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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)

CONNECTED TRANSACTION

PROVISION OF LOAN

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On 17th June, 2020, the Lender (an indirect wholly-owned subsidiary of the Company) as the lender entered into the Loan Agreement with the Borrower as the borrower, pursuant to which, the Lender agreed to lend to the Borrower the Loan on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As at the date of this announcement, given that the Company is held as to approximately 74.98% by TACI, TACI is a substantial shareholder of the Company and hence a connected person of the Company. The Borrower is an indirect wholly-owned subsidiary of TACI and therefore a connected person of the Company. As a result, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable Percentage Ratios in respect of the Transaction exceed 0.1% but all of them are less than 5%, the Transaction is subject to reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

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THE LOAN AGREEMENT

Date : 17th June, 2020

Parties : (1) the Lender as the lender for the Loan Agreement; and
(2) the Borrower as the borrower for the Loan Agreement.

Principal terms of the Loan Agreement

The principal terms of the Loan Agreement are as follows:

Loan amount : RMB40,000,000

Purpose : the Loan shall be used by the Borrower solely for its general working capital

Interest rate : 4.75% per annum

Interest payment date : all interest accrued on the Loan shall be due and payable on the Repayment Date

Repayment Date : three (3) years from the date of the first Drawdown

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction allows the Group to apply its cash surplus in an efficient manner with a view to maximise the Group's return. The terms of the Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the current market norm in relation to similar transactions. The Transaction will be funded by internal resources of the Company.

In view of the above, the Directors (including the independent non-executive Directors but excluding Mr. Patrick Lee Seng Wei, Mr. Edwin Lo King Yau, Mr. Tao Tsan Sang and Ms. Lisa Yang Lai Sum who have abstained from voting on the relevant board resolutions) are of the view that although the Transaction is not conducted in the ordinary and usual course of business of the Group, the Transaction is on normal commercial terms and is fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

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

(1) TACI

TACI is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board.

The principal business activity of TACI is investment holding. TACI and its subsidiaries are principally engaged 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) The Company

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

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.

(3) The Lender

The Lender is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. The Lender is principally engaged in property investment and property leasing.

(4) The Borrower

The Borrower is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of TACI. The Borrower is principally engaged in property development and investment.

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Mr. Patrick Lee Seng Wei, being the Chairman and the executive director of the Company as well as the managing director and an executive director of TACI, Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang, being the executive directors of the Company as well as the executive directors of TACI, and Ms. Lisa Yang Lai Sum, being the independent non-executive director of the Company as well as an independent non-executive director of TACI, have all abstained from voting on the relevant board resolutions for approving the Transaction to avoid any potential conflicts of interest.

Save as disclosed above, none of the Directors has any material interest in the Transaction and has abstained (or is required to abstain) from voting on the board resolutions for considering and approving the Transaction.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	惠州市惠陽區淡水新陽城建設有限公司(Huizhou Huiyang Danshui Xinyangcheng Construction Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of TACI, being the borrower under the Loan Agreement
“Company”	Asiasec Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 271), and a non wholly-owned subsidiary of TACI
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Drawdown”	a drawdown of the Loan under the Loan Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lender”	深圳隆運諮詢服務有限公司 (Shenzhen Long-Yun Consulting Service Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the amount of RMB40,000,000 lent to the Borrower by the Lender on the terms and subject to the conditions set out in the Loan Agreement
“Loan Agreement”	the loan agreement entered into between the Lender as the lender and the Borrower as the borrower dated 17th June, 2020 relating to the Loan
“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
“Repayment Date”	three (3) years from the date of first Drawdown
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TACI”	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 (Stock Code: 28), and a substantial shareholder of the Company
“Transaction”	the transaction contemplated under the Loan Agreement
“%”	per cent.

On behalf of the Board
Asiasec Properties Limited
Lee Shu Yin
Chief Executive

Hong Kong, 17th June, 2020

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.

* *The English translation of the Chinese name of the relevant entity included in this announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*