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**天安中國投資有限公司**

**TIAN AN CHINA INVESTMENTS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 28)**

## **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF 60% INTEREST IN A COMPANY AND FORMATION OF JOINT VENTURE**

#### **THE SALE AND PURCHASE AGREEMENT**

On 29th July, 2016, the Vendor and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement pursuant to which (a) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (b) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan at the Consideration of RMB480,000,000 (equivalent to approximately HK\$564,706,000).

#### **THE JOINT VENTURE AGREEMENT**

On 29th July, 2016, the Vendor, the Purchaser and the Joint Venture entered into the Joint Venture Agreement for the management of the Joint Venture's business.

#### **LISTING RULES IMPLICATIONS OF THE TRANSACTIONS**

As the relevant Percentage Ratio(s) for the Company exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

On 29th July, 2016, the Vendor and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement pursuant to which (a) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (b) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan at the Consideration of RMB480,000,000 (equivalent to approximately HK\$564,706,000).

On 29th July, 2016, the Vendor, the Purchaser and the Joint Venture entered into the Joint Venture Agreement for the management of the Joint Venture's business.

## **THE SALE AND PURCHASE AGREEMENT**

Date: 29th July, 2016

### **Parties**

- (1) The Vendor: Beauty Pearl Holdings Limited
- (2) The Purchaser: Sino Trader Investments Limited

As at the date of this announcement, based on the information and confirmation provided by the Vendor and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

### **Assets to be acquired**

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

### **Consideration**

Pursuant to the Sale and Purchase Agreement, the Consideration of RMB480,000,000 (equivalent to approximately HK\$564,706,000) shall be satisfied in the following manner:

- (i) the First Payment in an amount of RMB16,000,000 (equivalent to approximately HK\$18,824,000) shall be payable by the Purchaser to the Vendor or its nominee within 3 business days from the date of the Sale and Purchase Agreement by transferring RMB16,000,000 (equivalent to approximately HK\$18,824,000) in its HK\$ equivalent to the Vendor's Designated Bank Account. The First Payment shall be utilised as shareholder's loan granted by the Vendor to Grand Land for the purpose of settling the demolition and/or land acquisition costs for NJ2 Project Land;
- (ii) an amount of RMB278,000,000 (equivalent to approximately HK\$327,059,000) shall be payable by the Purchaser to the Vendor by transferring (i) a sum of RMB258,000,000 (equivalent to approximately HK\$303,530,000) to the Jointly-controlled Account; and (ii) a sum of RMB20,000,000 (equivalent to approximately HK\$23,529,000) to a bank account designated by the Vendor within 10 days from the Completion Date;
- (iii) an amount of RMB35,000,000 (equivalent to approximately HK\$41,176,000) shall be payable by the Purchaser to the Vendor by transferring a sum of RMB35,000,000 (equivalent to approximately HK\$41,176,000) to the Jointly-controlled Account within 20 days from the Completion Date;

- (iv) an amount of RMB51,000,000 (equivalent to approximately HK\$60,000,000) shall be payable by the Purchaser to the Vendor or its nominee in its HK\$ equivalent within 30 days from the Completion Date;
- (v) an amount of RMB40,000,000 (equivalent to approximately HK\$47,059,000) shall be payable by the Purchaser to the Vendor by transferring a sum of RMB40,000,000 (equivalent to approximately HK\$47,059,000) to the Jointly-controlled Account within 45 days from the Completion Date; and
- (vi) the Final Payment in an amount of RMB60,000,000 (equivalent to approximately HK\$70,588,000) (or any part of it) shall be payable by the Purchaser to the Vendor or its nominee in its HK\$ equivalent as and when the NJ2 Project Land requires for its development within 1 year from the Completion Date. The Final Payment shall be utilised as a shareholder's loan granted by the Vendor to the Joint Venture (or other members of the Joint Venture Group) for the purpose of developing the NJ2 Project Land. In the event that all or part of the Final Payment remains unpaid upon the end of the 1 year from the Completion Date, such remaining amount shall be transferred to the Vendor.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser having regard to the agreed valuation of the Joint Venture at RMB800,000,000 (equivalent to approximately HK\$941,176,000) and the valuation report of the NJ1 Project Land prepared by an independent property valuer. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

### **Conditions**

Completion shall be conditional upon:

- (i) the approvals of the board of directors of the Purchaser, and (as required) approvals of the boards and/or investment committees (or similar) of the parent entity/entities and associated management entities of the Purchaser, to proceed to Completion on the terms of the Sale and Purchase Agreement, and the Purchaser notifying the Vendor in writing of the receipt of such approvals;
- (ii) the approvals of the board of directors of the Vendor to proceed to Completion on the terms of the Sale and Purchase Agreement, and the Vendor notifying the Purchaser in writing of the receipt of such approvals; and
- (iii) any third party, regulatory, tax or such other consents or approvals required for the consummation of the transactions contemplated under the Sale and Purchase Agreement including, but not limited to, the registration of the Purchaser or its nominee(s) as holder of the Sale Shares, being received on terms reasonably satisfactory to the Purchaser, and such consents and approvals remaining in full force and effect.

The Purchaser shall be entitled in its absolute discretion, by written notice to the Vendor, to waive any or all of the Conditions, either in whole or in part (save for the Conditions set out in paragraphs (i) and (ii) above).

If the Conditions are not fulfilled and are not waived on or before the Long Stop Date, the Vendor or the Purchaser may (as the case may be), in its sole discretion, terminate the Sale and Purchase Agreement (other than the surviving clauses as contained in the Sale and Purchase Agreement) and the First Payment (without interest) shall be refunded by the Vendor to the Purchaser within 3 business days, whereupon all rights, obligations and liabilities of the Vendor and the Purchaser (except the surviving clauses which shall remain in full force and effect) shall from such date cease to have any effect and none of the Vendor or the Purchaser shall have any claim against any other in respect of the Sale and Purchase Agreement save for the obligations to procure refund of the First Payment and claims (if any) in respect of any antecedent breaches of the Sale and Purchase Agreement or arising out of the surviving clauses.

As at the date of this announcement, no Condition has been fulfilled or waived.

### **Matters to be done on the date of the Sale and Purchase Agreement**

On the date of the Sale and Purchase Agreement, the Vendor shall deliver to the Purchaser, among other things, the duly executed share transfer forms in respect of the Sale Shares in favour of the Purchaser, the assignment of loan relating to the Sale Loan duly executed by the Vendor and the Joint Venture and the relevant board resolutions approving the appointments of directors nominated by the Purchaser in the Joint Venture and its subsidiaries.

On the date of the Sale and Purchase Agreement, the Purchaser shall deliver to the Vendor, among other things, the written consents of the persons to be nominated as directors of each member of the Joint Venture Group.

### **Completion**

Completion shall take place on the Completion Date in Hong Kong. On the Completion Date, the Vendor shall deliver to the Purchaser the documentary evidence showing the persons nominated by the Purchaser having been duly registered as the NJ1 Project Company's directors and other officers.

## **THE JOINT VENTURE AGREEMENT**

Date: 29th July, 2016

### **Parties**

- (1) Beauty Pearl Holdings Limited (i.e. the Vendor)
- (2) Sino Trader Investments Limited (i.e. the Purchaser)
- (3) Noble-Link Worldwide Inc. (i.e. the Joint Venture)

### **Business of the Joint Venture**

The business of the Joint Venture shall be to develop and operate the Project Properties.

The business of the Joint Venture shall, unless and until its shareholders otherwise unanimously agree in writing, be limited to the following:

- (i) to finance the Joint Venture, Accurate II and Grand Land through shareholders' loans in accordance with the terms in the Joint Venture Agreement, where necessary;
- (ii) to finance, hold, deal with and develop the NJ1 Project Company and the Project Properties in accordance with the terms of Joint Venture Agreement; and
- (iii) generally to perform all acts, matters and things as may be consistent with, necessary for and incidental to the attainment of any and all of the foregoing objects.

The Joint Venture may also engage in such other businesses as may from time to time be agreed on by its board of directors and the parties to the Joint Venture Agreement on the basis that they are within the scope of any licences or permits issued by the relevant authorities to the NJ1 Project Company.

### **Share Capital**

Upon the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement, the share capital of the Joint Venture shall be held and maintained by the Vendor and the Purchaser according to the Agreed Proportion, unless otherwise adjusted pursuant to the provisions of the Sale and Purchase Agreement.

### **Board and management of the Joint Venture**

The business, management and day-to-day operations of the Joint Venture shall be managed by its board of directors at all times.

The Purchaser or the majority shareholder for the time being of the Joint Venture shall have an irrevocable and exclusive right to nominate the chairman, the general manager and the legal representative of the NJ1 Project Company.

The Vendor or the minority shareholder for the time being of the Joint Venture shall have an irrevocable and exclusive right to nominate the vice-chairman, assistant general manager (whom shall assist in the overall day-to-day finance and operations of the NJ1 Project Company) of the NJ1 Project Company.

Unless otherwise unanimously agreed by the shareholders of the Joint Venture in writing or the Agreed Proportion has been adjusted, the board of the Joint Venture shall comprise of 5 directors, of which 3 directors shall be nominated by the Purchaser and 2 directors by the Vendor.

The quorum for a meeting of the board of directors of the Joint Venture for the transaction of any business of the Joint Venture shall be at least 2 directors, including at least 1 director nominated by the Purchaser.

### **Rights of first refusal**

If any of the Purchaser or the Vendor desires to sell or transfer in whole or in part of its interest in the Joint Venture, any such sale or transfer shall be subject to the right of first refusal of the other shareholder(s) of the Joint Venture.

## **Financing**

Subsequent to the Completion, the Project Costs shall be funded by each of the Vendor and the Purchaser in the Agreed Proportion.

The Project Costs shall include (i) RMB190,000,000 (equivalent to approximately HK\$223,529,000), being the remaining acquisition cost of the part of the land in NJ2 Project Land; and (ii) RMB35,000,000 (equivalent to approximately HK\$41,176,000), being the aggregate amount for working capital in respect of the Project Costs.

In the event that additional funds to finance the further development of the Project Properties is required, each of the shareholders of the Joint Venture agrees that such funding shall be obtained through (i) bank financing at reasonable terms; and (ii) external sources by way of loans from banks or other third parties.

## **INFORMATION ON THE JOINT VENTURE GROUP**

### **(1) Joint Venture**

The Joint Venture is an investment holding company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Vendor.

### **(2) Grand Land**

Grand Land is an investment holding company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Joint Venture.

Grand Land has a right to acquire the NJ2 Project Land with an area of 5,370 square metres located in Nanjing, the PRC. The NJ2 Project Land is planned to be developed into a commercial complex with intended gross floor area of approximately 38,200 square metres.

### **(3) Accurate II**

Accurate II is an investment holding company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Joint Venture.

### **(4) Accurate**

Accurate is an investment holding company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Accurate II.

### **(5) NJ1 Project Company**

NJ1 Project Company is a company incorporated in the PRC with limited liability and its entire equity interest is directly held by Accurate.

The principal business activity of the NJ1 Project Company is property development and investment.

NJ1 Project Company has the land use rights to the NJ1 Project Land with an area of 5,012 square metres located in Nanjing, the PRC. The NJ1 Project Land is planned to be developed into a commercial complex with gross floor area of approximately 25,900 square metres.

Set out below is the consolidated financial information of the Joint Venture Group for the two years ended 31st December, 2014 and 31st December, 2015:

	<b>Year ended 31st December,</b>	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	40	50
Net loss before taxation	2,480	9,227
Net loss after taxation	2,480	9,227

As at 28th July, 2016, the unaudited net deficit of the Joint Venture Group was approximately HK\$1,000.

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

## **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 the beneficial owner of the entire issued share capital of the Joint Venture.

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 and an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Purchaser is investment holding.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Company considers that the Transactions are good investments opportunity for the Group and that the development and operation of the Project Properties will generate a reasonable return to the Group.

Having regard to the nature of and the benefits resulting from the Transactions, the Directors believe that the terms of the Agreements are fair and reasonable and the Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders taken as a whole.

## LISTING RULES IMPLICATIONS OF THE TRANSACTIONS

As the relevant Percentage Ratio(s) for the Company exceeds 5% but is less than 25%, the Transactions constitute a discloseable transaction of the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

### DEFINITIONS

“Accurate”	Accurate International Land Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of Accurate II
“Accurate II”	Accurate International Land II Limited, a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Joint Venture
“Agreed Proportion”	the share capital of the Joint Venture to be held and maintained by the Vendor and the Purchaser in the proportion of 40:60
“Agreements”	the Sale and Purchase Agreement and the Joint Venture Agreement
“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 assignment of the Sale Loan in accordance with the Sale and Purchase Agreement
“Completion Date”	the date of Completion which shall be within 20 business days after the date of Sale and Purchase Agreement (or such other date as may be agreed between the Vendor and the Purchaser in writing)
“Condition(s)”	the condition(s) precedent to the Completion as set out under the section headed “Conditions” of this announcement
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the sum of RMB480,000,000 (equivalent to approximately HK\$564,706,000) payable by the Purchaser to the Vendor for the acquisition under the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Final Payment”	an amount of RMB60,000,000 (equivalent to approximately HK\$70,588,000)



“First Payment”	an amount of RMB16,000,000 (equivalent to approximately HK\$18,824,000)
“Grand Land”	Grand Land Group Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of the Joint Venture
“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
“Joint Venture”	Noble-Link Worldwide Inc., a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Vendor, being the joint venture company under the Joint Venture Agreement
“Joint Venture Agreement”	the joint venture agreement dated 29th July, 2016 entered into between the Vendor, the Purchaser and the Joint Venture relating to the management of the Joint Venture’s business
“Joint Venture Group”	Joint Venture, Grand Land, Accurate II, Accurate and the NJ1 Project Company
“Jointly-controlled Account”	a bank account to be opened by 南京天都實業有限公司 (Nanjing Tiandu Industry Co., Ltd.*), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, at a licensed bank in the PRC operated jointly by an authorised signatory appointed by the Vendor and an authorised signatory appointed by the Purchaser
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignment”	the deed of assignment to be entered into between the Vendor and the Purchaser pursuant to which the Vendor shall assign the Sale Loan to the Purchaser
“Long Stop Date”	the 30th business day after the date of the Sale and Purchase Agreement (or such later date as may be otherwise agreed between 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

“NJ1 Project Company”	麥哲理(南京)房地產開發有限公司 (Accurate (Nanjing) Land Limited*), a company incorporated in the PRC with limited liability and its entire equity interest is directly held by Accurate
“NJ1 Project Land”	a parcel of land in Nanjing, the PRC with an area of 5,012 square metres
“NJ2 Project Land”	a parcel of land in Nanjing, the PRC with an area of 5,370 square metres
“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 announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Project Costs”	costs and expenses relating to the Project Properties
“Project Properties”	NJ1 Project Land and NJ2 Project Land
“Purchaser”	Sino Trader Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the purchaser under the Sale and Purchase Agreement and a party to the Joint Venture Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the shareholder’s loan in the amount of RMB354,000,000 (equivalent to approximately HK\$416,471,000), representing an amount equivalent to 60% of the aggregate amount of shareholder’s loan owed by the Joint Venture to the Vendor as at the date of the Sale and Purchase Agreement
“Sale Shares”	60 shares representing 60% of the entire issued share capital of the Joint Venture, to be sold by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29th July, 2016 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Sale Share and the Sale Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Sale and Purchase Agreement and the Joint Venture Agreement

“Vendor”	Beauty Pearl Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being the beneficial owner of the entire issued share capital of the Joint Venture, the vendor under the Sale and Purchase Agreement and a party to the Joint Venture Agreement
“Vendor’s Designated Bank Account”	a bank account held by Grand Land designated by the Vendor for the receipt of the First Payment
“%”	per cent.

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

Hong Kong, 1st August, 2016

*For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.85. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

*As at the date of this announcement, the Board comprises Mr. 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.*

\* *The English translation of the Chinese name of the relevant entity included in this announcement is for identification and reference only, and such translation may not be accurate and such entity may not have an official English translation/version of its Chinese name.*