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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)



新鴻基有限公司
SUN HUNG KAI & CO. LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 86)

JOINT ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION

TERMINATION OF LEASING AGREEMENT

Reference is made to (i) the joint announcement issued by Tian An and SHK on 29th January, 2014; and (ii) the joint announcement issued by Tian An and SHK on 23rd May, 2014 (the “**Second Announcement**”) in respect of, among other matters, the entering into of the Leasing Agreement V and the Renewed Leasing Agreements between the Tian An Group and the SHK Group. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Second Announcement.

As disclosed in the Second Announcement, Nanjing Tiandu (an indirect wholly-owned subsidiary of Tian An) and SHK (Shanghai) (an indirect wholly-owned subsidiary of SHK) entered into the 2014 Leasing Agreement III on 23rd May, 2014, pursuant to which, Nanjing Tiandu agreed to lease the premises at Unit 1205, 12th Floor, Nanjing Tian An International Building, No. 98 Zhongshan South Road, Nanjing, PRC (the “**Premises**”) to SHK (Shanghai) for a term from 1st May, 2014 to 30th June, 2015 with monthly rental, management fee and other charges of RMB11,392.00, RMB1,584.50 and RMB432.20 respectively.

On 31st October, 2014, Nanjing Tiandu and SHK (Shanghai) entered into a supplemental agreement to terminate the 2014 Leasing Agreement III with effect from 1st November, 2014 (the “**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, SHK (Shanghai) will be discharged from its payment and other obligations for the remaining term of the 2014 Leasing Agreement III and SHK (Shanghai) will not be required to pay to Nanjing Tiandu any penalty and/or compensation as a result of the termination of the 2014 Leasing Agreement III. Nanjing Tiandu shall return the rental deposit to SHK (Shanghai) within 10 days from the date of the Supplemental Agreement.

REVISED ANNUAL CAPS AFTER THE TERMINATION OF 2014 LEASING AGREEMENT III

Based on the monthly rentals, management fees and other charges payable under the Expiring Leasing Agreements and the 2014 Leasing Agreements after the termination of the 2014 Leasing Agreement III, it is expected that the maximum aggregate amount payable by the SHK Group to the Tian An Group for the financial years ending 31st December, 2014, 31st December, 2015 and six months ending 30th June, 2016 will be RMB3,917,000 (equivalent to approximately HK\$4,958,000), RMB3,731,000 (equivalent to approximately HK\$4,723,000) and RMB1,702,000 (equivalent to approximately HK\$2,154,000) respectively, which are the revised Annual Caps for the corresponding periods.

REASONS FOR ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

Tian An

Upon termination of the 2014 Leasing Agreement III, Nanjing Tiandu intends to lease the vacated Premises to other potential lessee. The Tian An Board considers that the termination of the 2014 Leasing Agreement III will not have any material adverse impact on the operation and business of Tian An.

SHK

The Premises have been used for office purpose in Nanjing. In view of its operating adjustment in Nanjing, SHK (Shanghai) considers that it is not necessary to continue leasing the Premises. As such, SHK (Shanghai) sought to early terminate the 2014 Leasing Agreement III.

LISTING RULES IMPLICATIONS

Since the continuing connected transaction in respect of the 2014 Leasing Agreement III is terminated, both Tian An and SHK are subject to announcement requirement pursuant to the Note to Rule 14A.35 of the Listing Rules.

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

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Peter Anthony Curry
Executive Director

Hong Kong, 31st October, 2014

For the purpose of this joint announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.79. 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 joint announcement, the Tian An 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), Dr. Moses Cheng Mo Chi and Mr. Lee Shu Yin 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 SHK Board comprises Mr. Lee Seng Huang (Group Executive Chairman), Mr. William Leung Wing Cheung, Mr. Joseph Tong Tang and Mr. Peter Anthony Curry being the Executive Directors; Mr. Ahmed Mohammed Aqil Qassim Alqassim, Mr. Ho Chi Kit (Mr. Roy Kuan as his alternate) and Mr. Leung Pak To (Mr. Liu Zheng as his alternate) being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Mr. Peter Wong Man Kong being the Independent Non-Executive Directors.