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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)

CONTINUING CONNECTED TRANSACTIONS

LEASING OF PREMISES

RENEWAL OF EXPIRING 2016 LEASING AGREEMENT VII

Since the 2016 Leasing Agreement VII will expire on 31st December, 2016, on 28th December, 2016, Hing Yip, an indirect wholly-owned subsidiary of the Company, entered into the 2017 Leasing Agreement VII with SHKIS, a wholly-owned subsidiary of an associate of SHK, to renew the term of 2016 Leasing Agreement VII.

LISTING RULES IMPLICATIONS

Following the entering into of the 2017 Leasing Agreement VII, there is an update on the annual caps as compared to those disclosed in the section titled “Revised Annual Caps” in the Previous Announcement and the term of 2016 Leasing Agreement VII has been renewed. Pursuant to Rule 14A.54 of the Listing Rules, the Group is required to re-comply with Rule 14A.53 of the Listing Rules to set the Revised Annual Caps in respect of the Leasing Transactions.

As APL is a substantial shareholder of the Company and SHK is a subsidiary of APL, SHK and its subsidiaries, and any of their associates, are connected persons of the Company within the meaning of the Listing Rules. As a result, the Leasing Transactions constitute continuing connected transactions of the Company.

As the applicable Percentage Ratio(s) for the Company in respect of the Leasing Transactions for the financial year ending 31st December, 2017 and the six months ending 30th June, 2018 exceed 0.1% but are less than 5%, the Leasing Transactions are only subject to the reporting, announcement and annual review requirements but exempt from the circular and the shareholders’ approval requirements under Chapter 14A of the Listing Rules for 2017 and 2018.

RENEWAL OF EXPIRING 2016 LEASING AGREEMENT VII

Reference is made to the Previous Announcement.

Since the 2016 Leasing Agreement VII will expire on 31st December, 2016, on 28th December 2016, Hing Yip, an indirect wholly-owned subsidiary of the Company, entered into the 2017 Leasing Agreement VII with SHKIS, a wholly-owned subsidiary of an associate of SHK, to renew the term of 2016 Leasing Agreement VII.

The major terms of the 2017 Leasing Agreement VII are detailed below:

Date	:	28th December, 2016
Lessor	:	Hing Yip
Lessee	:	SHKIS
Premises	:	Unit 1901C, 19th Floor, Tian An Centre, No. 338 Nanjing Road West, Shanghai, PRC
Leased area	:	44.85 square metres
Usage	:	Office premises
Term of the lease	:	1st January, 2017 to 30th June, 2017
Monthly rental	:	RMB11,595.60
Management fee	:	RMB1,435.20 per month

The above amounts of monthly rental and management fee for the 2017 Leasing Agreement VII were arrived at after arm's length negotiation between Hing Yip and SHKIS with reference to the prevailing market conditions and the rental levels of similar properties in the vicinity of the leased premises.

EXISTING LEASING AGREEMENTS

The major terms of each of the Existing Leasing Agreements are detailed below:

(1) 2016 Leasing Agreement I

Date	:	30th May, 2016
Lessor	:	Dalian Tian An
Lessee	:	Dalian UAF
Premises	:	Unit 04, 32nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC
Leased area	:	208.27 square metres
Usage	:	Office premises
Term of the lease	:	1st July, 2016 to 30th June, 2018
Monthly rental	:	RMB19,004.64
Management fee	:	RMB4,998.48 per month
Rental deposit (inclusive of management fee deposit)	:	RMB48,006.24

(2) 2016 Leasing Agreement II

Date : 30th May, 2016
Lessor : Dalian Tian An
Lessee : Dalian UAF
Premises : Unit 05, 32nd Floor, Dalian Tian An International Building,
No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning
Province, PRC
Leased area : 268.07 square metres
Usage : Office premises
Term of the lease : 1st July, 2016 to 30th June, 2018
Monthly rental : RMB26,092.15
Management fee : RMB6,433.68 per month
Rental deposit : RMB65,051.66
(inclusive of
management fee
deposit)

(3) 2016 Leasing Agreement V

Date : 30th May, 2016
Lessor : Dalian Tian An
Lessee : Dalian UAF
Premises : Units 01-06, 52nd Floor, Dalian Tian An International Building,
No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning
Province, PRC
Leased area : 1,368.44 square metres
Usage : Office premises
Term of the lease : 1st July, 2016 to 30th June, 2018
Monthly rental : RMB179,396.78
Management fee : RMB32,842.56 per month
Rental deposit : RMB424,478.68
(inclusive of
management fee
deposit)

(4) 2016 Leasing Agreement VI

Date : 30th May, 2016
Lessor : Dalian Tian An
Lessee : Dalian UAF
Premises : Unit 03, 32nd Floor, Dalian Tian An International Building,
No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning
Province, PRC
Leased area : 131.68 square metres
Usage : Office premises
Term of the lease : 1st July, 2016 to 30th June, 2018
Monthly rental : RMB12,816.85
Management fee : RMB3,160.32 per month
Rental deposit : RMB31,954.34
(inclusive of
management fee
deposit)

REVISED ANNUAL CAPS

The historical figures relating to all leasing agreements entered into between the Group and SHK Group (together with its associates) are RMB3,675,883.59 (equivalent to approximately HK\$4,130,000), RMB3,800,864.81 (equivalent to approximately HK\$4,271,000) and RMB3,608,505.27 (equivalent to approximately HK\$4,055,000) for each of the three financial years ending 31st December, 2016 respectively.

Based on the monthly rentals, management fees and other charges payable under the Existing Leasing Agreements and the 2017 Leasing Agreement VII, it is expected that the aggregate amount payable by the SHK Group (together with its associates) to the Group for the financial year ending 31st December, 2017 and the six months ending 30th June, 2018 will not exceed RMB3,496,000 (equivalent to approximately HK\$3,928,000) and RMB1,709,000 (equivalent to approximately HK\$1,921,000) respectively, which are the Revised Annual Caps for the corresponding periods.

REASONS FOR AND BENEFITS OF THE LEASING TRANSACTIONS

The Group is engaged in the business of property investment and owns office premises in various provinces of the PRC, leasing out the PRC Premises provides the Group with stable revenue.

The Directors (including the independent non-executive directors) are of the view that the 2017 Leasing Agreement VII was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Leasing Transactions as well as the Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Following the entering into of the 2017 Leasing Agreement VII, there is an update on the annual caps as compared to those disclosed in the section titled “Revised Annual Caps” in the Previous Announcement and the term of 2016 Leasing Agreement VII has been renewed. Pursuant to Rule 14A.54 of the Listing Rules, the Group is required to re-comply with Rule 14A.53 of the Listing Rules to set the Revised Annual Caps in respect of the Leasing Transactions.

As APL is a substantial shareholder of the Company and SHK is a subsidiary of APL, SHK and its subsidiaries, and any of their associates, are connected persons of the Company within the meaning of the Listing Rules. As a result, the Leasing Transactions constitute continuing connected transactions of the Company.

As the applicable Percentage Ratio(s) for the Company in respect of the Leasing Transactions for the financial year ending 31st December, 2017 and the six months ending 30th June, 2018 exceed 0.1% but are less than 5%, the Leasing Transactions are only subject to the reporting, announcement and annual review requirements but exempt from the circular and the shareholders’ approval requirements under Chapter 14A of the Listing Rules for 2017 and 2018.

Mr. Lee Seng Hui (being the Chairman and a Non-Executive Director of the Company) is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, indirectly owns approximately 74.49% interests in the total issued shares of AGL, which in turn owns approximately 74.99% of the total issued shares of APL, and which in turn indirectly owns approximately 48.66% of the total issued shares of the Company. Since APL indirectly owns approximately 56.24% interests in the total issued shares of SHK, Mr. Lee Seng Hui is deemed to be interested in the continuing connected transactions in respect of the Leasing Transactions and therefore has abstained from voting on the relevant resolutions of the Company.

Apart from the above, none of the Directors has any material interest in the Leasing Transactions and is required to abstain from voting on the board resolutions approving the Leasing Transactions and the transactions contemplated thereunder.

INFORMATION ABOUT THE COMPANY, SHK, DALIAN TIAN AN, HING YIP, DALIAN UAF AND SHKIS

The Company

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board and is owned as to approximately 48.66% by APL.

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, property management in the PRC, and property investment, property rental and estate management in Hong Kong.

SHK

SHK is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board and is a non wholly-owned subsidiary of APL.

The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are structured finance, consumer finance, mortgage loans and principal investments.

Dalian Tian An

Dalian Tian An is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activities of Dalian Tian An are property development and property investment.

Hing Yip

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

The principal business activity of Hing Yip is property investment.

Dalian UAF

Dalian UAF is a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of SHK.

The principal business activity of Dalian UAF is money lending in Dalian.

SHKIS

SHKIS is a branch set up in Shanghai under Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of an associate of SHK.

The principal business activities of Sun Hung Kai Investment Services Limited are investment holding, securities broking and margin financing.

DEFINITIONS

“2016 Leasing Agreement I”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement I” in this announcement
“2016 Leasing Agreement II”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement II” in this announcement
“2016 Leasing Agreement V”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement V” in this announcement
“2016 Leasing Agreement VI”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement VI” in this announcement
“2016 Leasing Agreement VII”	a leasing agreement dated 30th May, 2016 entered into between Hing Yip and SHKIS, which will expire on 31st December, 2016
“2017 Leasing Agreement VII”	a leasing agreement dated 28th December, 2016 entered into between Hing Yip and SHKIS for a term commencing from 1st January, 2017 and expiring on 30th June, 2017
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 373) and is a substantial shareholder of the Company and SHK
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 56) and is a substantial shareholder of the Company and SHK

“associate(s)”	having the meaning ascribed to it under the Listing Rules
“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
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Dalian Tian An”	Dalian Tian An Tower Co., Ltd., a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Dalian UAF”	大連保稅區亞聯財小額貸款有限公司 (United Asia Finance (Free Trade Zone Dalian) Limited*), an indirect non wholly-owned subsidiary of SHK
“Directors”	the directors of the Company
“Existing Leasing Agreements”	2016 Leasing Agreement I, 2016 Leasing Agreement II, 2016 Leasing Agreement V and 2016 Leasing Agreement VI
“Group”	the Company and its subsidiaries
“Hing Yip”	Hing Yip Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Leasing Transactions”	the transactions between the SHK Group (together with its associates) and the Group in relation to leasing of the PRC Premises
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“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
“PRC Premises”	<ol style="list-style-type: none"> (1) Unit 04, 32nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC (2) Unit 05, 32nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC (3) Units 01-06, 52nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC (4) Unit 03, 32nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC (5) Unit 1901C, 19th Floor, Tian An Centre, No. 338 Nanjing Road West, Shanghai, PRC
“Previous Announcement”	the announcement issued by the Company on 30th May, 2016 in respect of the continuing connected transactions of the Company
“Revised Annual Cap(s)”	the aggregate annual cap amount payable by the SHK Group (together with its associates) to the Group in respect of the leasing of the PRC Premises for the financial year ending 31st December, 2017 and the six months ending 30th June, 2018
“RMB”	Renminbi, the lawful currency of the PRC
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 86) and is a non wholly-owned subsidiary of APL
“SHK Group”	SHK and its subsidiaries
“SHKIS”	新鴻基投資服務有限公司上海代表處 (Sun Hung Kai Investment Services Limited (Shanghai Representative Office)*), which is set up under Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of an associate of SHK

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

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

Hong Kong, 28th 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.

* *For identification purpose only*