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ALLIED PROPERTIES (H.K.) LIMITED

(聯合地產(香港)有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 56)



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)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL PARTIAL SHARE EXCHANGE OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
CHINA ELITE HOLDINGS LIMITED, A WHOLLY-OWNED SUBSIDIARY OF
ALLIED PROPERTIES (H.K.) LIMITED
TO ACQUIRE 103,180,000 TIAN AN OFFER SHARES
IN THE ISSUED SHARE CAPITAL OF
TIAN AN CHINA INVESTMENTS COMPANY LIMITED
FROM INDEPENDENT TIAN AN SHAREHOLDERS**

FINAL CLOSING OF THE PARTIAL SHARE EXCHANGE OFFER

Financial adviser to the Offeror



禹銘投資管理有限公司

YU MING INVESTMENT MANAGEMENT LIMITED

As at 4:00 p.m. on the Final Closing Date on Friday, 23rd December, 2011, the Offeror received (i) valid approval in aggregate of 548,296,460 Tian An Offer Shares, representing approximately 60.65% of the Tian An Shares not held by the Offeror and parties acting in concert with it; and (ii) valid acceptances in aggregate of 113,035,379 Tian An Offer Shares, representing approximately 12.50% of the Tian An Shares not held by the Offeror and parties acting in concert with it.

The Offeror announces that the Partial Share Exchange Offer has become and been declared unconditional in all respects and closed on Friday, 23rd December, 2011, being the Final Closing Date.

INTRODUCTION

References are made to the joint announcement issued by Allied Group Limited, Allied Properties (H.K.) Limited (“**APL**”) and Tian An China Investments Company Limited (“**Tian An**”) dated 14th September, 2011 in relation to, among other things, the Partial Share Exchange Offer, and the composite document (the “**Composite Document**”) dated 18th November, 2011 and the joint announcement dated 9th December, 2011 both jointly issued by APL and Tian An in relation to the Partial Share Exchange Offer. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Composite Document.

FINAL CLOSING OF THE PARTIAL SHARE EXCHANGE OFFER

As at 4:00 p.m. on Friday, 23rd December, 2011, the Offeror received valid approval and valid acceptances of the Partial Share Exchange Offer tendered by the Independent Tian An Shareholders as follows:

- (i) valid approval of the Partial Share Exchange Offer had been received in respect of 548,296,460 Tian An Offer Shares, representing approximately 60.65% of the Tian An Shares not held by the Offeror and parties acting in concert with it; and
- (ii) valid acceptances of the Partial Share Exchange Offer had been received in respect of 113,035,379 Tian An Offer Shares, representing approximately 12.50% of the Tian An Shares not held by the Offeror and parties acting in concert with it.

The Partial Share Exchange Offer is conditional upon:

- (a) consent from the Executive in respect of the Partial Share Exchange Offer;
- (b) valid acceptances of the Partial Share Exchange Offer being received in respect of a minimum of 103,180,000 Tian An Offer Shares by 4:00 p.m. on or prior to the First Closing Date (or such later time and/or date as the Offeror may decide with the approval of the Executive);
- (c) approval of the Partial Share Exchange Offer by the Independent Tian An Shareholders, signified by means of a separate box on the Form of Approval and Acceptance specifying the number of the Tian An Offer Shares in respect of which the Partial Share Exchange Offer is approved, being given by the Independent Tian An Shareholders holding over 50% of the voting rights in the Register as at the First Closing Date or, if the Partial Share Exchange Offer has not become unconditional as to acceptances on the First Closing Date, then the Final Closing Date; and
- (d) the Stock Exchange granting the listing of, and permission to deal in, the APL Exchange Shares to be allotted and issued to the Accepting Tian An Shareholders in connection with the Partial Share Exchange Offer under the general mandate obtained by the APL Board at the annual general meeting of APL held on 1st June, 2011.

None of the above conditions of the Partial Share Exchange Offer can be waived.

As at the Final Closing Date, all the above conditions have been fulfilled and therefore the Partial Share Exchange Offer has become and been declared unconditional in all respects on the Final Closing Date.

Pursuant to Rule 28.3 of the Takeovers Code, except with the consent of the Executive, neither the Offeror nor parties who acted in concert with it in the course of the Partial Share Exchange Offer, nor any person who is subsequently acting in concert with any of them, may acquire voting rights of Tian An during the 12-month period immediately following the end of the offer period.

PRO RATA ENTITLEMENT OF THE INDEPENDENT TIAN AN SHAREHOLDERS UNDER THE PARTIAL SHARE EXCHANGE OFFER

As the Offeror has received valid acceptances for more than 103,180,000 Tian An Offer Shares, the total number of Tian An Offer Shares taken up by the Offeror from each Accepting Tian An Shareholder will be determined pro rata to his/her/its existing shareholding in accordance with the following formula (which is set out in the Composite Document):

$$\frac{A}{B} \times C$$

- A: 103,180,000 Tian An Offer Shares (being the total number of Tian An Offer Shares for which the Partial Share Exchange Offer is made)
- B: 113,035,379 Tian An Offer Shares (being the total number of Tian An Offer Shares tendered under the Partial Share Exchange Offer)
- C: the number of Tian An Offer Shares tendered by relevant individual Accepting Tian An Shareholder under the Partial Share Exchange Offer

As a result, if an Accepting Tian An Shareholder tenders all his/her/its Tian An Offer Shares to the Offeror under the Partial Share Exchange Offer, not all of such Tian An Offer Shares will be taken up.

SETTLEMENT OF THE CONSIDERATION

The share certificates of APL Exchange Shares will be despatched to the Accepting Tian An Shareholders on or before 3rd January, 2012, provided that a duly completed Form of Approval and Acceptance, accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) are received by the Share Registrar by no later than 4:00 p.m. on Friday, 23rd December, 2011, being the Final Closing Date.

If the Tian An Offer Shares tendered by an Accepting Tian An Shareholder have not been taken up by the Offeror in full, the share certificate(s) or transfer receipt(s) or other document(s) of title (and/or any indemnity or indemnities in respect thereof) (as the case may be) in respect of the balance of such Tian An Shares or a replaced share certificate will be returned or sent to him/her/it by ordinary post at his/her/its own risk on or before 3rd January, 2012.

ODD LOTS ARRANGEMENT

Tian An Shares are currently traded in board lot of 1,000 shares each. APL Shares are currently traded in board lot of 2,000 shares each. Such board lot size of APL or Tian An will not be changed as a result of implementing the Partial Share Exchange Offer. Accepting Tian An Shareholders may, as a result of accepting the Partial Share Exchange Offer, hold odd lots of Tian An Shares and/or APL Shares.

In order to facilitate the Accepting Tian An Shareholders to match up their holding of odd lots of Tian An Shares and/or APL Shares after accepting of the Partial Share Exchange Offer, Sun Hung Kai Investment Services Limited, whose address is at 42nd Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong (contact person: Mr. Cheung Chun Wai Andy; telephone number: (852) 3920 2782) has been appointed by the Offeror and Tian An as the designated broker to match sales and purchases of odd lot holdings of Tian An Shares and APL Shares in the market for a period of 30 days from 28th December, 2011 to 27th January, 2012. This odd lot arrangement would enable odd lot holders of Tian An Shares and APL Shares to dispose of their odd lots or to top up their odd lots to whole board lot of 1,000 Tian An Shares and whole board lot of 2,000 APL Shares. Accepting Tian An Shareholders should note that the successful matching of odd lots is not guaranteed.

INTEREST OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT IN TIAN AN SHARES AND RIGHTS OVER TIAN AN SHARES

Immediately prior to the commencement of the Partial Share Exchange Offer, the Offeror and parties acting in concert with it owned 602,789,096 Tian An Shares, representing approximately 40.00% of the entire issued share capital of Tian An as at the date of this joint announcement. Save for the foregoing, none of the Offeror or parties acting in concert with it held, controlled or directed any Tian An Shares or rights over Tian An Shares before the offer period of the Partial Share Exchange Offer.

Save for Tian An Offer Shares under the Partial Share Exchange Offer, during the offer period of the Partial Share Exchange Offer, none of the Offeror or parties acting in concert with it (i) acquired or agreed to acquire any of Tian An Shares or rights over Tian An Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Tian An; or (ii) dealt for value in or borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Tian An.

SHAREHOLDING STRUCTURE AND PUBLIC FLOAT OF APL AND TIAN AN

APL Shareholding Structure

Upon Completion, a total number of 412,720,000 APL Exchange Shares will be allotted and issued to the Accepting Tian An Shareholders as Consideration under the Partial Share Exchange Offer. The 412,720,000 APL Exchange Shares will be issued under the general mandate obtained by the APL Board at the annual general meeting of APL held on 1st June, 2011.

The table below sets out the shareholding structure of APL as at the date of this joint announcement and immediately after Completion:

Shareholders of APL	As at the date of this joint announcement		Immediately after Completion	
	<i>Number of APL Shares</i>	<i>Approximate %</i>	<i>Number of APL Shares</i>	<i>Approximate %</i>
AGL ¹	5,030,031,045	72.34	5,030,031,045	68.29
<i>Public APL Shareholders</i>				
Penta ²	559,779,637	8.05	559,779,637	7.60
Others	<u>1,363,307,686</u>	<u>19.61</u>	<u>1,776,027,686</u>	<u>24.11</u>
Total	<u>6,953,118,368</u>	<u>100.00</u>	<u>7,365,838,368</u>	<u>100.00</u>

Notes:

- As at the date of this joint announcement, the interest includes the holding of: (i) an interest in 1,973,216,190 APL Shares held by Capscore Limited (“Capcore”); (ii) an interest in 45,903,120 APL Shares held by Citiwealth Investment Limited (“Citiwealth”); (iii) an interest in 2,042,556,855 APL Shares held by Sunhill Investments Limited (“Sunhill”); and (iv) an interest in 968,354,880 APL Shares held by AGL. In addition, a total of 1,006,006,209 units of APL Warrants were held by Capscore, Citiwealth, Sunhill and AGL giving rise to an interest in an aggregate of 1,006,006,209 underlying APL Shares. Capscore, Citiwealth, Sunhill are all wholly-owned subsidiaries of AGL. AGL was therefore deemed to have an interest in APL Shares and underlying APL Shares in which Capscore, Citiwealth and Sunhill were interested.

Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. As at the date of this joint announcement, they together, through Lee and Lee Trust, owned approximately 56.76% interest in the issued share capital of AGL (inclusive of Mr. Lee Seng Hui’s personal interest) and were therefore deemed to have an interest in the APL Shares and the underlying APL Shares in which AGL was interested.

- Pursuant to the disclosure of interest forms and dealings disclosure forms filed by Penta displayed on the respective websites of the Stock Exchange and the SFC, as at the date of this joint announcement, Penta has a long position interest in (i) 559,779,637 APL Shares; and (ii) 103,303,321 listed physically settled derivatives and 413,810,953 unlisted cash settled derivatives, equivalent to a total of 517,114,274 underlying APL Shares. The listed physically settled derivatives will lapse in June 2016, and APL Directors have no information on the convertibility, terms and conditions of the unlisted cash settled derivatives held by Penta as such unlisted cash settled derivatives were not issued by APL, thus no assumption was made in the situation where Penta converts the derivatives into APL Shares on or before Completion. Penta is an Independent Tian An Shareholder in respect of the Partial Share Exchange Offer but not regarded as part of the public float of Tian An.

As shown in the above shareholding table, following completion of the allotment and issuance of 412,720,000 APL Exchange Shares, 2,335,807,323 APL Shares will be held by the public APL Shareholders, representing approximately 31.71% of the enlarged issued share capital of APL immediately following the allotment and issuance of the APL Exchange Shares. Accordingly, the minimum prescribed percentage of APL Shares held by the public APL Shareholders as required by the Listing Rules is satisfied.

Tian An Shareholding Structure

Upon Completion, a total number of 103,180,000 Tian An Offer Shares will be acquired by the Offeror, representing approximately 6.85% of the entire issued share capital of Tian An as at the date of this joint announcement and the Offeror and parties acting in concert with it will hold an aggregate of 705,969,096 Tian An Shares, representing approximately 46.85% of the entire issued share capital of Tian An as at the date of this joint announcement.

The table below sets out the shareholding structure of Tian An as at the date of this joint announcement and immediately after Completion:

Shareholders of Tian An	As at the date of this joint announcement		Immediately after Completion	
	<i>Number of Tian An Shares</i>	<i>Approximate %</i>	<i>Number of Tian An Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it ¹	602,789,096	40.00	705,969,096	46.85
Penta ²	424,281,476	28.16	424,281,476	28.16
Mr. Ma Sun ³	62,550	0.01	47,945	0.00
Public Tian An Shareholders	<u>479,636,369</u>	<u>31.83</u>	<u>376,470,974</u>	<u>24.99</u>
Total	<u>1,506,769,491</u>	<u>100.00</u>	<u>1,506,769,491</u>	<u>100.00</u>

Notes:

- As at the date of this joint announcement, the Offeror is an indirect wholly-owned subsidiary of APL, which was owned as to approximately 72.34% by AGL, which in turn was owned as to approximately 56.75% by Lee and Lee Trust.
- Pursuant to the disclosure of interest forms and dealings disclosure forms filed by Penta displayed on the respective website of the Stock Exchange and the SFC, as at the date of this joint announcement, Penta has a long position interest in (i) 424,281,476 Tian An Shares; and (ii) unlisted cash settled derivatives equivalent to 24,365,000 underlying Tian An Shares. However such derivatives were not issued by Tian An and none of Tian An Directors or APL Directors have any information on the convertibility of such derivatives into Tian An Shares or any terms and conditions thereof. As such, no assumption was made to the conversion of such derivatives into Tian An Shares in the above shareholding structure after Completion. Penta is an Independent Tian An Shareholder in respect of the Partial Share Exchange Offer but not regarded as part of the public float of Tian An.
- Mr. Ma Sun is an executive Tian An Director. Mr. Ma Sun is an Independent Tian An Shareholder in respect of the Partial Share Exchange Offer but not regarded as part of the public float of Tian An.

As shown in the above shareholding table, following completion of the transfer of 103,180,000 Tian An Offer Shares to the Offeror, 376,470,974 Tian An Shares will be held by the public Tian An Shareholders, representing approximately 24.99% of the entire issued share capital of Tian An as at the date of this joint announcement. Accordingly, upon Completion, less than a minimum of 25% of the entire issued share capital of Tian An will be held by the public Tian An Shareholders. The Offeror and parties acting in concert with it will take necessary steps including placing of Tian An Shares to other investors who are independent and not connected persons of the Offeror and the parties acting in concert with it to restore the minimum 25% public float of Tian An as soon as practicable as permitted under the Listing Rules.

On behalf of APL Board
Allied Properties (H.K.) Limited
Li Chi Kong
Executive Director

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

Hong Kong, 23rd December, 2011

As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.

As at the date of this joint announcement, the board of directors of the Offeror comprises Messrs. Li Chi Kong and Mark Wong Tai Chun.

The APL Directors and the directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that in respect of Tian An) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Tian An) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Tian An Board comprises Messrs. Hu Aimin (Deputy Chairman), Song Zengbin (Deputy Chairman), Patrick Lee Seng Wei (Managing Director), Ng Qing Hai (Deputy Managing Director), Ma Sun (Deputy Managing Director), Edwin Lo King Yau and 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 Messrs. Francis J. Chang Chu Fai, Jin Hui Zhi, Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.

The Tian An Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that in respect of APL and the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by APL and the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.