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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**

### **ACQUISITION OF INTERESTS IN SKY TALENT HOLDINGS LIMITED AND ACE RESULT LIMITED**

On 2nd April, 2007, Benjamin Resources, an indirect wholly-owned subsidiary of the Company, entered into the Sky Talent Agreement with Mr. Cheng pursuant to which Mr. Cheng agreed to sell and Benjamin Resources agreed to purchase the entire issued share capital of Sky Talent and the shareholder's loan at an aggregate consideration of HK\$24,270,000.00.

On 2nd April, 2007, Benjamin Resources, an indirect wholly-owned subsidiary of the Company, entered into the Ace Result Agreement with Elegant Tone pursuant to which Elegant Tone agreed to sell and Benjamin Resources agreed to purchase the entire issued share capital of Ace Result and the shareholder's loan at an aggregate consideration of HK\$10,940,000.00.

The Acquisitions constitute a discloseable transaction of the Company under the Listing Rules, details of which are as announced below. A circular containing details of the Acquisitions will be despatched to the Shareholders as soon as practicable.

## **THE ACQUISITION AGREEMENTS**

### **(i) The Sky Talent Agreement**

Date: 2nd April, 2007  
Vendor: Mr. Cheng  
Purchaser: Benjamin Resources

### **(ii) The Ace Result Agreement**

Date: 2nd April, 2007  
Vendor: Elegant Tone  
Purchaser: Benjamin Resources

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Cheng, Elegant Tone and its ultimate beneficial owner are Independent Third Parties.

## **Interests to be acquired**

### *(i) The Sky Talent Agreement*

On 2nd April, 2007, Benjamin Resources, an indirect wholly-owned subsidiary of the Company, entered into the Sky Talent Agreement with Mr. Cheng pursuant to which Mr. Cheng agreed to sell and Benjamin Resources agreed to purchase the entire issued share capital of Sky Talent and the shareholder's loan given by Mr. Cheng to Sky Talent for the purpose of financing its investment activity at an aggregate consideration of HK\$24,270,000.00. On completion of the acquisition of Sky Talent, Mr. Cheng shall transfer his entire interests in Sky Talent to Benjamin Resources.

Sky Talent is the legal and beneficial owner of 7,995,547 Ordinary "A" Shares and 65,200,000 Ordinary "B" Shares in Jack Rock, representing approximately 5.72% of voting rights in Jack Rock.

Upon completion of the acquisition of Sky Talent, Benjamin Resources will own beneficially the entire issued share capital of Sky Talent. The accounts of Sky Talent will be consolidated into the Group's accounts after completion of the acquisition of Sky Talent as an indirect wholly-owned subsidiary of the Company.

### *(ii) The Ace Result Agreement*

On 2nd April, 2007, Benjamin Resources, an indirect wholly-owned subsidiary of the Company, entered into the Ace Result Agreement with Elegant Tone pursuant to which Elegant Tone agreed to sell and Benjamin Resources agreed to purchase the entire issued share capital of Ace Result and the shareholder's loan given by Elegant Tone to Ace Result for the purpose of financing its investment activity at an aggregate consideration of HK\$10,940,000.00. On completion of the acquisition of Ace Result, Elegant Tone shall transfer its entire interest in Ace Result to Benjamin Resources.

Ace Result is the legal and beneficial owner of 2,850,000 Ordinary "A" Shares and 29,161,200 Ordinary "B" Shares in Jack Rock, representing 2.50% of voting rights in Jack Rock.

Upon completion of the acquisition of Ace Result, Benjamin Resources will own beneficially the entire issued share capital of Ace Result. The accounts of Ace Result will be consolidated into the Group's accounts after completion of the acquisition of Ace Result as an indirect wholly-owned subsidiary of the Company.

## **Consideration and payment terms**

### *(i) The Sky Talent Agreement*

The aggregate consideration payable to Mr. Cheng under the Sky Talent Agreement shall be HK\$24,270,000.00, comprising the sum of HK\$6,474,453.00 being the amount payable for the Sky Talent Shares and the sum of HK\$17,795,547.00 being the sum payable for the assignment of the shareholder's loan as at the Sky Talent Completion. The Sky Talent Agreement is on normal commercial terms and the terms thereof including the consideration are negotiated at arm's length and are fair and reasonable. The sum of HK\$14,312,000.00 has been paid to Mr. Cheng as deposit upon signing of the Sky Talent Agreement and the balance in the sum of HK\$9,958,000.00 shall be payable to Mr. Cheng at the earlier of the expiry of five (5) Business Days after the Company has fulfilled the conditions under the Sky Talent Agreement and three months from the date of signing the Sky Talent Agreement (i.e. 3rd July, 2007), provided that an extension for a further period may be agreed by Benjamin Resources and Mr. Cheng.

*(ii) The Ace Result Agreement*

The aggregate consideration payable to Elegant Tone under the Ace Result Agreement shall be HK\$10,940,000.00, comprising the sum of HK\$304,832.33 being the amount payable for the Ace Result Share and the sum of HK\$10,635,167.67 being the amount payable for the assignment of the shareholder's loan as at the Ace Result Completion. The Ace Result Agreement is on normal commercial terms and the terms thereof including the consideration are negotiated at arm's length and are fair and reasonable. The sum of HK\$10,940,000.00 shall be payable to Elegant Tone or as it may direct at the earlier of the expiry of five (5) Business Days after the Company has fulfilled the conditions under the Ace Result Agreement and three months from the date of signing the Ace Result Agreement (i.e. 3rd July, 2007), provided that an extension for a further period may be agreed by Benjamin Resources and Elegant Tone.

The consideration of the Acquisitions takes into account the assignment by Mr. Cheng and Elegant Tone of the respective shareholder's loans which are fixed and will be funded by the internal resources of the Group.

**Basis of consideration**

The aggregate consideration of the Acquisitions in the sum of HK\$35,210,000.00 was arrived at after arm's length negotiations amongst the relevant parties and with reference to the fair value of net asset of Jack Rock as at 31st December, 2006 of approximately HK\$533,500,000.00 after taking into account the Valuation Report and the benefits that are expected to accrue to the Company in terms of additional control over Jack Rock. According to the Valuation Report, in valuating the property interest held by Jack Rock, the direct comparison approach is adopted, assuming such property interest is capable of being sold in its existing state on a strata-titled basis with the benefit of vacant possession and by making reference to comparable sales, listing or offerings of similar or substitute properties and related market data as available in the relevant markets.

Given that Mr. Cheng and Elegant Tone as the vendors holding shareholding interest indirectly in Jack Rock have the obligations to support Jack Rock with substantial contribution towards paying the construction costs for the future development of the piece of land held by Jack Rock after the Acquisitions, Mr. Cheng and Elegant Tone as the vendors want to dispose of their indirect interests in the Jack Rock Shares. On the other hand, in light of the outstanding construction costs for future development of the land as aforesaid, Benjamin Resources as purchaser is only willing to purchase the Jack Rock Shares through Sky Talent and Ace Result at a discount. Since further development of the land is still at the planning stage, no contingent liabilities will arise as a result of the Acquisitions.

The primary assets held by Jack Rock are properties located in the PRC. According to the Valuation Report, such assets are valued at HK\$1,418,000,000.00.

**Completion**

Subject to the satisfaction, or waiver (as the case may be), of the respective conditions to the Sky Talent Agreement and the Ace Result Agreement in full, the Sky Talent Completion and the Ace Result Completion shall take place at the earlier of the expiry of five (5) Business Days after the Company has fulfilled the conditions under the Acquisition Agreements respectively and three months from the date of signing the Acquisition Agreements (i.e. 3rd July, 2007) (or such earlier or later date as may be agreed by the respective parties under the Acquisition Agreements).

## **Conditions**

Each of the Sky Talent Completion and the Ace Result Completion is conditional upon, inter alia, the Company has complied with all the necessary requirements under the Listing Rules in respect of the transactions contemplated under the Acquisition Agreements respectively.

In the event that the aforesaid condition is not fulfilled (which cannot be waived) on or before three months from the date of signing the Acquisition Agreements (i.e. 3rd July, 2007) (or such earlier or later date as may be agreed by the respective parties under the Acquisition Agreements), neither party under the Acquisition Agreements shall be obliged to proceed to the Sky Talent Completion or the Ace Result Completion (as the case may be) and the deposit made by Benjamin Resources under the Sky Talent Agreement shall be refunded to Benjamin Resources (without interest) forthwith, and neither party under the Acquisition Agreements shall have any claim against the other except in respect of any antecedent breach under the respective Acquisition Agreements.

The Sky Talent Agreement and the Ace Result Agreement are not inter-conditional.

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

As at the date of this announcement, Benjamin Resources held 29,782,500 Ordinary “A” Shares and 304,734,540 Ordinary “B” Shares in Jack Rock, representing approximately 26.13% of voting rights in Jack Rock. After the Sky Talent Completion and the Ace Result Completion, Benjamin Resources will hold in aggregate of 40,628,047 Ordinary “A” Shares and 399,095,740 Ordinary “B” Shares in Jack Rock, representing approximately 34.34% of voting rights in Jack Rock.

As at the date of this announcement, the Company and parties acting in concert with it hold approximately 48.81% of voting rights in Jack Rock, including the interests of Benjamin Resources in Jack Rock. Upon the Sky Talent Completion and the Ace Result Completion, the Company and parties acting in concert with it will be holding approximately 57.03% of voting rights in Jack Rock. As a result, Jack Rock will become a subsidiary of the Company.

The Directors consider the making of the Acquisitions represents a good opportunity for the Company to increase significantly its investment in and the taking of additional control over Jack Rock. Notwithstanding the recent losses of Jack Rock, the Directors believe that with the Company’s additional control, the investment in Jack Rock has profit potential in the future. Having regard to the financial position and business operation of Jack Rock and the Valuation Report, the Directors believe that the terms of the Acquisition Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole to proceed with the transactions contemplated under the Acquisition Agreements.

## **INFORMATION ON BENJAMIN RESOURCES AND THE GROUP**

The principal business of Benjamin Resources is investment holding, with sole investment in Jack Rock.

The Company acts as an investment holding company. The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel and leisure operations, as well as the manufacture and sale of construction materials in the PRC.

## INFORMATION ON SKY TALENT, ELEGANT TONE AND ACE RESULT

The principal business of Sky Talent is investment holding, with sole investment in Jack Rock.

The principal business of Elegant Tone is investment holding, owning the entire issued share capital of Ace Result whose sole investment is in Jack Rock.

The principal business of Ace Result is investment holding, with sole investment in Jack Rock.

Regarding Sky Talent, the loss for the period from 18th November, 2005 (date of incorporation) to 31st December, 2006 is HK\$5,000.00 and net liabilities are HK\$4,922.00 (after deduction of the shareholder's loan of HK\$17,795,547.00) as at 31st December, 2006. Since Sky Talent was incorporated on 18th November, 2005, there is no financial statement for the year ended 31st December, 2005.

Regarding Ace Result, the losses for the two years ended 31st December, 2005 and 31st December, 2006 are HK\$543,932.00 and HK\$699,758.00 respectively; the net liabilities for the two years ended 31st December, 2005 and 31st December, 2006 are HK\$1,460,529.00 and HK\$2,160,287.00 respectively.

## INFORMATION ON JACK ROCK

The principal business of Jack Rock is investment holding and property trading. The underlying asset of Jack Rock is a piece of land located in the PRC which comprises a vacant site and a golf playing club and resort operated by its subsidiaries.

The piece of land held by Jack Rock is situated at No. 388 Dengyun Road, Jinan District, Fuzhou with an area of approximately 2,533,333 square metres, on which the Summit Golf Country Club and Dengyun Resort being a large-scale self-contained resort development is planned to be built. The Summit Golf Country Club, occupying a site of approximately 491,927.90 square metres, and comprising an 18-hole golf course, a driving range and a clubhouse, is currently in operation. The remaining site of the Dengyun Resort is currently vacant.

The unaudited financial information of Jack Rock for the two years ended 31st December, 2005 and 2006 are as follows:

	<b>Year ended 31st December, 2006 (unaudited) HK\$'000</b>	Year ended 31st December, 2005 (unaudited) HK\$'000
Consolidated net assets value	<b>92,814</b>	97,415
Consolidated loss before taxation	<b>(6,715)</b>	(18,068)
Consolidated loss after taxation	<b>(6,529)</b>	(18,068)

Upon completion of the Acquisitions, Sky Talent and Ace Result will become indirect wholly-owned subsidiaries of the Company. The Company will therefore be entitled, through the respective shareholdings in Jack Rock of Sky Talent and Ace Result, to any benefits and risks on the assets held by Jack Rock.

## GENERAL

The Acquisitions had a total assets ratio (as defined in the Listing Rules) which was more than 5% but less than 25% and thus constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The transaction is therefore subject to the reporting, announcement and circular requirements under the Listing Rules. A circular containing details of the Acquisitions will be despatched to the Shareholders as soon as practicable. In any case, the Company will comply with the relevant disclosure requirements under the Listing Rules whenever and wherever disclosure of relevant transactions effected by the Company is so required thereunder.

## DEFINITIONS

“Ace Result”	Ace Result Limited, a company incorporated in the British Virgin Islands with limited liability
“Ace Result Agreement”	the sale and purchase agreement dated 2nd April, 2007 entered into between Elegant Tone as vendor and Benjamin Resources as purchaser in respect of the acquisition of the Ace Result Share
“Ace Result Completion”	completion of the Ace Result Agreement
“Ace Result Share”	existing one (1) ordinary share of US\$1.00, constituting the entire issued share capital of Ace Result
“Acquisitions”	the acquisitions of the Sky Talent Shares and the Ace Result Share by Benjamin Resources pursuant to the terms and conditions of the Sky Talent Agreement and the Ace Result Agreement respectively
“Acquisition Agreements”	Sky Talent Agreement and Ace Result Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Benjamin Resources”	Benjamin Resources Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are open for business, other than:  (i) a Saturday; (ii) a Sunday; or (iii) a day on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Company”	Tian An China Investments Company Limited (天安中國投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 28)

“Directors”	the directors of the Company
“Elegant Tone”	Elegant Tone Consultants Limited (恒通顧問有限公司), a company incorporated in Hong Kong with limited liability and the sole shareholder of Ace Result
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	persons 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
“Jack Rock”	Jack Rock Development Limited (賢輝發展有限公司), a company incorporated in Hong Kong with limited liability with 114,000,000 ordinary “A” shares of HK\$1.00 each and 1,166,448,000 ordinary “B” shares of HK\$0.10 each in its issued share capital
“Jack Rock Shares”	7,995,547 Ordinary “A” Shares and 65,200,000 Ordinary “B” Shares owned by Sky Talent representing approximately 5.72% of voting rights in Jack Rock and 2,850,000 Ordinary “A” Shares and 29,161,200 Ordinary “B” Shares owned by Ace Result representing 2.50% of voting rights in Jack Rock
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Cheng”	Mr. Cheng Ming-Chi (鄭明智), the sole shareholder of Sky Talent
“Ordinary “A” Shares”	ordinary “A” shares of HK\$1.00 each in the share capital of Jack Rock
“Ordinary “B” Shares”	ordinary “B” shares of HK\$0.10 each in the share capital of Jack Rock
“PRC”	the People’s Republic of China
“Shareholders”	shareholders of the Company
“Sky Talent”	Sky Talent Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Sky Talent Agreement”	the sale and purchase agreement dated 2nd April, 2007 entered into between Mr. Cheng as vendor and Benjamin Resources as purchaser in respect of the acquisition of the Sky Talent Shares
“Sky Talent Completion”	completion of the Sky Talent Agreement
“Sky Talent Shares”	existing ten (10) ordinary shares of US\$1.00 each, constituting the entire issued share capital of Sky Talent
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Valuation Report”	a valuation report prepared by Messrs. Norton Appraisals Limited in respect of valuating the assets held by Jack Rock as at 28th February, 2007
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 4th April, 2007

*As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Managing Director), Mr. Ng Qing Hai (Deputy Managing Director), Mr. Ma Sun, Mr. Edwin Lo King Yau, Mr. Li Chi Kong and Mr. Yasushi Ichikawa being the Executive Directors, Mr. Lee Seng Hui (Chairman), Mr. Moses Cheng Mo Chi, Ms. Lisa Yang Lai Sum and Mr. Yuki Oshima being the Non-Executive Directors, and Mr. Francis J. Chang Chu Fai, Mr. Goodwin Gaw, Mr. Ngai Wah Sang and Mr. Xu Su Jing being the Independent Non-Executive Directors.*