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天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 28)**

## **DISCLOSEABLE TRANSACTION**

### **PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

Reference is made to the Previous Announcement. On 4th May, 2018, Tian An Pymble, an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with LFD Pymble, pursuant to which, LFD Pymble and Tian An Pymble agreed to jointly develop the Land in Australia. As at the date of this announcement, Tian An Pymble (i) contributed approximately A\$40,707,000 (equivalent to approximately HK\$217,375,000) as the TAP Contribution; and (ii) granted the Loan in the aggregate amount of approximately A\$14,385,000 (equivalent to approximately HK\$76,816,000) to LFD Pymble.

On 20th September, 2019, (i) Tian An Pymble and Tian An Australia, an indirect non wholly-owned subsidiary of the Company, each as one of the guarantors, entered into the Facility Agreement, pursuant to which each of Tian An Pymble and Tian An Australia agreed to guarantee in favour of the Bank the obligations of LFD Pymble in respect of the Facility; (ii) the Company, as guarantor, entered into the Guarantee Agreement, pursuant to which the Company agreed to guarantee in favour of the Bank the payment of the Finance Costs in respect of the Facility; and (iii) Oasis Star, an indirect wholly-owned subsidiary of the Company, agreed to arrange the Letters of Credit in favour of the Bank.

#### **LISTING RULES IMPLICATIONS**

The Percentage Ratios for the provision of the Guarantees and the Letters of Credit on a stand-alone basis did not exceed 5% and does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratio(s) in respect of the provision of the Guarantees and the Letters of Credit, when aggregated with the TAP Contribution and the provision of the Loan, exceeds 5% but is less than 25%, the provision of the Guarantees and the Letters of Credit, together with the TAP Contribution under the Agreement and the provision of the Loan, constitute a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Previous Announcement. On 4th May, 2018, Tian An Pymble, an indirect non wholly-owned subsidiary of the Company, entered into the Agreement with LFD Pymble, pursuant to which, LFD Pymble and Tian An Pymble agreed to jointly develop the Land in Australia. As at the date of this announcement, Tian An Pymble (i) contributed approximately A\$40,707,000 (equivalent to approximately HK\$217,375,000) as the TAP Contribution; and (ii) granted the Loan in the aggregate amount of approximately A\$14,385,000 (equivalent to approximately HK\$76,816,000) to LFD Pymble.

## **PROVISION OF FINANCIAL ASSISTANCE**

On 20th September, 2019, (i) Tian An Pymble and Tian An Australia, an indirect non wholly-owned subsidiary of the Company, each as one of the guarantors, entered into the Facility Agreement, pursuant to which each of Tian An Pymble and Tian An Australia agreed to guarantee in favour of the Bank the obligations of LFD Pymble in respect of the Facility; and (ii) the Company, as guarantor, entered into the Guarantee Agreement, pursuant to which the Company agreed to guarantee in favour of the Bank the payment of the Finance Costs in respect of the Facility; and (iii) Oasis Star, an indirect wholly-owned subsidiary of the Company, agreed to arrange the Letters of Credit in favour of the Bank.

### **The Facility Agreement**

The principal terms of the Facility Agreement are as follows:

- Date : 20th September, 2019
- Parties : (1) The Bank, as lender;
- (2) LFD Pymble, as borrower;
- (3) Tian An Pymble, as a guarantor;
- (4) Tian An Australia, as a guarantor; and
- (5) Guarantor A, as a guarantor.
- Purpose : The Facility will be used for the development and any related costs in respect of the Project.

Facility type and amount : The Facility comprises:

- (1) a term loan of an amount up to A\$44,130,000 (equivalent to approximately HK\$235,654,000) for a term expiring on 31st October, 2020 which carries interest at the Base Rate plus 1.95% per annum and with a facility fee of 1.7% per annum;
- (2) a bank overdraft of an amount up to A\$500,000 (equivalent to approximately HK\$2,670,000) for a term expiring on 31st October, 2020 which carries interest at the Overdraft Base Rate plus 1.00% per annum; and
- (3) a bank guarantee facility of an amount up to A\$854,000 (equivalent to approximately HK\$4,560,000) for a term expiring on 31st October, 2020.

Security : The security for the Facility includes, among other things:

- (1) a first ranking mortgage over the buildings comprising 93 residential apartments and a retail shop on the Land;
- (2) the guarantee provided by each of Tian An Pymble, Tian An Australia and the Guarantor A, pursuant to which each of Tian An Pymble, Tian An Australia and the Guarantor A jointly and severally:
  - (a) guarantees to the Bank the punctual performance by each of them and LFD Pymble of all their obligations under the Finance Documents;
  - (b) undertakes with the Bank that whenever any of them or LFD Pymble does not pay any amount when due under or in connection with any Finance Document (or anything which would have been due if the Finance Document or the amount was enforceable, valid and not illegal), it as guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
  - (c) indemnifies the Bank immediately on demand against any cost, loss or liability suffered by the Bank if any obligation guaranteed by it (or anything which would have been an obligation guaranteed by it if not unenforceable, invalid or illegal) is or becomes unenforceable, invalid or illegal; and
- (3) the Letters of Credit in an aggregate amount of not less than A\$12,988,000 (equivalent to approximately HK\$69,356,000) agreed to be arranged by Oasis Star.

## **The Guarantee Agreement**

The principal terms of the Guarantee Agreement are as follows:

- Date : 20th September, 2019
- Parties : (1) The Company, as guarantor; and  
(2) the Bank, as lender
- Guarantee Obligations : The Company agreed to provide a guarantee to the Bank to pay in full any amount of the Finance Costs in respect of the Facility, including all costs, charges, fees, expenses, interest and amounts in the nature of interest, discount charges or any other similar amount which, being due and payable by LFD Pymble to the Bank in accordance with the Finance Documents, has not been paid by LFD Pymble.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the investments in LFD Pymble by Tian An Pymble in relation to the joint development of the Project and the provision of financial assistance to LFD Pymble, LFD Pymble, the Guarantor A and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

The terms of the Guarantees have been determined after arm's length negotiation between Tian An Pymble, Tian An Australia and the Company with the Bank having taken into account the prevailing loan facilities of similar terms with that of the Facility, and the tenor of the Facility.

## **THE AGREEMENT**

Prior to the entering into of the Facility Agreement and the Guarantee Agreement, on 4th May, 2018, Tian An Pymble entered into the Agreement with LFD Pymble, pursuant to which, LFD Pymble and Tian An Pymble agreed to jointly develop the Land in Australia. LFD Pymble shall provide the Land for the development of the Project, while LFD Pymble and Tian An Pymble shall contribute to meet all the necessary development and construction costs of the Project on a 30:70 basis. Upon completion of the Project, the residential units and the retail shop in the Project shall be sold. LFD Pymble and Tian An Pymble shall share the profits of the Sale in accordance with the terms of the Agreement.

Pursuant to the Agreement, the total contribution which each of Tian An Pymble and LFD Pymble shall contribute in the Project shall be on a proportion of 70:30 basis. Tian An Pymble contributed A\$25,200,000 (equivalent to approximately HK\$134,568,000) as initial contribution and as at the date of this announcement, Tian An Pymble contributed an aggregate of approximately A\$40,707,000 (equivalent to approximately HK\$217,375,000), including the initial contribution of A\$25,200,000 (equivalent to approximately HK\$134,568,000), as the TAP Contribution.

The development and construction costs of the Project shall be financed by: (i) contributions by each of Tian An Pymble and LFD Pymble from time to time; (ii) the Loan provided by Tian An Pymble to LFD Pymble (as further elaborated below); and (iii) credit, loans and other financial accommodation from banks and other financial institutions.

For further details of the terms of the Agreement, please refer to the Previous Announcement.

## **PROVISION OF THE LOAN**

In connection with the Agreement, Tian An Pymble has from time to time granted loans to LFD Pymble as LFD Pymble's 30% contribution for the settlement of the development costs of the Project. As at the date of this announcement, Tian An Pymble granted the Loan in the aggregate amount of approximately A\$14,385,000 (equivalent to approximately HK\$76,816,000) to LFD Pymble for the Term at an interest rate of 12% per annum.

For further details of the terms of the Loan, please refer to the Previous Announcement.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Reference is made to the Previous Announcement. The Company has entered into the Agreement to expand the Group's business interests in Australia and to contribute to the business growth of the Group. The Directors consider that the Group would benefit from the experience and expertise of LFD Pymble in carrying out the development of the Land by entering into the Agreement.

In order to finance the Project, LFD Pymble, Tian An Pymble, Tian An Australia and the Guarantor A entered into the Facility Agreement with the Bank, pursuant to which the Bank shall provide the Facility to LFD Pymble. In consideration of the provision of the Facility, LFD Pymble as borrower and the ultimate beneficial owner of LFD Pymble and his associated company are requested to provide in favour of the Bank a number of securities in respect of the Facility including but not limited to charge over shares in LFD Pymble, charge over accounts of LFD Pymble and/or guarantees for the due and punctual performance of all obligations of LFD Pymble under the Facility Agreement and the Finance Documents. Tian An Pymble as an investor of the Project, together with its parent companies Tian An Australia and the Company, are also requested by the Bank to provide the Guarantees for the due and punctual performance of all obligations of LFD Pymble under the Facility Agreement and the Finance Documents. The Letters of Credit being one of the securities requested by the Bank are agreed to be arranged by Oasis Star.

The Directors are of the view that the provision of the Guarantees and the Letters of Credit (which are incidental to the grant of the Facility by the Bank), the TAP Contribution and the provision of the Loan to LFD Pymble are incidental to and forms an integral part of development of the Land to ensure the completion of the Project and the Sale by providing funding to the Project.

In addition, the Loan will be used for LFD Pymble to meet its contribution obligation relating to the Project, in which Tian An Pymble has a 70% share of profits of the Sale. The interest income generated from the Loan would bring additional revenue to the Group.

As such, the Directors consider that the Guarantees, the Letters of Credit, the terms of the Agreement and the provision of the Loan are entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION RELATING TO THE COMPANY, TIAN AN PYMBLE, TIAN AN AUSTRALIA, OASIS STAR AND LFD PYMBLE**

### **(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 engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong.

**(2) Tian An Pymble**

Tian An Pymble is a company incorporated in Australia with limited liability, and a direct wholly-owned subsidiary of Tian An Australia.

The principal business activity of Tian An Pymble is property development in Australia.

**(3) Tian An Australia**

Tian An Australia is a company incorporated in Australia with limited liability, the shares of which are listed on the Australian Securities Exchange, and a direct non wholly-owned subsidiary of Oasis Star and in turn an indirect non wholly-owned subsidiary of the Company.

The principal business activity of Tian An Australia is property development in Australia.

**(4) Oasis Star**

Oasis Star is a company incorporated in the British Virgin Islands with limited liability, which holds approximately 76.70% equity interest in Tian An Australia and an indirect wholly-owned subsidiary of the Company.

The principal business activity of Oasis Star is investment holding.

**(5) LFD Pymble**

LFD Pymble is a company incorporated in Australia with limited liability.

The principal business activity of LFD Pymble is property development in Australia.

**LISTING RULES IMPLICATIONS**

The Percentage Ratios for the provision of the Guarantees and the Letters of Credit on a stand-alone basis did not exceed 5% and does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As one of the relevant Percentage Ratio(s) in respect of the provision of the Guarantees and the Letters of Credit, when aggregated with the TAP Contribution and the provision of the Loan, exceeds 5% but is less than 25%, the provision of the Guarantees and the Letters of Credit, together with the TAP Contribution under the Agreement and the provision of the Loan, constitute a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

**DEFINITIONS**

“A\$” Australian dollar(s), the lawful currency of Australia

“Agreement” the joint venture agreement dated 4th May, 2018 entered into between LFD Pymble and Tian An Pymble in relation to the joint development of the Land

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| “Bank”                | A licensed commercial bank in Australia, being the lender under the Facility   |
| “Base Rate”           | <p>(a) the rate (expressed as a percentage yield per annum to maturity) being the arithmetic average (rounded up to the nearest four decimal places) of the buying rates published at or about 10:30 am Sydney time on the first business day of the interest period on the Reuters Screen under the heading “BBSY” for bills of exchange with a tenor as nearly as possible equal to that interest period; or</p> <p>(b) if (i) the rate is not displayed; or (ii) the basis of the calculation of the rate is changed after the date of the Facility Agreement, the base rate will be the rate per centum per annum determined by the Bank to be the average of the buying rates quoted to the Bank by at least three reference banks as specified in the Facility Agreement</p> |
| “BBSY”                | Australian Bank Bill Swap Bid Rate   |
| “Board”               | the board of Directors   |
| “Company”             | Tian An China Investments Company 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  |
| “Director(s)”         | the director(s) of the Company   |
| “Facility”            | the facility granted by the Bank to LFD Pymble comprising (i) a term loan in the amount of A\$44,130,000 (equivalent to approximately HK\$235,654,000); (ii) a bank overdraft in the amount of A\$500,000 (equivalent to approximately HK\$2,670,000); and (iii) a bank guarantee facility in the amount of A\$854,000 (equivalent to approximately HK\$4,560,000)   |
| “Facility Agreement”  | the facility agreement dated 20th September, 2019 entered into by LFD Pymble, Tian An Pymble, Tian An Australia, Guarantor A and the Bank in relation to the provision of the Facility to LFD Pymble   |
| “Finance Costs”       | all costs, charges, fees, expenses, interest and amounts in the nature of interest, discount charges or any other similar amount payable by LFD Pymble to the Bank under the Finance Documents   |
| “Finance Document(s)” | the Facility Agreement, all relevant security documents and guarantees and all other documents as specified as finance document in the Facility Agreement  |

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| “Group”               | the Company and its subsidiaries  |
| “Guarantee Agreement” | the guarantee agreement dated 20th September, 2019 entered into by the Company and the Bank in relation to the provision of guarantee in favour of the Bank the payment of the Finance Costs in respect of the Facility   |
| “Guarantees”          | the guarantee provided by each of Tian An Pymble and Tian An Australia under the Facility Agreement; and the guarantee provided by the Company under the Guarantee Agreement, in respect of the Facility  |
| “Guarantor A”         | an associated company of the sole shareholder of LFD Pymble, being one of the guarantors, who provides guarantee in favour of the Bank in respect of the Facility, and a third party independent of the Company and its connected persons   |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”           | Hong Kong Special Administrative Region of the PRC  |
| “Land”                | a piece of land at 2-8 Pymble Avenue, Pymble, Australia, owned by LFD Pymble, for the development of the Project  |
| “Letters of Credit”   | two letters of credit in the aggregate amount of not less than A\$12,988,000 (equivalent to approximately HK\$69,356,000) issued by a bank in Hong Kong as security in favour of the Bank, comprising (i) a letter of credit in the amount of not less than A\$1,200,000 (equivalent to approximately HK\$6,408,000); and (ii) a letter of credit in the amount of not less than A\$11,788,000 (equivalent to approximately HK\$62,948,000) |
| “LFD Pymble”          | LFD Pymble Pty Ltd, a company incorporated in Australia with limited liability which owns the Land  |
| “Listing Rules”       | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Loan”                | the outstanding loan and the accrued interest thereon in the aggregate amount of approximately A\$14,385,000 (equivalent to approximately HK\$76,816,000) granted by Tian An Pymble to LFD Pymble as at the date of this announcement   |
| “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  |
| “Oasis Star”          | Oasis Star Limited, a company incorporated in the British Virgin Islands with limited liability, which holds approximately 76.70% equity interest in Tian An Australia, and an indirect wholly-owned subsidiary of the Company  |



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| “Overdraft Base Rate”   | the Bank’s overdraft rate as usually published from time to time in the Australian Financial Review and referred to be as the “Overdraft Prime Rate”   |
| “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 and Macau Special Administrative Region of the People’s Republic of China  |
| “Previous Announcement” | the announcement issued by the Company on 23rd August, 2019 in respect of the joint development of the Project and provision of financial assistance to LFD Pymble   |
| “Project”               | the property development project on the development of the Land involving construction of approximately 93 residential apartments, a retail shop and approximately 127 car-parking spaces  |
| “Sale”                  | the sale of approximately 93 residential apartments, the retail shop and approximately 127 car-parking spaces in the Project   |
| “Shareholder(s)”        | the shareholder(s) of the Company  |
| “Stock Exchange”        | The Stock Exchange of Hong Kong Limited  |
| “TAP Contribution”      | the aggregate amount of approximately A\$40,707,000 (equivalent to approximately HK\$217,375,000) invested by Tian An Pymble on the Project, comprising an initial contribution in the amount of A\$25,200,000 (equivalent to approximately HK\$134,568,000) and an additional contribution in the amount of approximately A\$15,507,000 (equivalent to approximately HK\$82,807,000) to cover the costs of the Project as at the date of this announcement  |
| “Term”                  | the term of the Agreement, commencing on the date that all conditions precedent set out in the Agreement are satisfied, and ending on the later of (i) the date being 22 months from the date of the Agreement; (ii) the date that all units under the Project are sold; (iii) the date that the last of those units under the Project are sold should the management committee decides to retain certain units of the Project; and (iv) Tian An Pymble receives repayment of the Loan and payment of the profit for the Project |
| “Tian An Australia”     | Tian An Australia Limited, a company incorporated in Australia with limited liability, the shares of which are listed on the Australian Securities Exchange, and a direct non wholly-owned subsidiary of Oasis Star and in turn an indirect non wholly-owned subsidiary of the Company   |

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| “Tian An Pymble” | Tian An Pymble Pty Ltd, a company incorporated in Australia with limited liability, and a direct wholly-owned subsidiary of Tian An Australia |
| “Transactions”   | the transactions contemplated under the Guarantees, the Letters of Credit, the Agreement and the provision of the Loan                        |
| “%”              | per cent.   |

On behalf of the Board  
**Tian An China Investments Company Limited**  
**Tao Tsan Sang**  
*Executive Director*

Hong Kong, 20th September, 2019

*For the purpose of this announcement, translations of A\$ into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$5.34 equal to A\$1. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

*As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Ma Sun (Deputy Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*