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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)**

## CONNECTED TRANSACTION

### **Sale and purchase of an aggregate of approximately 29.15 per cent. of the issued share capital of CBI Investment Limited**

On 24th August, 2007, Asia Coast (an indirect wholly-owned subsidiary of the Company) entered into the Agreement, pursuant to which Sinoford, Jennex, Eastern Beauty, Ming Shun and Mr. Fung have all agreed to sell the Sale Shares (being an aggregate of 29,300,000 CBI A Shares and 147,200,000 CBI B Shares, representing approximately 29.15 per cent. of the issued share capital of CBI and representing approximately 22.55 per cent. of the total voting power exercisable at general meetings of CBI at which every share, regardless of class, entitles the holder to one vote), and Asia Coast has agreed to purchase the Sale Shares, at an aggregate consideration of HK\$10,045,531.

The aggregate consideration in the sum of HK\$10,045,531 will be settled in cash on completion of the sale and purchase of the Sale Shares.

The transactions contemplated in the Agreement do not constitute any notifiable transaction under Chapter 14 of the Listing Rules on the part of the Company, on the basis that none of the calculation of the ratios for the Company exceed five per cent.

The transactions contemplated in the Agreement constitute a connected transaction for the Company, on the basis that Mr. Chow On Kiu, Andrew, a director of CBI, is also a director and substantial shareholder of Jennex, Eastern Beauty and Ming Shun, and that Mr. Fung Wing Cheung, Tony, also a director of CBI, is the substantial shareholder of Sinoford. Hence, Jennex, Eastern Beauty, Ming Shun and Sinoford are all associates of connected persons of the Company. As each of the relevant percentage ratios in respect of the sale and purchase of the Sale Shares under the Agreement is less than 2.5 per cent., pursuant to Rule 14A.32 of the Listing Rules, the sale and purchase of the Sale Shares under the Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and is exempt from independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

## **THE SALE AND PURCHASE**

On 24th August, 2007, Asia Coast (an indirect wholly-owned subsidiary of the Company) entered into the Agreement, pursuant to which Sinoford, Jennex, Eastern Beauty, Ming Shun and Mr. Fung have all agreed to sell the Sale Shares (being an aggregate of 29,300,000 CBI A Shares and 147,200,000 CBI B Shares, representing approximately 29.15 per cent. of the issued share capital of CBI and representing approximately 22.55 per cent. of the total voting power exercisable at general meetings of CBI at which every share, regardless of class, entitles the holder to one vote), and Asia Coast has agreed to purchase the Sale Shares, at an aggregate consideration of HK\$10,045,531.

Mr. Chow On Kiu, Andrew, a director of CBI, is also a director and substantial shareholder of Jennex, Eastern Beauty and Ming Shun, and that Mr. Fung Wing Cheung, Tony, also a director of CBI, is the substantial shareholder of Sinoford. Hence, Jennex, Eastern Beauty, Ming Shun and Sinoford are all associates of connected persons of the Company.

## **THE AGREEMENT**

### **Date**

24th August, 2007

### **Parties**

- (1) Sinoford, Jennex, Eastern Beauty, Ming Shun and Mr. Fung as vendors
- (2) Asia Coast as purchaser

### **The Sale Shares**

The Sale Shares (being an aggregate of 29,300,000 CBI A Shares and 147,200,000 CBI B Shares) represent approximately 29.15 per cent. of the issued share capital of CBI and represent approximately 22.55 per cent. of the total voting power exercisable at general meetings of CBI at which every share, regardless of class, entitles the holder to one vote as at the date of this announcement (i.e. the CBI A Shares and the CBI B Shares carry equal voting rights).

Prior to the completion of the sale and purchase of the Sale Shares:

Voting right of CBI A Shares : one per share; par value : HK\$1.00 per share

Voting right of CBI B Shares : one per share; par value : HK\$0.10 per share

	Voting Right				Equity Interest (HK\$)			
	CBI A Shares		CBI B Shares		CBI A Shares		CBI B Shares	
	CBI A Shares	CBI B Shares	CBI B Shares	and Percentage of holding	CBI A Shares	CBI B Shares	CBI B Shares	and Percentage of holding
Asia Coast	32,760,000	472,616,288	505,376,288	64.58%	32,760,000.00	47,261,628.80	80,021,628.80	52.98%
Sinoford	20,500,000	20,250,000	40,750,000	5.21%	20,500,000.00	2,025,000.00	22,525,000.00	14.91%
Jennex	8,000,000	8,000,000	16,000,000	2.04%	8,000,000.00	800,000.00	8,800,000.00	5.83%
Eastern Beauty	-	102,950,000	102,950,000	13.16%	-	10,295,000.00	10,295,000.00	6.82%
Ming Shun	-	16,000,000	16,000,000	2.04%	-	1,600,000.00	1,600,000.00	1.06%
Mr. Fung	800,000	-	800,000	0.10%	800,000.00	-	800,000.00	0.53%
Other shareholders (total)	18,800,000	81,900,000	100,700,000	12.87%	18,800,000.00	8,190,000.00	26,990,000.00	17.87%
	<u>80,860,000</u>	<u>701,716,288</u>	<u>782,576,288</u>	<u>100.00%</u>	<u>80,860,000.00</u>	<u>70,171,628.80</u>	<u>151,031,628.80</u>	<u>100.00%</u>

Following completion of the sale and purchase of the Sale Shares:

Voting right of CBI A Shares : one per share; par value : HK\$1.00 per share

Voting right of CBI B Shares : one per share; par value : HK\$0.10 per share

	Voting Right				Equity Interest (HK\$)			
	CBI A Shares		CBI B Shares		CBI A Shares		CBI B Shares	
	CBI A Shares	CBI B Shares	CBI B Shares	and Percentage of holding	CBI A Shares	CBI B Shares	CBI B Shares	and Percentage of holding
Asia Coast	62,060,000	619,816,288	681,876,288	87.13%	62,060,000.00	61,981,628.80	124,041,628.80	82.13%
Other shareholders (total)	18,800,000	81,900,000	100,700,000	12.87%	18,800,000.00	8,190,000.00	26,990,000.00	17.87%
	<u>80,860,000</u>	<u>701,716,288</u>	<u>782,576,288</u>	<u>100.00%</u>	<u>80,860,000.00</u>	<u>70,171,628.80</u>	<u>151,031,628.80</u>	<u>100.00%</u>

The Sale Shares will be acquired free from any encumbrance as of completion of the sale and purchase of the Sale Shares.

### Consideration

The aggregate consideration for the sale and purchase of the Sale Shares shall be HK\$10,045,531, comprising:

- (i) HK\$2,319,294 for the Sinoford Sale Shares to be sold by Sinoford to Asia Coast pursuant to the Agreement;
- (ii) HK\$910,643 for the Jennex Sale Shares to be sold by Jennex to Asia Coast pursuant to the Agreement;
- (iii) HK\$5,859,419 for the Eastern Beauty Sale Shares to be sold by Eastern Beauty to Asia Coast pursuant to the Agreement;
- (iv) HK\$910,643 for the Ming Shun Sale Shares to be sold by Ming Shun to Asia Coast pursuant to the Agreement; and

- (v) HK\$45,532 for the Peter Fung Sale Shares to be sold by Mr. Fung to Asia Coast pursuant to the Agreement.

The consideration was arrived at after arm's length negotiations amongst Sinoford, Jennex, Eastern Beauty, Ming Shun, Mr. Fung and Asia Coast and by reference to the net asset value of the Sale Shares at a discount.

The aggregate consideration in the sum of HK\$10,045,531 will be settled in cash on completion of the sale and purchase of the Sale Shares.

Payment of the aggregate consideration for the sale and purchase of the Sale Shares will be funded by internal resources of the Company.

### **Completion**

Completion of the sale and purchase of the Sale Shares took place on 27th August, 2007. The sale and purchase of the Sale Shares was not subject to any condition.

## **INFORMATION ABOUT THE COMPANY, ASIA COAST AND CBI**

### **The Company**

The Company is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business of the Company is investment holding. The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel operation in China.

### **Asia Coast**

Asia Coast is a company incorporated in the B.V.I. with limited liability. It is an indirect wholly-owned subsidiary of the Company.

The principal business activity of Asia Coast is investment holding.

### **CBI**

CBI is a company incorporated in Hong Kong with limited liability. It is an indirect non wholly-owned subsidiary of the Company.

The principal business activity of CBI is investment holding.

## SUMMARY OF FINANCIAL RESULTS OF CBI

A summary of the unaudited consolidated results of CBI for the two years ended 31st December, 2005 and 31st December, 2006 are as follows:

	Year ended 31st December,	
	2006	2005
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	21,274	18,332
Loss before tax	(21,603)	(6,231)
Loss after tax	(21,401)	(6,034)

The unaudited consolidated net book value of the Sale Shares as at 31st December, 2006 was approximately HK\$30,657,000.

## INFORMATION ABOUT SINFORD, JENNEX, EASTERN BEAUTY, MING SHUN AND MR. FUNG

### Sinoford

Sinoford is a company incorporated in Hong Kong with limited liability. The principal business activity of Sinoford is investment holding.

### Jennex

Jennex is a company incorporated in Hong Kong with limited liability. The principal business activity of Jennex is investment holding.

### Eastern Beauty

Eastern Beauty is a company incorporated in the B.V.I. with limited liability. The principal business activity of Eastern Beauty is investment holding.

### Ming Shun

Ming Shun is a company incorporated in the B.V.I. with limited liability. The principal business activity of Ming Shun is investment holding.

### Mr. Fung

Mr. Fung is a director of Yu Ming Investments Limited, a company listed on the Main Board of the Stock Exchange. He is an independent third party not connected with any of the substantial shareholders, chief executive or directors of the Company or any of their respective associates.

## **REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE OF THE SALE SHARES**

The Company is currently interested in approximately 52.98 per cent. of the issued share capital of CBI. In turn, CBI is holding an 88 per cent. interest in 肇慶高爾夫發展有限公司 (Zhao Qing Golf and Development Co., Ltd.), which owns and operates the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, the People's Republic of China. The purchase of the Sale Shares will result in an increase of the Company's interest in the issued share capital of CBI from approximately 52.98 per cent. to approximately 82.13 per cent. (and approximately 64.58 per cent. to approximately 87.13 per cent. in respect of its total voting power), thereby further consolidating the control of the Company over CBI and in turn increasing the Company's effective interest in the Zhaoqing Resort & Golf Club.

Having regard to the nature of and the benefits resulting from the purchase of the Sale Shares, the Directors believe that the terms of the sale and purchase of the Sale Shares are fair and reasonable and in the interests of the shareholders of the Company taken as a whole.

Immediately following completion of the sale and purchase of the Sale Shares, Sinoford, Jennex, Eastern Beauty, Ming Shun and Mr. Fung will cease to hold any equity interest or voting right in CBI.

## **LISTING RULES IMPLICATIONS**

The transactions contemplated in the Agreement do not constitute any notifiable transaction under Chapter 14 of the Listing Rules on the part of the Company, on the basis that none of the calculation of the ratios for the Company exceed five per cent.

The transactions contemplated in the Agreement constitute a connected transaction for the Company, on the basis that Mr. Chow On Kiu, Andrew, a director of CBI, is also a director and substantial shareholder of Jennex, Eastern Beauty and Ming Shun, and that Mr. Fung Wing Cheung, Tony, also a director of CBI, is the substantial shareholder of Sinoford. Hence, Jennex, Eastern Beauty, Ming Shun and Sinoford are all associates of connected persons of the Company. As each of the relevant percentage ratios in respect of the sale and purchase of the Sale Shares under the Agreement is less than 2.5 per cent., pursuant to Rule 14A.32 of the Listing Rules, the sale and purchase of the Sale Shares under the Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and is exempt from independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

## **DIRECTORS**

As at the date of this announcement, the Board comprises:

### *Executive Directors:*

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

### *Non-Executive Directors:*

Mr. Lee Seng Hui (Chairman), Mr. Moses Cheng Mo Chi and Mr. Yuki Oshima

### *Independent Non-Executive Directors:*

Mr. Francis J. Chang Chu Fai, Mr. Ngai Wah Sang, Mr. Xu Su Jing and Ms. Lisa Yang Lai Sum

## DEFINITIONS

“Agreement”	the agreement for sale and purchase dated 24th August, 2007 made between Sinoford, Jennex, Eastern Beauty, Ming Shun, Mr. Fung and Asia Coast, relating to the sale and purchase of the Sale Shares
“Asia Coast”	Asia Coast Investments Limited, a company incorporated in the B.V.I. with limited liability and an indirect wholly-owned subsidiary of the Company
“associates”	having the meaning ascribed to it under the Listing Rules
“B.V.I.”	British Virgin Islands
“Board”	the board of Directors
“CBI”	CBI Investment Limited, a company incorporated in Hong Kong with limited liability
“CBI A Shares”	ordinary A shares with par value of HK\$1.00 each in the issued share capital of CBI
“CBI B Shares”	ordinary B shares with par value of HK\$0.10 each in the issued share capital of CBI
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 28)
“connected person”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Eastern Beauty”	Eastern Beauty Consultants Limited, a company incorporated in the B.V.I with limited liability
“Eastern Beauty Sale Shares”	102,950,000 CBI B Shares owned by Eastern Beauty
“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
“Jennex”	Jennex Investment Limited, a company incorporated in Hong Kong with limited liability
“Jennex Sale Shares”	8,000,000 CBI A Shares and 8,000,000 CBI B Shares owned by Jennex

“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ming Shun”	Ming Shun Investments Limited, a company incorporated in the B.V.I. with limited liability
“Ming Shun Sale Shares”	16,000,000 CBI B Shares owned by Ming Shun
“Mr. Fung”	Mr. Fung Yiu Fai, Peter
“Peter Fung Sale Shares”	800,000 CBI A Shares owned by Mr. Fung
“Sale Shares”	collectively the Sinoford Sale Shares, the Jennex Sale Shares, the Eastern Beauty Sale Shares, the Ming Shun Sale Shares and the Peter Fung Sale Shares, comprising a total of 29,300,000 CBI A Shares and 147,200,000 CBI B Shares
“Sinoford”	Sinoford Limited, a company incorporated in Hong Kong with limited liability
“Sinoford Sale Shares”	20,500,000 CBI A Shares and 20,250,000 CBI B Shares owned by Sinoford
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 30th August, 2007