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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)

**(1) PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES
(2) RESUMPTION OF TRADING**

The Vendor, together with parties acting in concert with it, is currently beneficially interested in an aggregate of approximately 48.60 per cent. of the issued share capital of the Company. On 6th April, 2006, the Placing Agreement was executed, pursuant to which the Vendor has agreed to place, through the Placing Agent, 175,000,000 Shares to independent investors at a price of HK\$5.10 per Share. On completion of the Placing, the Vendor will subscribe for 175,000,000 new Shares at the same price.

The Placing is fully underwritten by the Placing Agent.

The Placing Shares represent approximately 19.99 per cent. of the existing issued share capital of the Company and approximately 16.66 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Placing is unconditional, but the Subscription is conditional upon fulfilment of three conditions. **The Subscription is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.**

Net proceeds from the Subscription of approximately HK\$863,000,000 (being a net placing price of approximately HK\$4.93 per Share) will be applied by the Group as to approximately HK\$600,000,000 to fund the Shanghai Tian An Sunshine Peninsula Project, as to approximately HK\$200,000,000 to reduce its overall borrowings and as to the balance for general working capital purposes.

The aggregate beneficial interest of the Vendor and parties acting in concert with it in the issued share capital of the Company will be reduced from approximately 48.60 per cent. to approximately 28.61 per cent. immediately following completion of the Placing, but will increase to approximately 40.51 per cent. immediately following completion of the Subscription. An application will be made to the Executive for the granting of a waiver to the Vendor and parties acting in concert with it from any obligation to make a general offer under Rule 26 of the Takeovers Code arising as a result of completion of the Subscription.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 6th April, 2006, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10th April, 2006.

PLACING OF 175,000,000 EXISTING SHARES AND SUBSCRIPTION OF 175,000,000 NEW SHARES

Placing Agreement dated 6th April, 2006 made between the Vendor and the Placing Agent

- Vendor:** The Vendor, which is the controlling shareholder of the Company.
- Number of Placing Shares:** 175,000,000 Shares to be placed, representing approximately 19.99 per cent. of the existing issued share capital of the Company and approximately 16.66 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.
- Underwriting:** The Placing is fully underwritten by the Placing Agent.
- Placing price:** HK\$5.10 per Placing Share, which was agreed after arm's length negotiations and represents:
- (i) a discount of approximately 6.42 per cent. to the closing price of HK\$5.450 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of this announcement; and
 - (ii) a premium of approximately 4.77 per cent. over the average closing price of HK\$4.868 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of this announcement.
- Placing Agent:** The Placing Agent.
- The Placing Agent and its ultimate owners are all:
- (i) independent of, and not acting in concert with, the Vendor and parties acting in concert with it; and
 - (ii) independent third parties not connected with the Company or its subsidiaries or any of their respective associates, or any of the connected persons of the Company or its subsidiaries or any of their respective associates.
- Placing commission:** The Placing Agent will receive a placement commission of three per cent. on the gross proceeds of the Placing.
- Placees:** The Placing Shares will be placed to not less than six placees (which will be individual, corporate or institutional investors or a combination of them).
- Such placees and their respective ultimate owners are all:
- (i) independent of, and not acting in concert with, the Vendor and parties acting in concert with it; and

- (ii) independent third parties not connected with the Company or its subsidiaries or any of their respective associates, or any of the connected persons of the Company or its subsidiaries or any of their respective associates.

One of such placees, Penta Investment Advisers Limited (who is currently interested in approximately 4.97 per cent. of the existing issued share capital of the Company), is expected to increase its shareholding percentage to over 10 per cent. of the issued share capital of the Company as enlarged by the Subscription and become a substantial shareholder of the Company as a result of the Placing.

Completion: The Placing Agreement is unconditional, and completion of the Placing is expected to take place on or before 11th April, 2006.

Subscription Agreement dated 6th April, 2006 made between the Vendor and the Company

Subscriber: The Vendor.

Number of Subscription Shares: 175,000,000 new Shares, representing approximately 19.99 per cent. of the existing issued share capital of the Company and approximately 16.66 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price: HK\$5.10 per Subscription Share, which is the same as the placing price of the Placing Shares.

General Mandate: The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the annual general meeting held on 12th May, 2005. The Company has not utilised the general mandate prior to entering into the Subscription Agreement.

Ranking of Subscription Shares: The Subscription Shares will rank equally with Shares in issue at the time of allotment and issue of the Subscription Shares.

Use of Proceeds: Net proceeds from the Subscription of approximately HK\$863,000,000 will be applied by the Group as to approximately HK\$600,000,000 to fund the Shanghai Tian An Sunshine Peninsula Project, as to approximately HK\$200,000,000 to reduce its overall borrowings and as to the balance for general working capital purposes.

Conditions: The Subscription is conditional upon:

- (i) the Stock Exchange granting listing of and permission to deal in the Subscription Shares;
- (ii) the Executive granting a waiver to the Vendor and parties acting in concert with it from any obligation to make a general offer under Rule 26 of the Takeovers Code arising as a result of the Subscription; and
- (iii) completion of the Placing.

None of the above conditions can be waived.

Application will be made to the Stock Exchange to grant the listing of and permission to deal in the Subscription Shares. Application will be made to the Executive for the waiver.

The Subscription is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the Shares.

Completion: Under Rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days after the date of the Subscription Agreement, that is, on or before 20th April, 2006 (or such later date as may be agreed by the Company and the Vendor subject to compliance with the Listing Rules), failing which the Subscription will cease and terminate.

Costs and expenses

Subject to completion of the Subscription, the Company will bear the costs and expenses in connection with the Placing and the Subscription, which are estimated to be approximately HK\$29,500,000. Any interest earned by the Vendor on the monies raised by the Placing, between the date of completion of the Placing and the date of completion of the Subscription, will be paid to the Company.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company immediately before completion of the Placing, immediately after completion of the Placing but before completion of the Subscription, and immediately after completion of both the Placing and the Subscription are and will be as follows:

Name	Approximate shareholding percentage in the Company (Note 1)		
	Immediately before the Placing and the Subscription	Immediately after the Placing but before the Subscription	Immediately after the Placing and the Subscription
The Vendor and parties acting in concert with it (Note 2)	48.60	28.61	40.51
Placees	–	19.99	16.66
Public	51.40	51.40	42.83
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Notes:

1. The figures assume that other than the Subscription Shares, no new Shares are issued or purchased by the Company and that other than the Placing Shares, no Shares are sold or purchased by the Vendor, in each case, after the date of this announcement up to the date of completion of the Subscription.
2. All these Shares are held and beneficially owned by the Vendor.

The aggregate beneficial interest of the Vendor and parties acting in concert with it in the issued share capital of the Company will be reduced from approximately 48.60 per cent. to approximately 28.61 per cent. immediately following completion of the Placing, but will increase to approximately 40.51 per cent. immediately following completion of the Subscription. The Subscription does not constitute any notifiable transaction for the Vendor under Chapter 14 of the Listing Rules.

Under Rule 26 of the Takeovers Code, the Vendor and parties acting in concert with it will be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Vendor and parties acting in concert with it as a result of completion of the Subscription. An application will be made to the Executive for the granting of a waiver to the Vendor and parties acting in concert with it from any obligation to make a general offer under Rule 26 of the Takeovers Code arising as a result of completion of the Subscription.

If completion of the Subscription does not take place, the aggregate beneficial interest of the Vendor and parties acting in concert with it in the issued share capital of the Company will be reduced from approximately 48.60 per cent. to approximately 28.61 per cent., but will not be increased to approximately 40.51 per cent.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION

In view of current market conditions, the directors of the Company consider that the Placing, together with the Subscription, represents a good opportunity to raise further working capital for the Company while at the same time broadening its shareholder and capital base. Net proceeds from the Subscription of approximately HK\$863,000,000 (being a net placing price of approximately HK\$4.93 per Share) will be applied by the Group as to approximately HK\$600,000,000 to fund the Shanghai Tian An Sunshine Peninsula Project, as to approximately HK\$200,000,000 to reduce its overall borrowings and as to the balance for general working capital purposes.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

No funds were raised by the Company on any issue of equity securities in the 12 months immediately preceding the date of this announcement. Prior to entering into the Subscription Agreement, the Company has not utilised the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the annual general meeting held on 12th May, 2005.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 6th April, 2006, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 10th April, 2006.

DIRECTORS

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Patrick Lee Seng Wei (Chairman and Acting Managing Director), Mr. Ng Qing Hai (Deputy Managing Director), Mr. Ma Sun, Mr. Edwin Lo King Yau and Mr. Li Chi Kong

Non-Executive Directors:

Mr. Moses Cheng Mo Chi and Miss Lisa Yang Lai Sum

Independent Non-Executive Directors:

Mr. Francis J. Chang Chu Fai, Mr. Goodwin Gaw, Mr. Ngai Wah Sang and Mr. Xu Su Jing

DEFINITIONS

“associates”	having the meaning ascribed to it in the Listing Rules
“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 Stock Exchange (Stock Code: 28)
“Executive”	the executive director of the Corporate Finance Division of the Securities and Futures Commission
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	3V Capital Limited, a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in Type 1 (dealing in securities) and Type 4 (advising on securities) activities
“Placing Agreement”	the placing agreement dated 6th April, 2006 made between the Vendor and the Placing Agent in relation to the Placing
“Placing Shares”	the 175,000,000 Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“Shanghai Tian An Sunshine Peninsula Project”	the project, which has been re-planned as a commercial and entertainment complex, located in Putuo District, Shanghai, the People’s Republic of China, further particulars of which are set out in the 2004 annual report of the Company
“Shares”	ordinary shares of nominal value of HK\$0.20 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 6th April, 2006 made between the Vendor and the Company in relation to the Subscription
“Subscription Shares”	the 175,000,000 Shares to be subscribed for by the Vendor pursuant to the Subscription Agreement
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers

“Vendor”

Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 86), and the controlling shareholder of the Company

By Order of the Board
Tian An China Investments Company Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 7th April, 2006

The directors of Tian An China Investments Company Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.