan Agreement with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date for the Loan from 26th November, 2021 to 25th November, 2022 on the terms and subject to the conditions therein.

As at the date of this announcement, the entire amount of the Loan remained outstanding.

LISTING RULES IMPLICATIONS

As the Lender is a direct wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that more than one of the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

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On 26th November, 2020, the Lender as lender entered into the Supplemental Loan Agreement with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date for the Loan from 26th November, 2020 to 26th November, 2021 on the terms and subject to the conditions therein.

On 26th November, 2021, the Lender as lender entered into the Second Supplemental Loan Agreement with the Borrower as borrower and the Guarantor as guarantor, pursuant to which, the Lender agreed to, among other things, extend the repayment date for the Loan from 26th November, 2021 to 25th November, 2022 on the terms and subject to the conditions therein.

THE LOAN AGREEMENT

Pursuant to the Loan Agreement, the Lender has agreed to grant a loan in the amount of HK\$45,000,000 to the Borrower of which the Loan shall be applied and used by the Borrower for its general working capital. Further pursuant to the Loan Agreement, the repayment date of the Loan is 26th November, 2020 and the interest rates are (i) 7.92% per annum for the period between 29th November, 2019 and 28th December, 2019 (both dates inclusive); and (ii) 6% per annum thereafter.

The Loan is secured by the Debenture by way of a second fixed and floating charge over the undertaking, property and assets of the Borrower provided by the Borrower in favour of the Lender, which is subject to a first fixed and floating charge over the undertaking, property and assets of the Borrower provided by the Borrower in favour of another lender.

THE SUPPLEMENTAL LOAN AGREEMENT

Pursuant to the Supplemental Loan Agreement, the Loan Agreement has been amended and supplemented, of which, among other things, (a) the repayment date of the Loan is 26th November, 2021; and (b) the interest rates are (i) 7.92% per annum for the period between 29th November, 2019 and 28th December, 2019 (both dates inclusive); (ii) 6% per annum thereafter until 25th November, 2020; (iii) 7.1% per annum for the period between 26th November, 2020 and 25th December, 2020 (both dates inclusive); and (iv) 6% per annum thereafter.

THE SECOND SUPPLEMENTAL LOAN AGREEMENT

Date: 26th November, 2021

Parties:

- (1) the Lender as lender for the Second Supplemental Loan Agreement;
- (2) the Borrower as borrower for the Second Supplemental Loan Agreement; and
- (3) the Guarantor as guarantor for the Second Supplemental Loan Agreement.

Principal terms of the Second Supplemental Loan Agreement

Pursuant to the Second Supplemental Loan Agreement, the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement has now been amended and supplemented, among other things, as follows:

Repayment date of the Loan	:	25th November, 2022
Interest rates	:	(i) 7.92% per annum for the period between 29th November, 2019 and 28th December, 2019 (both dates inclusive); (ii) 6% per annum thereafter until 25th November, 2020; (iii) 7.1% per annum for the period between 26th November, 2020 and 25th December, 2020 (both dates inclusive); (iv) 6% per annum thereafter until 25th November, 2021; (v) 7.91% per annum for the period between 26th November, 2021 and 25th December, 2021 (both dates inclusive); and (vi) 6% per annum thereafter

As at the date of this announcement, the entire amount of the Loan remained outstanding.

Save for the amendments made to the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement, the provisions of the Loan Agreement and the rights and obligations thereunder shall remain in full force and effect.

Based on the information and confirmations of the Borrower and the Guarantor, and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Guarantor, the Borrower and the ultimate beneficial owner of the Borrower, are all third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Second Supplemental Loan Agreement, including the interest rates applicable, were arrived at after arm's length negotiations among the Lender, the Borrower and the Guarantor having taken into account the prevailing market interest rates and practices. The Second Supplemental Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying security. In addition, the Transaction is part of the ordinary and usual course of business of the Lender. In view of the above, the Directors are of the view that the terms of the Second Supplemental Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO THE COMPANY, THE LENDER, THE BORROWER AND THE GUARANTOR

(1) The Company

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The Group is principally engaged in property investment, property leasing and estate management in Hong Kong.

(2) The Lender

The Lender is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company.

The principal business activity of the Lender is provision of money lending services. The Lender holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

(3) The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability and the ultimate beneficial owner of the Borrower is the Guarantor.

The principal business activity of the Borrower is provision of money lending services. The Borrower holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

(4) The Guarantor

The Guarantor is an individual, being the sole director and shareholder of the Borrower.

LISTING RULES IMPLICATIONS

As the Lender is a direct wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that more than one of the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

“Board”	the board of Directors
“Borrower”	BH Capitalink Development Limited, a company incorporated in Hong Kong with limited liability, being the borrower under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement, and the chargor under the Debenture
“Company”	Asiasec Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Debenture”	the second fixed and floating charge dated 26th November, 2019 entered into between the Borrower as chargor and the Lender as lender in respect of the undertaking, property and assets of the Borrower
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Lau Yau Cheung, the sole director and shareholder of the Borrower, being the guarantor under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lender”	AsiaSec Finance Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company, being the lender under the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement, and the lender under the Debenture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the total amount of HK\$45,000,000 made available by the Lender to the Borrower on the terms and subject to the conditions set out in the Loan Agreement as amended and/or supplemented by the Supplemental Loan Agreement and the Second Supplemental Loan Agreement
“Loan Agreement”	the loan agreement dated 26th November, 2019 entered into among the Lender as lender, the Borrower as borrower and the Guarantor as guarantor

“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong, Macau Special Administrative Region of the People’s Republic of China
“Second Supplemental Loan Agreement”	the second supplemental loan agreement dated 26th November, 2021 entered into among the Lender as lender, the Borrower as borrower and the Guarantor as guarantor
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement”	the supplemental loan agreement dated 26th November, 2020 entered into among the Lender as lender, the Borrower as borrower and the Guarantor as guarantor
“Transaction”	the transaction contemplated under the Second Supplemental Loan Agreement
“%”	per cent.

On behalf of the Board
Asiasec Properties Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 26th November, 2021

As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Mr. Choi Kin Man and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.