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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)**

## **TERMINATION OF SALE AND PURCHASE AGREEMENTS AND THE ENTERING INTO OF THE SETTLEMENT DEEDS**

As disclosed in the 2011 Announcement, on 23rd March, 2011, AP Pearl as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor has entered into the Sale and Purchase Agreement I, pursuant to which, AP Pearl agreed to sell and Lanwa agreed to purchase the entire issued share capital of Green Village and all shareholder's loan owed by Green Village to AP Pearl as at the completion date of the Sale and Purchase Agreement I.

As disclosed in the 2012 Announcement, on 12th June, 2012, Best Advantage as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor entered into the Sale and Purchase Agreement II, pursuant to which, Best Advantage agreed to sell and Lanwa agreed to purchase the entire issued share capital of Best Diversity and all shareholder's loan owed by Best Diversity to Best Advantage as at the completion date of the Sale and Purchase Agreement II.

On 19th May, 2016, AP Pearl, Lanwa and Mr. Liao entered into the Settlement Deed I, pursuant to which, the parties thereto agreed to terminate the Sale and Purchase Agreement I subject to the terms and conditions in the Settlement Deed I.

On 19th May, 2016, Best Advantage, Lanwa and Mr. Liao entered into the Settlement Deed II, pursuant to which, the parties thereto agreed to terminate the Sale and Purchase Agreement II subject to the terms and conditions in the Settlement Deed II.

### **SALE AND PURCHASE AGREEMENTS**

As disclosed in the 2011 Announcement, on 23rd March, 2011, AP Pearl as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor has entered into the Sale and Purchase Agreement I, pursuant to which, AP Pearl agreed to sell and Lanwa agreed to purchase the entire issued share capital of Green Village and all shareholder's loan owed by Green Village to AP Pearl as at the completion date of the Sale and Purchase Agreement I for the total consideration of RMB450,000,000.00 (equivalent to approximately HK\$529,412,000.00 by then). Green Village was indirectly interested in 50% of a wholly foreign owned enterprise incorporated in the PRC with limited liability, which in turn, owned the land use and development rights of the

Danshui Land. As at the date of this announcement, AP Pearl has received from Lanwa part of the consideration payable under the Sale and Purchase Agreement I in the equivalent sum of RMB200,000,000.00 (equivalent to approximately HK\$238,095,000.00) and the interest in the equivalent sum of RMB51,451,197.17 (equivalent to approximately HK\$61,251,000.00), totalling RMB251,451,197.17 (equivalent to approximately HK\$299,346,000.00).

As disclosed in the 2012 Announcement, on 12th June, 2012, Best Advantage as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor entered into the Sale and Purchase Agreement II, pursuant to which, Best Advantage agreed to sell and Lanwa agreed to purchase the entire issued share capital of Best Diversity and all shareholder's loan owed by Best Diversity to Best Advantage as at the completion date of the Sale and Purchase Agreement II for the total consideration of RMB476,000,000.00 (equivalent to approximately HK\$587,654,000.00 by then). Best Diversity was indirectly interested in 50% of a wholly foreign owned enterprise incorporated in the PRC with limited liability, which in turn, owned the land use and development rights of the Tianjin Land. As at the date of this announcement, Best Advantage has received from Lanwa part of the consideration payable under the Sale and Purchase Agreement II in the equivalent sum of RMB122,000,000.00 (equivalent to approximately HK\$145,238,000.00) and the interest in the equivalent sum of RMB13,694,426.23 (equivalent to approximately HK\$16,303,000.00), totalling RMB135,694,426.23 (equivalent to approximately HK\$161,541,000.00).

## **SETTLEMENT DEEDS**

On 19th May, 2016, AP Pearl, Lanwa and Mr. Liao entered into the Settlement Deed I, pursuant to which, upon (i) AP Pearl having returned to Lanwa part of the consideration in the sum of RMB169,600,000.00 (equivalent to HK\$201,900,000.00) already received under the Sale and Purchase Agreement I; (ii) all the documents required to effect the resignations of, if applicable, director(s), vice chairman, general manager and vice chief financial officer of the Green Village Group nominated by Lanwa and resulting from Previous Transaction I having been provided by Lanwa to AP Pearl; and (iii) all the documents required to effect the change of bank authorised signatory(ies) of the Green Village Group designated by Lanwa and resulting from Previous Transaction I having been provided by Lanwa to AP Pearl, the parties agreed to terminate the Sale and Purchase Agreement I and their respective obligations and liabilities under the Sale and Purchase Agreement I shall be unconditionally and irrevocably released and discharged, and they shall have no claim against each other in respect of any liabilities and obligations previously incurred under and/or in connection with Previous Transaction I.

On 19th May, 2016, Best Advantage, Lanwa and Mr. Liao entered into the Settlement Deed II, pursuant to which, upon Best Advantage having returned to Lanwa part of the consideration in the sum of RMB103,400,000.00 (equivalent to HK\$123,100,000.00) already received under the Sale and Purchase Agreement II, the parties agreed to terminate the Sale and Purchase Agreement II and their respective obligations and liabilities under the Sale and Purchase Agreement II shall be unconditionally and irrevocably released and discharged, and they shall have no claim against each other in respect of any liabilities and obligations previously incurred under and/or in connection with the transaction contemplated under the Sale and Purchase Agreement II.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT DEEDS**

Based on the recovery and growth prospects of the property markets in the neighbouring areas of the Danshui Land and the Tianjin Land respectively, the growth potential of each of the Danshui Land and the Tianjin Land is expected to have improved since the dates of the Sale and Purchase Agreement I and the Sale and Purchase Agreement II respectively. The terminations of the Sale and Purchase Agreements will enable the Company to continue to develop the Danshui Land and the Tianjin Land and explore new business opportunities in the areas ("Development"), which is expected to create long term benefits for the Group.

Having regard to (i) the potential disputes from Lanwa and the risk of litigation arising out of the terminations of the Sale and Purchase Agreements; (ii) the estimated time and costs required in resolving such potential disputes and in the course of such potential litigation; and (iii) the long term benefits for the Group which would result from the Development, the Directors believe that the terms of the Settlement Deeds are fair and reasonable and in the interest of the Company and its shareholders taken as a whole.

## **LISTING RULES IMPLICATIONS**

The termination of the Sale and Purchase Agreements and the entering into of the Settlement Deeds are subject to the disclosure requirement under Rule 14.36 of the Listing Rules.

## **DEFINITIONS**

“2011 Announcement”	the announcement of the Company dated 24th March, 2011
“2012 Announcement”	the announcement of the Company dated 12th June, 2012
“AP Pearl”	AP Pearl Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company, which is the beneficial owner of the entire issued share capital of Green Village
“Best Advantage”	Best Advantage Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company, being the beneficial owner of the entire issued share capital of Best Diversity
“Best Diversity”	Best Diversity Limited, a company incorporated in BVI with limited liability
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Danshui Land”	the land comprising three parcels of land in Danshui Town, Huiyang City, Guangdong Province, the PRC with the areas of approximately 173,830 square metres, 4,032 square metres and 214,116 square metres respectively, which can be used for commercial and residential purposes and with an aggregate total area of approximately 392,000 square metres, and the properties thereon
“Directors”	the directors of the Company
“Green Village”	Green Village Limited, a company incorporated in BVI with limited liability

“Green Village Group”	Green Village and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lanwa”	Lanwa International Limited, a company incorporated in BVI with limited liability, the entire issued share capital of which is beneficially owned by Mr. Liao
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liao”	Mr. Liao Chang, the beneficial owner of the entire issued share capital of Lanwa and the guarantor to Lanwa under each of the Sale and Purchase Agreements
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong, Macau Special Administrative Region of the People’s Republic of China
“Previous Transaction I”	the transaction contemplated under Sale and Purchase Agreement I
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement I”	the sale and purchase agreement dated 23rd March, 2011 entered into among AP Pearl as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor
“Sale and Purchase Agreement II”	the sale and purchase agreement dated 12th June, 2012 entered into among Best Advantage as the vendor, Lanwa as the purchaser and Mr. Liao as the guarantor
“Sale and Purchase Agreements”	Sale and Purchase Agreement I and Sale and Purchase Agreement II
“Settlement Deed I”	the deed of settlement dated 19th May, 2016 entered into among AP Pearl, Lanwa and Mr. Liao in relation to the termination of Sale and Purchase Agreement I

“Settlement Deed II”	the deed of settlement dated 19th May, 2016 entered into among Best Advantage, Lanwa and Mr. Liao in relation to the termination of Sale and Purchase Agreement II
“Settlement Deeds”	Settlement Deed I and Settlement Deed II
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Land”	the land comprising a parcel of land in Dongli District, Tianjin, the PRC with an area of approximately 187,783.1 square metres which can be used for residential purpose and a parcel of land in Dongli District, Tianjin, the PRC with an area of approximately 394,123.9 square metres which can be used for commercial purpose with an aggregate total area of approximately 581,907 square metres, and the properties thereon
“%”	per cent.

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

Hong Kong, 19th May, 2016

*For the purpose of this announcement, unless otherwise specified, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.84. 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), 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.*