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 **Hysan 希慎**  
**Hysan Development Company Limited**  
**希慎興業有限公司**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code : 00014)

**Connected Transaction**  
**Loan Facility**

The Board announces that on 22 November 2023, Hysan (SH) Properties (being an indirect wholly-owned subsidiary of the Company and the registered owner of the Property) as the borrower, entered into the Facility Agreement with HSBC (China) as the lender. Pursuant to the Facility Agreement, HSBC (China) agreed to grant the Facility to Hysan (SH) Properties in the maximum amount of RMB200 million subject to the terms and conditions of the Facility Agreement.

Hang Seng is a substantial shareholder of Barrowgate, an indirect non-wholly-owned subsidiary of the Company, holding approximately 24.64% equity interest in Barrowgate. Hang Seng is therefore a connected person of the Company at the subsidiary level under the Listing Rules. HSBC, being the holding company of Hang Seng, and HSBC (China) being its group company, are therefore connected persons of the Company at subsidiary level under the Listing Rules.

The Facility falls under Rule 14A.101 of the Listing Rules and is only subject to announcement and annual reporting requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 22 November 2023, Hysan (SH) Properties (an indirect wholly-owned subsidiary of the Company and the registered owner of the Property) as the borrower, entered into the Facility Agreement with HSBC (China) as the lender. Pursuant to the Facility Agreement, HSBC (China) agreed to grant the Facility to Hysan (SH) Properties in the maximum amount of RMB200 million subject to the terms and conditions of the Facility Agreement.

Principal terms of the Facility Agreement are summarized as follows.

## **PRINCIPAL TERMS OF THE FACILITY AGREEMENT**

1. Date : 22 November 2023
2. Parties : (a) HSBC (China) as lender;  
(b) Hysan (SH) Properties as borrower.

3. Purpose : To finance the fixed asset investment requirement of Hysan (SH) Properties, including decoration of office building and retail mall related expenses.
4. Total Facility Amount : RMB200 million.
5. Term and final maturity : The Facility shall have a term of two years from first drawdown. The final maturity date of the Facility shall not be later than 31 December 2025.
6. Interest rate : Sum of one-year RMB LPR (loan prime rate) and Interest Margin of the relevant Interest Period, payable on the last day of each Interest Period.
7. Repayment : Instalment repayments shall be made every six months from first drawdown of the Facility.
8. Conditions Precedent : Facility is made available subject to the satisfaction of certain conditions customarily required for financing of similar nature, at the relevant times stated in the Facility Agreement and prior to each drawdown.
9. Security : (i) the Company shall provide a guarantee on the full amount owed by Hysan (SH) Properties under the Facility Agreement; and  
(ii) Hysan (SH) Properties shall open a collection account with HSBC (China) to collect proceeds from project sales and rental of the Property.  
  
(All the security documents for the Facility be hereinafter referred to as “**Security Documents**”, collectively.)

## **REASONS FOR THE FACILITY AGREEMENT**

The Property is a 24-storey commercial complex located strategically in the heart of Jing’an district, a premium location in Shanghai, the PRC. The Facility serves to finance the fixed asset investment requirement of Hysan (SH) Properties, including decoration of office building and retail mall related expenses.

The terms of the Facility Agreement and the Security Documents have been determined after arm’s length negotiations with HSBC (China) on normal commercial terms.

The Board (including the Independent Non-Executive Directors) have considered, confirmed and approved that the Facility is on normal commercial terms and in the ordinary and usual course of business of the Hysan Group, and the terms of the Facility Agreement and the Security Documents are fair and reasonable and in the interests of the Hysan Group and its Shareholders as a whole.

None of the Directors has a material interest in the Facility. Lee Irene Yun-Lien, the executive Chairman of the Company, is also the independent non-executive chairman of Hang Seng, and had abstained voluntarily from voting on the relevant resolution at a Board meeting of the Company approving the Facility Agreement and the Security Documents.

## **LISTING RULES IMPLICATIONS**

Hang Seng is a substantial shareholder of Barrowgate, an indirect non-wholly-owned subsidiary of the Company, holding approximately 24.64% equity interest in Barrowgate. Hang Seng is therefore a connected person of the Company at the subsidiary level under the Listing Rules. HSBC, being the holding company of Hang Seng, and HSBC (China) being its group company, are therefore connected persons of the Company at subsidiary level under the Listing Rules.

Accordingly, the Facility falls under Rule 14A.101 of the Listing Rules and is only subject to announcement and annual reporting requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

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

Hysan (SH) Properties is principally engaged in property investment.

Both HSBC and HSBC (China) are principally engaged in the provision of banking and financial services.

## **DEFINITIONS**

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

“Barrowgate”	Barrowgate Limited, a company incorporated in Hong Kong with limited liability and a 65.36% indirect non-wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“connected person(s)”	shall have the same meaning ascribed to such term in the Listing Rules;
“Directors”	the directors of the Company;
“Facility”	the uncommitted banking facilities in a total amount of RMB200 million provided by HSBC (China) to Hysan (SH) Properties under the Facility Agreement;

“Facility Agreement”	The facility agreement dated 22 November 2023 entered into between HSBC (China) as lender and Hysan (SH) Properties as borrower;
“Hang Seng”	Hang Seng Bank Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited;
“HSBC (China)”	HSBC Bank (China) Company Limited, Shanghai Branch;
“Hysan” or “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: 00014);
“Hysan Group”	Hysan and its subsidiaries;
“Hysan (SH) Properties”	Hysan (Shanghai) Properties Limited (希慎(上海)房地產有限公司), a company with limited liability incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Interest Margin”	0.45% per annum or any other rate as may be agreed between the lender and borrower in accordance with the terms of the Facility Agreement;
“Interest Period”	three months;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Property”	Lee Gardens Shanghai (上海利園) located at Nos. 668 and 688 Xinzha Road, Jing’an District, Shanghai, the PRC (中國上海市靜安區新閘路 668 號、688 號);
“RMB”	Renminbi, the lawful currency of the PRC;
“Security Documents”	the security documents in relation to the Facility as described under item 9 “Security” in the section headed “PRINCIPAL TERMS OF THE FACILITY AGREEMENT” in this announcement;
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	shall have the same meaning ascribed to such term in the Listing Rules; and
“%”	per cent.

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

Hong Kong, 22 November 2023

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