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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)**

## ANNOUNCEMENT DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement published by the Company on 3rd March, 2005 whereby Join View entered into the Loan Agreement with Ranbridge and the Company, pursuant to which Ranbridge agreed to make available to Join View the Loan Facility up to HK\$100,000,000.00 for its general working capital and the Company agreed to guarantee the repayment of the loan under the Loan Facility. The Loan Agreement and the Loan Facility were approved by the independent Shareholders of the Company on 20th April, 2005.

On 7th November, 2005, Join View entered into a Supplemental Loan Agreement with Ranbridge, the Company, Sky Full and Tian An Real Estate Agency, pursuant to which Ranbridge agreed with Join View to increase the Loan Facility under the Loan Agreement from HK\$100,000,000.00 to HK\$280,000,000.00 for its general working capital and the Company, Sky Full and Tian An Real Estate Agency agreed to jointly and severally guarantee the repayment of the loan under the Supplemental Loan Facility. The Supplemental Loan Agreement is conditional upon, among other things, that (i) Tian An China Hotel and Oxwell enter into the Sky Full Share Mortgage; (ii) Tian An Real Estate enters into the Tian An Share Mortgage; and (iii) the obtaining of approval by independent Shareholders at the general meeting of the Company.

Ranbridge is a direct wholly owned subsidiary of SHK, a Substantial Shareholder of the Company which holds an aggregate interest of approximately 48.6% directly and indirectly in the issued share capital of the Company. Ranbridge is principally engaged in the money lending business and holds a money lenders licence under the Money Lenders Ordinance.

Join View is an indirect wholly owned subsidiary of the Company and is principally engaged in the money lending business and holds a money lenders licence under the Money Lenders Ordinance.

Tian An China Hotel is a direct wholly owned subsidiary of the Company and Tian An Real Estate and Oxwell are indirect wholly owned subsidiaries of the Company.

The Supplemental Loan Agreement and the Share Mortgages constitute discloseable and Continuing Connected Transactions for the Company which transactions are subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

Apart from SHK and its associates, no other Shareholder is interested in the Supplemental Loan Agreement and the Share Mortgages and is required to refrain from voting in the Shareholders' meeting accordingly.

The Company has formed an independent board committee comprising all the independent non-executive Directors to advise the independent Shareholders on whether the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions are fair and reasonable. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders on the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions.

A circular containing, among other things, details of the Supplemental Loan Agreement and the Share Mortgages, the recommendation from the independent board committee in relation to the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions and the opinion from the independent financial adviser would be despatched to the Shareholders and the warrant holder of the Company within 21 days after the publication of this announcement. A notice to hold an extraordinary general meeting of the Company for approval of the Supplemental Loan Agreement and the Share Mortgages will be despatched to the Shareholders and the warrant holder of the Company together with the circular as soon as possible.

## **THE SUPPLEMENTAL LOAN AGREEMENT DATED 7<sup>TH</sup> NOVEMBER, 2005**

### **Parties**

**Lender** Ranbridge

**Borrower** Join View

**Guarantors** the Company, Sky Full and Tian An Real Estate Agency

**Supplemental Loan Facility** the revolving credit facility up to HK\$100,000,000.00 under the Loan Facility is now increased to HK\$280,000,000.00 (the "Supplemental Loan Facility") subject to and in accordance with the terms and conditions of a supplemental loan agreement dated 7th November, 2005 made between Join View, Ranbridge, the Company, Sky Full and Tian An Real Estate Agency (the "Supplemental Loan Agreement")

**Purpose of the Supplemental Loan Facility** for Join View's additional general working capital

**Terms of the Supplemental Loan Facility** the Supplemental Loan Facility will be available to Join View for the term of 36 months from the date of the Supplemental Loan Agreement (i.e. 7th November, 2005). The repayment date of each advance of the Supplemental Loan Facility (the "Advance") will be specified in each of the drawdown notice given by Join View but, in any event, it shall not be later than 36 months from the date of the Supplemental Loan Agreement. Join View shall pay interest on the Advances in arrears at the rate of prime rate plus 1% per annum. The repayment of the loan under the Supplemental Loan Facility is guaranteed jointly and severally by the Company, Sky Full and Tian An Real Estate Agency

**Cap** the maximum annual Advance and the accumulative Advances during the term of the Loan Agreement (as modified by the Supplemental Loan Agreement) will not exceed HK\$280,000,000.00 (the "Cap")

**Conditions Precedent** the Supplemental Loan Agreement is conditional upon, among other things, that (i) Tian An China Hotel and Oxwell enter into the Sky Full Share Mortgage; (ii) Tian An Real Estate enters into the Tian An Share Mortgage (the two share mortgages collectively be referred to as the “Share Mortgages”); and (iii) the obtaining of approval by independent Shareholders at the general meeting of the Company

## **INFORMATION ON JOIN VIEW**

Join View is an indirect wholly owned subsidiary of the Company and is principally engaged in the money lending business and holds a money lenders licence under the Money Lenders Ordinance.

## **INFORMATION ON THE SHARE MORTGAGES**

### **The Sky Full Share Mortgage**

Tian An China Hotel and Oxwell agreed to create a mortgage in favour of Ranbridge over their entire shareholding in Sky Full as security for all moneys payable by Join View under the Loan Agreement as supplemented by the Supplemental Loan Agreement. Sky Full is the legal and beneficial owner of 50% equity interest in Shanghai New Union Building Co., Ltd. (上海新聯誼大廈有限公司), a company incorporated under the laws of the PRC, which holds a property situated in Shanghai with a site area of approximately 5,158 square meters.

### **The Tian An Share Mortgage**

Tian An Real Estate agreed to create a mortgage in favour of Ranbridge over its entire shareholding in Tian An Real Estate Agency as security for all moneys payable by Join View under the Loan Agreement as supplemented by the Supplemental Loan Agreement. Tian An Real Estate Agency indirectly holds 100% equity interest in Dalian Tian An Tower Co., Ltd. (大連天安國際大廈有限公司), a company incorporated under the laws of the PRC, which holds a property known as Dalian Tian An International Tower (大連天安國際大廈) in Dalian city.

## **LISTING RULES IMPLICATIONS OF THE SUPPLEMENTAL LOAN AGREEMENT**

Ranbridge is principally engaged in the money lending business. It holds a money lenders licence under the Money Lenders Ordinance. It is a direct wholly owned subsidiary of SHK, a Substantial Shareholder of the Company which holds an aggregate interest of approximately 48.6% directly and indirectly in the issued share capital of the Company and therefore, a connected person of the Company as defined in Rule 14A.11 of the Listing Rules. Tian An China Hotel is a direct wholly owned subsidiary of the Company and Tian An Real Estate and Oxwell are indirect wholly owned subsidiaries of the Company. Accordingly, the transactions under the Supplemental Loan Agreement and the Share Mortgages constitute non-exempt Continuing Connected Transactions of the Company under the Listing Rules and is subject to the disclosure requirements under Rules 14A.37 to 14A.39, 14A.46 and 14A.47 and the approval by the independent Shareholders under Rule 14A.35 of the Listing Rules. Since the consideration ratio (as defined in the Listing Rules) for such transactions is more than 5% but less than 25%, they also constitute discloseable transactions of the Company under the Listing Rules.

As a result, the Supplemental Loan Agreement and the Share Mortgages constitute discloseable and Continuing Connected Transactions for the Company which transactions are subject to the reporting, announcement and independent Shareholders’ approval requirements under the Listing Rules.

Apart from SHK and its associates, no other Shareholder is interested in the Supplemental Loan Agreement and the Share Mortgages and is required to refrain from voting in the Shareholders’ meeting accordingly.

The Company has formed an independent board committee comprising all the independent non-executive Directors to advise the independent Shareholders on whether the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions are fair and reasonable. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders on the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions.

A circular containing, among other things, details of the Supplemental Loan Agreement and the Share Mortgages, the recommendation from the independent board committee in relation to the terms of the Supplemental Loan Agreement and the Share Mortgages and the relevant Cap under the Continuing Connected Transactions and the opinion from the independent financial adviser will be despatched to the Shareholders and the warrant holder of the Company within 21 days after the publication of this announcement. A notice to hold an extraordinary general meeting of the Company for approval of the Supplemental Loan Agreement and the Share Mortgages will be despatched to the Shareholders and the warrant holder of the Company together with the circular as soon as possible.

## **REASONS FOR THE TRANSACTIONS**

The Directors (excluding the independent non-executive Directors and the independent board committee who will obtain advice from the independent financial adviser to be appointed) consider the provision of the Supplemental Loan Facility by Ranbridge to Join View, the Share Mortgages and the Cap to be in the interests of the Company in that such additional financial support will further facilitate Join View's business expansion and enable new projects or investments to be acquired and that internal resources within the Group could be utilized more efficiently between the Group companies. The Directors (excluding the independent non-executive Directors and the independent board committee who will obtain advice from the independent financial adviser to be appointed) consider the Supplemental Loan Facility, the Share Mortgages, and the Cap provided by the Company are being provided on normal commercial terms, which are arrived at after arm's length negotiations between the parties and are fair and reasonable insofar as the Shareholders are concerned.

## **GENERAL INFORMATION OF SHK**

The principal activity of SHK is investment holding. The principal activities of its major subsidiaries are securities, leveraged forex, bullion, commodities and futures broking, provision of online financial services and online financial information distribution, money lending including the provision of term loans, share margin financing, financial planning and wealth management, fund management, corporate finance, property investment and insurance broking.

## **GENERAL INFORMATION OF THE COMPANY**

The Company acts as an investment holding company. The Group is principally engaged in the development of high-end apartments, villas, office buildings and commercial properties, manufacture and sale of building materials, property management and hotel operation.

As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Ng Qing Hai (Managing Director), Mr. Ma Sun, Mr. Edwin Lo King Yau and Mr. Li Chi Kong being the executive Directors, Mr. Moses Cheng Mo Chi and Miss Lisa Yang Lai Sum being the non-executive Directors, and Mr. Francis J. Chang Chu Fai, Mr. Goodwin Gaw, Mr. Ngai Wah Sang and Mr. Xu Su Jing being the independent non-executive Directors.

## DEFINITIONS

“Board”	the board of Directors
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code : 28)
“Continuing Connected Transactions”	the continuing connected transactions entered into between Join View and Ranbridge pursuant to the Supplemental Loan Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Join View”	Join View Development Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the Loan Agreement dated 2nd March, 2005 made between Join View, Ranbridge and the Company, the details of which had been disclosed in the Company’s announcement dated 3rd March, 2005
“Loan Facility”	the revolving credit facility up to HK\$100,000,000.00 subject to and in accordance with the terms and conditions of the Loan Agreement
“Money Lenders Ordinance”	means the Money Lenders Ordinance (Chapter 163) under the laws of Hong Kong
“Oxwell”	Oxwell Holdings Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly owned subsidiary of Tian An China Hotel
“PRC”	the People’s Republic of China
“Ranbridge”	Ranbridge Finance Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly owned subsidiary of SHK
“Shareholder(s)”	the shareholder(s) of the Company
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange (Stock Code: 86) and is a Substantial Shareholder of the Company

“Sky Full”	Sky Full Enterprises Limited, a company incorporated in Hong Kong with limited liability. As at the date of this announcement, it is beneficially owned by Oxwell as to 80% of its total issued share capital and Tian An China Hotel as to 20% of its total issued share capital
“Sky Full Share Mortgage”	the share mortgage made between Tian An China Hotel and Oxwell as mortgagors, and Ranbridge as lender, pursuant to which Tian An China Hotel and Oxwell agreed to create a first fixed mortgage in favour of Ranbridge over Tian An China Hotel’s and Oxwell’s entire shareholding in Sky Full as a continuing security for the due and punctual payment of all moneys payable or which may at any time or from time to time become payable by Join View under the Loan Agreement (as supplemented by the Supplemental Loan Agreement)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning as defined in the Listing Rules
“Tian An China Hotel”	Tian An China Hotel and Property Investments Company Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly owned subsidiary of the Company
“Tian An Real Estate”	Tian An Real Estate (Dalian) Company Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly owned subsidiary of Tian An China Hotel
“Tian An Real Estate Agency”	Tian An Real Estate Agency (China) Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly owned subsidiary of Tian An Real Estate
“Tian An Share Mortgage”	the share mortgage made between Tian An Real Estate as mortgagor, and Ranbridge as lender, pursuant to which Tian An Real Estate agreed to create a first fixed mortgage in favour of Ranbridge over Tian An Real Estate’s entire shareholding in Tian An Real Estate Agency as a continuing security for the due and punctual payment of all moneys payable or which may at any time or from time to time become payable by Join View under the Loan Agreement (as supplemented by the Supplemental Loan Agreement)
“%”	per cent.

By Order of the Board  
**Tian An China Investments Company Limited**  
**Cindy Yung Yee Mei**  
*Company Secretary*

Hong Kong, 8th November, 2005