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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**

### **JOINT DEVELOPMENT OF THE PROJECT AND PROVISION OF FINANCIAL ASSISTANCE**

#### **THE AGREEMENT**

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. 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.

#### **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.

#### **LISTING RULES IMPLICATIONS**

The entering into of the Agreement constitutes a joint arrangement pursuant to Rule 14.04(1)(f) of the Listing Rules. The Percentage Ratios for each of the TAP Contribution and the Loan 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 TAP Contribution, when aggregated with the provision of the Loan, exceeds 5% but is less than 25%, the entering of 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.

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The principal terms of the Agreement are as follows:

### **Date**

4th May, 2018

### **Parties**

- (1) Tian An Pymble
- (2) 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, LFD Pymble and its ultimate beneficial owners are all third parties independent of the Company and its connected persons.

### **The Project**

The Project is located at 2-8 Pymble Avenue, Pymble, Australia, a piece of land which is owned by LFD Pymble. As at the date of this announcement, the Parties shall complete the development of the Project involving construction of approximately 93 residential apartments, a retail shop and approximately 127 car-parking spaces with the intention to sell.

### **Contribution**

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, as the TAP Contribution.

The amount of contribution by the Parties was determined after arm's length negotiation between Tian An Pymble and LFD Pymble, with reference to the estimated fund requirement of the operation of the Project. The Directors (including the independent non-executive Directors) are of the opinion that the amount of the contribution is fair and reasonable and was determined after arm's length negotiations between the Parties and is in the interests of the Company and the Shareholders as a whole. The Group financed the contribution of Tian An Pymble in the Project by its internal financial resources.

## **Financing**

The development and construction costs of the Project shall be financed by:

- (1) Contributions by each of Tian An Pymble and LFD Pymble from time to time;
- (2) The Loan provided by Tian An Pymble to LFD Pymble (as further elaborated below); and
- (3) Credit, loans and other financial accommodation from banks and other financial institutions.

## **Management**

A management committee shall be established and be responsible for the operation of the Project. The management committee shall comprise two representatives of each of LFD Pymble and Tian An Pymble. The chairman of the management committee shall be a representative of Tian An Pymble. Matters without majority approval at the management committee meetings shall be referred to the chairman for determination. LFD Pymble and Tian An Pymble shall abide to any decision made by the chairman.

## **Summary of the principal rights and responsibilities of the Parties**

LFD Pymble:

- (i) must exclusively make the Land available throughout the Term for the purposes of the Project;
- (ii) shall provide its portion of contributions to the Project from time to time;
- (iii) is responsible for engaging a builder to carry out the construction works in the Project;
- (iv) is responsible for the Sale, and the distribution of the proceeds of the Sale; and
- (v) shall indemnify Tian An Pymble from and against any and all claims resulting from the joint development of the Land.

Tian An Pymble:

- (i) shall provide its portion of contributions to the Project from time to time; and
- (ii) shall, in the event that LFD Pymble is unable to contribute its portion of contribution, provide loans to LFD Pymble to satisfy LFD Pymble's portion of contribution as required.

## **Distribution of proceeds**

The proceeds from the Sale shall be applied in the following order:

- (i) payment of or retention for any unpaid taxes for the Project;
- (ii) payment of any money owing to the financier who provided construction loans in relation to the Project;
- (iii) payment of any unpaid costs incurred by the Parties to execute the Project;
- (iv) repayment of the contributions made by Tian An Pymble;
- (v) repayment of the Loan and interest;
- (vi) repayment of the contributions made by LFD Pymble;
- (vii) payment of 70% of the profits of the Project to Tian An Pymble;
- (viii) payment of the outstanding management fees to the development manager of the Project; and
- (ix) payment of 30% of the profits of the Project to LFD Pymble.

## **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.

The principal terms of the Loan are as follows:

- |             |   |  |
|-------------|---|--|
| Parties     | : | (1) Tian An Pymble, as lender; and<br>(2) LFD Pymble, as borrower.   |
| Purpose     | : | the Loan will be used as LFD Pymble's contribution for the settlement of the development costs of the Project.   |
| Loan amount | : | approximately A\$14,385,000 (equivalent to approximately HK\$76,816,000), being the aggregate outstanding loan amount and the accrued interest thereon as at the date of this announcement |
| Term        | : | the Term   |

Interest rate	:	12% per annum and the interest shall be payable at the end of the Term
Early repayment	:	LFD Pymble has the absolute discretion to repay the Loan at anytime before the end of the Term
Security	:	the Loan shall be guaranteed by the sole director of LFD Pymble

The interest rate of the Loan has been determined after arm's length negotiation between Tian An Pymble and LFD Pymble having taken into account the prevailing market interest rates and the tenor of the Loan. The Loan will be funded by internal resources of the Group.

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

In addition to property development, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong, the Group also engages in property development in Australia. In view of the Land is situated at a predominantly high-end residential suburb in Sydney, Australia, the Directors are of the view that the entering into of the Agreement is an expansion of the Group's business interests in Australia and contributes to the business growth of the Group.

Furthermore, in view of LFD Pymble's experience in property development in Australia, 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.

The provision of the Loan to LFD Pymble is 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. 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.

The Directors are of the view that the provision of the Loan to LFD Pymble will provide funding for the development and completion of the Project.

As such, the Directors consider that 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 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 an indirect non wholly-owned subsidiary of the Company.

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

**(4) 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**

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**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
“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
“Group”	the Company and its subsidiaries
“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
“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
“Parties”	the parties to the Agreement, namely Tian An Pymble and LFD Pymble
“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
“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 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
“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 an indirect non wholly-owned subsidiary of the Company
“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 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, 23rd August, 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.*