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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

DISPOSAL OF A SUBSIDIARY

THE AGREEMENT

On 10th December, 2016, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Share at the Consideration of HK\$450,800,000.

LISTING RULES IMPLICATIONS OF THE DISPOSAL

As the relevant Percentage Ratio(s) for the Company exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date: 10th December, 2016

Parties

- (1) The Vendor: Best Advantage Limited
- (2) The Purchaser: 森隆地產有限公司 (Sen Long Real Estate Company Limited*)

As at the date of this announcement, based on the information and confirmation provided by the Purchaser and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties of the Company and its connected persons.

Asset to be disposed

Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Share at the Consideration.

Consideration

Pursuant to the Agreement, the Consideration of HK\$450,800,000 shall be satisfied in the following manner:

- (i) upon signing of the Agreement, the Deposit in the amount of RMB39,950,000 (equivalent to approximately HK\$44,888,000) shall be payable by the Purchaser to the Vendor by transferring RMB39,950,000 to a bank account in the PRC as designated by the Vendor in writing; and
- (ii) upon Completion, the full amount of the Consideration shall be payable by the Purchaser to the Vendor by transferring HK\$450,800,000 to a bank account in Hong Kong as designated by the Vendor in writing.

Within one business day following the receipt of the full amount of the Consideration by the Vendor upon Completion, the Vendor shall return the Deposit (without interest) to the Purchaser by transferring RMB39,950,000 (equivalent to approximately HK\$44,888,000) to a bank account in the PRC as designated by the Purchaser in writing.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser having regard to the market value of the Land. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

Conditions Precedent

Completion shall be conditional upon:

- (i) the full benefit and advantage under the Shareholder's Loan including the outstanding principal amount as at the date of Completion due from the Target Company to the Vendor having been assigned to the Purchaser or its nominee by the execution of the Shareholder's Loan Assignment;
- (ii) the Vendor's warranties remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (iii) the Vendor and the Purchaser having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Agreement, on or prior to Completion; and
- (iv) all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies required for the implementation of the transactions contemplated in the Agreement being obtained and maintained.

The Vendor may, at its sole and absolute discretion, waive any of the Conditions except Conditions (i) and (iv) above.

If any of above Conditions is not fulfilled (or waived by the Vendor) on or before the initial Long Stop Date (i.e. 9th March, 2017), then (i) the Long Stop Date shall be extended for a period of 3 months (i.e. 9th June, 2017) in which event the provisions of the Agreement shall apply as if the date set for Completion were the date to which Completion is so postponed; and (ii) in addition to the Consideration, the Purchaser shall also pay to the Vendor, upon Completion, an interest at a rate of 8% per annum accrued on the Consideration from the initial Long Stop Date (i.e. 9th March, 2017) up to the date of the postponed Completion.

If any of the Conditions is not fulfilled (or waived by the Vendor) on or before the extended Long Stop Date (i.e. 9th June, 2017), then the parties shall not be obliged to proceed to Completion and the Vendor shall refund in cash to the Purchaser the Deposit without interest within ten business days after the delivery by the Purchaser of a written notice for refund.

As at the date of this announcement, no Condition has been fulfilled or waived.

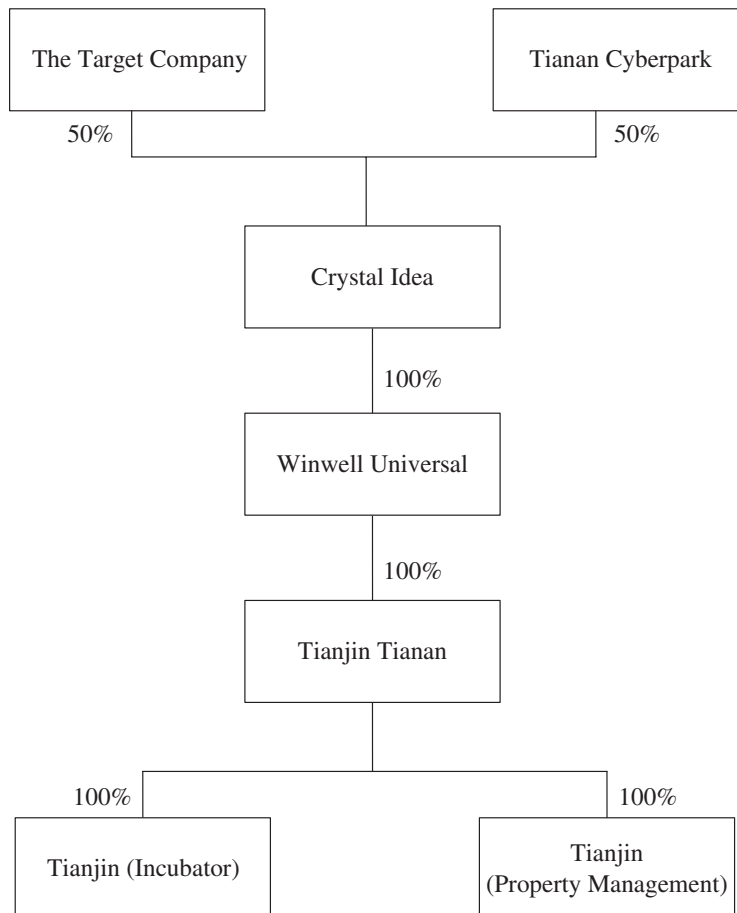
Completion

If all the Conditions are fulfilled (or waived by the Vendor in accordance with the Agreement), Completion shall take place at 2:00 p.m. on a business day on or before 9th March, 2017 (or the extended Long Stop Date, as the case may be).

Upon Completion, the Group shall cease to hold any interest in the Target Company and the Target Company shall cease to be a subsidiary of the Company. As Crystal Idea is owned as to 50% by the Target Company and 50% by Tianan Cyberpark (an indirect wholly-owned subsidiary of the Company) following Completion, Crystal Idea and its subsidiaries shall become joint ventures of the Company.

INFORMATION ON THE TARGET GROUP

Set out below is the shareholding structure of the Target Group:



(1) Target Company

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Vendor. The only asset held by the Target Company is the shareholding in 50% of the entire issued capital of Crystal Idea.

(2) Crystal Idea

Crystal Idea is an investment holding company incorporated in the British Virgin Islands with limited liability, which is owned as to 50% by the Target Company and 50% by Tianan Cyberpark, an indirect wholly-owned subsidiary of the Company. The only asset held by Crystal Idea is the shareholding in Winwell Universal.

(3) Winwell Universal

Winwell Universal is an investment holding company incorporated in Hong Kong, which is a direct wholly-owned subsidiary of Crystal Idea. The only asset held by Winwell Universal is the shareholding in Tianjin Tianan.

(4) Tianjin Tianan

Tianjin Tianan is a company incorporated in the PRC with limited liability and its entire equity interest is directly held by Winwell Universal.

The principal business activity of Tianjin Tianan is property development and operation, and property management. Tianjin Tianan owns the land use rights of the Land with an aggregate total area of 581,907 square metres, which are located in Tianjin, the PRC. The Land is planned to be developed into commercial and residential complex.

(5) Tianjin (Property Management)

Tianjin (Property Management) is a company incorporated in the PRC with limited liability and its entire equity interest is directly held by Tianjin Tianan. The principal business activity of Tianjin (Property Management) is the provision of property management services, cleaning services, car-parking services, leasing services; commodities, building materials, wholesale and retail of electrical appliances.

(6) Tianjin (Incubator)

Tianjin (Incubator) is a company incorporated in the PRC with limited liability and its entire equity interest is directly held by Tianjin Tianan. As at the date of this announcement, Tianjin (Incubator) has not commenced any business.

Set out below is the consolidated financial information of Tianjin Tianan for each of the two years ended 31st December, 2015:

	Year ended 31st December,	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	127	2,482
Net loss before taxation	31,545	28,305
Net loss after taxation	28,024	26,012

50% of the unaudited consolidated net asset value of Tianjin Tianan as at 31st October, 2016 was approximately HK\$646,964,000. The financial information above has been prepared in accordance with HKGAAP.

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that, as a result of the Disposal, the Company will recognise an estimated gain of approximately HK\$433,400,000, having taken into account of the Consideration, the Shareholder's Loan, net asset value of the Target Company and other costs. The proceeds generated from the Disposal will be applied as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company considers the Disposal to be a good opportunity for the Company to realise part of its investment especially given that the Disposal will be made at a gain. Moreover, with reference to the prevailing market conditions and the fact that the proceeds from the Disposal will strengthen the financial position of the Group and enhance its cashflow, the Directors consider that the present time is a mature time for the Disposal.

Having regard to the nature of and the benefits resulting from the Disposal, the Directors believe that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

INFORMATION RELATING TO THE COMPANY, THE VENDOR AND THE PURCHASER

(1) The Company

The Company is incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management in the PRC.

(2) The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Vendor is investment holding.

(3) The Purchaser

The Purchaser is a company incorporated in the PRC with limited liability.

The principal business activity of the Purchaser includes property development and sale, property management, leasing and domestic trading.

LISTING RULES IMPLICATIONS OF THE DISPOSAL

As the relevant Percentage Ratio(s) for the Company exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“Agreement”	the sale and purchase agreement dated 10th December, 2016 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Share
“Board”	the board of Directors
“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 Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Share in accordance with the Agreement
“Condition(s)”	the condition(s) precedent to the Completion as set out under the section headed “Conditions Precedent” of this announcement
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration in the sum of HK\$450,800,000 payable by the Purchaser to the Vendor for the Disposal under the Agreement
“Crystal Idea”	Crystal Idea Management Limited, a company incorporated in the British Virgin Islands with limited liability, 50% of the shareholding of which is owned by the Target Company and the remaining 50% is owned by Tianan Cyberpark
“Deposit”	the deposit of RMB39,950,000 (equivalent to approximately HK\$44,888,000) to be paid on the date of the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the Agreement

“Group”	the Company and its subsidiaries
“HKGAAP”	Hong Kong Generally Accepted Accounting Practice
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Land”	a parcel of land in Tianjin, the PRC with an aggregate total area of 581,907 square metres
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date after three (3) months from the date of the Agreement (i.e. 9th March, 2017) or such date as extended pursuant to the terms of the Agreement
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	森隆地產有限公司 (Sen Long Real Estate Company Limited*), a company incorporated in the PRC with limited liability, being the purchaser under the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one (1) issued share representing the entire issued share capital of the Target Company, to be sold by the Vendor to the Purchaser pursuant to the Agreement
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Shareholder’s Loan”	the outstanding loan owed by the Target Company to the Vendor on the date of Completion, which is equivalent to HK\$677,743,222.43 as at the date of this announcement
“Shareholder’s Loan Assignment”	the deed of assignment whereby the Vendor assigns the Shareholder’s Loan to the Purchaser or its nominee provided the duly execution of transfer in favour of the Purchaser or its nominee, in the case of transfer to the Purchaser’s nominee, a deed of warranties and indemnities to be executed by such nominee on the date of Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Great Title Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor
“Target Group”	the Target Company, Crystal Idea, Winwell Universal, Tianjin Tianan, Tianjin (Property Management) and Tianjin (Incubator)
“Tianan Cyberpark”	Tian An Cyberpark (China) Company Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Tianjin Tianan”	天津天安泛科技園開發有限公司 (Tianjin Tian An Science Parks Development Limited*), a company incorporated in the PRC with limited liability which is a direct wholly-owned subsidiary of Winwell Universal
“Tianjin (Incubator)”	天津天安科技企業孵化器有限公司 (Tianjin Tian An Scientific Enterprise Incubator Limited*), a company incorporated in the PRC with limited liability which is a direct wholly-owned subsidiary of Tianjin Tianan
“Tianjin (Property Management)”	天津天安智慧港物業服務有限公司 (Tianjin Tian An Intelligent Property Management Limited*), a company incorporated in the PRC with limited liability which is a direct wholly-owned subsidiary of Tianjin Tianan
“Winwell Universal”	Winwell Universal Limited, a company incorporated in Hong Kong with limited liability which is a direct wholly-owned subsidiary of Crystal Idea

“Vendor” Best Advantage Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the beneficial owner of the entire issued share capital of the Target Company and the vendor under the Agreement

“%” per cent.

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

Hong Kong, 12th December, 2016

For the purpose of this 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 RMB0.89. 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.

* *The English translation of the Chinese name of the relevant entity included in this announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*