

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



South Shore Holdings Limited

南岸集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 577)

**INSIDE INFORMATION,
EXTENSION OF LONG STOP DATE IN RELATION TO THE
PROPOSED DISPOSAL OF 50% OF HOTEL INTEREST,
CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTORS,
CHANGE OF COMPOSITION OF BOARD COMMITTEES
AND
RESUMPTION OF TRADING**

INSIDE INFORMATION – UPDATE ON BANK DEBT

On 1 April 2020, a bank issued a further demand for the HK\$470 million, and on account of the failure to repay, accelerated its demand for all additional principal and interest under the facility agreement, in the amount of approximately HK\$2,481 million (in aggregate amounting to approximately HK\$2,951 million as at 31 March 2020), which neither the borrowing entity (a wholly-owned subsidiary of the Company), nor the Company (as guarantor) can repay at this time.

The Company has applied to the bank for a ‘standstill’, in essence seeking assurances from the bank that it will not take imminent steps either to enforce its security over THE 13 Hotel or to liquidate the Company, and envisages working closely with the bank to achieve an orderly divestment of the Company’s interests in THE 13 Hotel.

EXTENSION OF LONG STOP DATE – PROPOSED DISPOSAL OF 50% OF HOTEL INTEREST

All parties to the agreements relevant to the disposal of a 50% interest in the subsidiary of the Company that beneficially owns THE 13 Hotel, have entered into agreements to extend the long-stop date with a view to allowing more time to fulfil the relevant conditions applicable to, and to complete, such disposal.

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Francis Goutenmacher and Mr Chan Kok Chung, Johnny resigned as Independent Non-Executive Directors of the Company with effect from 6 April 2020 in order to devote more time to their personal commitments. Accordingly, Mr Francis Goutenmacher ceased to be a member of the audit committee of the Company and nomination committee of the Company, and Mr Chan Kok Chung, Johnny ceased to be a member of the audit committee of the Company, with effect from 6 April 2020.

Dr Lo Wing Yan, William has been appointed as an Independent Non-Executive Director of the Company and a member of the audit committee of the Company with effect from 6 April 2020.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

Following the change of Independent Non-Executive Directors of the Company as set out above, with effect from 6 April 2020,

- (1) the members of the audit committee of the Company are Ir James Chiu, Professor Lee Chack Fan, Mr Iain Ferguson Bruce and Dr Lo Wing Yan, William; and
- (2) the members of the nomination committee of the Company are Professor Lee Chack Fan, Mr Lau Tom Ko Yuen and Mr Iain Ferguson Bruce.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 9:00 a.m. on Thursday, 2 April 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 7 April 2020.

INSIDE INFORMATION – UPDATE ON BANK DEBT

This announcement is made by South Shore Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In the Company’s announcement dated 24 March 2020, the Company forewarned of its prospective inability to repay aggregate principal and interest of approximately HK\$470 million on 31 March 2020, an amount that the board of directors of the Company (the “**Board**”) had originally anticipated would be sourced from the sale proceeds from the disposal of a 50% interest in the subsidiary of the Company that beneficially owns THE 13 Hotel (the “**Hotel Sell-down Transaction**”), which the Board originally hoped would have completed by 31 March 2020. As noted below, all parties to the agreements relevant to the Hotel Sell-down Transaction have entered into agreements to extend the long-stop date with a view to allowing more time to fulfil the relevant conditions applicable to, and to complete, the Hotel Sell-down Transaction.

On 1 April 2020, the bank issued a further demand for the HK\$470 million sum referenced above, and on account of the failure to repay, accelerated its demand for all additional principal and interest under the facility agreement, in the amount of approximately HK\$2,481 million (in aggregate amounting to approximately HK\$2,951 million as at 31 March 2020), which neither the borrowing entity (a wholly-owned subsidiary of the Company), nor the Company (as guarantor) can repay at this time.

The Company has applied to the bank for a ‘standstill’, seeking assurance from the bank that it will not take imminent steps either to enforce its security over THE 13 Hotel or to liquidate the Company, mindful of the severe adverse effect of the COVID-19 pandemic on the state of the market, in Macau and generally. The ongoing Hotel Sell-down Transaction remains of interest to the bank, and the Company will continue with its endeavours to execute that transaction. If it completes, the Company will work with the bank to realize the balance of its interest in the project. And, should the Hotel Sell-down Transaction not complete, for any reason, the Company will work with the bank to find other prospective buyers for the hotel and/or site.

The Board is satisfied that the Group’s defaults, and the bank’s demand for all amounts outstanding, in each case, under the facility agreement do not trigger direct cross-defaults under the facility agreements deployed in the conduct of the Company’s other principal business, being that conducted by Paul Y. Engineering Group Limited and its subsidiaries.

EXTENSION OF LONG STOP DATE – PROPOSED DISPOSAL OF 50% OF HOTEL INTEREST

Reference is made to (1) the announcement of the Company dated 1 November 2019 (the “**Announcement**”) in relation to the Hotel Sell-down Transaction; (2) the announcement of the Company dated 23 January 2020 in respect of the delay in despatch of circular; and (3) the announcements of the Company dated 27 February 2020 and 26 March 2020 in respect of the further delay in despatch of circular. Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

Pursuant to the Sale and Purchase Agreements, Completion is subject to the conditions precedent under the respective Sale and Purchase Agreements being satisfied (or waived, if applicable) on or before 14 April 2020 or such other date as the Vendor and each of the Purchasers may agree in writing (the “**Long Stop Date**”).

As additional time is required for the fulfilment of certain conditions precedent under the Sale and Purchase Agreements, on 6 April 2020, the Vendor and each of the Purchasers agreed to extend the Long Stop Date from 14 April 2020 to 14 June 2020 (or such other date as the Vendor and each of the Purchasers may agree in writing). Save for the aforesaid extension of the Long Stop Date, the other terms and conditions of the Sale and Purchase Agreements remain unchanged and continue in full force and effect.

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Resignation of Independent Non-Executive Directors

The Board announces that with effect from 6 April 2020, Mr Francis Goutenmacher (“**Mr Goutenmacher**”) and Mr Chan Kok Chung, Johnny (“**Mr Chan**”) resigned as Independent Non-Executive Directors of the Company in order to devote more time to their personal commitments. Accordingly, with effect from 6 April 2020, Mr Goutenmacher ceased to be a member of the audit committee of the Company (the “**Audit Committee**”) and nomination committee of the Company (the “**Nomination Committee**”), and Mr Chan ceased to be a member of the Audit Committee.

Mr Goutenmacher and Mr Chan have confirmed that they have no disagreement with the Board and there are no matters with respect to their resignation that need to be brought to the attention of the Shareholders or the Stock Exchange.

The Board takes this opportunity to express its gratitude to Mr Goutenmacher and Mr Chan for their valuable contributions to the Company during their tenure of office.

Appointment of Independent Non-Executive Director

The Board is pleased to announce that Dr Lo Wing Yan, William (“**Dr Lo**”) has been appointed as an Independent Non-Executive Director of the Company and a member of the Audit Committee with effect from 6 April 2020. Set out below are the biography and background information of Dr Lo.

Dr Lo Wing Yan, William, *JP*, aged 59, serves as an independent non-executive director of Brightoil Petroleum (Holdings) Limited (0933.HK), CSI Properties Limited (0497.HK), SITC International Holdings Company Limited (1308.HK), Jingrui Holdings Limited (1862.HK) and Television Broadcasts Limited (0511.HK), all of which are listed on the main board of the Stock Exchange. Dr Lo is also an independent non-executive director of Nam Tai Property Inc. (NYSE:NTP), which is listed on the New York Stock Exchange. Dr. Lo is an experienced executive in the TMT (technology, media and telecommunications) and the consumer sectors. He started his career in McKinsey & Company Inc. as a management consultant and held senior positions in China Unicom, Hongkong Telecom, Citibank HK, I.T Limited, South China Media Group and Kidsland International Holdings Limited in the past. Dr Lo graduated from Cambridge University with a M.Phil. Degree in Pharmacology and a Ph.D. Degree in Molecular Neuroscience. Dr Lo is the founding governor of the Charles K. Kao Foundation for Alzheimer’s Disease and the ISF Academy as well as the present chairman of Junior Achievement Hong Kong. Dr Lo has held numerous Government appointments during his career and is currently a member of the Cyberport Advisory Panel and a Member of the Hospital Governing Committee of Hong Kong Red Cross Blood Transfusion Service. He is at present an advisor of the Our Hong Kong Foundation. Dr Lo has been invited by the United Nations ESCAP to lead a task force for its Sustainable Business Network Committee to look at financial inclusion leveraging fintech in the region since December 2019. He was a board member of the Broadcasting Authority as well as the Hong Kong Applied Science and Technology Research Institute ASTRI and the Science Park. He was also a founding member of the Stock Exchange’s Growth Enterprise Market (GEM) Listing Committee. In 1999, Dr Lo was appointed a Justice of the Peace (JP) of the HKSAR Government for his contribution to Hong Kong.

Dr Lo was an executive director and chairman of SMI Holdings Group Limited (0198.HK), an executive director and vice chairman of Kidsland International Holdings Limited (2122.HK) and an independent non-executive director of Ronshine China Holdings Limited (3301.HK). He was also an independent non-executive director of Hsin Chong Group Holdings Limited, which was listed on the main board of the Stock Exchange. Save as disclosed above, Dr Lo did not hold any directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and does not hold any other major appointment and professional qualification. Dr Lo does not have any interest in any shares or underlying shares of the Company required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance nor does he have any relationship with any other directors, senior management or substantial shareholder or controlling shareholder of the Company. Dr Lo has entered into a letter of appointment with the Company. Subject to the bye-laws of the Company, his maximum term of engagement is up to the conclusion of the third annual general meeting of the Company from the date of his appointment. He is entitled to receive a director's fee of HK\$441,000 per annum as determined by the Board pursuant to the authority given by the Shareholders at the Company's general meetings and with reference to the prevailing market conditions.

Save as disclosed above, there are no matters concerning Dr Lo that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Taking this opportunity, the Board would like to extend its warmest welcome to Dr Lo for joining the Board.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

Following the change of Independent Non-Executive Directors of the Company as set out above, with effect from 6 April 2020,

- (1) the members of the Audit Committee are Ir James Chiu, Professor Lee Chack Fan, Mr Iain Ferguson Bruce and Dr Lo Wing Yan, William; and
- (2) the members of the Nomination Committee are Professor Lee Chack Fan, Mr Lau Tom Ko Yuen and Mr Iain Ferguson Bruce.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 9:00 a.m. on Thursday, 2 April 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 7 April 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
South Shore Holdings Limited
Mui Ching Hung, Joanna
Company Secretary

Hong Kong, 6 April 2020

As at the date of this announcement, the directors of the Company are:

Mr Peter Lee Coker Jr.	:	Chairman (Executive Director)
Mr Lau Tom Ko Yuen	:	Deputy Chairman (Executive Director)
Mr Walter Craig Power	:	Non-Executive Director
Ir James Chiu, <i>OBE, JP</i>	:	Independent Non-Executive Director
Professor Lee Chack Fan, <i>GBS, SBS, JP</i>	:	Independent Non-Executive Director
Mr Iain Ferguson Bruce	:	Independent Non-Executive Director
Dr Lo Wing Yan, William, <i>JP</i>	:	Independent Non-Executive Director