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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

FRAMEWORK AGREEMENT IN RELATION TO THE ACQUISITION OF THE PROPERTIES AND THE ANCILLARY FACILITIES

On 1st September, 2009, the Vendors and the Company as purchaser entered into the Framework Agreement, pursuant to which the Vendors intend to sell, and the Company intends to, through the SPVs, acquire from the Vendors the Properties and the Ancillary Facilities, which are situated in Minhang District, Shanghai, PRC, free from any encumbrance in accordance with the terms and conditions contained in the Framework Agreement. The total consideration for acquiring the Properties and the Ancillary Facilities is approximately RMB990,000,000 (equivalent to HK\$1,125,000,000), which is subject to downward adjustment depending on the number of the units of the Properties actually acquired.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the relevant Percentage Ratio exceeds 5% but less than 25%.

THE FRAMEWORK AGREEMENT

Date: 1st September, 2009

Vendors: Vendor A, Vendor B and Vendor C

Purchaser: the Company

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors and the Vendors' ultimate beneficial owner(s) are independent third parties not connected with the Company and connected persons of the Company.

Assets to be acquired

The Vendors intend to sell, and the Company intends to, through the SPVs, acquire from the Vendors the Properties and the Ancillary Facilities, which are situated in Minhang District, Shanghai, PRC, free from any encumbrance in accordance with the terms and conditions contained in the Framework Agreement.

Based on the information provided by the Vendors, as at 31st August, 2009, approximately 87% of the residential apartments of the Properties are subject to existing tenancies, and the monthly total gross rental incomes attributable to the residential apartments of the Properties is approximately RMB5,376,000 (equivalent to HK\$6,109,000), or equivalent to approximately RMB64,512,000 (equivalent to HK\$73,309,000) on an annual basis. The preliminary appraised value of the Properties is RMB1,030,040,000 (equivalent to HK\$1,170,500,000), which is prepared by a professional property valuer who is independent of the Company and its connected persons.

The Company will make an announcement in relation to the SPAs and the Ancillary Facilities Compensation Contracts after signing of the same as soon as practicable.

Consideration and payment terms

Within seven (7) business days upon signing of the Framework Agreement, the Vendors shall receive from the Company the Deposit.

The Consideration is subject to downward adjustment depending on the number of the units of the Properties actually acquired, and is payable in the following manner:

(1) First Payment

Subsequent to any signing of the SPAs, the Company shall ensure that the SPVs shall pay 50% of the Consideration to the Vendors, after which the Deposit shall be refunded to the Company.

(2) Second Payment

Within ten (10) business days after the Transfer Completion Day, the Company shall ensure that the SPVs shall pay 46% of the Consideration to the Vendors.

(3) Final Payment

After Completion, and within seven (7) business days after the expiry of the Transition Period, the Company shall ensure that the SPVs shall pay the remaining 4% of the Consideration to the Vendors.

The Consideration was determined after arm's length negotiation between the Vendors and the Company after taking into account (i) the valuation of the Properties; and (ii) the prevailing property market conditions in Shanghai, PRC.

The Company intends to fund the Acquisition by internal resources and bank borrowings.

Completion

The SPVs and the Vendors shall execute (i) SPA for each unit of the Properties; and (ii) Ancillary Facilities Compensation Contracts within thirty (30) days from the date of issuance of the SPVs' business licenses.

Within fifteen (15) business days from the signing of the SPAs and subject to the full payment of the First Payment, the SPVs and the Vendors shall complete all the title transfer procedures in respect of the Properties with the relevant authorities. Upon the SPVs receiving the complete set of the New Property Ownership Certificates on the Transfer Completion Day, the Completion shall take place within three (3) business days from the Transfer Completion Day.

INFORMATION RELATING TO THE COMPANY AND THE VENDORS

(1) The Company

The principal business activity 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 the PRC.

(2) Vendor A

Based on the information provided by Vendor A, its principal business activity is property development.

(3) Vendor B

Based on the information provided by Vendor B, its principal business activity is property development.

(4) Vendor C

Based on the information provided by Vendor C, its principal business activity is property development.

REASONS AND BENEFITS FOR THE ACQUISITION

Based on the long-term growth prospect of the PRC economy, the Directors expect that property development in the PRC, particularly, major cities in the PRC such as Shanghai will continue to enjoy the growth. The Directors also expect that demand for quality residential properties will remain strong. As such, the increase in land bank in such cities is strategically important to long-term development of the Group.

Based on the information provided by the Vendors, as at 31st August, 2009, approximately 87% of the Properties are already leased out and are generating stable rental revenue. The Group currently intends to hold the Properties for investment and rental purposes. The Directors are of the view that the Acquisition should provide capital appreciation potential and generate stable revenue while expanding the portfolio of the Group's investment properties in Shanghai, PRC.

In view of the above and the preliminary valuation of the Properties prepared by an independent professional valuer, the Directors are of the view that the Acquisition and the terms of the Framework Agreement are fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

LISTING RULES IMPLICATIONS OF THE ACQUISITION

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the relevant Percentage Ratio exceeds 5% but less than 25%.

DEFINITIONS

“Acquisition”	the acquisition of the Properties and the Ancillary Facilities pursuant to the Framework Agreement;
“Ancillary Facilities”	the fit-out, furniture, interior furnishing, office equipment, electrical appliances, sport equipment and items relating to the Properties;
“Ancillary Facilities Compensation Contract(s)”	the compensation contract for the transfer of the Ancillary Facilities of the Properties in accordance with the Framework Agreement;
“Board”	the board of Directors;
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the delivery of the Properties and the Ancillary Facilities and the execution of the relevant documents;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration for acquiring the Properties and Ancillary Facilities, being approximately RMB990,000,000 (equivalent to HK\$1,125,000,000);
“Deposit”	a deposit in the amount of RMB99,000,000 (equivalent to HK\$112,500,000), equivalent to 10% of the Consideration;
“Director(s)”	the director(s) of the Company;
“First Payment”	the 50% of the Consideration to be paid by the SPVs in accordance with the Framework Agreement;
“Framework Agreement”	the framework agreement entered into by the Vendors and the Company on 1st September, 2009 in relation to the Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Property Ownership Certificate(s)”	the certificate(s) issued by the governmental authority showing that the SPVs have become the legal owners of the Properties in accordance with the Framework Agreement;

“Percentage Ratio”	the “percentage ratio” as defined in Rule 14.04(9) of the Listing Rules;
“PRC”	the People’s Republic of China, which for the purpose of the Framework Agreement, does not include Taiwan, Hong Kong and Macau;
“Properties”	including not less than 200 residential apartments, car parking spaces, storage rooms and a club house;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary shares of HK\$0.20 each in the issued share capital of the Company and a “Share” shall mean any of such Shares;
“Shareholder(s)”	holder(s) of the Share(s);
“SPA(s)”	the sale and purchase agreement for each separate part or unit of the Properties to be executed by the Vendors and the SPVs in accordance with the Framework Agreement;
“SPVs”	the collective names of at least three special purpose vehicles, which are yet to be established directly or indirectly by the Company for the purpose of acquiring the Properties in accordance with the Framework Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transfer Completion Day”	the date on which the complete set of the New Property Ownership Certificate(s) are received by the SPVs;
“Transition Period”	the six (6) month period after the date of Completion;
“Vendors”	Vendor A, Vendor B and Vendor C; and
“%”	per cent.

On behalf of the Board
Tian An China Investments Company Limited
Li Chi Kong
Executive Director

Hong Kong, 2nd September, 2009

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 RMB0.88. 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. Patrick Lee Seng Wei (Managing Director), Mr. Ng Qing Hai (Deputy Managing Director), Mr. Ma Sun (Deputy Managing Director), Mr. Edwin Lo King Yau, Mr. Li Chi Kong and Mr. Yasushi Ichikawa being the Executive Directors; Mr. Lee Seng Hui (Chairman), Mr. Song Zengbin (Deputy Chairman), Dr. Moses Cheng Mo Chi, Mr. Kazunori Okimoto being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Ngai Wah Sang, Mr. Xu Su Jing and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.