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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)



亞證地產有限公司  
ASIASEC PROPERTIES LIMITED  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 271)

## JOINT ANNOUNCEMENT

### DISCLOSEABLE TRANSACTION

### ACQUISITION OF COMPANIES HOLDING CERTAIN PROPERTY INTERESTS

### MAJOR DISPOSAL AND CONNECTED TRANSACTION

### DISPOSAL OF CERTAIN NON-CONTROLLING PROPERTY INTERESTS AND POSSIBLE DECLARATION OF SPECIAL DIVIDEND OF HK\$0.95 PER ASL SHARE

#### *Financial Adviser to ASL*



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司

#### *IFA to the IBC and the Independent ASL Shareholders*



### THE SALE AND PURCHASE AGREEMENT

References are made to the Joint Announcement and the announcements of ASL dated 30th June, 2021, 9th July, 2021 and 30th July, 2021 in relation to the Proposal.

On 2nd August, 2021, ASL entered into the Sale and Purchase Agreement with the Purchaser, a direct wholly-owned subsidiary of TACI, in respect of the Transaction based on the terms of the Proposal, pursuant to which subject to the fulfilment (or waiver where applicable) of the Conditions, (i) the Purchaser shall acquire and ASL shall procure the BVI Holdco to sell the Sale Shares; and (ii) the Shareholder's Loan shall be assigned by the BVI Holdco to the Purchaser.

### POSSIBLE DECLARATION OF THE SPECIAL DIVIDEND BY ASL

Subject to approval of the Independent ASL Shareholders at the EGM and Completion having taken place, the ASL Board shall declare the Special Dividend of HK\$0.95 per ASL Share to the ASL Shareholders whose names appear on the register of members of ASL on the Record Date. A further announcement will be made by ASL in this regard as and when appropriate.

## **LISTING RULES IMPLICATIONS**

### **TACI**

As the relevant Percentage Ratio(s) in respect of the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for TACI and is subject to announcement but exempt from TACI Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **ASL**

As the relevant Percentage Ratio(s) in respect of the Transaction exceeds 25% but is less than 75%, the Transaction constitutes a major disposal for ASL. Furthermore, as at the date of this joint announcement, as TACI is a substantial shareholder of ASL, it is a connected person of ASL under Chapter 14A of the Listing Rules and therefore the Transaction constitutes a connected transaction for ASL.

Accordingly, the Transaction is subject to the reporting, announcement, circular and Independent ASL Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The IBC has been established to advise the Independent ASL Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder and the possible declaration of the Special Dividend. ASL has appointed the IFA to advise the IBC and the Independent ASL Shareholders in relation to the fairness and reasonableness of the Transaction and the possible declaration of the Special Dividend.

The EGM will be convened by ASL for the Independent ASL Shareholders to consider and, if thought fit, approve the Transaction and the possible declaration of the Special Dividend.

As more time is required to collate certain information, the circular of ASL containing, among other things, (i) further information on the Transaction; (ii) a letter of advice from the IFA to the IBC and the Independent ASL Shareholders; (iii) a letter of recommendation from the IBC to the Independent ASL Shareholders; (iv) the property valuation report of the Properties; and (v) a notice of the EGM, is expected to be despatched to the ASL Shareholders on or before 31st August, 2021.

**The Transaction is subject to a number of Conditions which may or may not be fulfilled, and the Special Dividend may or may not be declared. ASL Shareholders, TACI Shareholders and potential investors of each of ASL and TACI should exercise caution when dealing in the shares of ASL and TACI, respectively.**

## **THE SALE AND PURCHASE AGREEMENT**

References are made to the Joint Announcement and the announcements of ASL dated 30th June, 2021, 9th July, 2021 and 30th July, 2021 in relation to the Proposal.

On 2nd August, 2021, ASL entered into the Sale and Purchase Agreement with the Purchaser, a direct wholly-owned subsidiary of TACI, in respect of the Transaction based on the terms of the Proposal.

The principal terms of the Sale and Purchase Agreement are summarised below:

### **Date**

2nd August, 2021

### **Parties**

- (i) The Purchaser (as purchaser)
- (ii) ASL (as vendor)

### **Subject matter**

Pursuant to the Sale and Purchase Agreement and subject to the fulfilment (or waiver where applicable) of the Conditions, (i) the Purchaser shall acquire and ASL shall procure the BVI Holdco to sell the Sale Shares; and (ii) the Shareholder's Loan shall be assigned by the BVI Holdco to the Purchaser. The Sale Shares, representing the entire issued share capital of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid on or after the Completion Date.

### **Consideration**

The Consideration for the Transaction shall be HK\$1,080,000,000, and shall be payable by the Purchaser to the BVI Holdco (or its nominee(s)) upon Completion by way of electronic transfer (or such other method as agreed by the Purchaser and ASL in writing).

The Consideration was determined by TACI (being the holding company of the Purchaser) taking into account (i) the net asset value of the Target Group; (ii) the share of results of associates of ASL of a loss of approximately HK\$69,029,000 for the year ended 31st December, 2020 and a profit of approximately HK\$8,967,000 for the year ended 31st December, 2019; (iii) the discount represented by the share price of ASL to the net asset value of ASL; (iv) dividend received from the associates of ASL of approximately HK\$65,215,000 and nil for the years ended 31st December, 2020 and 31st December, 2019, respectively; and (v) the reasons for and the benefits of the Proposed Acquisition (as defined in the Joint Announcement) set out in the section headed "Reasons for and benefits of the Proposal" in the Joint Announcement.

Having considered the following factors, the ASL Directors (excluding Messrs. Patrick Lee Seng Wei, Edwin Lo King Yau, Tao Tsan Sang and Ms. Lisa Yang Lai Sum, who are subject to abstain from voting on the relevant ASL Board resolutions, and Messrs. Li Chak Hung and Choi Kin Man, being the remaining independent non-executive directors of ASL whose opinion will be provided after reviewing the advice of the IFA) have come to a view that the Sale and Purchase Agreement and the transactions contemplated thereunder, entailing the receipt of the Consideration and enabling the payment of the Special Dividend is fair and reasonable and is in the interest of the ASL Shareholders as a whole:–

- (i) the associates of the Target Group were loss making and did not make a significant contribution to the financial results of the ASL Group in the past two years – a loss for the year ended 31st December, 2020 and an insignificant profit for the year ended 31st December, 2019;
- (ii) the market valuation of the ASL Group’s assets is low, with the ASL Shares trading at the price-to-book multiples of 0.31 to 0.38 times in the past year up to and including the date of the Joint Announcement (based on the lowest and the highest closing price of the ASL Shares of HK\$1.10 and HK\$1.33 and the net asset value of the ASL Group of HK\$3.50 per ASL Share as at 31st December, 2020). Effectively, the ASL Shares trade at a discount of 62% to 69% to the net asset value of the ASL Group;
- (iii) the dividend received from the associates of ASL of approximately HK\$65,215,000 and nil for the years ended 31st December, 2020 and 31st December, 2019, respectively, averaging HK\$32,607,500. The Consideration represents a multiple of about 33 times of the average of such dividend received by ASL in the past two years;
- (iv) the Consideration represents a discount of approximately 57.5% to the adjusted net asset value of the Target Group of HK\$2,539,243,000 as at 30th April, 2021 (taking into account the preliminary valuation of the Properties as at 30th June, 2021). However, the potential value of the Properties could only be realised when they are disposed of. Based on the disposal track record and the disposal requirement of the Properties as detailed in the section headed “Reasons for and benefits of the Proposal” as disclosed in the ASL Announcement, it is expected that the disposal of the Properties in a large scale will not be forthcoming in the foreseeable future and the potential value of the Properties will continue to be locked up. Therefore, the Consideration representing a deep discount to net asset value of the Target Group is fair and reasonable to offset the time factor for liquidation of the Properties and the holding cost thereof; and
- (v) the closing price of the ASL Shares rose by approximately 27% on 24th June, 2021, being the following trading day after publication of the Joint Announcement, a strong indication of positive response of the market towards the Proposal. Closing price of the ASL Shares was at an average of HK\$1.18 during the twelve months prior to the date of the Joint Announcement, and stayed between HK\$1.57 and HK\$1.65 since the date of the Joint Announcement up to and including the date of this joint announcement.

## Conditions

Completion is conditional upon the fulfilment of each of the following Conditions:

- (i) the passing of the resolution(s) by the ASL Shareholders and/or Independent ASL Shareholders at the EGM approving the Transaction in accordance with the Listing Rules, and the Special Dividend to be distributed by ASL to the ASL Shareholders whose names appear on the register of members of ASL on the Record Date as soon as practicable after Completion;
- (ii) the Reorganisation having been duly completed;
- (iii) all other necessary governmental and regulatory approvals, consents, waivers, authorisations, registrations, filings and compliance with all the requirements under the Listing Rules and other applicable laws and regulations in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained and not revoked prior to Completion;
- (iv) all necessary consents, waivers and/or authorisations from any relevant third parties (where applicable) in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained and not revoked prior to Completion;
- (v) the representations, warranties and undertakings given or made by ASL remaining true and accurate and not misleading in any material respect as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and the Completion Date; and
- (vi) the representations, warranties and undertakings given or made by the Purchaser remaining true and accurate and not misleading in any material respect as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and the Completion Date.

Conditions (i) to (iv) above cannot be waived. The Purchaser may in its absolute discretion at any time waive Condition (v), while ASL may in its absolute discretion at any time waive Condition (vi). As at the date of this joint announcement, none of the Conditions has been fulfilled.

## **Completion**

Upon the fulfilment of the Conditions (or waiver where applicable) on or before the Long Stop Date, completion of the transactions contemplated under the Sale and Purchase Agreement shall take place on the Completion Date.

As at the date of this joint announcement, Dan Form is a wholly-owned subsidiary of ASL, which in turn is a non wholly-owned subsidiary of TACI. After the completion of the Reorganisation and upon Completion:

- (i) the Target Company, being the holding company of Dan Form after the Reorganisation, shall cease to be a subsidiary of ASL and ASL shall cease to have any interest in the Target Company; and
- (ii) the Target Company shall become a wholly-owned subsidiary of TACI and the financial results of the Target Company will remain to be consolidated into the consolidated financial statements of the TACI Group, resulting in a decrease in TACI's non-controlling interests. Furthermore, as TACI's interests in the Target Group, being the interests in associates, currently held through a non wholly-owned subsidiary, i.e. ASL, will be indirectly held by TACI via its interests in the Purchaser upon Completion and such interests would remain to be accounted for using equity method, TACI Group's effective interests in associates would increase as a result of Completion.

If any of the Conditions is not satisfied or waived by the Purchaser or ASL (as the case may be) on or before 5:00 p.m. on the Long Stop Date, (i) the Sale and Purchase Agreement will be terminated immediately at that time and date; (ii) all the rights, obligations and liabilities of the parties under the Sale and Purchase Agreement will cease and determine save for any antecedent rights and obligations already accrued before the termination; and (iii) none of the parties to the Sale and Purchase Agreement shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any provision of the Sale and Purchase Agreement.

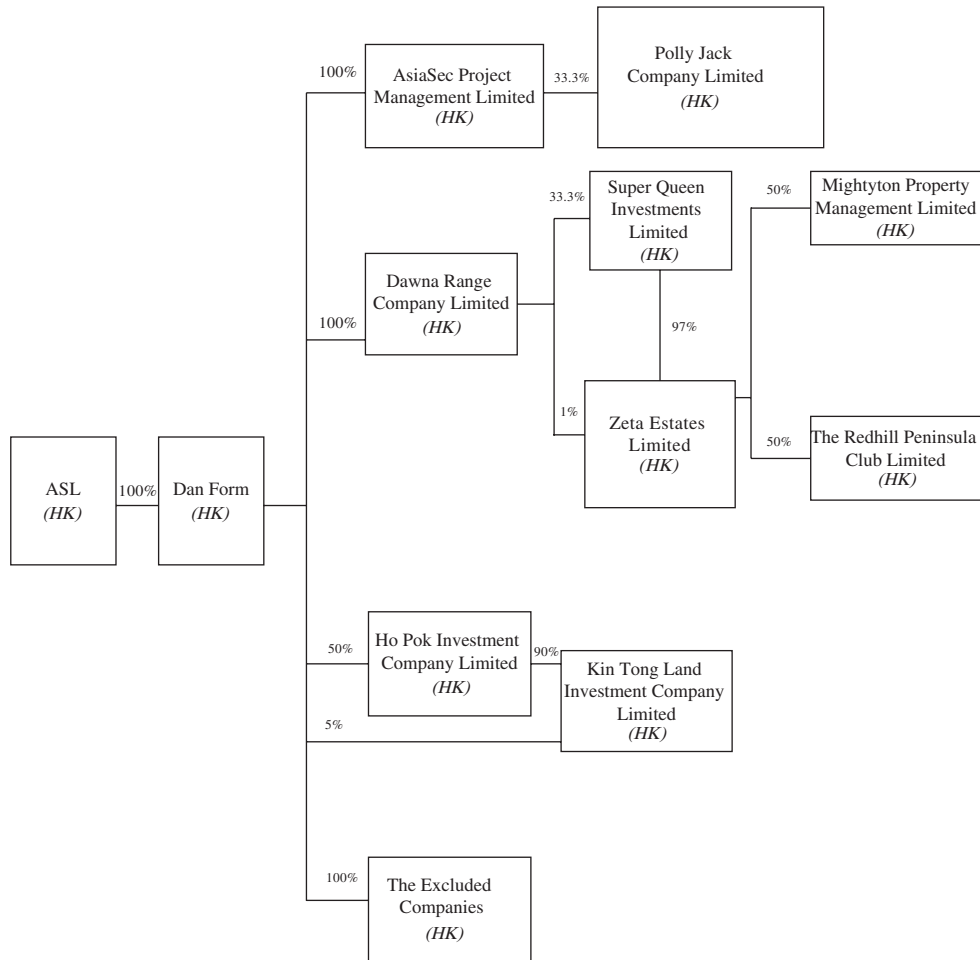
## **THE REORGANISATION**

As a Condition to the completion of the Transaction, ASL and Dan Form shall undergo the Reorganisation involving and to the effect that, among other things, (i) the BVI Holdco be directly wholly-owned by ASL and the Target Company be directly wholly-owned by the BVI Holdco; (ii) the transfer of the total number of issued shares in Dan Form by ASL to the Target Company; (iii) the assignment of such shareholder's loans of the Excluded Companies from Dan Form to ASL or its wholly-owned subsidiaries; (iv) any such amounts due to the Excluded Companies by Dan Form shall be settled in full by ASL; and (v) the Excluded Companies which are currently held by Dan Form be excluded from the Target Group.

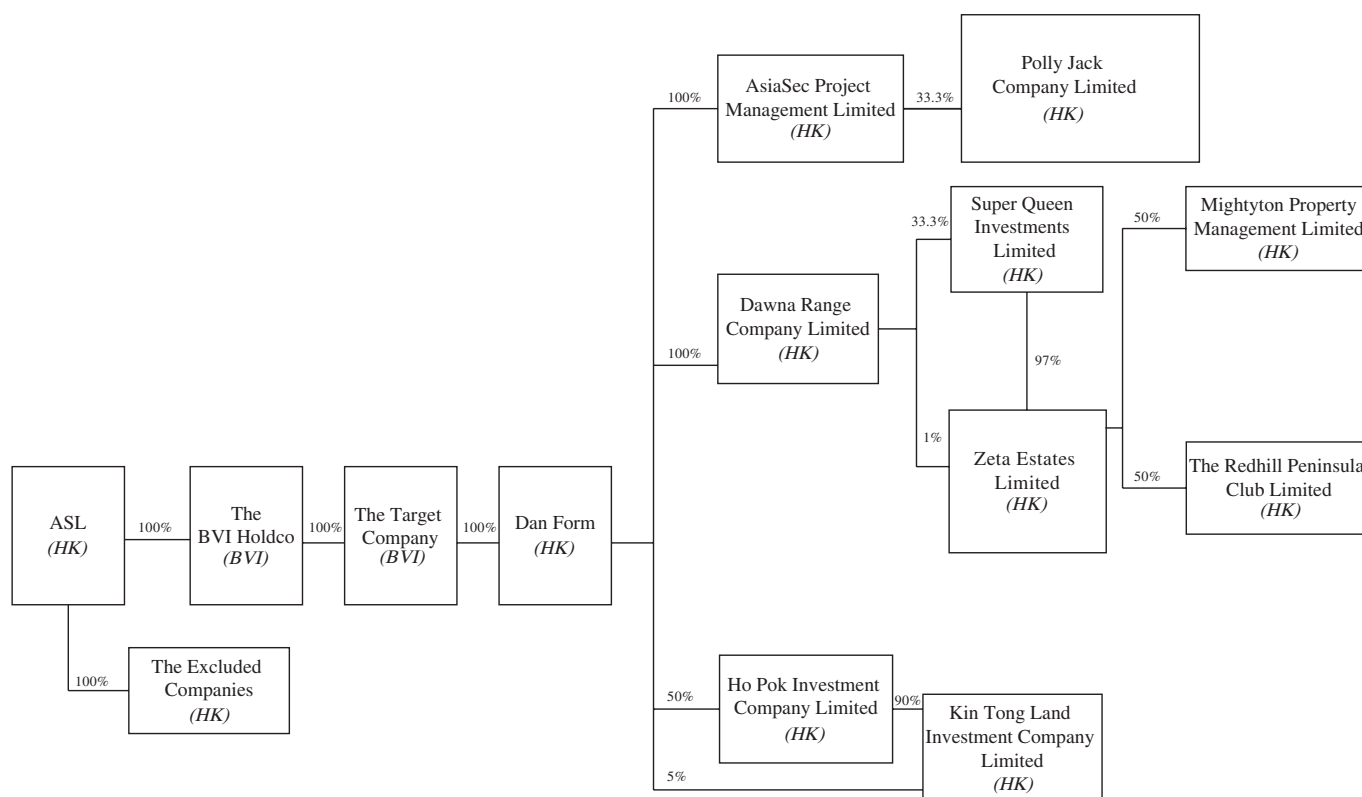
The operations of the Excluded Companies are property investment and property management. The major properties interests held by the Excluded Companies are a portion of Harbour Crystal Centre located at Tsimshatsui, Hong Kong as well as certain units of residential properties, commercial properties and car-parking spaces in Hong Kong. The Excluded Companies are wholly-owned subsidiaries of, and controlled by ASL. The financial results of the Excluded Companies are consolidated into the accounts of ASL. The Target Group holds non-controlling interest in the Properties through its interests in associates. The financial results of the associates are not consolidated into the accounts of ASL, and therefore it is expected that the Transaction will not have any impact on the revenue and operating profit in the financial statements of the ASL Group in future.

The group structure of (i) Dan Form as at the date of this joint announcement before the Reorganisation; and (ii) the Target Group after the Reorganisation and immediately before the Completion are as follows:

**Group structure of Dan Form as at the date of this joint announcement before the Reorganisation**



## Group structure of the Target Group after the Reorganisation and immediately before the Completion



## INFORMATION ON THE TARGET GROUP AND THE PROPERTIES UPON COMPLETION OF THE REORGANISATION

### The Target Group

The Target Company would be a company incorporated in the British Virgin Islands with limited liability and an investment holding company. The Target Group is engaged in property holding and investment. The primary assets of the Target Group are mainly the Properties interested by ASL through its interests in associates.

The following is the unaudited consolidated financial information of the Target Group (on the assumption that the Reorganisation had taken place on 1st January, 2019 and 1st January, 2020, respectively and the financial results of the Excluded Companies had been excluded) for the years ended 31st December, 2019 and 31st December, 2020, respectively, which has been prepared in accordance with HKFRS:

	<b>For the year ended 31st December, 2019 HK\$'000 (unaudited)</b>	<b>For the year ended 31st December, 2020 HK\$'000 (unaudited)</b>
Revenue	26	26
Net profit/(loss) before taxation	7,513	(70,465)
Net profit/(loss) after taxation	7,440	(70,631)



According to the unaudited consolidated financial information of the Target Group (on the assumption that the Reorganisation had taken place on 1st January, 2019 and 1st January, 2020, respectively and the financial results of the Excluded Companies had been excluded), as at 30th April, 2021, the Target Group had a net asset value of approximately HK\$2,560,647,000.

### **The Properties**

The Properties comprise a total of five properties, namely a portion of each of (i) Harbour Industrial Centre located in Ap Lei Chau; (ii) Oceanic Industrial Centre located in Ap Lei Chau; (iii) Phases 1 to 4 of The Redhill Peninsula located in Tai Tam; (iv) Queen's Centre located in Wanchai; and (v) Wah Shun Industrial Building located in Yau Tong, and car-parking spaces. The total gross floor area of these five Properties interested by ASL via its interests in its associates is approximately 1,359,000 sq.ft., and the total gross floor area attributable to the Target Group is approximately 480,000 sq.ft.

### **FINANCIAL IMPACT OF THE TRANSACTION ON ASL**

Upon Completion, it is estimated that the ASL Group will record an unaudited loss of approximately HK\$1,480,647,000 calculated on the basis of the Consideration of HK\$1,080,000,000 less the consolidated unaudited net asset value of the Target Group of HK\$2,560,647,000 as at 30th April, 2021.

The ASL Shareholders should note that the above figures are for illustrative purposes only. The actual effect arising from the Transaction may be different from the above estimation and will be determined based on the book value of the Target Group and the relevant expenses incurred at the Completion and is subject to review by auditors of ASL.

### **USE OF PROCEEDS BY ASL FROM THE TRANSACTION**

The entire proceeds arising from the Transaction of HK\$1,080,000,000 net of expenses directly attributable to the Transaction will be used by the ASL Group for the payment of the Special Dividend.

### **POSSIBLE DECLARATION OF THE SPECIAL DIVIDEND BY ASL**

Subject to approval of the Independent ASL Shareholders at the EGM and Completion having taken place, the ASL Board shall declare the Special Dividend of HK\$0.95 per ASL Share to the ASL Shareholders whose names appear on the register of members of ASL on the Record Date. A further announcement will be made by ASL in this regard as and when appropriate.

Pursuant to the Sale and Purchase Agreement, subject to Completion having taken place, ASL shall declare the Special Dividend within two business days from the Completion Date.

## **INFORMATION ON TACI, THE PURCHASER AND ASL**

### **TACI**

TACI 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 TACI is investment holding. The TACI 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.

### **The Purchaser**

The Purchaser is incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of TACI.

The principal business activity of the Purchaser is investment holding.

### **ASL**

ASL is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, and is a non wholly-owned subsidiary of TACI.

The principal business activity of ASL is investment holding, while that of its subsidiaries are property investment, property leasing and estate management in Hong Kong.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION AND THE POSSIBLE DECLARATION OF THE SPECIAL DIVIDEND**

### **TACI**

Having considered the “Reasons for and benefits of the Proposal” set out in the Joint Announcement, the TACI Directors (excluding Messrs. Lee Seng Hui, Patrick Lee Seng Wei, Edwin Lo King Yau, Tao Tsan Sang and Ms. Lisa Yang Lai Sum, who are subject to abstain from voting on the relevant TACI Board resolutions) are of the opinion that the terms of the Sale and Purchase Agreement are fair and reasonable and the Transaction is in the interest of TACI and the TACI Shareholders as a whole.

### **ASL**

Having considered the “Reasons for and benefits of the Proposal” set out in the ASL Announcement, the ASL Directors (excluding Messrs. Patrick Lee Seng Wei, Edwin Lo King Yau, Tao Tsan Sang and Ms. Lisa Yang Lai Sum, who are subject to abstain from voting on the relevant ASL Board resolutions, and Messrs. Li Chak Hung and Choi Kin Man, being the remaining independent non-executive directors of ASL whose opinion will be provided after reviewing the advice of the IFA) are of the opinion that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, together with the Special Dividend are fair and reasonable and are in the interest of ASL and the ASL Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **TACI**

As the relevant Percentage Ratio(s) in respect of the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for TACI and is subject to announcement but exempt from TACI Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **ASL**

As the relevant Percentage Ratio(s) in respect of the Transaction exceeds 25% but is less than 75%, the Transaction constitutes a major disposal for ASL. Furthermore, as at the date of this joint announcement, as TACI is a substantial shareholder of ASL, it is a connected person of ASL under Chapter 14A of the Listing Rules and therefore the Transaction constitutes a connected transaction for ASL.

Accordingly, the Transaction is subject to the reporting, announcement, circular and Independent ASL Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The IBC has been established to advise the Independent ASL Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder and the possible declaration of the Special Dividend. ASL has appointed the IFA to advise the IBC and the Independent ASL Shareholders in relation to the fairness and reasonableness of the Transaction and the possible declaration of the Special Dividend.

Messrs. Patrick Lee Seng Wei, Edwin Lo King Yau and Tao Tsan Sang are common directors of TACI and ASL and save for Mr. Edwin Lo King Yau who did not attend the relevant ASL Board meeting at which the Transaction was considered, all of them have abstained from voting on the relevant ASL Board resolutions. Ms. Lisa Yang Lai Sum is an independent non-executive director of both TACI and ASL. She was not appointed as a member of the IBC and has abstained from voting on the relevant ASL Board resolutions.

Apart from the above, none of the ASL Directors has any material interest in the Transaction and is required to abstain from voting on the ASL Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder, and the possible declaration of the Special Dividend.

## **GENERAL**

### **ASL**

The EGM will be convened by ASL for the Independent ASL Shareholders to consider and, if thought fit, approve the Transaction and the possible declaration of the Special Dividend.

To the best of the knowledge and belief of the ASL Directors having made all reasonable enquiries, save and except for TACI and its associates (as defined under the Listing Rules), no other ASL Shareholder has a material interest in the Transaction such that he or she or it shall abstain from voting at the EGM on the resolution to approve the Transaction and the possible declaration of the Special Dividend.

As more time is required to collate certain information, the circular of ASL containing, among other things, (i) further information on the Transaction; (ii) a letter of advice from the IFA to the IBC and the Independent ASL Shareholders; (iii) a letter of recommendation from the IBC to the Independent ASL Shareholders; (iv) the property valuation report of the Properties; and (v) a notice of the EGM, is expected to be despatched to the ASL Shareholders on or before 31st August, 2021.

**The Transaction is subject to a number of Conditions which may or may not be fulfilled, and the Special Dividend may or may not be declared. ASL Shareholders, TACI Shareholders and potential investors of each of ASL and TACI should exercise caution when dealing in the shares of ASL and TACI, respectively.**

## DEFINITIONS

“ASL”	Asiasec Properties Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 271) and being a non wholly-owned subsidiary of TACI
“ASL Announcement”	the announcement of ASL dated 9th July, 2021 relating to the Proposal
“ASL Board”	the board of ASL Directors
“ASL Director(s)”	the director(s) of ASL
“ASL Group”	ASL and its subsidiaries
“ASL Share(s)”	the ordinary share(s) of ASL
“ASL Shareholder(s)”	the shareholder(s) of ASL
“associates”	having the meaning ascribed to it under HKFRS unless otherwise defined
“BVI Holdco”	a company incorporated or to be incorporated in the British Virgin Islands with limited liability, which shall be directly wholly-owned by ASL upon completion of the Reorganisation
“Completion”	completion of the Transaction pursuant to the Sale and Purchase Agreement
“Completion Date”	the third business day after fulfilment (or waiver where applicable) of all Conditions, or such later date as may be agreed by the Purchaser and ASL in writing
“Condition(s)”	the condition(s) precedent to the Transaction as set out in the Sale and Purchase Agreement, which are required to be satisfied or waived (where applicable) on or before the Long Stop Date
“connected person(s)”	having the meaning ascribed to it under the Listing Rules

“Consideration”	the total consideration payable by the Purchaser to ASL for the Transaction, being HK\$1,080,000,000
“Dan Form”	Dan Form (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, being a direct wholly-owned subsidiary of ASL as at the date of this joint announcement and will become a direct wholly-owned subsidiary of the Target Company upon completion of the Reorganisation
“Distributable Profit”	the distributable profit of ASL as at 31st December, 2020 as disclosed in the 2020 annual report of ASL
“EGM”	an extraordinary general meeting to be convened by ASL for the Independent ASL Shareholders to consider and, if thought fit, approve the Transaction and the declaration of the Special Dividend
“Excluded Companies”	certain wholly-owned subsidiaries of Dan Form as at the date of this joint announcement which shall be excluded from the Target Group upon completion of the Reorganisation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IBC”	an independent committee of the ASL Board (comprising Messrs. Li Chak Hung and Choi Kin Man, being the remaining independent non-executive directors of ASL excluding Ms. Lisa Yang Lai Sum) established for the purpose of advising the Independent ASL Shareholders in respect of the Transaction and the possible declaration of the Special Dividend
“IFA”	Pelican Financial Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the IBC and the Independent ASL Shareholders in respect of the Transaction and the possible declaration of the Special Dividend
“Independent ASL Shareholder(s)”	the ASL Shareholder(s) (other than TACI and its associates as defined under the Listing Rules including the Purchaser) who are not interested in the Sale and Purchase Agreement and are not required under the Listing Rules to abstain from voting at the EGM to approve the same and the transactions contemplated thereunder, and the Special Dividend
“Joint Announcement”	the announcement jointly published by ASL and TACI dated 23rd June, 2021

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31st October, 2021 or such other date as may be agreed by the Purchaser and ASL in writing
“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, for the purpose of this joint announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Properties”	certain properties and car-parking spaces interested by ASL through its interests in associates (i.e. the Target Group) upon completion of the Reorganisation and as at Completion
“Proposal”	the proposal made by TACI to ASL in relation to (i) the Transaction; (ii) the reorganisation of Dan Form; and (iii) the declaration of the Special Dividend by ASL by applying the proceeds from the Transaction and the Distributable Profit
“Purchaser”	Advance Growth Investments Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of TACI and the purchaser under the Sale and Purchase Agreement
“Record Date”	the date to be fixed for determining the entitlements of the ASL Shareholders to the Special Dividend
“Reorganisation”	the reorganisation of ASL and Dan Form, as described in the section headed “The Reorganisation” in this joint announcement
“Sale and Purchase Agreement”	a sale and purchase agreement dated 2nd August, 2021 entered into between the Purchaser and ASL in relation to the Transaction
“Sale Shares”	all such number of the ordinary shares of the Target Company legally and beneficially owned by the BVI Holdco after the Reorganisation and immediately before the Completion, representing the entire issued share capital of the Target Company as at Completion
“Shareholder’s Loan”	any shareholder’s loan due to the BVI Holdco by the Target Company upon completion of the Reorganisation
“Special Dividend”	the special cash dividend of HK\$0.95 per ASL Share to be declared and paid by ASL to the ASL Shareholders upon Completion having taken place

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“TACI”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28) and being the controlling shareholder of ASL
“TACI Board”	the board of TACI Directors
“TACI Director(s)”	the director(s) of TACI
“TACI Group”	TACI and its subsidiaries
“TACI Shareholder(s)”	the shareholder(s) of TACI
“Target Company”	a company incorporated or to be incorporated in the British Virgin Islands with limited liability, which shall be directly wholly-owned by the BVI Holdco upon completion of the Reorganisation
“Target Group”	the Target Company and certain companies in which the Target Company is interested, directly or indirectly, excluding the Excluded Companies upon completion of the Reorganisation, details of which are set out under the section headed “The Reorganisation – Group structure of the Target Group after the Reorganisation and immediately before the Completion” in this joint announcement
“Transaction”	the acquisition of the Sale Shares by the Purchaser from the BVI Holdco and the assignment of the Shareholder’s Loan by the BVI Holdco to the Purchaser pursuant to the Sale and Purchase Agreement
“sq. ft.”	square feet
“%”	per cent.

On behalf of the TACI Board  
**Tian An China Investments Company Limited**  
**Edwin Lo King Yau**  
*Executive Director*

On behalf of the ASL Board  
**Asiasec Properties Limited**  
**Lee Shu Yin**  
*Executive Director and Chief Executive*

Hong Kong, 2nd August, 2021

*As at the date of this joint announcement, the TACI Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (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.*

*As at the date of this joint announcement, the ASL 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.*