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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 AND FORMATION OF JOINT VENTURE

PROVISION OF THE GUARANTEE

On 30th June, 2020, TA Shanghai (an indirect wholly-owned subsidiary of the Company), CIFI, Guangzhou Guangdian and Rongxin entered into the Guarantee Agreement with the Lender Banks, pursuant to which, among other things, TA Shanghai shall provide the Guarantee up to 16% of the Facility granted to the Joint Venture which is owned as to 16% by Shanghai Jialing, an indirect non wholly-owned subsidiary of the Company, in favour of the Lender Banks.

FORMATION OF JOINT VENTURE

Prior to the entering into of the Guarantee Agreement, on 29th April, 2020, Shanghai Jialing, Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong, Nanjing Kaizhiyue and the Joint Venture entered into the Cooperation Agreement for, among other things, the management of the business of the Joint Venture and the provision of the Capital Contribution and the Shareholder's Loan by Shanghai Jialing.

LISTING RULES IMPLICATIONS

The provision of the Guarantee on a standalone basis does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules as none of the Percentage Ratios exceeds 5%.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantee, when aggregated with the Capital Contribution and the Shareholder's Loan, exceeds 5% but is less than 25%, the provision of the Guarantee, together with the Capital Contribution and the Shareholder's 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.

PROVISION OF THE GUARANTEE

On 30th June, 2020, TA Shanghai (an indirect wholly-owned subsidiary of the Company), CIFI, Guangzhou Guangdian and Rongxin, and in accordance with the terms of the Cooperation Agreement as elaborated below, entered into the Guarantee Agreement with the Lender Banks, pursuant to which, among other things, TA Shanghai shall provide the Guarantee up to 16% of the Facility granted to the Joint Venture which is owned as to 16% by Shanghai Jialing, an indirect non wholly-owned subsidiary of the Company, in favour of the Lender Banks. The principal terms of the Guarantee Agreement are as follows:

Date

30th June, 2020

Parties

- (1) TA Shanghai (as guarantor)
- (2) CIFI (as guarantor)
- (3) Guangzhou Guangdian (as guarantor)
- (4) Rongxin (as guarantor)
- (5) the Lender Banks (as lender)

Guarantee obligation

TA Shanghai shall guarantee the outstanding principal amount of the Facility of up to RMB176,000,000 (equivalent to approximately HK\$191,304,000) (representing 16% of the Facility) and the interests, penalties, compensations, all other fees payable by the Joint Venture to the Lender Banks and all other expenses incurred by the Lender Banks pursuant to the relevant agreements in proportion to the 16% equity interest in the Joint Venture held by Shanghai Jialing.

Each of CIFI, Guangzhou Guangdian and Rongxin shall guarantee such amount of the outstanding principal amount of the Facility and the interests, penalties, compensations, all other fees payable by the Joint Venture to the Lender Banks and all other expenses incurred by the Lender Banks pursuant to the relevant agreements in proportion to its respective equity interest (via its subsidiary) in the Joint Venture.

Term of guarantee

Commencing from the date of the Guarantee Agreement and ending on the date after three years upon the expiry of the entire repayment obligation of the Joint Venture under the Syndicated Loan Agreement.

The holding company of Shenzhen Creative Industry separately undertakes that, in the event where the Joint Venture is unable to repay any amount which falls due under the Facility, it shall provide funding to the Joint Venture, such amount of funding shall be up to 20% (which is equivalent to the equity interest in the Joint Venture held by Shenzhen Creative Industry) of any amount which falls due under the Facility and remain unpaid by the Joint Venture.

FORMATION OF JOINT VENTURE

Prior to the entering into of the Guarantee Agreement, on 29th April, 2020, Shanghai Jialing, Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong, Nanjing Kaizhiyue and the Joint Venture entered into the Cooperation Agreement for, among other things, the management of the business of the Joint Venture and the provision of the Capital Contribution and the Shareholder's Loan by Shanghai Jialing. The principal terms of the Cooperation Agreement are as follows:

Date

29th April, 2020

Parties

- (1) Shanghai Jialing
- (2) Shenzhen Creative Industry
- (3) Suzhou Hesa
- (4) Kunshan Shunhong
- (5) Nanjing Kaizhiyue
- (6) the Joint Venture

The Joint Venture is owned as to 16% by Shanghai Jialing, 20% by Shenzhen Creative Industry, 32% by Suzhou Hesa, 16% by Kunshan Shunhong and 16% by Nanjing Kaizhiyue.

Business of the Joint Venture

The business of the Joint Venture shall be to develop the Land.

Capital Structure of the Joint Venture and provision of shareholders' loans

The registered capital of the Joint Venture is RMB540,000,000 (equivalent to approximately HK\$586,957,000), which shall be contributed by the JV Shareholders in proportion to their equity interest in the Joint Venture. The Capital Contribution which has been contributed by Shanghai Jialing in the Joint Venture is RMB86,400,000 (equivalent to approximately HK\$93,913,000).

The JV Shareholders have committed under the Cooperation Agreement to provide shareholders' loans in the respective amounts in proportion to their equity interest in the Joint Venture, which shall carry an interest of 8% per annum and be payable on a quarterly basis. The total shareholders' loans committed to be provided by the JV Shareholders is RMB760,000,000 (equivalent to approximately HK\$826,087,000), and the Shareholder's Loan committed to be provided by Shanghai Jialing is RMB121,600,000 (equivalent to approximately HK\$132,174,000).

The amount of the Capital Contribution and Shareholder's Loan under the Cooperation Agreement was determined after arm's length negotiations among Shanghai Jialing and the JV Partners, taking into account the respective equity interest held by Shanghai Jialing and the JV Partners in the Joint Venture, the financial resources available to Shanghai Jialing and the JV Partners, and the funding needs of the Joint Venture in developing the Land.

The Joint Venture has not become a subsidiary of the Company upon its formation, and its financial results would not be consolidated into the financial statements of the Company.

The Capital Contribution and the Shareholder's Loan has been and/or will be provided by the internal resources of the Group.

Board and management of the Joint Venture

The board of directors of the Joint Venture shall consist of five directors. Each of the JV Shareholders shall nominate one representative to be a director of the Joint Venture. The chairman of the board shall be the director nominated by Shanghai Jialing. All decisions of the board of the directors of the Joint Venture shall be approved by way of majority vote.

Matters requiring unanimous consent of the JV Shareholders

The matters which require the unanimous consent of the JV Shareholders, among others, are as follows:

- (i) the management direction and investment plan of the Joint Venture;
- (ii) election and change of the directors and supervisor of the Joint Venture, and the remuneration of the directors and supervisor of the Joint Venture;
- (iii) increase or decrease the registered capital of the Joint Venture;
- (iv) issue of bonds of the Joint Venture;
- (v) the merger, division, dismissal, dissolution or change of company form of the Joint Venture;
- (vi) amendment of the articles of the Joint Venture;
- (vii) set up of subsidiaries, joint ventures or other external investments of the Joint Venture;
- (viii) transfer of the equity interest in the Joint Venture by the JV Shareholders;
- (ix) the pledge of the equity interest in the Joint Venture by the JV Shareholders;
- (x) financing arrangements of the Joint Venture; and
- (xi) provision of loans by the Joint Venture to third parties.

Financing

In addition to the shareholders' loans provided by the JV Shareholders, the development cost of the Land by the Joint Venture shall be financed by:

- (i) bank loans; and
- (ii) capital injection or additional shareholders' loans to be provided by the JV Shareholders in proportion to their equity interest in the Joint Venture.

The JV Shareholders shall provide the credit enhancement measures (增信措施) in proportion to their equity interest in the Joint Venture, if required pursuant to the terms of the bank loans. Any of the JV Shareholders who fail to provide such credit enhancement measures in proportion to their equity interest in the Joint Venture shall pay a fee to the remaining JV Shareholders who have provided additional credit enhancement measures in excess of their equity interest in the Joint Venture, such fee calculated at a rate of 2% per annum of such additional amount of the credit enhancement measures.

Distribution of profit

After the repayment of all third party loans, including bank loans and shareholders' loans, the remaining distributable profit shall be distributed to the JV Shareholders in accordance with their respective equity interest in the Joint Venture.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is engaged principally in, among other things, property development and investment on the mainland in the PRC. The formation of the Joint Venture contemplated under the Cooperation Agreement allows the Group to diversify its property portfolio in the PRC. The Land is situated in Kunshan, Jiangsu, the PRC, and the Group's participation in the Joint Venture will provide it with increased returns for the Group.

In order to finance the development cost of the Land, the Joint Venture entered into the Syndicated Loan Agreement with the Lender Banks, pursuant to which the Lender Banks shall provide the Facility to the Joint Venture. In consideration of the provision of the Facility, the Group and the parent companies of the JV Partners are required to guarantee the repayment obligation of the Joint Venture under the Syndicated Loan Agreement in proportion to their equity interest in the Joint Venture.

The Directors are of the view that the provision of the Guarantee (which is incidental to the grant of the Facility by the Lender Banks) is incidental to and forms an integral part of development of the Land by providing funding for the Joint Venture.

Having considered the above, the Directors are of the view that the Transactions 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 ON THE COMPANY, THE GUARANTORS, THE LENDER BANKS AND THE JOINT VENTURE GROUP

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.

The Guarantors

(1) *TA Shanghai*

TA Shanghai is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company.

The principal business activities of TA Shanghai are property development and investment and investment holding.

(2) *CIFI*

CIFI is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of CIFI Group, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 884).

The principal business activity of CIFI is property development.

(3) *Guangzhou Guangdian*

Guangzhou Guangdian is a company established in the PRC with limited liability and is owned as to 76% by Gemdale Properties, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 535).

The principal business activities of Guangzhou Guangdian are property development and investment and investment holding in the PRC.

(4) *Rongxin*

Rongxin is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Rongxin Group, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3301).

The principal business activity of Rongxin is property development.

The Lender Banks

(1) CCB

CCB is a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939), respectively.

The principal business activity of CCB is commercial banking.

(2) ICBC

ICBC is a joint stock limited company incorporated in the PRC, the H shares and offshore preference shares of which are listed on the Stock Exchange (H shares stock code: 1398 and EUR preference shares stock code: 4604), and the A shares and domestic preference shares of which are listed on the Shanghai Stock Exchange (A shares stock code: 601398 and domestic preference shares stock codes: 360011, 360036), respectively.

The principal business activity of ICBC is commercial banking.

The Joint Venture Group

(1) The Joint Venture

The Joint Venture is a company established in the PRC with limited liability and is owned as to 16% by Shanghai Jialing, 20% by Shenzhen Creative Industry, 32% by Suzhou Hesa, 16% by Kunshan Shunhong and 16% by Nanjing Kaizhiyue.

The principal business activity of the Joint Venture is property development.

(2) Shanghai Jialing

Shanghai Jialing is a company established in the PRC with limited liability and is an indirect non wholly-owned subsidiary of the Company.

The principal business activity of Shanghai Jialing is investment holding.

(3) Suzhou Hesa

Suzhou Hesa is a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of CIFI.

The principal business activity of Suzhou Hesa is business management.

(4) Kunshan Shunhong

Kunshan Shunhong is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Guangzhou Guangdian.

The principal business activity of Kunshan Shunhong is property development.

(5) *Nanjing Kaizhiyue*

Nanjing Keizhiyue is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Rongxin.

The principal business activity of Nanjing Kaizhiyue is property development.

(6) *Shenzhen Creative Industry*

Shenzhen Creative Industry is a company established in the PRC with limited liability and is an indirect non wholly-owned subsidiary of Ping An Group, the H shares and A shares of which are listed on the Stock Exchange (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318), respectively.

The principal business activities of Shenzhen Creative Industry are management consulting, property investment and property management.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for (i) the 20% of the equity interest that Shenzhen Creative Industry holds in the Joint Venture; (ii) the 32% of the equity interest that Suzhou Hesa holds in the Joint Venture; (iii) the 16% of the equity interest that Kunshan Shunhong holds in the Joint Venture; and (iv) the 16% of the equity interest that Nanjing Kaizhiyue holds in the Joint Venture, Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong, Nanjing Kaizhiyue, CIFI, Guangzhou Guangdian, Rongxin and their respective ultimate beneficial owners are all third parties independent of the Company and its connected persons.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Lender Banks and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

The provision of the Guarantee on a standalone basis does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules as none of the Percentage Ratios exceeds 5%.

As one of the relevant Percentage Ratios in respect of the provision of the Guarantee, when aggregated with the Capital Contribution and the Shareholder's Loan, exceeds 5% but is less than 25%, the provision of the Guarantee, together with the Capital Contribution and the Shareholder's 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

“Board”	the board of Directors
“Capital Contribution”	the capital contribution in the amount of RMB86,400,000 (equivalent to approximately HK\$93,913,000) which has been contributed by Shanghai Jialing in the Joint Venture
“CCB”	China Construction Bank Corporation, a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939), respectively
“CIFI”	旭輝集團股份有限公司 (CIFI Group Company Limited*), a company established in the PRC with limited liability and one of the Guarantors under the Guarantee Agreement
“CIFI Group”	CIFI Holdings (Group) Co. Ltd., an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 884)
“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
“Cooperation Agreement”	the cooperation agreement dated 29th April, 2020 entered into among Shanghai Jialing, Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong, Nanjing Kaizhiyue and the Joint Venture in relation to the formation of the Joint Venture
“Director(s)”	the director(s) of the Company
“Facility”	a facility of up to RMB1,100,000,000 (equivalent to approximately HK\$1,195,652,000) made available by the Lender Banks to the Joint Venture for a term of five years at an interest rate of 0.7575% or 0.9% (as the case may be) plus the LPR, which shall be adjusted every 12 months with reference to the then LPR, under the Syndicated Loan Agreement
“Gemdale Properties”	Gemdale Properties and Investment Corporation Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 535)
“Group”	the Company and its subsidiaries
“Guangzhou Guangdian”	廣州廣電房地產開發集團股份有限公司 (Guangzhou Guangdian Property Development Group Shares Company Limited*), a company established in the PRC with limited liability and one of the Guarantors under the Guarantee Agreement

“Guarantee Agreement”	the guarantee agreement dated 30th June, 2020 entered into among TA Shanghai, CIFI, Guangzhou Guangdian, Rongxin and the Lender Banks in respect of, among other things, the provision of the Guarantee
“Guarantee”	the guarantee provided by TA Shanghai under the Guarantee Agreement in respect of the Facility
“Guarantors”	TA Shanghai, CIFI, Guangzhou Guangdian and Rongxin
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited, a joint stock limited company incorporated in the PRC, the H shares and offshore preference shares of which are listed on the Stock Exchange (H shares stock code: 1398 and EUR preference shares stock code: 4604), and the A shares and domestic preference shares of which are listed on the Shanghai Stock Exchange (A shares stock code: 601398 and domestic preference shares stock codes: 360011, 360036), respectively
“Joint Venture”	昆山興未置業有限公司 (Kunshan Xingwei Properties Company Limited*), a company established in the PRC with limited liability which is owned as to 16% by Shanghai Jialing, 20% by Shenzhen Creative Industry, 32% by Suzhou Hesa, 16% by Kunshan Shunhong and 16% by Nanjing Kaizhiyue
“JV Partners”	Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong and Nanjing Kaizhiyue
“JV Shareholders”	Shanghai Jialing, Shenzhen Creative Industry, Suzhou Hesa, Kunshan Shunhong and Nanjing Kaizhiyue
“Kunshan Shunhong”	昆山順鴻房地產開發有限公司 (Kunshan Shunhong Property Development Company Limited*), a company established in the PRC with limited liability which owns 16% of the equity interest in the Joint Venture
“Land”	a parcel of land in Kunshan, Jiangsu, the PRC with an area of 83,780.5 square metres
“Lender Banks”	昆山分行(Kunshan Branch*) of CCB, 蘇州高新技術產業開發區支行(Suzhou Top New Technology Industry Development Area Sub-branch*) of CCB, 昆山分行(Kunshan Branch*) of ICBC and 蘇州工業園區支行(Suzhou Industrial Park Sub-branch*) of ICBC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LPR”	the loan prime rate, the market rate for a loan with a term of one-year as published by the National Interbank Funding Centre in the PRC
“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
“Nanjing Kaizhiyue”	南京愷志越房地產開發有限公司 (Nanjing Kaizhiyue Property Development Company Limited*), a company established in the PRC with limited liability which owns 16% of the equity interest in the Joint Venture
“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
“Ping An Group”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company duly incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Stock Exchange (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318), respectively
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Rongxin”	融信(福建)投資集團有限公司 (Rongxin (Fujian) Investment Group Company Limited*), a company established in the PRC with limited liability and one of the Guarantors under the Guarantee Agreement
“Rongxin Group”	Ronshine China Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3301)
“Shanghai Jialing”	上海嘉令科技有限公司 (Shanghai Jialing Science and Technology Company Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company, which owns 16% of the equity interest in the Joint Venture

“Shareholder(s)”	the shareholder(s) of the Company
“Shareholder’s Loan”	the shareholder’s loan committed to be provided by Shanghai Jialing in the amount of RMB121,600,000 (equivalent to approximately HK\$132,174,000) to the Joint Venture under the Cooperation Agreement
“Shenzhen Creative Industry”	深圳市創產企業管理有限公司 (Shenzhen Creative Industry Enterprise Management Company Limited*), a company established in the PRC with limited liability which owns 20% of the equity interest in the Joint Venture
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Hesa”	蘇州和薩商務諮詢有限公司 (Suzhou Hesa Business Consultancy Company Limited*), a company established in the PRC with limited liability which owns 32% of the equity interest in the Joint Venture
“Syndicated Loan Agreement”	the loan agreement entered into between the Joint Venture and the Lender Banks in respect of the Facility
“TA Shanghai”	天安(上海)投資有限公司 (Tian An (Shanghai) Investments Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, being one of the Guarantors under the Guarantee Agreement
“Transactions”	the transactions contemplated under the provision of the Guarantee and the formation of the Joint Venture
“%”	per cent.

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

Hong Kong, 30th June, 2020

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1 equal to RMB0.92. 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.

* *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.*