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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)

CONTINUING CONNECTED TRANSACTION

RENEWAL OF THE INSURANCE BROKERAGE SERVICES AGREEMENT

INSURANCE BROKERAGE SERVICES AGREEMENT

Reference is made to an announcement of the Company dated 31st January, 2011 in relation to the entering into of the insurance brokerage services agreement between the Company and SHK Insurance for a term of two years commencing from 1st January, 2011 and expiring on 31st December, 2012.

Following the expiry of the former insurance brokerage services agreement, on 29th January, 2013, the Company entered into the Insurance Brokerage Services Agreement with SHK Insurance in respect of SHK Insurance providing packaged insurance brokerage services to the Group for a term of two years commencing from 1st January, 2013 and expiring on 31st December, 2014.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHK Insurance is an indirect wholly-owned subsidiary of SHK. The Company and SHK are held as to approximately 46.85% and 55.32% respectively by APL, which is in turn held as to approximately 74.97% by AGL. Given that SHK and SHK Insurance are associates of APL (which is a substantial shareholder of the Company), SHK and SHK Insurance are regarded as connected persons of the Company under the Listing Rules. Accordingly, the Transaction will constitute a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As each of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the premium payable by the Group to SHK Insurance under the Insurance Brokerage Services Agreement is, on an annual basis, less than 5%, the Transaction, which is on normal commercial terms, will constitute a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules which will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but will be exempted from the independent shareholders' approval requirements under the Listing Rules.

Details of the Transaction will be included in the Company's next published annual report and accounts in accordance with Rules 14A.45 and 14A.46 of the Listing Rules.

BACKGROUND

Reference is made to an announcement of the Company dated 31st January, 2011 in relation to the entering into of the insurance brokerage services agreement between the Company and SHK Insurance for a term of two years commencing from 1st January, 2011 and expiring on 31st December, 2012.

Following the expiry of the former insurance brokerage services agreement, on 29th January, 2013, the Company entered into the Insurance Brokerage Services Agreement with SHK Insurance in respect of SHK Insurance providing packaged insurance brokerage services to the Group for a term of two years commencing from 1st January, 2013 and expiring on 31st December, 2014, details of which are as follows:

Date:	29th January, 2013
Parties:	The Company as customer and SHK Insurance as service provider
Effective period:	Two years commencing from 1st January, 2013 and expiring on 31st December, 2014
Nature of transaction:	SHK Insurance will provide packaged insurance brokerage services to the Group by assisting the Company in procuring insurance policies to be taken out with third party insurers. The scope of the services provided by SHK Insurance includes without limitation risks analysis, insurance program design, insurance tender exercise, insurance placement, claims handling and management, loss control and insurance advisory.
Terms:	The premium, consisting of the premium payable to the third party insurers and the insurance brokerage service fees payable to SHK Insurance, for any insurance policy proposed by SHK Insurance under the Insurance Brokerage Services Agreement shall be such premium as would be charged by SHK Insurance to an Independent Third Party when dealing on an arm's length basis having regard to any other special circumstances such as arm's length negotiated volume discounts. The terms under the Insurance Brokerage Services Agreement will be no less favourable than that provided by the Independent Third Parties. The Group will pay and settle the premium to SHK Insurance in accordance with the terms of the insurance policies taken out with the third party insurers. Under general circumstances, the Group is allowed 30 days credit period to settle the premium.
Annual cap for premium payable to SHK Insurance:	HK\$1,751,000 and HK\$2,028,000 for each of the two financial years ending 31st December, 2014 respectively

Basis of determining the annual cap:

The aggregate premium paid by the Group to SHK Insurance for the financial year ended 31st December, 2012 amounted to approximately HK\$1,610,000. This historical premium paid by the Group reflects the actual level of requirement for insurance brokerage services and in determining the annual cap, besides taking into account the aforementioned premium paid by the Group for the financial year ended 31st December, 2012, the Directors have also taken into consideration the general insurance market this year, and a review of the present insurance coverage and having done so, the aggregate premium payable by the Group under the Insurance Brokerage Services Agreement for each of the two financial years ending 31st December, 2014 is expected not to exceed HK\$1,751,000 and HK\$2,028,000 respectively and accordingly, the said figures have been adopted as the annual cap for the premium under the Insurance Brokerage Services Agreement in respect of the same period.

REASON FOR AND BENEFITS OF THE TRANSACTION

Insurance brokerage services are essential in assisting the Group to identify and mitigate the risks exposure through different insurance products. As such, it is essential for the business operations of the Group to be provided with insurance brokerage services. The Company engages an insurance broker to obtain professional insurance advice and to obtain insurance cover that best suits the Group's requirements at competitive prices. The Company engaged SHK Insurance in view of its market standing, capabilities and experience.

Based on the above reason, the Directors (including the Independent Non-Executive Directors of the Company) consider that the Insurance Brokerage Services Agreement was entered into after arm's length negotiations and is on normal commercial terms, and the terms of the Insurance Brokerage Services Agreement are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Mr. Lee Seng Hui, being the Chairman and a Non-Executive Director of the Company, is also (a) the chief executive and an executive director of AGL, a substantial shareholder of the Company; (b) one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with himself, indirectly owns approximately 65.01% interest in the issued share capital of AGL which is directly and indirectly interested in an aggregate of approximately 74.97% of the issued share capital of APL, which in turn indirectly holds (i) approximately 55.32% of the issued share capital of SHK; and (ii) approximately 46.85% of the issued share capital of the Company. Accordingly, Mr. Lee Seng Hui is deemed to be materially interested in the Transaction and has abstained from voting on the relevant board resolutions of the Company.

CONTINUING CONNECTED TRANSACTION

As at the date of this announcement, SHK Insurance is an indirect wholly-owned subsidiary of SHK. The Company and SHK are held as to approximately 46.85% and 55.32% respectively by APL, which is in turn held as to approximately 74.97% by AGL. Given that SHK and SHK Insurance are associates of APL (which is a substantial shareholder of the Company), SHK and SHK Insurance are regarded as connected persons of the Company under the Listing Rules. Accordingly, the Transaction will constitute a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As each of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the premium payable by the Group to SHK Insurance under the Insurance Brokerage Services Agreement is, on an annual basis, less than 5%, the Transaction, which is on normal commercial terms, will constitute a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules which will be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) but will be exempted from the independent shareholders' approval requirements under the Listing Rules.

The Company will comply with the requirements under Rule 14A.36 of the Listing Rules if the aggregate value of the premium paid for the Transaction exceeds the respective relevant annual caps, during the two financial years ending 31st December, 2014, or when the Insurance Brokerage Services Agreement is renewed or where there are material changes to the terms of the said agreement. The Company will also comply with the requirements under Rules 14A.37 to 14A.41 of the Listing Rules.

Details of the Transaction will be included in the Company's next published annual report and accounts in accordance with Rules 14A.45 and 14A.46 of the Listing Rules.

INFORMATION ABOUT THE COMPANY, SHK INSURANCE AND SHK

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 high-end apartments, villas, office buildings and commercial properties, property investment and property management, as well as the manufacture, sales and trading of cement and clinker in China.

SHK Insurance

SHK Insurance is an indirect wholly-owned subsidiary of SHK and an insurance broker. The principal business activity of SHK Insurance is the provision of insurance broking and consultancy services to its customers including the Group and other Independent Third Parties.

SHK

SHK is incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 86) and is a non wholly-owned subsidiary of APL. The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are wealth management and brokerage, capital markets, consumer finance as well as principal investments.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGL”	Allied Group 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 (Stock Code: 373), is a substantial shareholder of the Company;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code: 1183), is a substantial shareholder of the Company;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“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 (Stock Code: 28);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Directors, chief executives or substantial shareholders of the Company or its subsidiaries, or their respective associate(s) (as defined in the Listing Rules) or not otherwise a connected person of the Company within the meaning of the Listing Rules;

“Insurance Brokerage Services Agreement”	the agreement dated 29th January, 2013 and entered into between the Company and SHK Insurance in respect of the provision of packaged insurance brokerage services to the Group by SHK Insurance;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholder(s)”	the shareholder(s) of the Company;
“SHK”	Sun Hung Kai & Co. 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 (Stock Code: 86), is a non wholly-owned subsidiary of APL;
“SHK Insurance”	Sun Hung Kai Insurance Consultants Limited, a company incorporated in Hong Kong with limited liability, is an indirect wholly-owned subsidiary of SHK;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Transaction”	the entering into of the Insurance Brokerage Services Agreement and the transactions contemplated thereunder; and
“%”	per cent.

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

Hong Kong, 29th January, 2013

As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (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), Dr. Moses Cheng Mo Chi and Mr. Lee Shu Yin 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.