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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

PROVISION OF ENTRUSTED LOAN

LOAN AGREEMENT AND ENTRUSTED LOAN AGREEMENTS

On 27th October, 2010, the Loan Agreement has been entered into between TASI, a direct and indirect wholly-owned subsidiary of the Company, and UAF Shenzhen, an indirect non wholly-owned subsidiary of SHK, pursuant to which TASI has agreed to make available the Entrusted Loan in the principal amount of RMB40,000,000 (equivalent to approximately HK\$46,511,600) through the entrusted lender, CMB Shenzhen, to UAF Shenzhen on the terms and subject to the conditions set out therein and in the Entrusted Loan Agreements.

FEE SETTLEMENT DEED

On 27th October, 2010, SHL, an indirect wholly-owned subsidiary of the Company, TASI and UAF, holding directly and indirectly the entire issued share capital of UAF Shenzhen and an indirect non wholly-owned subsidiary of SHK, entered into the Fee Settlement Deed, pursuant to which, inter alia, UAF agrees to (a) pay the Loan Arrangement Fee to SHL; (b) monitor the repayment obligation of UAF Shenzhen under the Loan Agreement and the Entrusted Loan Agreements; and (c) provide all necessary assistance to TASI to recover the indebtedness in full if UAF Shenzhen fails to repay any money owing under and in accordance with the terms and conditions of the Loan Agreement and/or the Entrusted Loan Agreements respectively.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

As at the date of this announcement, APL is interested in approximately 39.37% and approximately 62.72% of the issued share capital of the Company and SHK respectively. SHK, UAF and UAF Shenzhen are therefore connected persons of the Company under Rule 14A.11(4) of the Listing Rules. Accordingly, the Transaction is a connected transaction of the Company under Rule 14A.13(2)(a)(i) of the Listing Rules.

As each or all of the Percentage Ratios (other than the profits ratio) applicable to the Transaction is/are less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Mr. Lee Seng Hui, the Chairman and a Non-Executive Director of the Company, and Dr. Moses Cheng Mo Chi, a Non-Executive Director, are deemed to be materially interested in the Transaction and have abstained from voting on the relevant board resolutions.

LOAN AGREEMENT AND ENTRUSTED LOAN AGREEMENTS

Loan: Entrusted Loan through CMB Shenzhen

Date: 27th October, 2010

Parties to the Loan Agreement:

- (1) TASI as the lender; and
- (2) UAF Shenzhen as the borrower.

Parties to the Entrusted Loan Agreements:

- (1) TASI as the principal;
- (2) CMB Shenzhen as the entrusted lender; and
- (3) UAF Shenzhen as the borrower.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CMB Shenzhen and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Principal Amount of the Entrusted Loan

Pursuant to the Loan Agreement, the principal amount of the Entrusted Loan is RMB40,000,000 (equivalent to approximately HK\$46,511,600) will be made available by TASI to UAF Shenzhen through CMB Shenzhen as the entrusted lender, on the terms and subject to the conditions set out therein and in the Entrusted Loan Agreements.

Use of the proceeds of the Entrusted Loan

The proceeds of the Entrusted Loan will be used for the purpose of general working capital of UAF Shenzhen, such purpose shall not be amended or varied without the prior written consent of TASI.

Term

The term of the Entrusted Loan shall be 2 years.

Interest Rate

The interest rate is 4.25% per annum. Interest accrued on the Entrusted Loan will be payable to TASI on a quarterly basis and shall be calculated on the twentieth day of each month. If the prevailing interest rate for lending as prescribed by the People's Bank of China increases or if adjustment is otherwise requested by TASI, the interest rate of the Entrusted Loan may be adjusted, subject to negotiation between TASI and UAF Shenzhen and further agreement in writing.

Repayment of the Entrusted Loan

The Entrusted Loan, together with interest accrued thereon, shall be repaid in full on the expiry of the term of the Entrusted Loan.

FEE SETTLEMENT DEED

Date: 27th October, 2010

Parties:

- (1) SHL;
- (2) TASI; and
- (3) UAF.

Principal Terms of the Fee Settlement Deed

The Fee Settlement Deed shall be effective upon the Loan Agreement and the Entrusted Loan Agreements having been entered into between TASI, CMB Shenzhen and/or UAF Shenzhen.

In consideration of TASI agreeing to make available the Entrusted Loan to UAF Shenzhen, UAF has agreed to (a) pay to SHL the non-refundable Loan Arrangement Fee of 2% per annum on the outstanding principal amount under the Entrusted Loan owed by UAF Shenzhen to TASI (i) on the date of the first drawdown of the Entrusted Loan; and (ii) on the date falling on the first anniversary of the Entrusted Loan Agreements; (b) monitor the repayment obligation of UAF Shenzhen under the Loan Agreement and the Entrusted Loan Agreements; and (c) provide all necessary assistance to TASI to recover the indebtedness in full if UAF Shenzhen fails to repay any money owing under and in accordance with the terms and conditions of the Loan Agreement and/or the Entrusted Loan Agreements respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Loan Agreement, the Entrusted Loan Agreements (including the interest rate) and the Fee Settlement Deed were determined after arm's length negotiations between the relevant parties having taken into account the prevailing market interest rates and practices. The Directors consider that the interest rate of 4.25% per annum is favourable to TASI and the Loan Arrangement Fee of 2% per annum is favourable to SHL. Moreover, the provision of the Entrusted Loan to UAF Shenzhen could generate a higher return for the idle surplus cash of TASI. Taking into consideration the creditworthiness of UAF Shenzhen and its financial performance in the past and the Loan Arrangement Fee to be generated under the Transaction, the Directors consider that the Transaction will bring in more value to the shareholders of the Company as a whole by enhancing the monetary return of the TASI's surplus funds generated from its operations.

In light of the above, the Directors (including the Independent Non-Executive Directors) believe that the terms of the Loan Agreement, the Entrusted Loan Agreements and the Fee Settlement Deed are fair and reasonable and in the interests of the Company and its shareholders taken as a whole.

INFORMATION RELATING TO THE COMPANY, TASI, SHL, CMB SHENZHEN, UAF AND UAF SHENZHEN

(1) The Company

The Company is a company incorporated in Hong Kong with limited liability, 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 high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel operation, as well as the manufacture and sale of construction materials in the PRC.

(2) TASI

TASI is a company incorporated in the PRC with limited liability and is a direct and indirect wholly-owned subsidiary of the Company.

The principal business activity of TASI is property development and investment and investment holding.

(3) SHL

SHL 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 SHL is investment holding.

(4) CMB Shenzhen

CMB Shenzhen is a branch of China Merchants Bank Co. Ltd, a joint stock company incorporated in the PRC with limited liability engaging in the business of banking principally in the PRC.

(5) UAF

UAF is a company incorporated in Hong Kong with limited liability and is an indirect non wholly-owned subsidiary of SHK. As at the date of this announcement, UAF is directly and indirectly interested in the entire equity interest of UAF Shenzhen.

The principal business activity of UAF is consumer financing.

(6) UAF Shenzhen

UAF Shenzhen is a company incorporated in the PRC with limited liability and is a direct and indirect wholly-owned subsidiary of UAF.

The principal business activity of UAF Shenzhen is money lending in Shenzhen, PRC.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

As at the date of this announcement, APL is interested in approximately 39.37% and approximately 62.72% of the issued share capital of the Company and SHK respectively. SHK, UAF and UAF Shenzhen are therefore connected persons of the Company under Rule 14A.11(4) of the Listing Rules. Accordingly, the Transaction is a connected transaction of the Company under Rule 14A.13(2)(a)(i) of the Listing Rules.

As each or all of the Percentage Ratios (other than the profits ratio) applicable to the Transaction is/are less than 5%, the Transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Mr. Lee Seng Hui, the Chairman and a Non-Executive Director of the Company, and Dr. Moses Cheng Mo Chi, a Non-Executive Director, are deemed to be materially interested in the Transaction and have abstained from voting on the relevant board resolutions.

DEFINITIONS

“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 of the Stock Exchange (Stock Code: 56), being a substantial shareholder of the Company;
“CMB Shenzhen”	China Merchants Bank Co., Ltd., Shenzhen Che Gong Miao Branch, being the entrusted lender under the Entrusted Loan Agreements;
“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;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“connected transaction”	having the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Entrusted Loan”	the entrusted loan in the principal amount of RMB40,000,000 (equivalent to approximately HK\$46,511,600) provided by TASI through CMB Shenzhen to UAF Shenzhen pursuant to the Loan Agreement and the Entrusted Loan Agreements;
“Entrusted Loan Agreements”	the two entrusted loan agreements both dated 27th October, 2010 entered into between (i) TASI as principal and CMB Shenzhen as entrusted lender; and (ii) CMB Shenzhen as the entrusted lender and UAF Shenzhen as the borrower respectively pursuant to which TASI has agreed to make available the Entrusted Loan to UAF Shenzhen through CMB Shenzhen as the entrusted lender on the terms and subject to the conditions set out therein;

“Fee Settlement Deed”	the fee settlement deed dated 27th October, 2010 entered into between SHL, TASI and UAF pursuant to which UAF has agreed to pay the Loan Arrangement Fee and to monitor the repayment obligations of UAF Shenzhen on the terms and subject to the conditions set out therein;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan Agreement”	the loan agreement dated 27th October, 2010 entered into between TASI and UAF Shenzhen pursuant to which TASI agreed to make available the Entrusted Loan to UAF Shenzhen through CMB Shenzhen as the entrusted lender on the terms and conditions set out therein and in the Entrusted Loan Agreements;
“Loan Arrangement Fee”	the non-refundable loan arrangement and handling fee of 2% per annum on the outstanding principal amount under the Entrusted Loan payable by UAF to SHL pursuant to the terms and conditions set out in the Fee Settlement Deed;
“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, not including Taiwan, Hong Kong and Macau for the purpose of this announcement;
“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 of the Stock Exchange (Stock Code: 86);
“SHL”	Sunwealth Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being a party to the Fee Settlement Deed;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“TASI”	天安(上海)投資有限公司 (Tian An (Shanghai) Investments Co., Ltd.*), a company incorporated in the PRC with limited liability, being the principal lender under the Loan Agreement, the Entrusted Loan Agreements and a party to the Fee Settlement Deed;
“Transaction”	the transaction(s) contemplated under the Loan Agreement, the Entrusted Loan Agreements and the Fee Settlement Deed;
“UAF”	United Asia Finance Limited, a company incorporated in Hong Kong with limited liability, being a party to the Fee Settlement Deed;
“UAF Shenzhen”	深圳市亞聯財小額信貸有限公司 (Shenzhen United Asia Finance Limited*), a company incorporated in the PRC with limited liability, being the principal borrower under the Loan Agreement and the Entrusted Loan Agreements; and
“%”	per cent.

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

Hong Kong, 27th October, 2010

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using exchange rate of HK\$1.00 equal to RMB0.86. 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 of Directors comprises Mr. Hu Aimin (Deputy Chairman), Mr. Song Zengbin (Deputy Chairman), 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 and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman) and Dr. Moses Cheng Mo Chi 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