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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)**

**FURTHER DEVELOPMENT IN RELATION TO THE MANDATE FOR  
POSSIBLE MAJOR TRANSACTION –  
BIDDING RESULT OF THE TENDER AND  
THE ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT  
AND THE COOPERATION AGREEMENT**

**BIDDING RESULT OF THE TENDER**

The Board is pleased to announce that the PRC Subsidiary (an indirect wholly-owned subsidiary of the Company established in the PRC) won the Tender for the Possible Investment in the Target Company at the capital contribution of RMB1,301,260,000 (equivalent to approximately HK\$1,478,705,000) as announced by Xiamen Assets and Equity Exchange on 27th September, 2018.

**CAPITAL INCREASE AGREEMENT**

On 29th September, 2018, the PRC Subsidiary and the Existing Equity Holder entered into the Capital Increase Agreement, pursuant to which the PRC Subsidiary and the Existing Equity Holder agreed to increase the registered capital and capital reserves of the Target Company by way of capital contribution made by the PRC Subsidiary in the amount of RMB1,301,260,000 (equivalent to approximately HK\$1,478,705,000). The registration of the increase in registered capital and capital reserves of the Target Company with the relevant industry and commerce department in the PRC was completed on 19th October, 2018.

As at the date of this announcement, the equity interests in the Target Company is owned as to 50% by the PRC Subsidiary and 50% by the Existing Equity Holder.

**COOPERATION AGREEMENT**

On 22nd October, 2018, the PRC Subsidiary and the Existing Equity Holder entered into the Cooperation Agreement to govern the rights and obligations of the parties and as to the management and affairs of the Target Company.

**SUPPLEMENTAL CIRCULAR**

The supplemental circular containing, among others, (i) the accountants' report of the Target Company for the three financial years ended 31st December, 2017 and a stub period ended 6 months or less before the date of the supplemental circular to be prepared under the HKFRS; (ii) a pro forma statement of the assets and liabilities of the Group combined with the assets and liabilities of the Target Company on the same accounting basis; and (iii) any material changes to the information previously disclosed in the Circular, is expected to be despatched to the Shareholders on or before 21st December, 2018.

Reference is made to the circular (the “**Circular**”) of Tian An China Investments Company Limited (the “**Company**”) dated 28th August, 2018 in relation to, among others, the mandate for possible major transaction. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Possible Investment was approved by the Shareholders at the EGM held on 14th September, 2018.

## **BIDDING RESULT OF THE TENDER**

The Board is pleased to announce that 上海天榮置業有限公司 (Shanghai Tianrong Real Estate Company Limited\*) (an indirect wholly-owned subsidiary of the Company established in the PRC) (the “**PRC Subsidiary**”) won the Tender for the Possible Investment in the Target Company at the capital contribution of RMB1,301,260,000 (equivalent to approximately HK\$1,478,705,000) as announced by Xiamen Assets and Equity Exchange on 27th September, 2018.

## **CAPITAL INCREASE AGREEMENT**

On 29th September, 2018, the PRC Subsidiary and the Existing Equity Holder entered into the Capital Increase Agreement, pursuant to which the PRC Subsidiary and the Existing Equity Holder agreed to increase the registered capital and capital reserves of the Target Company by way of capital contribution made by the PRC Subsidiary in the amount of RMB1,301,260,000 (equivalent to approximately HK\$1,478,705,000).

Pursuant to the Capital Increase Agreement, the registered capital of the Target Company shall be increased from RMB400,000,000 to RMB800,000,000 and the remaining capital contribution by the PRC Subsidiary in the amount of RMB901,260,000 shall be allocated to the capital reserves of the Target Company. The registration of the increase in registered capital and capital reserves of the Target Company with the relevant industry and commerce department in the PRC was completed on 19th October, 2018.

As at the date of this announcement, the equity interests in the Target Company is owned as to 50% by the PRC Subsidiary and 50% by the Existing Equity Holder, and the Target Company is a joint venture of the Company and its financial results will be incorporated into the Company’s consolidated financial statements using the equity method of accounting.

## **COOPERATION AGREEMENT**

On 22nd October, 2018, the PRC Subsidiary and the Existing Equity Holder entered into a cooperation agreement (the “**Cooperation Agreement**”) to govern the rights and obligations of the parties and as to the management and affairs of the Target Company. Principal terms of the Cooperation Agreement are set out below:

- Date : 22nd October, 2018
- Parties : (1) the PRC Subsidiary (an indirect wholly-owned subsidiary of the Company established in the PRC)
- (2) the Existing Equity Holder

### **Equity holders' resolutions**

Each of the PRC Subsidiary and the Existing Equity Holder shall have voting rights in the equity holders meetings in proportion to their respective equity interests in the Target Company.

All matters to be approved by the equity holders of the Target Company shall require unanimous approvals of all the equity holders.

### **Board composition and board management**

The board of directors of the Target Company shall comprise of five directors, of which three shall be nominated by the PRC Subsidiary and two shall be nominated by the Existing Equity Holder. The chairman of the board of directors shall be nominated by the PRC Subsidiary and shall act as the legal representative of the Target Company.

All matters to be approved by the board of directors of the Target Company shall require unanimous approvals of all the directors.

### **Supervisors**

The Target Company shall have two supervisors, of which one shall be nominated by the PRC Subsidiary and one shall be nominated by the Existing Equity Holder.

### **Composition of the senior management**

The general manager of the Target Company shall be nominated by the Existing Equity Holder and the deputy general manager of the Target Company shall be nominated by the PRC Subsidiary. All operational matters of the Target Company shall only be executed upon the written approvals of both the general manager and the deputy general manager.

### **Financial management**

The financial controller and accounting officer of the Target Company shall be nominated by the PRC Subsidiary, and the financial manager and cashier of the Target Company shall be nominated by the Existing Equity Holder. Both the PRC Subsidiary and the Existing Equity Holder shall have the right to, among other things, gain access to the financial and operational information of the Target Company.

### **SUPPLEMENTAL CIRCULAR**

As stated in the Circular, the Company will issue a supplemental circular within 60 days of the earlier of (i) the Completion; or (ii) the Company having gained full access to the books and records of the Target Company, for the purpose of complying with the disclosure requirements in respect of the Target Company and the Group after completion of the Possible Investment under Rules 14.66 and 14.67 of the Listing Rules.

The supplemental circular containing, among others, (i) the accountants' report of the Target Company for the three financial years ended 31st December, 2017 and a stub period ended 6 months or less before the date of the supplemental circular to be prepared under the HKFRS; (ii) a pro forma statement of the assets and liabilities of the Group combined with the assets and liabilities of the Target Company on the same accounting basis; and (iii) any material changes to the information previously disclosed in the Circular, is expected to be despatched to the Shareholders on or before 21st December, 2018.

Should the Company require more time to prepare the supplemental circular, the Company will apply to the Stock Exchange for an extension for the despatch of the supplemental circular and make an announcement in this regard. Shareholders and potential investors should note that the despatch of the supplemental circular will not affect the approval obtained from the Shareholders at the EGM and the implementation of the Possible Investment.

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

Hong Kong, 25th October, 2018

*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 RMB0.88 equal to HK\$1.00. 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) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*

\* *The English translation of the Chinese name of the 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.*