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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)

CONNECTED TRANSACTIONS

SUB-TENANCY AGREEMENTS

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Reference is made to the Previous Announcement. On 20th May, 2019, (i) the Company and AP Administration entered into the Sub-tenancy Agreement I to renew the 2017 Sub-tenancy Agreement I; (ii) the Company and AGL entered into the Sub-tenancy Agreement II to renew the 2017 Sub-tenancy Agreement II; (iii) ASL, a non wholly-owned subsidiary of the Company, and AP Administration entered into the Sub-tenancy Agreement III to renew the 2017 Sub-tenancy Agreement III; and (iv) ASL and AGL entered into the Sub-tenancy Agreement IV.

LISTING RULES IMPLICATIONS

As at the date of this announcement, given that the Company is held as to approximately 48.66% by APL, which is in turn held as to approximately 74.99% by AGL, AGL is an associate of APL. As APL is a substantial shareholder of the Company and AP Administration is a wholly-owned subsidiary of APL, AP Administration is regarded as an associate of APL.

Given that each of AP Administration and AGL is an associate of APL (which is a substantial shareholder of the Company), they are connected persons of the Company within the meaning of the Listing Rules and the transactions contemplated under the Sub-tenancy Agreements constitute connected transactions of the Company under the Listing Rules.

The transaction contemplated under each of the Sub-tenancy Agreements constitutes a connected transaction of the Company. Under Rule 14A.81 of the Listing Rules, the transactions contemplated under the Sub-tenancy Agreements are required to be aggregated for the purpose of determining the classification.

The rental payment to be made by the Group under the Sub-tenancy Agreements is capital in nature, and will be regarded as an acquisition of assets of the Group at the commencement date of the Sub-tenancy Agreements. Pursuant to HKFRS 16, a property leased under the Sub-tenancy Agreements will be recognised as right-of-use assets, in which the aggregate value for recognising the Property as right-of-use assets pursuant to the Sub-tenancy Agreements would be HK\$7,789,100.

As one or more of the applicable percentage ratios in respect of the value of right-of-use assets under the Sub-tenancy Agreements is more than 0.1% but less than 5%, the Sub-tenancy Agreements are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SUB-TENANCY AGREEMENTS

Reference is made to the Previous Announcement. On 20th May, 2019, (i) the Company and AP Administration entered into the Sub-tenancy Agreement I to renew the 2017 Sub-tenancy Agreement I; (ii) the Company and AGL entered into the Sub-tenancy Agreement II to renew the 2017 Sub-tenancy Agreement II; (iii) ASL, a non wholly-owned subsidiary of the Company, and AP Administration entered into the Sub-tenancy Agreement III to renew the 2017 Sub-tenancy Agreement III; and (iv) ASL and AGL entered into the Sub-tenancy Agreement IV. The major terms of the Sub-tenancy Agreements are set out below:

Sub-tenancy Agreement I

Date	:	20th May, 2019
Landlord	:	AP Administration
Tenant	:	the Company
Premises	:	a portion of 9th Floor of the Property
Usage	:	office premises
Term	:	1st April, 2019 to 31st March, 2021 (both days inclusive)
Monthly rental (inclusive of management fee and air-conditioning charges)	:	HK\$25,100 from 1st April, 2019 to 30th April, 2019 HK\$25,200 from 1st May, 2019 to 31st March, 2021 (subject to change as mutually agreed in writing from time to time and the Company shall pay to AP Administration interest on overdue rentals at the rate of 2% per month until payment thereof, such interest to run from day to day and to accrue after as well as before any judgement)

The portion of 9th Floor of the Property sublet pursuant to the Sub-tenancy Agreement I forms part of the tenancy arrangement between the Head Landlord and AP Administration in respect of the whole of 9th Floor of the Property as contemplated under the Head Tenancy Agreement I. The above amounts of monthly rental (inclusive of management fee and air-conditioning charges) for the Sub-tenancy Agreement I were arrived at after arm's length negotiation between AP Administration and the Company with reference to the prevailing market conditions, the rental levels of similar properties in the vicinity of the Property and the historical transaction amount under the 2017 Sub-tenancy Agreement I.

Sub-tenancy Agreement II

Date : 20th May, 2019

Landlord : AGL

Tenant : the Company

Premises : a portion of 22nd and 23rd Floors of the Property

Usage : office premises

Term : 1st April, 2019 to 31st March, 2021 (both days inclusive)

Monthly rental (inclusive of management fee and air-conditioning charges) : HK\$198,600 from 1st April, 2019 to 30th April, 2019
HK\$199,400 from 1st May, 2019 to 31st March, 2021
(subject to change as mutually agreed in writing from time to time and the Company shall pay to AGL interest on overdue rentals at the rate of 2% per month until payment thereof, such interest to run from day to day and to accrue after as well as before any judgement)

The portion of 22nd and 23rd Floors of the Property sublet pursuant to the Sub-tenancy Agreement II forms part of the tenancy arrangements between the Head Landlord and AGL in respect of the whole of 22nd and 23rd Floors of the Property as contemplated under the Head Tenancy Agreement II and Head Tenancy Agreement III respectively. The above amounts of monthly rental (inclusive of management fee and air-conditioning charges) for the Sub-tenancy Agreement II were arrived at after arm's length negotiation between AGL and the Company with reference to the prevailing market conditions, the rental levels of similar properties in the vicinity of the Property and the historical transaction amount under the 2017 Sub-tenancy Agreement II.

Sub-tenancy Agreement III

Date : 20th May, 2019

Landlord : AP Administration

Tenant : ASL

Premises : a portion of 9th Floor of the Property

Usage : office premises

Term : 1st April, 2019 to 31st March, 2021 (both days inclusive)

Monthly rental (inclusive of management fee and air-conditioning charges) : HK\$53,200 from 1st April, 2019 to 30th April, 2019
HK\$53,400 from 1st May, 2019 to 31st March, 2021
(subject to change as mutually agreed in writing from time to time and ASL shall pay to AP Administration interest on overdue rentals at the rate of 2% per month until payment thereof, such interest to run from day to day and to accrue after as well as before any judgement)

The portion of 9th Floor of the Property sublet pursuant to the Sub-tenancy Agreement III forms part of the tenancy arrangement between the Head Landlord and AP Administration in respect of the whole of 9th Floor of the Property as contemplated under the Head Tenancy Agreement I. The above amounts of monthly rental (inclusive of management fee and air-conditioning charges) for the Sub-tenancy Agreement III were arrived at after arm's length negotiation between AP Administration and ASL with reference to the prevailing market conditions, the rental levels of similar properties in the vicinity of the Property and the historical transaction amount under the 2017 Sub-tenancy Agreement III.

Sub-tenancy Agreement IV

Date : 20th May, 2019

Landlord : AGL

Tenant : ASL

Premises : a portion of 22nd and 23rd Floors of the Property

Usage : office premises

Term : 1st April, 2019 to 31st March, 2021 (both days inclusive)

Monthly rental (inclusive of management fee and air-conditioning charges) : HK\$46,400 from 1st April, 2019 to 30th April, 2019
HK\$46,600 from 1st May, 2019 to 31st March, 2021
(subject to change as mutually agreed in writing from time to time and ASL shall pay to AGL interest on overdue rentals at the rate of 2% per month until payment thereof, such interest to run from day to day and to accrue after as well as before any judgement)

The portion of 22nd and 23rd Floors of the Property sublet pursuant to the Sub-tenancy Agreement IV forms part of the tenancy arrangements between the Head Landlord and AGL in respect of the whole of 22nd and 23rd Floors of the Property as contemplated under the Head Tenancy Agreement II and Head Tenancy Agreement III respectively. The above amounts of monthly rental (inclusive of management fee and air-conditioning charges) for the Sub-tenancy Agreement IV were arrived at after arm's length negotiation between AGL and ASL with reference to the prevailing market conditions and the rental levels of similar properties in the vicinity of the Property.

REASONS FOR AND BENEFITS OF THE SUB-TENANCY AGREEMENTS

The entering into of the Sub-tenancy Agreements is for the continuing business needs of the Group. The rental (inclusive of management fee and air-conditioning charges) payable pursuant to the Sub-tenancy Agreements was determined between AP Administration, AGL, ASL and the Company with reference to the prevailing market conditions and the rental level of similar properties in the vicinity of the Property and was not above market rate.

In view of the above, the Directors (including the independent non-executive Directors) consider that the Sub-tenancy Agreements have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties, and the terms of the Sub-tenancy Agreements together with the value of right-of-use assets are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, given that the Company is held as to approximately 48.66% by APL, which is in turn held as to approximately 74.99% by AGL, AGL is an associate of APL. As APL is a substantial shareholder of the Company and AP Administration is a wholly-owned subsidiary of APL, AP Administration is regarded as an associate of APL.

Given that each of AP Administration and AGL is an associate of APL (which is a substantial shareholder of the Company), they are connected persons of the Company within the meaning of the Listing Rules and the transactions contemplated under the Sub-tenancy Agreements constitute connected transactions of the Company under the Listing Rules.

The transaction contemplated under each of the Sub-tenancy Agreements constitutes a connected transaction of the Company. Under Rule 14A.81 of the Listing Rules, the transactions contemplated under the Sub-tenancy Agreements are required to be aggregated for the purpose of determining the classification.

The rental payment to be made by the Group under the Sub-tenancy Agreements is capital in nature, and will be regarded as an acquisition of assets of the Group at the commencement date of the Sub-tenancy Agreements. Pursuant to HKFRS 16, a property leased under the Sub-tenancy Agreements will be recognised as right-of-use assets, in which the aggregate value for recognising the Property as right-of-use assets pursuant to the Sub-tenancy Agreements would be HK\$7,789,100.

As one or more of the applicable percentage ratios in respect of the value of right-of-use assets under the Sub-tenancy Agreements is more than 0.1% but less than 5%, the Sub-tenancy Agreements are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lee Seng Hui (being the Chairman and a non-executive Director of the Company and also the chief executive and an executive director of AGL) is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, indirectly controls approximately 74.95% interests in the total issued shares of AGL, which in turn owns approximately 74.99% of the total issued shares of APL, and which in turn indirectly owns approximately 48.66% of the total issued shares of the Company. Accordingly, Mr. Lee Seng Hui is deemed to be interested in the connected transactions in respect of the Sub-tenancy Agreements and therefore has abstained from voting on the relevant resolutions of the Company.

Mr. Edwin Lo King Yau and Ms. Lisa Yang Lai Sum, both being the directors of the Company and AGL, have voluntarily abstained from voting on the relevant resolutions approving the connected transactions in respect of the Sub-tenancy Agreements although they were not considered by the Board to be materially interested in the transactions.

Apart from the above, none of the Directors has any material interest in the Sub-tenancy Agreements and is required to abstain from voting on the board resolutions approving the Sub-tenancy Agreements and the transactions contemplated thereunder.

INFORMATION ABOUT THE COMPANY, ASL, AP ADMINISTRATION, AND AGL

The Company

The Company is incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board and is owned as to approximately 48.66% by APL.

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 on the mainland in the People's Republic of China, as well as property investment and property management in Hong Kong.

ASL

ASL is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board.

The principal business activity of ASL is investment holding. The principal business activities of its major subsidiaries are property investment, property leasing and estate management in Hong Kong. As at the date of this announcement, ASL is beneficially owned as to approximately 74.96% by the Company.

AP Administration

AP Administration is incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of APL.

The principal business activity of AP Administration is provision of management and consultancy services.

AGL

AGL is incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board and is a substantial shareholder of the Company through its interests in APL.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, elderly care services, the provision of finance and investments in listed and unlisted securities.

DEFINITIONS

“2017 Sub-tenancy Agreement I”	the sub-tenancy agreement dated 31st March, 2017 entered into between AP Administration and the Company for a term from 1st April, 2017 to 31st March, 2019 (both days inclusive), pursuant to which a portion of 9th Floor of the Property was sublet by AP Administration to the Company
“2017 Sub-tenancy Agreement II”	the sub-tenancy agreement dated 31st March, 2017 entered into between AGL and the Company for a term from 1st April, 2017 to 31st March, 2019 (both days inclusive), pursuant to which a portion of Room 1802, 22nd Floor and Rooms 2302-03 of the Property was sublet by AGL to the Company
“2017 Sub-tenancy Agreement III”	the sub-tenancy agreement dated 31st March, 2017 entered into between AP Administration and ASL for a term from 1st June, 2017 to 31st March, 2019 (both days inclusive), pursuant to which a portion of 9th Floor of the Property was sublet by AP Administration to ASL
“2017 Sub-tenancy Agreements”	2017 Sub-tenancy Agreement I, 2017 Sub-tenancy Agreement II and 2017 Sub-tenancy Agreement III
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 373), is a substantial shareholder of the Company through its interests in APL
“AP Administration”	AP Administration Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of APL
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 56), is a substantial shareholder of the Company and a non wholly-owned subsidiary of AGL
“ASL”	Asiasec Properties Limited (formerly known as Dan Form Holdings Company Limited), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 271), is a non wholly-owned subsidiary of the Company
“associate”	having the meaning ascribed to it 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 (Stock Code: 28)

“connected persons”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Head Landlord”	a company incorporated in Hong Kong with limited liability and is a joint venture of APL
“Head Tenancy Agreement I”	the head tenancy agreement dated 25th March, 2019 entered into between the Head Landlord and AP Administration as tenant in respect of the tenancy of the whole of 9th Floor of the Property for a term of two years commencing on 1st April, 2019 and expiring on 31st March, 2021 (both days inclusive)
“Head Tenancy Agreement II”	the head tenancy agreement dated 25th March, 2019 entered into between the Head Landlord and AGL as tenant in respect of the tenancy of the whole of 22nd Floor of the Property for a term of two years commencing on 1st April, 2019 and expiring on 31st March, 2021 (both days inclusive)
“Head Tenancy Agreement III”	the head tenancy agreement dated 25th March, 2019 entered into between the Head Landlord and AGL as tenant in respect of the tenancy of the whole of 23rd Floor of the Property for a term of two years commencing on 1st April, 2019 and expiring on 31st March, 2021 (both days inclusive)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 GEM 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
“Previous Announcement”	the announcement of the Company dated 31st March, 2017 in relation to the 2017 Sub-tenancy Agreements

“Property”	Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, which is owned as to 100% by the Head Landlord
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“Sub-tenancy Agreement I”	the sub-tenancy agreement dated 20th May, 2019 entered into between AP Administration and the Company for a term from 1st April, 2019 to 31st March, 2021 (both days inclusive), pursuant to which a portion of 9th Floor of the Property was sublet by AP Administration to the Company
“Sub-tenancy Agreement II”	the sub-tenancy agreement dated 20th May, 2019 entered into between AGL and the Company for a term from 1st April, 2019 to 31st March, 2021 (both days inclusive), pursuant to which a portion of 22nd and 23rd Floors of the Property was sublet by AGL to the Company
“Sub-tenancy Agreement III”	the sub-tenancy agreement dated 20th May, 2019 entered into between AP Administration and ASL for a term from 1st April, 2019 to 31st March, 2021 (both days inclusive), pursuant to which a portion of 9th Floor of the Property was sublet by AP Administration to ASL
“Sub-tenancy Agreement IV”	the sub-tenancy agreement dated 20th May, 2019 entered into between AGL and ASL for a term from 1st April, 2019 to 31st March, 2021 (both days inclusive), pursuant to which a portion of 22nd and 23rd Floors of the Property was sublet by AGL to ASL
“Sub-tenancy Agreements”	Sub-tenancy Agreement I, Sub-tenancy Agreement II, Sub-tenancy Agreement III and Sub-tenancy Agreement IV
“%”	per cent.

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

Hong Kong, 20th May, 2019

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.