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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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On 30th March, 2023, (i) the Company (as tenant) and AGL (as landlord) entered into Sub-tenancy Agreement I in respect of the lease of a portion of the Property; and (ii) as advised and confirmed by ASL, ASL, a non wholly-owned subsidiary of the Company (as tenant) and AGL (as landlord) entered into Sub-tenancy Agreement II in respect of the lease of a portion of the Property.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is held as to approximately 55.72% by AGL and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of Sub-tenancy Agreement I by the Company constitutes a connected transaction for the Company under the Listing Rules.

As at the date of this announcement, ASL is a non wholly-owned subsidiary of the Company. Accordingly, the entering into of Sub-tenancy Agreement II by ASL and AGL (being a connected person of the Company) constitutes a connected transaction for the Company under the Listing Rules.

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 payments to be made by the Group under the Sub-tenancy Agreements are capital in nature, and will be regarded as acquisition of assets of the Group. 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 portion of the Property as right-of-use assets pursuant to the Sub-tenancy Agreements would be HK\$7,048,800.

As one of the relevant 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

On 30th March, 2023, (i) the Company (as tenant) and AGL (as landlord) entered into Sub-tenancy Agreement I in respect of the lease of a portion of the Property; and (ii) as advised and confirmed by ASL, ASL, a non wholly-owned subsidiary of the Company (as tenant) and AGL (as landlord) entered into Sub-tenancy Agreement II in respect of the lease of a portion of the Property. The major terms of the Sub-tenancy Agreements are set out below:

Sub-tenancy Agreement I

Date	:	30th March, 2023
Landlord	:	AGL
Tenant	:	the Company
Premises	:	a portion of 9th, 22nd and 23rd Floors of the Property
Usage	:	office premises
Term	:	1st April, 2023 to 31st March, 2025 (both days inclusive)
Monthly rental (inclusive of management fee and air-conditioning charges)	:	HK\$206,300 (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 9th, 22nd and 23rd Floors of the Property sublet pursuant to Sub-tenancy Agreement I forms part of the tenancy arrangement between the Head Landlord and AGL in respect of the whole of 9th, 22nd and 23rd Floors of the Property as contemplated under the Head Tenancy Agreement. The monthly rental of Sub-tenancy Agreement I was 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 existing sub-tenancy agreement between AGL and the Company.

The rental (inclusive of management fee and air-conditioning charges) payable under Sub-tenancy Agreement I will be financed by the internal resources of the Group.

Sub-tenancy Agreement II

Date	:	30th March, 2023
Landlord	:	AGL
Tenant	:	ASL
Premises	:	a portion of 9th, 22nd and 23rd Floors of the Property
Usage	:	office premises
Term	:	1st April, 2023 to 31st March, 2025 (both days inclusive)
Monthly rental (inclusive of management fee and air-conditioning charges)	:	HK\$87,400 (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)

As advised and confirmed by ASL, (i) the portion of 9th, 22nd and 23rd Floors of the Property sublet pursuant to Sub-tenancy Agreement II forms part of the tenancy arrangement between the Head Landlord and AGL in respect of the whole of 9th, 22nd and 23rd Floors of the Property as contemplated under the Head Tenancy Agreement; and (ii) the monthly rental of Sub-tenancy Agreement II was arrived at after arm's length negotiation between AGL 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 existing sub-tenancy agreement between AGL and ASL.

As advised and confirmed by ASL, the rental (inclusive of management fee and air-conditioning charges) payable under Sub-tenancy Agreement II will be financed by the internal resources of the ASL Group.

REASONS FOR AND BENEFITS OF THE SUB-TENANCY AGREEMENTS

A portion of 9th, 22nd and 23rd Floors of the Property is currently leased by the Group as its office under the existing sub-tenancy agreements between the Company or ASL (as the case may be) and AGL. The Directors are of the view that it is beneficial for the Group to continue the lease in order to avoid relocation costs and unnecessary disruption of the daily business operations of the Group. The rental (inclusive of management fee and air-conditioning charges) payable pursuant to the Sub-tenancy Agreements was determined between AGL, as landlord, and the Company or ASL (as the case may be), as tenant, with reference to the prevailing market conditions, the rental levels of similar properties in the vicinity of the Property and the historical transaction amounts, and was not above market rate.

In view of the above and based on the confirmation provided by ASL, the Directors (including the independent non-executive Directors) consider that the Sub-tenancy Agreements were 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 relevant 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, the Company is held as to approximately 55.72% by AGL and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of Sub-tenancy Agreement I by the Company constitutes a connected transaction for the Company under the Listing Rules.

As at the date of this announcement, ASL is a non wholly-owned subsidiary of the Company. Accordingly, the entering into of Sub-tenancy Agreement II by ASL and AGL (being a connected person of the Company) constitutes a connected transaction for the Company under the Listing Rules.

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 payments to be made by the Group under the Sub-tenancy Agreements are capital in nature, and will be regarded as acquisition of assets of the Group. 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 portion of the Property as right-of-use assets pursuant to the Sub-tenancy Agreements would be HK\$7,048,800.

As one of the relevant 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, controls approximately 74.99% of the total number of issued shares of AGL, which in turn is interested in approximately 55.72% of the total number of issued shares of the Company, and the Company indirectly owns approximately 74.98% of the total number of issued shares of ASL. 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 ON THE COMPANY, AGL AND ASL

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, and is owned as to approximately 55.72% by AGL as at the date of this announcement.

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 PRC, as well as property investment and property management in Hong Kong.

AGL

AGL is a company incorporated in Hong Kong with limited liability, a substantial shareholder of the Company and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property development mainly comprising apartments, villas, office buildings and commercial properties, property investment, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services, logistics services, and the provision of finance, investments in listed and unlisted securities and funds management.

As at the date of this announcement, AGL is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee Seng Hui's personal interests), being a discretionary trust.

ASL

ASL is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, and is a non wholly-owned subsidiary of the Company.

The principal business activity of ASL is investment holding. The ASL Group is principally engaged in property investment, property leasing and estate management in Hong Kong.

DEFINITIONS

“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), being a substantial shareholder of the Company
“ASL”	Asiasec Properties 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: 271), being a non wholly-owned subsidiary of the Company
“ASL Group”	ASL and its subsidiaries

“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)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Head Landlord”	a company incorporated in Hong Kong with limited liability and is a joint venture of AGL
“Head Tenancy Agreement”	the head tenancy agreement dated 10th March, 2023 entered into between the Head Landlord and AGL as tenant in respect of the tenancy of the whole of 9th, 22nd and 23rd Floors of the Property for a term of two years commencing on 1st April, 2023 and expiring on 31st March, 2025 (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 PRC
“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 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
“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
“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 30th March, 2023 entered into between AGL and the Company for a term of two years from 1st April, 2023 to 31st March, 2025 (both days inclusive), pursuant to which a portion of 9th, 22nd and 23rd Floors of the Property was sublet by AGL to the Company
“Sub-tenancy Agreement II”	the sub-tenancy agreement dated 30th March, 2023 entered into between AGL and ASL for a term of two years from 1st April, 2023 to 31st March, 2025 (both days inclusive), pursuant to which a portion of 9th, 22nd and 23rd Floors of the Property was sublet by AGL to ASL
“Sub-tenancy Agreements”	Sub-tenancy Agreement I and Sub-tenancy Agreement II
“%”	per cent.

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

Hong Kong, 30th March, 2023

As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (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. Jiang Guofang, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.