

WHAT IS THE REAL STORY AT TIAN AN CHINA ?

Whether or not the most recent events are just the tip of the financial iceberg remains to be seen, but it does appear that not everything is well in publicly listed Tian An China Investments Company Ltd.

That has to be the conclusion that one must draw after reviewing claims, made against this publicly listed company.

According to Nanyang Commercial Bank Ltd, Tian An China Investments owes it about \$HK3.27 million; and, the bank will not accept less than this amount of money to settle the alleged debt.

Nor will this bank brook any delays in payment of this sum of money, being quite willing to have the matter adjudicated in the High Court of the Hongkong Special Administrative Region (HKSAR).

To this end, Nanyang Commercial Bank has issued 3 High Court Writs, naming Tian An China Investments and its 65-percent owned subsidiary, Tian An (Shenzhen) Investment Company Ltd, as the Defendants.

Nanyang Commercial Bank alleges that, on November 29, 1995, it came into an agreement with Tian An (Shenzhen) whereby it would offer mortgage facilities to end-buyers of units in Man Kam Square, in Shenzhen, the People's Republic of China (PRC).

Tian An (Shenzhen) was the lead developer in this Shenzhen project.

It is alleged that both Tian An (Shenzhen) and Tian An China Investments agreed to act as co-guarantors of the mortgage loans, provided by the bank to end-users in this PRC project.

Paragraph 9 of High Court Action Number 17787 states: *'Relying on, inter alia, the Guarantees, the Plaintiff (Nanyang Commercial Bank) granted a loan of HK\$690,800.00 to two End-buyers namely, Madam Tin Yuk Mui and Madam Lam Mei Ling to finance their purchase of unit 07, Level 21, Man Shing Centre, Man Kam Square, Shenzhen PRC ("Unit") on the security of, inter alia, a mortgage over the Unit contained in a document in Chinese ...'*

On July 23, 1998, it is alleged that the 2 ladies defaulted on their obligations to Nanyang Commercial Bank and, as a result, Tian An got caught in the mortgage vice.

But Paragraph 11 of the Statement of Claim, attached to the Writ of Summons, alleges that Tian An China Investments and Tian An (Shenzhen) *'have failed and/or refused to comply with the said demands. As at 21st October 1999, the said Madam Tin and Madam Lam were indebted to the Plaintiff in the sum of HK\$834,814.14 ...'* and that the interest *'clock'* was ticking away at the rate of 36 percent per annum from October 22, 1999. ...

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