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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Tian An China Investments Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

### **MAJOR TRANSACTION**

### **DISPOSAL OF A SUBSIDIARY**

### **AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the board of directors of the Company is set out on pages 5 to 11 of this circular.

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 7th August, 2015 at 10:00 a.m. is set out on pages 26 and 27 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the EGM or any adjournment thereof if they so wish.

17th July, 2015

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## DEFINITIONS

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*In this circular (other than in the notice of the EGM and the accompanying form of proxy), unless the context otherwise requires, the following expressions have the following meanings:*

“Agreement”	the sale and purchase agreement dated 24th June, 2015 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares and the Sale Loan
“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 of the Stock Exchange
“Completion”	completion of sale and purchase of the Sale Shares and the Sale Loan in accordance with the Agreement
“Condition(s) Precedent”	the condition(s) precedent to the Completion as set out under the section headed “Conditions Precedent” of this circular
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the sum of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000) payable by the Purchaser to the Vendor for the Disposal under the Agreement
“Deposit”	RMB320,000,000 (equivalent to approximately HK\$405,063,000) which must be paid in RMB representing 10% of the Consideration
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the Agreement

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## DEFINITIONS

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“EGM”	the extraordinary general meeting to be convened at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 7th August, 2015 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, approving, among other things, the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HKGAAP”	Hong Kong Generally Accepted Accounting Practice
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	<p>8 pieces of land with the particulars of each of them as follows:</p> <ul style="list-style-type: none"><li>(i) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 30,227.90 square metres which can be used for residential purposes;</li><li>(ii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 48,297.10 square metres which can be used for residential purposes;</li><li>(iii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 16,263.70 square metres which can be used for residential purposes;</li><li>(iv) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 112,123.20 square metres which can be used for residential purposes;</li><li>(v) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 54,425.80 square metres which can be used for residential purposes;</li><li>(vi) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 7,090.40 square metres which can be used for residential purposes;</li></ul>

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## DEFINITIONS

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	(vii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 44,895.80 square metres which can be used for commercial and office purposes; and
	(viii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 20,392.70 square metres which can be used for residential purposes.
“Latest Practicable Date”	14th July, 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	21st August, 2015 (or such other date as may be agreed by the Vendor and the Purchaser in writing)
“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 circular only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	Power Ample Investments Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Agreement
“Regal Asset”	Regal Asset Investment Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 85% and 15% of shareholding by Teamlead and the Target Company respectively
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“Sale Loan”	the shareholder’s loan in the amount of HK\$1,173,904,636.54 owed by the Target Company to the Vendor as at the date of the Agreement
“Sale Shares”	2 issued shares representing the entire issued share capital of the Target Company, to be sold by the Vendor to the Purchaser pursuant to the Agreement
“Shanghai Sheshan”	上海佘山鄉村俱樂部有限公司 (Shanghai Sheshan Country Club Company Limited*), a wholly foreign owned enterprise incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of Regal Asset
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	All Happy International Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Target Group”	the Target Company, Teamlead, Regal Asset and Shanghai Sheshan
“Teamlead”	Teamlead Associates Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Target Company
“Vendor”	ACE Result Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the beneficial owner of the entire issued share capital of the Target Company and the vendor under the Agreement
“%”	per cent.

\* for identification purpose only

*For the purpose of this circular, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.79. 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.*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Song Zengbin (*Deputy Chairman*)

Patrick Lee Seng Wei (*Managing Director*)

Ma Sun (*Deputy Managing Director*)

Edwin Lo King Yau

Tao Tsan Sang

*Registered Office:*

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

*Non-Executive Directors:*

Lee Seng Hui (*Chairman*)

Moses Cheng Mo Chi

Lee Shu Yin

*Independent Non-Executive Directors:*

Francis J. Chang Chu Fai

Jin Hui Zhi

Ngai Wah Sang

Lisa Yang Lai Sum

17th July, 2015

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION**

### **DISPOSAL OF A SUBSIDIARY**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 25th June, 2015 in respect of the Disposal.

On 24th June, 2015, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which (i) the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares; and (ii) the Vendor agreed to sell and assign and the Purchaser agreed to take up an assignment of the Sale Loan, at the Consideration of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000).

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) the financial information and other information of the Group; (iii) other information as required under the Listing Rules; and (iv) the notice of the EGM.

### THE AGREEMENT

#### Date

24th June, 2015

#### Parties

- (1) The Vendor: ACE Result Limited
- (2) The Purchaser: Power Ample Investments Limited

As at the Latest Practicable Date, based on the information and confirmation provided by the Purchaser and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties of the Company and its connected persons.

#### Assets to be disposed of

Pursuant to the Agreement, (i) the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares; and (ii) the Vendor agreed to sell and assign and the Purchaser agreed to take up an assignment of the Sale Loan, at the Consideration.

#### Consideration

Pursuant to the Agreement, the Consideration of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000) shall be satisfied in the following manner:

- (i) upon signing of the Agreement, a deposit of RMB320,000,000 (equivalent to approximately HK\$405,063,000) which must be paid in RMB representing 10% of the Consideration (i.e. the Deposit) shall be payable by the Purchaser to the Vendor or its nominee(s) in cash; and
- (ii) upon Completion, the balance of the Consideration or its HK\$ equivalent shall be payable by the Purchaser to the Vendor or its nominee(s) in cash.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser having regard to (i) the market value of the Land; and (ii) the Sale Loan. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.



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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Vendor has received RMB320,000,000 (equivalent to approximately HK\$405,063,000), being the Deposit from the Purchaser.

### Conditions Precedent

Completion of the Agreement shall be conditional upon:

- (i) the Vendor's warranties remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (ii) the Vendor and the Purchaser having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Agreement, on or prior to Completion;
- (iii) all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party (including banks, lenders and/or shareholder(s) of the Vendor, the Purchaser or the Company and/or relevant regulatory authorities of the PRC (if required)), required for the implementation of the transactions contemplated in the Agreement being obtained and maintained;
- (iv) each of the Vendor and the Company having obtained (where applicable) the approval of their respective shareholders of the Agreement and the transactions contemplated thereunder as required by the Listing Rules; and
- (v) each of the Vendor and the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the sale of the Sale Shares and the assignment of the Sale Loan and other transactions contemplated thereunder.

Each of the Purchaser and the Vendor may, in its sole and absolute discretion, waive any of the above Conditions Precedent (except for the Conditions Precedent set out in (iv) and (v) above which cannot be waived).

If any of the above Conditions Precedent has not been fulfilled (or waived by the Vendor or the Purchaser (as the case may be)) on or before the Long Stop Date, the Vendor and the Purchaser shall not be obliged to proceed to Completion and the Vendor shall refund in cash to the Purchaser the full amount of the Deposit without interest within 10 business days after the Purchaser's written request. The Agreement shall then cease and determine save in respect of claims arising out of any antecedent breach thereof.

As at the Latest Practicable Date, no Condition Precedent has been fulfilled or waived.

### Completion

Completion shall take place at 2:00 p.m. on the third business day following the day on which the last of the Conditions Precedent is fulfilled (or otherwise waived) (or such other date and time as may be agreed by the Vendor and the Purchaser in writing) provided that the date of Completion shall be at least 6 weeks after the date of the Agreement, and in any event shall not be later than the third business day following the Long Stop Date.

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## LETTER FROM THE BOARD

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Neither the Vendor nor the Purchaser shall be obliged to complete the sale and purchase of the Sale Shares and the assignment of the Sale Loan unless the sale and purchase of the Sale Shares and the assignment of the Sale Loan are completed simultaneously upon Completion.

On the date of Completion, the Purchaser shall reimburse the Vendor for any advance made by the Vendor to the Target Company for the development of the Land during the period from the date of the Agreement to the date of Completion.

If the Vendor or the Purchaser shall, notwithstanding having exercised all reasonable endeavours, be unable to comply with any of their respective obligations for the Completion or under any provisions of the Agreement on or before the date fixed for Completion, the party not in default may:

- (i) defer Completion to a date not more than 28 days after the said date; or
- (ii) proceed to Completion so far as practicable but without prejudice to that party's rights to the extent that the other party shall not have complied with its obligations under the Agreement; or
- (iii) terminate the Agreement.

Upon Completion, the Group shall cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

### INFORMATION ON THE TARGET GROUP

The Target Company, an indirect wholly-owned subsidiary of the Company, is an investment holding company incorporated in the British Virgin Islands with limited liability, which holds 100% of the entire issued share capital of Teamlead and 15% of the total issued shares of Regal Asset. Regal Asset is owned as to 85% by Teamlead and 15% by the Target Company respectively. Shanghai Sheshan is a direct wholly-owned subsidiary of Regal Asset.

Teamlead is an investment holding company incorporated in the British Virgin Islands with limited liability. Regal Asset is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of investment holding. Shanghai Sheshan is a wholly foreign owned enterprise incorporated in the PRC with limited liability and is principally engaged in the business of development and operation of recreational estates, farming, residential development, membership clubs etc. and owns the land use and development rights of the Land with an aggregate total area of 333,716.60 square metres, which are all located in Songjiang District, Shanghai, the PRC. The Land is planned to be developed into a commercial and residential complex.

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## LETTER FROM THE BOARD

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The Land is located near the Shanghai Sheshan National Travel and Resort Area. Construction work for the phase 1 low density high-class villas with gross floor area of approximately 32,200 square metres was completed in December 2003 and all properties of phase 1 were sold during July 2003 to May 2013. Since the local government has modified the surrounding planning of the Land, the master planning for property development has been modified accordingly.

As at the Latest Practicable Date, the Land comprises of 8 pieces of land and one of them having an area of 20,392.70 square metres has been granted with the construction permit in June 2015 and is planned for residential purpose. The remaining 7 pieces of land are in their design stage and no construction has been commenced yet.

Set out below is the financial information of the Target Group for the two years ended 31st December, 2013 and 31st December, 2014:

	<b>Year ended 31st December,</b>	
	<b>2013</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	25,632	–
Net loss before taxation	6,186	28,418
Net loss after taxation	4,034	25,746

The unaudited net deficit of the equity interest of the Target Group was approximately HK\$129,921,000 as at 31st December, 2014.

The financial information above has been prepared in accordance with HKGAAP.

In the year ended 31st December, 2013, the revenue of the Target Group was generated from the sale of remaining 3 residential properties in phase 1 of the development project. Save as this, no income has been generated in the Target Group in the years ended 31st December, 2013 and 31st December, 2014 since the development project of the Target Group was under design stage and incurred expenses.

The majority of the net losses recorded in the years ended 31st December, 2013 and 31st December, 2014 comprised of amortisation of the Land and loan interest.

The unaudited net deficit of the equity interest of the Target Group as at 31st December, 2014 was the result of net loss after taxation incurred.

### **FINANCIAL EFFECT OF THE DISPOSAL**

It is estimated that, as a result of the Disposal, the Company will recognise an estimated gain of approximately HK\$2,579,402,000 being the Consideration less the Sale Loan, net deficit of Target Group, and other costs. The proceeds generated from the Disposal will be applied as general working capital of the Group.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company considers the Disposal to be a good opportunity for the Company to realise its investment especially given that the Disposal will be made at a gain. Moreover, with reference to the prevailing market conditions and the fact that the proceeds from the Disposal will strengthen the financial position of the Group and enhance its cashflow, the Directors consider that the present time is a mature time for the Disposal.

Having regard to the nature of and the benefits resulting from the Disposal, the Directors believe that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

### INFORMATION RELATING TO THE COMPANY, THE VENDOR AND THE PURCHASER

#### (1) The Company

The Company is incorporated in Hong Kong with limited liability and 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 apartments, villas, office buildings and commercial properties, property investment and property management in the PRC.

#### (2) The Vendor

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

The principal business activity of the Vendor is investment holding.

#### (3) The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands with limited liability.

The principal business activity of the Purchaser is investment holding.

### LISTING RULES IMPLICATIONS OF THE DISPOSAL

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules on the basis that the relevant Percentage Ratio for the Company exceeds 25% but is less than 75%. The Disposal is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Agreement and the transactions contemplated thereunder, and no Shareholder is required to abstain from voting on the resolution in respect of the Agreement at the EGM.

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## LETTER FROM THE BOARD

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### EGM

A notice convening the EGM to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 7th August, 2015 at 10:00 a.m. is set out on pages 26 and 27 of this circular. An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve, inter alia, the Agreement and the transactions contemplated thereunder.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution will be put to vote by way of poll at the EGM. Any announcement on the result of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

### RECOMMENDATION

The Board considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Agreement and the transactions contemplated thereunder at the EGM.

**As Completion is subject to fulfillment of the Conditions Precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
On behalf of the Board  
**Tian An China Investments Company Limited**  
**Edwin Lo King Yau**  
*Executive Director*

**INDEBTEDNESS OF THE GROUP**

As at the close of business on 31st May, 2015, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had total outstanding borrowings of approximately HK\$6,118 million comprising secured bank loans of approximately HK\$4,520 million, other secured loans of approximately HK\$1 million, unsecured bank loans of approximately HK\$553 million, unsecured loans from certain non-controlling shareholders of approximately HK\$577 million, unsecured loans from joint ventures of approximately HK\$193 million, unsecured loans from associates of approximately HK\$7 million, and other unsecured loans of approximately HK\$267 million. The Group's banking facilities and other loans were secured by charges over its assets, including property, plant and equipment, properties for development, properties under development, inventories of completed properties and investment properties.

There were contingent liabilities arising from the property for development of a joint venture and a subsidiary. A portion of a property for development that is held by a 50%-owned joint venture of the Group with carrying value of approximately HK\$3 million is under idle land investigation by the local authority. This piece of land owned by the joint venture was held under several land use right certificates. The development of more than half of the piece of land was either completed or under development, except for a portion which is retained for the remaining development of the whole project. Another property for development that is held by a subsidiary of the Group with carrying value of approximately HK\$40 million is also under idle land investigation by the local authority. This piece of land owned by the subsidiary has been developed by several phases and more than half was completed, except the last portion which is under the planning approval by the local authority. The Group is currently working diligently to prevent the possible classification as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and considers that the idle land confiscation may not materialise.

In addition, the Group had contingent liabilities in the sum of approximately HK\$2,280 million in respect of guarantees for banking facilities granted to property purchasers, investees classified as available-for-sale investments and joint ventures. There was also a claim of approximately HK\$4 million arising from litigation with the owners committee of a property. Further particulars of this litigation are set out in the section headed "Litigation" in Appendix III to this circular.

Save as aforesaid and apart from the intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31st May, 2015, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

**WORKING CAPITAL**

The Directors are of the opinion that, taking into account of its existing cash and bank balances and other internal resources available and also the effect of the Disposal, the Group will have sufficient working capital for its present requirements and for at least 12 months from the date of publication of the circular in the absence of unforeseen circumstance.

**FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

With weak sales sentiment, there have been downward adjustments of property prices in most cities of China in 2014. Some local governments have relaxed the policy of restricting the number of homes that can be purchased in order to support the property market. There have been some changes to the property market sentiment in the recent months in the form of reduction in bank interests and lowering of the reserve requirement ratio. The sentiment in the short term may appear to be encouraging but significant market improvement is yet to be seen. However, we remain confident of the longer term prospects of the property market in China.

The Group's business objectives are as follows:

1. To continue to adjust the quality of its landbank through acquisitions and disposals and sale of its end products to balance the demands of short term returns and long term capital appreciation.
2. To adjust its products and pricing as well as the speed of construction where necessary to assist the sale of our products in the current difficult environment.
3. To responsibly gear up our projects rather than overutilising equity in order to increase our return on equity.
4. To review our management and cost structure so as to improve efficiency and reduce expenses where possible.

Long term corporate strategies of the Group include:

1. Retaining certain development properties for investment where we believe these properties will provide increasing rental streams and corresponding increases in capital value.
2. Concentrating our effort on developing our cyberpark and urban renewal units where we believe our products are welcomed by the government and the local market.

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Norton Appraisals Limited, an independent valuer, in connection with its valuation of the Land held by the Target Group as at 30th June, 2015.*



Unit 2401-02, 24/F, Jubilee Centre  
46 Gloucester Road  
Wanchai Hong Kong  
Tel : (852) 2810 7337 Fax : (852) 2810 6337

17th July, 2015

The Directors  
Tian An China Investments Company Limited  
22nd Floor, Allied Kajima Building  
138 Gloucester Road  
Wanchai  
Hong Kong

Re: Development site (Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02) located in Dongjing Town, Songjiang District, Shanghai, the People's Republic of China (the "PRC")

In accordance with the instructions from Tian An China Investments Company Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for us to value the captioned property interest, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the property interest as at 30th June, 2015 (hereinafter referred to as the "date of valuation") for public documentation purpose.

Our valuation is our opinion of value of the property on the basis of "Market Value" which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been made on the assumption that the owner sells the property on the market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on the property interest nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property interest, we have valued the property by Direct Comparison Approach assuming sale of the property interest in its existing state and making reference to relevant comparables as available in the market.



We have not investigated the title to or any liabilities against the property. We have, however assumed that transferable land use rights of the property for the specific term at nominal annual land use fee have been granted. We have relied on the advice given by the Group and its PRC legal adviser, 北京市中倫(上海)律師事務所 (Beijing Zhong Lun Law Firm, Shanghai Office) (hereinafter referred to as the “PRC legal adviser”), regarding the title to the property as at the date of valuation.

We have inspected the exterior and, where possible, the interior of the property on 6th July 2015 by our senior valuation manager Mr. Oliver Pan who possesses a master degree in investment from University of Reading. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the site and floor areas in respect of the property but have assumed that the areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation certificate is based on information contained in the documents provided to us and are, therefore, only approximations.

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, lettings, site and floor areas, construction cost incurred as at the date of valuation and all other relevant matters.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Our valuation has been prepared in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors and the requirement as stated in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all monetary amounts stated in our valuation certificate is in Renminbi.

Our Valuation Certificate is enclosed herewith.

Yours faithfully,  
For and on behalf of  
**Norton Appraisals Limited**  
**Paul M. K. Wong** *MRICS, MHKIS, RPS (G.P.)*  
*Director*

*Note:* Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 23 years' experience in valuation of properties in Hong Kong and the PRC.

## VALUATION CERTIFICATE

## Property interest held by the Group for future development

Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 30th June, 2015
Development site (Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02) located in Dongjing Town, Songjiang District, Shanghai, the PRC	<p>The property, located in the newly residential development zone of the sub-urban area in Shanghai, comprises remaining portion of the Shanghai Tian An Villa (the "Development") with a site area of approximately 333,716.6 sq.m. (excluding Phase 1 of the Development) and a proposed gross floor area of 401,748.21 sq.m. for comprehensive residential/commercial development by phases.</p> <p>The land use rights of the property have been granted for respective terms up to 27th June, 2075, 27th June, 2055 and 27th June, 2045 for residential, office and commercial uses.</p>	The property is currently vacant.	<p>RMB3,100,000,000</p> <p>(100% interest attributable to the Group: RMB3,100,000,000)</p>

## Notes:

- Pursuant to the Contract for Grant of State Owned Land Use Rights dated 26th April, 2005, 上海市松江區房屋土地管理局 (Shanghai Housing and Land Administration (Songjiang District) Bureau) agreed to grant the land use rights of Lot No. 654-1 (being portion of the property) on its existing state basis, having a site area of 165,920 sq.m., to 上海佘山鄉村俱樂部有限公司 (Shanghai Sheshan Country Club Company Limited) (referred to as "Shanghai Sheshan"), a wholly-owned subsidiary of the Company, with maximum plot ratio of 0.85 for a term of 70 years for residential use.
- Pursuant to the Contract for Grant of State Owned Land Use Rights dated 1st November, 2005, Shanghai Housing and Land Administration (Songjiang District) Bureau agreed to grant the land use rights of Lot No. 654-2 (being portion of the property) on its existing state basis, having a site area of 197,243 sq.m., to the Shanghai Sheshan with a maximum plot ratio of 0.85 for a term of 70 years for residential use.
- Pursuant to the 上海市國有建設用地使用權出讓合同【滬松規土(2013)第3號】 (Land Grant Contract for Shanghai Construction Land Use Rights) No. 【Hu Song Gui Tu (2013) 3】 dated 25th January, 2013. Shanghai Planning and Land Administration (Songjiang District) Bureau agreed to grant the land use rights of the property (being Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02), having a site area of approximately 333,716.6 sq.m., to Shanghai Sheshan, with a maximum gross floor area 401,748 sq.m. for terms of 70 years, 50 years and 40 years for residential, office and commercial use respectively. The development of the property should be commenced before 31st December, 2013 and completed prior to 31st December, 2016. Details of the development potential and restrictions are summarised as follows:

Lot No.	Land use	Site area (sq.m.)	Plot Ratio	Developable Gross Floor Area (sq.m.)	Building Height (m)
06-01	residential	48,297.10	0.85	41,052.54	24
06-08	residential	7,090.40	0.85	6,026.84	24
07-01	residential	16,263.70	0.85	13,824.15	30
07-05	residential	112,123.20	0.85	95,304.72	30
08-01	residential	54,425.80	0.85	46,261.93	30
08-06	shop (30%) office (70%)	21,460.40	2.5	53,651.00	40
08-08	shop (30%) office (70%)	23,435.40	2.5	58,588.50	40
27-02	residential	20,392.70	1.6	32,628.32	30
33-02	residential	30,227.90	1.8	54,410.22	40
Total:		<u>333,716.60</u>		<u>401,748.22</u>	

4. Pursuant to the Certificate for Real Estate Ownership No. 【Hu Fang Di Song Zi (滬房地松字) (2013) No. 007389】 dated 27th March, 2013, the land use rights for Lot No. 06-01, having a site area of 48,297 sq.m., of the property, have been granted to Shanghai Sheshan for a term commencing from 28th June, 2005 to 27th June, 2075 for residential use.
5. Pursuant to six Certificates for Real Estate Ownership Nos. 【Hu Fang Di Song Zi (滬房地松字) (2013) No. 007392, 007395, 007397 to 007399 and 007401】 all dated 27th March, 2013, the land use rights for Lot Nos. 06-08, 07-01, 07-05, 08-01, 27-02 and 33-02, having a total site area of 240,524 sq.m., of the property, have been granted to Shanghai Sheshan for a term commencing from 28th June, 2005 to 27th June, 2075 for residential use.
6. Pursuant to the Certificate for Real Estate Ownership No. 【Hu Fang Di Song Zi (滬房地松字) (2013) No. 007404】 dated 27th March, 2013, the land use rights for Lot Nos. 08-06 and 08-08, having a total site area of 44,896 sq.m., of the property, have been granted to Shanghai Sheshan for terms up to 27th June, 2045, 27th June, 2055 for commercial and office use respectively.
7. Pursuant to the Business Licence No.310000400262018 (City Bureau) dated 15th December, 2014, Shanghai Sheshan has been incorporated with a registered capital of USD36,240,000 for an operation period commencing from 6th April, 2001 and expiring on 5th April, 2071. The scope of business includes development and operation of recreational estates, farming, residential development and membership club etc.
8. Pursuant to the Certificate for Commence Construction No. 【1402SJ0057 D02】 dated 2nd June, 2015, construction works of lot no. 27-02 of the property, having a site area of 20,392.70 sq.m. and a construction floor area of 45,411 sq.m., has been approved.
9. Pursuant to the Certificate for Construction and Engineering Planning No. 【2014 – FA 31011720140236】 dated 8th August, 2014, approval has been granted to Shanghai Sheshan to develop lot no. 27-02 of the property with a total construction floor area of 45,411.64 sq.m. including 11,633.56 sq.m. for basement. According to the approved building plan provided by the Company, Lot No. 27-02 is designated to be developed into eight residential/utility blocks with a total gross floor area of 37,915.96 sq.m. (including 7,495.68 sq.m. for basement).
10. Pursuant to the Certificate for Construction and Engineering Planning No. 【2014 – FA 31011720140237】 dated 8th August, 2014, approval has been granted to Shanghai Sheshan to develop lot no. 33-02 of the property with a total construction floor area of 71,685.55 sq.m. including 15,181.82 sq.m. for basement. According to the approved building plan provided by the Company, Lot No. 33-02 is designated to be developed into fourteen residential/utility blocks with a total gross floor area of 71,685.55 sq.m. (including basement of 10,332.06 sq.m.).
11. The property falls into the newly residential development zone of the sub-urban area in Shanghai. Since the year of 2000, there are some newly residential properties developed in the area, such as 佘山寶石別墅 (Sheshan Baoshi Villa), 米蘭諾貴都 (Milan Nuo Guidu), 佘山東郡 (Sheshan Dong Jun), 佘山九里 (Eternal Palace She Mountain) and 華潤佘山九里二期 (Phase 2, Huarun Eternal Palace She Mountain), which the market price are currently ranged approximately from RMB16,000 sq.m. to RMB28,000 sq.m.
12. We have been provided with a legal opinion regarding the property interest by the Group's PRC legal adviser, which contains, *inter alia*, the following:
  - (a) Shanghai Sheshan has obtained the legal land use rights of the property and has the legal rights to develop, sale, lease, mortgage or otherwise dispose of the property in accordance with the prescribed use term stated in the title certificate;
  - (b) All the land premium of the property have been fully paid and Lot Nos. 27-02 and 33-02 of the property are subject to a mortgage in favour of Bank of Communications Co., Ltd. (Shanghai West Branch,) as at the date of valuation; and
  - (c) Shanghai Sheshan has been duly incorporated and has full corporate power and legal capacity to carry out on the business specified in the Business Licence of the Shanghai Sheshan.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange:

<b>Name of Directors</b>	<b>Name of Companies</b>	<b>Number of shares and underlying shares held</b>	<b>Approximate % of the total number of issued shares</b>	<b>Nature of interests</b>
Lee Seng Hui	the Company	893,088,096 (Note 1)	59.27%	Other interests
Ma Sun	the Company	47,945	0.003%	Personal interests (held as beneficial owner)

*Notes:*

- (1) 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. They together owned approximately 70.24% interests in the total number of issued shares of Allied Group Limited ("AGL") (inclusive of Mr. Lee Seng Hui's personal interests) and were therefore deemed to be interested in the Shares in which AGL was deemed to be interested through the subsidiaries of AGL, including (i) Allied Properties (H.K.) Limited ("APL"), its 74.91%-owned subsidiary; and (ii) Sun Hung Kai & Co. Limited ("SHK"), its 54.95%-owned subsidiary (for its interest held as a holder of securities).
- (2) All interests stated above represent long positions.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Lee Seng Hui is an executive director of APL. APL, through its subsidiaries, is deemed to be interested in, for the purpose of the SFO, 893,088,096 Shares, representing approximately 59.27% of the total number of issued shares of the Company. In relation to such 893,088,096 Shares, 733,269,096 of which were held by an indirect subsidiary of APL as beneficial owner and 159,819,000 of which were held by indirect subsidiaries of APL as holders of securities; and
- (b) Messrs. Lee Seng Hui and Edwin Lo King Yau are executive directors and Ms. Lisa Yang Lai Sum is an independent non-executive director of AGL. AGL is interested in approximately 74.91% of the total number of issued shares of APL through itself and its direct wholly-owned subsidiaries. Accordingly, AGL is also deemed to be interested in, for the purpose of the SFO, 893,088,096 Shares, representing approximately 59.27% of the total number of issued shares of the Company. In relation to such 893,088,096 Shares, 733,269,096 of which were held by an indirect subsidiary of AGL as beneficial owner and 159,819,000 of which were held by indirect subsidiaries of AGL as holders of securities.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

### **4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors (not being the Independent Non-Executive Directors) and their respective associates (as defined in the Listing Rules) was considered to have interests in any competing businesses of the Group pursuant to the Listing Rules:

- (a) Mr. Lee Seng Hui is a director of APL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment;
- (b) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of AGL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment. Mr. Edwin Lo King Yau is a director of AG Capital Limited (a subsidiary of AGL) which is partly engaged in the business of money lending; and

- (c) Mr. Lee Seng Hui is one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL and SHK which, through their subsidiaries, are partly engaged in the businesses of money lending, property development and investment.

Although the above mentioned Directors have competing interests in other companies by virtue of their respective common directorship, they will fulfil their fiduciary duties in order to ensure that they will act in the best interest of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

## 5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31st December, 2014 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

## 6. LITIGATION

The owners committee of a property in Shenzhen issued proceedings against a subsidiary of the Group as the property developer, claiming for the initial housing maintenance fund together with interest amounted to approximately HK\$4,340,000 and also provide a space for the use of property management. The case is under trial by the court in the PRC. The Group has assessed the claim and obtained legal advice, and considers that the final outcome of the claim will not have material effect on the financial position of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any litigation or claims of material importance which were pending or threatened against any members of the Group.

## 7. MATERIAL CONTRACTS

Save and except the transactions disclosed below, there are no material contracts (being contracts entered outside the ordinary course of business carried on or intended to be carried on by the Group) having been entered into by any member of the Group within the two years preceding the Latest Practicable Date:

- (a) a deed of guarantee dated 8th November, 2013 entered into by 天安投資(深圳)有限公司 (Tian An Investments (Shenzhen) Co., Ltd.\*) ("Tian An (Shenzhen)") (an indirect wholly-owned subsidiary of the Company) as guarantor in favour of a licensed commercial bank in the PRC, pursuant to which Tian An (Shenzhen) agreed to provide guarantee in respect of the repayment obligations of a loan in the amount of RMB1,300,000,000 (equivalent to approximately HK\$1,645,570,000) granted to 深圳天安駿業投資發展有限公司 (Shenzhen Tian An Junye Investments Development Co., Ltd.\*) ("Tian An Junye") (a joint venture with 50% of equity interest of which is held by Tian An (Shenzhen));

- (b) a sale and purchase agreement dated 7th December, 2013 entered into between Autobest Holdings Limited (a direct wholly-owned subsidiary of the Company) as vendor and China Health Management Investment Limited as purchaser in relation to the sale and purchase of 370,000,000 shares in Allied Cement Holdings Limited (Stock Code: 1312) (“ACHL”) (a then listed subsidiary of the Company) at a consideration of HK\$532,800,000;
- (c) a sale and purchase agreement dated 6th January, 2014 entered into between Silvery Horizon Holdings Limited (“Silvery Horizon”) (an indirect wholly-owned subsidiary of the Company) as vendor and Leaderich Global Limited (“Leaderich”) as purchaser in relation to the sale and purchase of 10 ordinary shares of US\$1.00 each, representing the entire issued share capital of Silver Forest Holdings Limited (“Silver Forest”) and the shareholder’s loan owed by Silver Forest to Silvery Horizon at a total consideration of RMB360,000,000 (equivalent to approximately HK\$455,696,000) which was supplemented by a supplemental agreement dated 19th September, 2014 entered into among Silvery Horizon, Leaderich and 邁世集團有限公司 (Maishi Group Co., Ltd.\*) (as purchaser’s guarantor) with the terms of payment revised;
- (d) a sub-tenancy agreement dated 28th January, 2014 entered into between the Company as tenant and AGL as landlord, pursuant to which AGL agreed to sublet to the Company a premises for a term of 15 months with a cap of HK\$2,661,541.95 for the rent and other charges during the term;
- (e) a sub-tenancy agreement dated 28th January, 2014 entered into between the Company as tenant and AP Administration Limited (“AP Administration”) as landlord, pursuant to which AP Administration agreed to sublet to the Company a premises for a term of 13 months with a cap of HK\$312,000 for the rent and other charges during the term;
- (f) a sharing of administrative services and management services agreement dated 28th January, 2014 entered into between the Company and AGL in relation to the administrative services and management services provided by AGL to the Group (excluding the ACHL group) and the reimbursement of costs payable to AGL for a term of 3 years, for which the annual caps in respect of the management services are HK\$21,480,000, HK\$24,120,000 and HK\$27,120,000 for each of the 3 financial years ending 31st December, 2016 respectively;
- (g) a sharing of administrative services and management services agreement dated 28th January, 2014 entered into between ACHL and AGL in relation to the administrative services and management services provided by AGL to ACHL group and the reimbursement of costs payable to AGL for a term of 4 months, for which the cap in respect of the management services during the term is HK\$488,333;

- (h) a leasing agreement dated 29th January, 2014 entered into between Dalian Tian An Tower Co., Ltd. (“Dalian Tian An”) (an indirect wholly-owned subsidiary of the Company) and 大連保稅區亞聯財小額貸款有限公司 (United Asia Finance (Free Trade Zone Dalian) Limited\*) (“Dalian UAF”), pursuant to which Dalian Tian An agreed to lease a premises located in Dalian Tian An International Building, Dalian, the PRC to Dalian UAF for a term of 2 years and 6 months at a total consideration of RMB7,357,588.78 (equivalent to approximately HK\$9,313,000);
- (i) a shareholder’s loan agreement dated 7th March, 2014 entered into between Tian An (Shenzhen) and Tian An Junye, pursuant to which Tian An (Shenzhen) agreed to make available to Tian An Junye a shareholder’s loan in the amount of RMB40,000,000 (equivalent to approximately HK\$50,633,000);
- (j) a supplemental agreement dated 8th May, 2014 entered into among Sea Vanguard Limited (“Sea Vanguard”) (an indirect wholly-owned subsidiary of the Company) as vendor, Tian An China Hotel and Property Investments Company Limited (a direct wholly-owned subsidiary of the Company), the Company, Lead Step Holdings Limited (“Lead Step”) as purchaser and Mr. Fong Kai Shing (previously known as Mr. Fong Ting) as purchaser’s guarantor to revise the payment schedule of the remaining balance of HK\$436,550,429.49 which was outstanding under the termination and sale and purchase agreement dated 10th June, 2011 in relation to, among other things, the sale and purchase of 11,878,788 shares of US\$1.00 each, representing approximately 84.85% of the issued share capital of Asia Coast Investments Limited (“Asia Coast”) (a then indirect non wholly-owned subsidiary of the Company) and the shareholder’s loan owed by Asia Coast to Sea Vanguard;
- (k) two leasing agreements, both dated 23rd May, 2014, entered into between Dalian Tian An and Dalian UAF, pursuant to which Dalian Tian An agreed to lease two premises located in Dalian Tian An International Building, Dalian, the PRC to Dalian UAF for a term of 23 months at the considerations of RMB552,071.76 and RMB748,094.09 respectively (equivalent to approximately HK\$699,000 and HK\$947,000 respectively);
- (l) a leasing agreement dated 23rd May, 2014 entered into between Nanjing Tiandu Industry Co., Ltd. (“Nanjing Tiandu”) (an indirect wholly-owned subsidiary of the Company) and 新鴻基(上海)投資顧問有限公司 (SHK (Shanghai) Investment Consultancy Limited\*) (“SHK (Shanghai)”), pursuant to which Nanjing Tiandu agreed to lease a premises located in Nanjing Tian An International Building, Nanjing, the PRC to SHK (Shanghai) for a term of 14 months at a consideration of RMB187,721.80 (equivalent to approximately HK\$238,000), which was terminated by a supplemental agreement dated 31st October, 2014 entered into by the same parties;



- (m) a leasing agreement dated 23rd May, 2014 entered into between Dalian Tian An and SHK (Shanghai), Dalian branch, pursuant to which Dalian Tian An agreed to lease a premises located in Dalian Tian An International Building, Dalian, the PRC to SHK (Shanghai), Dalian branch for a term of 12 months at a consideration of RMB109,882.44 (equivalent to approximately HK\$139,000), which was terminated by a supplemental agreement dated 19th December, 2014 entered into by the same parties;
- (n) a shareholder's loan agreement dated 5th September, 2014 entered into between Tian An (Shenzhen) and Tian An Junye, pursuant to which Tian An (Shenzhen) agreed to make available to Tian An Junye a shareholder's loan in the amount of RMB40,000,000 (equivalent to approximately HK\$50,633,000);
- (o) a deed of guarantee dated 5th September 2014 entered into between Tian An (Shenzhen) as guarantor and a bank, pursuant to which Tian An (Shenzhen) agreed to guarantee the repayment obligations of Tian An Junye to a bank up to RMB150,000,000 (equivalent to approximately HK\$189,873,000) in respect of the commercial bill facility of up to RMB300,000,000 (equivalent to approximately HK\$379,747,000) made available by such bank to Tian An Junye for a term of 12 months from the date of drawdown;
- (p) a deed of settlement dated 10th October, 2014 entered into among Full Choice Resources Limited (a direct wholly-owned subsidiary of the Company), ACE Result Limited ("ACE Result") (an indirect wholly-owned subsidiary of the Company), Kata Holdings Limited ("Kata") and Mr. Ou Qijin ("Mr. Ou") in relation to, among other things, the termination of the sale and purchase agreement dated 9th May, 2013 among ACE Result, Kata and Mr. Ou for the disposal of 50% interest in and 50% of shareholder's loan owed by the Target Company to ACE Result;
- (q) a loan agreement dated 10th October, 2014 entered into among Ace Mission Investments Limited ("Ace Mission") (an indirect wholly-owned subsidiary of the Company), Kata and Mr. Ou (as Kata's guarantor) in relation to the provision of a loan of HK\$450,000,000 by Ace Mission to Kata;
- (r) a shareholder's loan agreement dated 11th June, 2015 entered into between Tian An (Shenzhen) and Tian An Junye, pursuant to which Tian An (Shenzhen) agreed to make available to Tian An Junye a shareholder's loan in the amount of RMB200,000,000 (equivalent to approximately HK\$253,165,000);
- (s) the Agreement;
- (t) a leasing agreement dated 26th June, 2015 entered into between Dalian Tian An and Dalian UAF, pursuant to which Dalian Tian An agreed to lease a premises located in Dalian Tian An International Building, Dalian, the PRC to Dalian UAF for a term of 13 months at a consideration of RMB232,107.98 (equivalent to approximately HK\$294,000); and

- (u) a memorandum dated 29th June, 2015 entered into between Tian An (Shenzhen) and 深圳市駿業雲谷投資發展有限公司 (Shenzhen Junye Cloud Park Investment Development Co., Ltd.\*), pursuant to which each of them agreed to provide a guarantee up to a limit of RMB3,000,000,000 (equivalent to approximately HK\$3,797,468,000) in respect of the loans obtained or to be obtained by Tian An Junye from banks and/or financial institutions in the PRC.

## 8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2014, being the date to which the latest published audited financial statements of the Group were made.

## 9. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Norton Appraisals Limited	independent property valuer and member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors
Beijing Zhong Lun Law Firm, Shanghai Office	PRC legal adviser

The letters, reports and/or opinions from each of the above experts are given as of the date of this circular for incorporation in this circular. Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letters, reports and/or opinions, as the case may be, and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Norton Appraisals Limited and Beijing Zhong Lun Law Firm, Shanghai Office:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2014 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**10. GENERAL**

- (a) Dr. Moses Cheng Mo Chi, a Non-Executive Director of the Company, is a senior partner of Messrs. P. C. Woo & Co., the legal firm which has been advising the Company in respect of the Agreement for normal professional fees. Accordingly, Dr. Moses Cheng Mo Chi has abstained from voting at the board resolutions approving the entering into of the Agreement. Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.
- (b) The registered office of the Company is 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (c) The share registrar of the Company is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Cindy Yung Yee Mei, who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (e) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the office of Messrs. P. C. Woo & Co., at 12th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

- (a) the articles of association of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31st December, 2013 and 2014;
- (d) the valuation report from Norton Appraisals Limited on the Land, the text of which is set out in Appendix II to this circular;
- (e) the consent letters from Norton Appraisals Limited and Beijing Zhong Lun Law Firm, Shanghai Office referred to in the section headed "Expert and Consent" in this appendix; and
- (f) this circular.

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## NOTICE OF THE EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “Meeting”) of Tian An China Investments Company Limited (the “Company”) will be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 7th August, 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT:**

- (a) the sale and purchase agreement dated 24th June, 2015 (the “Agreement”) entered into between ACE Result Limited, an indirect wholly-owned subsidiary of the Company (the “Vendor”), as the vendor, Power Ample Investments Limited as the purchaser relating to the sale and purchase of two issued shares of All Happy International Limited (the “Target Company”), representing the entire issued share capital of the Target Company and the entire shareholder’s loan owed by the Target Company to the Vendor (a copy of the Agreement marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the Agreement and to make and agree such variations of a minor or non-material nature in or to the terms of the Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company.”

By Order of the Board

**Tian An China Investments Company Limited**

**Cindy Yung Yee Mei**

*Company Secretary*

Hong Kong, 17th July, 2015

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## NOTICE OF THE EGM

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*Registered Office:*

22nd Floor  
Allied Kajima Building  
138 Gloucester Road  
Wanchai  
Hong Kong

*Notes:*

1. The resolution set out in this notice of the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the result of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and to speak and vote at the Meeting will be entitled to appoint one or more proxies to attend and to speak and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
3. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.
4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority, must be deposited at the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday.
5. Where there are joint registered holders of any Share, any one of such joint holders may vote at the Meeting, either personally or by proxy in respect of such Share as if he or she was solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such shares.
6. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed on Thursday, 6th August, 2015 and Friday, 7th August, 2015, during which period no transfer of Shares will be registered. In order for a member to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 5th August, 2015.