
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tian An China Investments Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION

**ACQUISITION OF DAN FORM SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 6 to 20 of this circular.

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 16th November, 2016 at 10:00 a.m. is set out on pages 86 to 88 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the EGM or any adjournment thereof if they so wish.

28th October, 2016

DEFINITIONS

In this circular (other than in the notice of the EGM and the accompanying form of proxy), unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Offeror pursuant to the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 56), is a substantial shareholder of the Company
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“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)
“Completion”	completion of the sale and purchase of the Sale Shares contemplated under the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and Dan Form in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“Conditions”	the conditions precedent to Completion which are summarised in this circular under the section headed “Letter from the Board – Sale and Purchase Agreement – Conditions Precedent”, each a “Condition”
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	consideration payable for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, being HK\$1,245,455,664.75

DEFINITIONS

“Dan Form”	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 of the Stock Exchange (Stock Code: 271)
“Dan Form Board”	the board of directors of Dan Form from time to time
“Dan Form Group”	Dan Form and its subsidiaries
“Dan Form Independent Shareholder(s)”	holder(s) of the Dan Form Shares, other than the Vendors, the Offeror and parties acting in concert with each of them
“Dan Form Share(s)”	the issued share(s) of Dan Form
“Dan Form Shareholder(s)”	the holder(s) of the Dan Form Share(s)
“Deposit”	the deposit of HK\$124,545,566.48, being 10% of the Consideration, which is subject to refund or forfeiture in accordance with the provisions set out in the Sale and Purchase Agreement
“DFIL”	Dan Form International Limited, a company incorporated in the British Virgin Islands and a Dan Form Shareholder holding 2,926,000 Dan Form Shares, being approximately 0.24% of the entire issued shares of Dan Form prior to Completion
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 16th November, 2016 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind or any option, equity, claim, adverse interest or other third party right of any kind or any arrangement by which any right is subordinated to any right of such third party or any contractual right of set-off (including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted)

DEFINITIONS

“Enlarged Group”	the Group and the Dan Form Group
“Escrow Agent”	the Offeror’s solicitor
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility of HK\$1,500,000,000 granted by Sun Hung Kai Investment Services Limited to the Offeror for the purpose of the Offer
“FIL”	Fabulous Investments Limited, a company incorporated in the British Virgin Islands and the controlling Dan Form Shareholder holding 424,666,969 Dan Form Shares, being approximately 34.18% of the entire issued shares of Dan Form prior to Completion
“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 Announcement”	the joint announcement issued by the Company, the Offeror and Dan Form in relation to the Acquisition and the Offer dated 22nd September, 2016
“Latest Practicable Date”	25th October, 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	16th January, 2017 (or such later date as may be agreed between the Vendors and the Offeror 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

DEFINITIONS

“Mr. Dai”	Mr. Dai Xiaoming, the chairman, chief executive and executive director of Dan Form and a Dan Form Shareholder holding 25,300,000 Dan Form Shares, being approximately 2.04% of the entire issued shares of Dan Form prior to Completion
“Offer”	the possible conditional mandatory cash offer for all the Dan Form Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) to be made by Yu Ming on behalf of the Offeror at the Offer Price
“Offer Period”	commencing from 22nd September, 2016, being the date of the Joint Announcement and ending on the date of the close of the Offer
“Offer Price”	HK\$2.75 per Offer Share
“Offer Shares”	a maximum of 785,742,976 Dan Form Shares that is subject to the Offer
“Offeror” or “Autobest”	Autobest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser of the Sale Shares under the Sale and Purchase Agreement and the offeror of the Offer
“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 circular only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 19th September, 2016 entered into between the Vendors, the Offeror and the Company in relation to the conditional sale and purchase of the Sale Shares

DEFINITIONS

“Sale Shares”	452,892,969 Dan Form Shares legally and beneficially owned by the Vendors pursuant to the Sale and Purchase Agreement prior to Completion, representing approximately 36.45% of the entire issued shares of Dan Form as at the Latest Practicable Date, and each a “Sale Share”
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers issued by the SFC
“Vendors”	the vendors under the Sale and Purchase Agreement, namely FIL, DFIL and Mr. Dai
“US\$”	United States dollars, the lawful currency of the United States of America
“Yu Ming”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
“%”	per cent.

* for identification purpose only

For the purpose of this circular, translations of Renminbi and United States dollars into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.85 and US\$1.00 equal to HK\$7.75 respectively. Such exchange rates have been used, where applicable, for the purpose of illustration only and do 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Song Zengbin *(Deputy Chairman)*
Patrick Lee Seng Wei *(Managing Director)*
Ma Sun *(Deputy Managing Director)*
Edwin Lo King Yau
Tao Tsan Sang

Registered Office:

22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Non-Executive Directors:

Lee Seng Hui *(Chairman)*
Moses Cheng Mo Chi
Lee Shu Yin

Independent Non-Executive Directors:

Francis J. Chang Chu Fai
Jin Hui Zhi
Ngai Wah Sang
Lisa Yang Lai Sum

28th October, 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF DAN FORM SHARES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Joint Announcement dated 22nd September, 2016.

The purpose of this circular is to provide you with, among other things, (i) further details regarding the Acquisition and the Offer; (ii) the financial information of the Group and Dan Form Group; and (iii) the notice of the EGM.

LETTER FROM THE BOARD

SALE AND PURCHASE AGREEMENT

Date

19th September, 2016 (after trading hours)

Parties

- (1) the Vendors as the vendors;
- (2) the Offeror as the purchaser; and
- (3) the Company as the Offeror's guarantor

To the best of the knowledge, information and belief of the Board having made reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner and Dan Form are third parties independent of and not connected with the Offeror, the Company and their respective connected persons and not a party acting in concert with any of them.

Sale Shares and the Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Offeror has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the Sale Shares, being 452,892,969 Dan Form Shares, free from all Encumbrances and together with all rights and benefits attaching or accruing to them on or after Completion. The Sale Shares represent approximately 36.45% of the entire issued shares of Dan Form as at the Latest Practicable Date.

The Consideration for the Sale Shares is HK\$1,245,455,664.75, equivalent to HK\$2.75 per Sale Share and is payable by the Offeror in the following manner:

- (i) on the Business Day following the date of the Sale and Purchase Agreement, the Deposit of HK\$124,545,566.48 (equivalent to 10% of the Consideration) has been paid by the Offeror to an escrow account, which shall, upon Completion, be released to Mr. Dai (and the Offeror and the Vendors agree to jointly instruct the Escrow Agent to do so) and applied as part payment of the Consideration; and
- (ii) at Completion, HK\$1,120,910,098.27 being the balance of the Consideration shall be paid to Mr. Dai by cashier's order, and the Offeror and the Vendors shall jointly instruct the Escrow Agent to release the Deposit together with all interest accrued thereon to Mr. Dai.

LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiations between the Offeror and the Vendors, taking into consideration (i) the financial position of Dan Form; and (ii) the prevailing market prices of the Dan Form Shares on the Stock Exchange.

The price of HK\$2.75 per Sale Share under the Acquisition represents:

- (i) a premium of approximately 15.06% over the closing price of HK\$2.39 per Dan Form Share as quoted on the Stock Exchange on the last trading day immediately before the publication of the Joint Announcement;
- (ii) a premium of approximately 27.55% over the average closing price of approximately HK\$2.156 per Dan Form Share for the last five trading days immediately before the publication of the Joint Announcement;
- (iii) a premium of approximately 32.08% over the average closing price of approximately HK\$2.082 per Dan Form Share for the last ten trading days immediately before the publication of the Joint Announcement;
- (iv) a premium of approximately 43.83% over the average closing price of approximately HK\$1.912 per Dan Form Share for the last thirty trading days immediately before the publication of the Joint Announcement; and
- (v) a discount of approximately 31.93% to the unaudited net asset value of the Dan Form Group attributable to the Dan Form Shareholders of approximately HK\$4.04 per Dan Form Share as at 30th June, 2016.

Conditions Precedent

Completion is conditional upon:

- (i) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body or other third party necessary for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Vendors and Dan Form and remaining in full force and effect;
- (ii) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority or regulatory body necessary for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Offeror and the Company and remaining in full force and effect;

LETTER FROM THE BOARD

- (iii) the approvals from the Shareholders in respect of the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder pursuant to the Listing Rules having been obtained and remaining in full force and effect;
- (iv) there being no applicable law binding on Dan Form or the Vendors which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Sale and Purchase Agreement;
- (v) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Sale and Purchase Agreement;
- (vi) all Vendors' warranties remaining true and correct in all respects and not misleading and the Vendors having complied with all covenants under the Sale and Purchase Agreement;
- (vii) the listing of the Dan Form Shares not having been withdrawn, the Dan Form Shares continuing to be traded on the Stock Exchange prior to the date of Completion (save for any suspension for no longer than ten consecutive trading days or such other period as the Offeror may agree in writing or the suspension in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement; and
- (viii) the Stock Exchange and the SFC advising that they have no further comment on the Joint Announcement released in connection with the transactions contemplated under the Sale and Purchase Agreement and the publication of such joint announcement on the Stock Exchange's website.

All the Conditions are incapable of being waived by either the Offeror or the Vendors (except Conditions (v) and (vi) which can be waived by the Offeror).

LETTER FROM THE BOARD

If the Conditions (other than Condition (iii)) have not been satisfied (or waived) on or before the Long Stop Date, the Vendors shall instruct the Escrow Agent to refund in cash to the Offeror the Deposit together with the interest accrued thereon. If the Condition (iii) has not been satisfied on or before the Long Stop Date, the Vendors shall be entitled to forfeit an amount of HK\$30,000,000 (out of the Deposit) (together with all interest accrued thereon) and shall refund to the Offeror an amount equivalent to the Deposit less HK\$30,000,000 (together with all interest accrued thereon). The Sale and Purchase Agreement (except certain provisions thereof which are expressly provided to survive termination) will terminate and cease to have any effect thereafter.

Condition (i) refers to the approvals and/or consents from the Stock Exchange and the SFC to be obtained by the Vendors and Dan Form in relation to the transactions contemplated under the Sale and Purchase Agreement, including the Offer.

Condition (ii) refers to the approvals and/or consents from the Stock Exchange and/or the SFC, particularly on the issuance of this circular and all relevant announcements to be issued by the Company prior to the EGM, to be obtained by the Offeror and the Company in relation to the transactions contemplated under the Sale and Purchase Agreement, including the Offer.

Save for the above, each of the Vendors, Dan Form, the Offeror and the Company is not aware of any approval and/or consent required to be obtained from the Stock Exchange and/or SFC as at the Latest Practicable Date.

As at the Latest Practicable Date, save as Condition (viii) above, no Condition has been fulfilled or waived.

Completion

Completion shall take place within 5 Business Days from the satisfaction of all the Conditions (or such other date and time as may be agreed by the Vendors and the Offeror in writing).

Guarantee

The Company unconditionally and irrevocably guarantees to the Vendors the due and punctual performance and observance by the Offeror of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to the Sale and Purchase Agreement and agrees to indemnify the Vendors against all losses (including legal costs and expenses) which the Vendors may suffer through or arising from any breach by the Offeror of such of its obligations, commitments, warranties, undertakings, indemnities or covenants.

LETTER FROM THE BOARD

Proposed change to the board composition of Dan Form

Pursuant to the Sale and Purchase Agreement, the Vendors will procure (i) the appointment of new directors nominated by the Offeror to the majority of the Dan Form Board with effect from the date immediately after the date on which the Composite Document is posted or such other date permitted under the Takeovers Code; and (ii) the resignation of such incumbent Dan Form Directors with effect from the earliest time permitted under the Takeovers Code which is the day immediately after the first closing date of the Offer or the date when the Offer becomes or is declared unconditional, whichever is the later. All such changes to the Dan Form Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

POSSIBLE CONDITIONAL MANDATORY CASH OFFER

As at the Latest Practicable Date, the Offeror and parties acting in concert with it own an aggregate of 3,789,000 Dan Form Shares, representing approximately 0.3% of the entire issued shares of Dan Form. Upon Completion and assuming the Offeror and its parties acting in concert will not acquire any Dan Form Shares during the period from the Latest Practicable Date to the date of Completion, the Offeror and parties acting in concert with it will own in aggregate 456,681,969 Dan Form Shares, representing approximately 36.75% of the entire issued shares of Dan Form.

Accordingly, subject to and upon Completion, the Offeror will be required to make a conditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Dan Form Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

It is the intention of the Offeror that Yu Ming will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on or before Completion on the following basis:

For each Offer Share HK\$2.75 in cash

The Offer Price of HK\$2.75 per Offer Share equals the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement which was arrived at arm's length negotiation between the Offeror and the Vendors.

Offer Consideration

As at the Latest Practicable Date, there are 1,242,424,945 Dan Form Shares in issue and there are no outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Dan Form Shares.

LETTER FROM THE BOARD

Based on the Offer Price of HK\$2.75 per Offer Share, the entire issued shares of Dan Form is valued at HK\$3,416,668,598.75. The Offer will be made to the Dan Form Independent Shareholders. As the Offeror and parties acting in concert with it will, based on the assumption that the Offeror and its parties acting in concert will not acquire any Dan Form Shares during the period from the Latest Practicable Date to the date of Completion, hold in aggregate 456,681,969 Dan Form Shares immediately after Completion, 785,742,976 Dan Form Shares will be subject to the Offer. In the event that the Offer is accepted in full by the Dan Form Independent Shareholders, the aggregate amount payable by the Offeror under the Offer will be HK\$2,160,793,184.

Conditions of the Offer

The Offer is conditional upon the Completion and the Offeror having received valid acceptances of the Offer Shares which, together with the Dan Form Shares already acquired or agreed to be acquired by the Offeror and the parties acting in concert with it before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of Dan Form.

Offer Price

The Offer Price of HK\$2.75 per Offer Share represents:

- (i) a premium of approximately 15.06% over the closing price of HK\$2.39 per Dan Form Share as quoted on the Stock Exchange on the last trading day immediately before the publication of the Joint Announcement;
- (ii) a premium of approximately 27.55% over the average closing price of approximately HK\$2.156 per Dan Form Share for the last five trading days immediately before the publication of the Joint Announcement;
- (iii) a premium of approximately 32.08% over the average closing price of approximately HK\$2.082 per Dan Form Share for the last ten trading days immediately before the publication of the Joint Announcement;
- (iv) a premium of approximately 43.83% over the average closing price of approximately HK\$1.912 per Dan Form Share for the last thirty trading days immediately before the publication of the Joint Announcement; and
- (v) a discount of approximately 31.93% to the unaudited net asset value of the Dan Form Group attributable to the Dan Form Shareholders of approximately HK\$4.04 per Dan Form Share as at 30th June, 2016.

LETTER FROM THE BOARD

Confirmation of Financial Resources

The Offeror intends to finance the Offer by internal resources of the Group and the Facility. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

INFORMATION ON THE DAN FORM GROUP

Dan Form is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Dan Form Group is principally engaged in property investment, property rental and estate management.

Set out below is a summary of the audited consolidated results of the Dan Form Group for each of the two financial years ended 31st December, 2014 and 2015, and the unaudited consolidated results of the Dan Form Group for the six months ended 30th June, 2015 and 2016, as extracted from the annual report of Dan Form for the year ended 31st December, 2015 and the interim report of Dan Form for the six months ended 30th June, 2016, respectively.

	For the year ended 31st December,		For the six months ended 30th June,	
	2014	2015	2015	2016
	(audited)	(audited)	(unaudited)	(unaudited)
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Revenue	49,745	50,759	25,755	28,070
Profit/(loss) before tax	254,635	208,569	129,039	(8,609)
Profit/(loss) after tax	247,203	195,718	122,439	(10,546)

According to the annual report of the Dan Form Group for the financial year ended 31st December, 2015, the decrease in profit before/after tax from the year ended 31st December, 2014 to the year ended 31st December, 2015 was mainly attributable to the decrease in fair value of investment properties and the loss on disposal of investment properties held by its associates. According to the interim report of the Dan Form Group for the six months ended 30th June, 2016, the loss after tax for the six months ended 30th June, 2016 was mainly attributable to the substantial decrease in fair value gain of investment properties held by the Dan Form Group and the decrease in the share of results of associates resulting from the fair value loss of investment properties in associates.

LETTER FROM THE BOARD

	As at 31st December,		As at
	2014	2015	30th June,
	(audited)	(audited)	(unaudited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Total assets	5,204,157	5,398,618	5,464,781
Total liabilities	161,141	178,960	449,668
Net assets	5,043,016	5,219,658	5,015,113

According to the interim report of Dan Form Group for the six months ended 30th June, 2016, the unaudited net asset value of the Dan Form Group as at 30th June, 2016 was arrived after taking into account of, among others, the valuations of the investment properties of the Dan Form Group and its associates as determined by independent professional qualified surveyors. Having taken into account of the valuation report prepared by an independent property valuer, Norton Appraisals Limited, as included in Appendix IV of this circular, there is no material adverse impact by such valuation on the net asset value of Dan Form.

The following are the material associates of the Dan Form Group:

Name of companies	Approximate % of attributable equity held by the Dan Form Group	Principal business activities
Zeta Estates Limited	33.33%	Property investment in Hong Kong
Kin Tong Land Investment Company Limited	50%	Property investment in Hong Kong

The major properties held by the above associates are shown below:

Zeta Estates Limited

- 1 House Nos. 1 and 69, Palm Drive, The Redhill Peninsula - Site D (Phase 1), No. 18 Pak Pat Shan Road, Hong Kong
- 2 House Nos. 60, 62, 68, 70, 76, 78, 97, 99, 105, 107, 113, 115, 121 and 123, Palm Drive and House Nos. 108, 110 and 134, Cedar Drive, The Redhill Peninsula – Site C (Phase 2), No. 18 Pak Pat Shan Road, Hong Kong

LETTER FROM THE BOARD

- 3 House Nos. 129, 131, 137, 139, 145, 147 and 153, Palm Drive and House Nos. 63, 65, 71, 73, 79, 81, 87, 89, 95, 97, 101, 140, 142, 148, 150, 158, 164, 166, 172, 174 and 178, Cedar Drive, The Redhill Peninsula – Site B (Phase 3), No. 18 Pak Pat Shan Road, Hong Kong
- 4 Various residential units of Towers 1, 3, 6, 7, 10 and car parking spaces, The Redhill Peninsula – Phase 4, No. 18 Pak Pat Shan Road, Hong Kong
- 5 Various industrial units and car parking spaces of Harbour Industrial Centre, No. 10 Lee Hing Street and Oceanic Industrial Centre, No. 2 Lee Lok Street, Hong Kong

Kin Tong Land Investment Company Limited

- 1 Basement; Units A, B, C, D and F on Ground Floor; 1st Floor; Units C and D on 2nd Floor; Units A, B and C on 3rd Floor; Units B and C on 5th Floor; Units A, B and C on 7th – 8th Floor; Units A and C on 9th Floor; Unit C on 10th Floor; Units A, B and C on 11th Floor; Unit A on 16th Floor; Units A and B on 19th Floor; and Units A and B on 21st Floor, Queen's Centre, 58-64 Queen's Road East, Hong Kong
- 2 The whole of the Lower Ground; Units A and B on Ground Floor; Units D and E on 1st Floor; Units A, B and G on 3rd Floor; Unit E & Flat Roof E and Unit G on 4th Floor, Units B, C, E, G and P on 5th Floor, Units C, F and G on 6th Floor, Units A, C, D, G and H on 8th Floor and Roofs; Lorry Car Parking Space Nos. L14 and L15 on Lower Ground Floor; Private Car Parking Space Nos. P4 and P5, Lorry Car Parking Space Nos. L2, L3, L7, L12, L13 and Container Car Parking Space No. C15 on 1st Floor, Wah Shun Industrial Building, No. 4 Cho Yuen Street, Kowloon

The interests in associates of the Dan Form Group represents 57.79% of the unaudited total assets of Dan Form Group as at 30th June, 2016.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE ACQUISITION AND THE OFFER

Dan Form will become an associated company of the Company upon Completion and a subsidiary of the Company if the Offer becomes unconditional.

Assets and liabilities

As illustrated in the unaudited pro forma financial information of the Enlarged Group in Appendix III of this circular, assuming the Completion and the full acceptance of the Offer by all Dan Form Independent Shareholders take place on 30th June, 2016, the net assets of the Enlarged Group as at 30th June, 2016 shall become approximately HK\$33,654,639,000 on a pro forma basis and the total liabilities of the Enlarged Group as at 30th June, 2016 shall become approximately HK\$14,948,488,000 on a pro forma basis.

Earnings

For the six months ended 30th June, 2016, the Group recorded a profit of approximately HK\$513,150,000. Assuming the Completion and the full acceptance of the Offer by all Dan Form Independent Shareholders take place on 30th June, 2016, a gain on bargain purchase approximately HK\$1,663,508,000 will be recognised in profit and loss of the Group on a pro forma basis. After considering the impact on the recognition of the estimated expenditures in related to the Acquisition and the Offer amounting to approximately HK\$5,500,000, the unaudited net profit of the Enlarged Group for the six months ended 30th June, 2016 will become approximately HK\$2,171,158,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE OFFER

Intentions of the Offeror in relation to the Dan Form Group

Dan Form will become an associated company of the Company upon Completion and a subsidiary of the Company if the Offer becomes unconditional. The Board considers that the Acquisition and the Offer represent a good opportunity to expand the property investment portfolio of the Group with a consideration at a discount of approximately 31.93% to the unaudited net asset per share of Dan Form as at 30th June, 2016, which is expected to bring in returns to the Shareholders in the long run.

The Offeror intends to continue the existing core businesses of the Dan Form Group which focuses on property rental and estate management. As at the Latest Practicable Date, the Offeror has no plan to inject any assets or businesses into the Dan Form Group or to procure the Dan Form Group to acquire or dispose of any assets.

LETTER FROM THE BOARD

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Dan Form Group in order to formulate a long-term strategy for the Dan Form Group and explore other property investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror has not identified such investment or business opportunities.

The Offeror intends that, following the close of the Offer, Dan Form's English name and Chinese name will be changed as soon as practicable. A special resolution will be proposed at an extraordinary general meeting of Dan Form to effect such change in due course. Nevertheless, the Offeror has not determined the proposed new name for Dan Form.

The Offeror has no intention to terminate any employment of the employees of the Dan Form Group or to make significant changes to any employment (except for the proposed change of board composition of Dan Form as detailed in the section headed "Proposed change to the board composition of Dan Form" above) or to dispose of or re-allocate the Dan Form Group's assets which are not in the ordinary and usual course of business of the Dan Form Group.

Pursuant to the Sale and Purchase Agreement, in consideration of the Vendors agreeing to sell the Sale Shares to the Offeror, the Offeror undertakes to Mr. Dai for and on behalf of each of the existing employees of Dan Form to procure Dan Form to retain them for one year after Completion, unless a summary dismissal is justified under the Employment Ordinance, Chapter 57 of the laws of Hong Kong. In the event that Dan Form terminates the employment of existing employee of Dan Form other than due to a summary dismissal during this period, the Offeror shall pay the relevant existing employee of Dan Form a termination amount equal to the amount such employee would have earned had he been employed up to the date which is one year after Completion. On 29th September, 2016, the Offeror, the Company and the Vendors had entered into a side letter to delete such clause in entirety from the Sale and Purchase Agreement.

Maintaining the listing Status of Dan Form

The Offeror has no intention to privatise the Dan Form Group and intends to maintain the listing of the Dan Form Shares on the Stock Exchange. The Offeror and the new directors to be appointed to the Dan Form Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued shares of Dan Form will continue to be held by the public at all times. The Company will, if necessary, comply with Chapter 14 of the Listing Rules when the Company disposes of any interest in Dan Form to restore public float.

The Stock Exchange has indicated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to Dan Form, being 25% of the issued Dan Form Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the Dan Form Shares; or

LETTER FROM THE BOARD

- (ii) there are insufficient Dan Form Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealing in the Dan Form Shares.

As a result of the above, the Board is of the view that the terms of the Sale and Purchase Agreement and the Offer are on normal commercial terms, fair and reasonable, and the entering into of the Sale and Purchase Agreement and the Offer are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, THE OFFEROR AND THE VENDORS

(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 Group is principally engaged in the development of apartments, villas, office buildings and commercial properties, property investment and property management in the PRC.

(2) The Offeror

The Offeror was incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The principal business activity of the Offeror is investment holding.

(3) The Vendors

FIL is a company incorporated in the British Virgin Islands and a Dan Form Shareholder holding 424,666,969 Dan Form Shares, being approximately 34.18% of the entire issued shares of Dan Form prior to Completion. FIL is held by Fathom Limited and Value Plus Holdings Limited. Fathom Limited and Value Plus Holdings Limited are wholly-owned by DFIL respectively. The principal business activity of FIL is investment holding.

DFIL is a company incorporated in the British Virgin Islands and a Dan Form Shareholder holding 2,926,000 Dan Form Shares, being approximately 0.24% of the entire issued shares of Dan Form prior to Completion. Mr. Dai indirectly owns DFIL as to 95% through his 100% interests in Harlesden Limited. The remaining 5% of DFIL is owned by Mr. David Ho Yuk Wa. Mr. David Ho Yuk Wa is an independent third party to Dan Form and is not acting in concert with Mr. Dai. The principal business activity of DFIL is investment holding.

Mr. Dai is the chairman, chief executive and executive director of Dan Form and a Dan Form Shareholder directly holding 25,300,000 Dan Form Shares, being approximately 2.04% of the entire issued shares of Dan Form prior to Completion.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS OF THE ACQUISITION AND THE OFFER

The Offeror is a wholly-owned subsidiary of the Company. As one of the applicable Percentage Ratios of the Acquisition and the Offer together is more than 25% but less than 100%, the Acquisition and the Offer together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders and any of their respective close associates has any material interest in the Sale Shares and is required to abstain from voting in respect of the ordinary resolution to approve the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder.

As informed by APL, APL, being the owner of approximately 48.66% of the total issued shares of the Company, undertakes to the Vendors that it will vote all its Shares in favour of approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

A notice convening the EGM to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 16th November, 2016 at 10:00 a.m. is set out on pages 86 to 88 of this circular. An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve, *inter alia*, the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution will be put to vote by way of poll at the EGM. Any announcement on the result of the vote by poll will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the terms of the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Sale and Purchase Agreement, the Offer and the transactions contemplated thereunder at the EGM.

The Offer is a possibility only. Completion is conditional upon fulfillment and/or waiver (as the case may be) of the Conditions summarised in the section headed “Conditions Precedent” in this circular and the Offer will only be made if Completion takes place. Accordingly, Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company and if they are in any doubt about their position, they should consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial year ended 31st December, 2013, 2014 and 2015 and for the six months ended 30th June, 2016 were set out in the relevant annual reports and interim report of the Company posted on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.tiananchina.com/>). Please also see below quick links to the relevant annual reports and interim report:

- Interim report of the Company for the six months ended 30th June, 2016 published on 9th September, 2016 (pages 4 to 42):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0909/LTN20160909589.pdf>

- Annual report of the Company for the year ended 31st December, 2015 published on 15th April, 2016 (pages 76 to 223):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0415/LTN20160415468.pdf>

- Annual report of the Company for the year ended 31st December, 2014 published on 17th April, 2015 (pages 76 to 227):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0417/LTN20150417897.pdf>

- Annual report of the Company for the year ended 31st December, 2013 published on 15th April, 2014 (pages 75 to 219):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0415/LTN20140415791.pdf>

INDEBTEDNESS OF THE GROUP

As at the close of business on 31st August, 2016, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had total outstanding borrowings of approximately HK\$6,144 million comprising secured bank loans of approximately HK\$5,415 million, unsecured bank loans of approximately HK\$172 million, unsecured loan from joint ventures of approximately HK\$180 million and other unsecured loans of approximately HK\$377 million. The Group's banking facilities and other loans were secured by charges over its assets, including bank deposits, property, plant and equipment, properties for development, properties under development, inventories of completed properties and investment properties.

There were contingent liabilities arising from the property for development of a joint venture and subsidiaries. A portion of a property for development that is held by a 50%-owned joint venture of the Group with carrying value of approximately HK\$3 million is under idle land investigation by the local authority. This piece of land owned by the joint venture was held under several land use right certificates. The development of more than half of the piece of land was either completed or under development, except for a portion which is retained for the remaining development of the whole project. Another property for development held by a subsidiary of the Group with carrying value of approximately HK\$39 million is also under idle land investigation by the local authority. This piece of land owned by the subsidiary has been developed by several phases and more than half was completed, except the last portion which is under the planning approval by the local authority. Further, property for development that is held by another subsidiary of the Group with carrying value of approximately HK\$497 million had been identified as idle land by the local authority. The construction works for the first phase of development is in progress. The Group is currently working diligently to prevent the possible classification as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and considers that the idle land confiscation may not materialise.

In addition, the Group had contingent liabilities in the sum of approximately HK\$1,442 million in respect of guarantees for banking facilities granted to property purchasers and joint ventures. There was also a claim of approximately HK\$33 million arising from litigation with a joint venture partner. Further particulars of this litigation are set out in the section headed “Litigation” in Appendix V to this circular.

Save as aforesaid and apart from the intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31st August, 2016, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of its existing cash and bank balances, banking facilities and other internal resources available and based on the assumption that the Acquisition and the making of the Offer having been completed, the Enlarged Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of publication of the circular in the absence of unforeseen circumstance.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

After the downward adjustments of property prices in most cities in China from 2014, there were various measures by the mainland authorities to support the property market. These include successive reductions in bank interest and lowering of the reserve requirement ratio, as well as loosening or reversal of housing disincentives by the various levels of government. Market prices for residential properties have increased substantially in first-tier cities, while those in suburban areas and lower-tier cities have also improved. The implementation of a two-child policy this year will further induce a strong demand for upgraded housing. We are pleased with the improved sentiment and are confident of the longer term prospects of the property market in China.

The Group's business objectives are as follows:

1. To continue to adjust the quality of its landbank through acquisitions and disposals and sale of its end products to balance the demands of short term returns and long term capital appreciation.
2. To adjust its products and pricing as well as the speed of construction where necessary to assist the sale of our products in the current difficult environment.
3. To responsibly gear up our projects rather than overutilising equity in order to increase our return on equity.
4. To review our management and cost structure so as to improve efficiency and reduce expenses where possible.

Long term corporate strategies of the Group include:

1. Retaining certain development properties for investment where we believe these properties will provide increasing rental streams and corresponding increases in capital value.
2. Concentrating our effort on developing our cyberpark and urban renewal units where we believe our products are welcomed by the government and the local market.

CONSOLIDATED FINANCIAL INFORMATION OF THE DAN FORM GROUP FOR THE THREE YEARS ENDED 31ST DECEMBER 2015 AND THE SIX MONTHS ENDED 30TH JUNE 2016

The consolidated financial information, together with the accompanying notes to the financial statements, of the Dan Form Group for each of the three financial years ended 31st December, 2015 and the six months ended 30th June, 2016 is disclosed on pages 27 to 86 of the annual report of the Company for the year ended 31st December, 2013, pages 27 to 82 of the annual report of the Company for the year ended 31st December, 2014, pages 34 to 86 of the annual report of the Company for the year ended 31st December, 2015 and pages 3 to 29 of the interim report of the Company for the six months ended 30th June, 2016 respectively, all of which are published on both the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.danform.com.hk>).

MANAGEMENT DISCUSSION AND ANALYSIS ON THE DAN FORM GROUP

The following management discussion and analysis has been extracted from the annual reports of the Dan Form Group for each of the three financial years ended 31st December, 2015 and the interim report of the Dan Form Group for the six months ended 30th June, 2016. For the avoidance of doubt, all references to “the Company” and “the Group” in this Appendix II refer to “Dan Form” and the “Dan Form Group” respectively.

For the year ended 31st December, 2013***Hong Kong Business******Property***

The Group’s commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 98% and the properties rental income was satisfactory. The Group’s residential properties situated at Red Hill Peninsula held by an associate (33.33% owned) recorded an average occupancy level of approximately 30%. During the year, the Group’s net rental income at Red Hill Peninsula from the associate decreased because from May 2012, the Group and its associates stopped leasing the residential properties at Redhill Peninsula which were offered for sale instead. Because of the Government’s imposition of restrictions on buyers to purchase residential properties, one apartment was sold for the year ended 31 December 2013. As from April 2013 onwards, the Group and its associates started leasing the Redhill Peninsula properties again and the properties will also be offered for sale. It is expected that the average occupancy level of the properties at Red Hill Peninsula will be increased in the year 2014. The Group’s industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.3% owned) recorded an average occupancy level of approximately 87% with signs of improvement in leasing.

Beijing Business*The Wangfujing Project*

Dan Yao Building (85% owned)

The liquidator for Beijing Dan Yao Property Co., Ltd (“Dan Yao”) and the Real Estate Office of Beijing had signed a supplementary agreement in the first half year of 2013 and the liquidator for Dan Yao had paid a land grant fee of RMB21,700,000 (approximately HK\$27,468,000) to the Real Estate Office of Beijing according to the agreement. By 31 December 2013, the Real Estate Office of Beijing had issued the confirmation of receipt of land grant fee, and the liquidator for Dan Yao has submitted documents to apply for the remainder of the legal title and the land use rights of the property of Dan Yao Building, which will be transferred to the buyer after payment of the land grant fee. Completion of liquidation of Dan Yao will depend on the time to complete the above formalities.

The Xidan Project (29.4% owned)

In the year of 2013, according to the decision made to the Board of Directors of Beijing Jing Yuan Property Development Company, Limited (“Jing Yuan”), and based on the book value of available funds of Jing Yuan, Jing Yuan can use 50% of the available funds of RMB33,580,000 (approximately HK\$42,506,000) to repay part of the debts due to all creditors in proportion to total debts due to them. Accordingly, in May 2013 the Group’s wholly-owned subsidiary Keen Safe Investment Limited has received the repayment of RMB9,834,000 (approximately HK\$12,448,000).

For the year ended 31st December, 2014***Hong Kong Business****Property*

The Group’s commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 99% and the properties rental income was performed satisfactory. The Group’s residential properties situated at Redhill Peninsula held by an associate (33.33% owned) recorded an average occupancy level of approximately 30%. During the year, the Group’s net rental income at Redhill Peninsula from the associate remained the same as last year. As from 2015 onwards, the Group and its associate have started launching the sales of 117 apartments at the Redhill Peninsula again. As at the date of this report, 53 apartments and 75 car parking spaces were sold out at a consideration of approximately HK\$1,491,017,000, which approximately HK\$497,006,000 is attributable to the Group. If the sales of 53 apartments and 75 car parking spaces are completed, it is expected that the Group will entitle to receive net proceeds

of approximately HK\$352,874,000 after payments of profits tax and sales expenses. The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.3% owned) recorded an average occupancy level of approximately 90% and the properties have been improving in leasing out.

Beijing Business*The Wangfujing Project*

Dan Yao Building (85% owned)

Up to the end of the year 2014, by reasons of the changes in tax policies, and the history of the project, the liquidation matter has become complicated. Because of the change of persons in the Court to look after this liquidation case, leading to the settlement of the land appreciation tax for the liquidation has not yet been completed, the transfer of ownership of the Use of State-Owned Land of Dan Yao Building to the purchaser cannot be completed. After communicating with the concerned parties several times, the Court now fully understands Beijing Dan Yao Property Co., Ltd (“Dan Yao”) liquidation works, the current situations, and the difficulties and obstacles that Dan Yao is now facing. The liquidation administrators are now liaising with the relevant Government Departments to settle this matter. If the transfer of ownership of the Use of State-Owned Land to the purchaser is completed, the purchaser will pay the remaining balance.

The Xidan Project (29.4% owned)

During the year 2014, according to the board of directors' resolution to apply for the liquidation of Beijing Jing Yuan Property Development Co., Ltd (“Jing Yuan”) being carried out has not been approved by the relevant Government Departments. Jing Yuan has completed all the property development projects. Looking for the year 2015, management will try to liquidate the company as soon as possible.

For the year ended 31st December, 2015***Hong Kong Business****Property*

The Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 98% and the performance of these rental properties rental income was satisfactory.

During the year, the Group's net rental income at Redhill Peninsula from the associate (33.33% owned) decreased when compared with last year. As from 2015 onwards, the Group and its associate have started launching the sales of residential properties at the Redhill Peninsula. As at the date of this report, 89 apartments, 123 car parking spaces and 2 houses, were sold out at a consideration of approximately HK\$2,795,952,000, which approximately HK\$931,984,000 (before profits tax and expenses) is attributable to the Group. Up to the year ended 31 December, 2015, sales of 55 apartments and 80 car parking spaces were completed at a consideration of HK\$1,622,171,000, which approximately HK\$540,724,000 (before profits tax and expenses) was attributable to the Group. If the sales of the remaining 34 apartments, 43 car parking spaces and 2 houses are completed, it is expected that approximately HK\$382,733,000 (before profits tax and expenses) will be attributable to the Group, and the Group will be entitled to receive net proceeds of approximately HK\$271,741,000 after payments of profits tax and expenses.

The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.3% owned) recorded an average occupancy level of approximately 90% and the properties have been improving in leasing out.

Beijing Business

The Wangfujing Project

Dan Yao Building (85% owned)

On 28 December 2015, the seventh creditors' meeting of Dan Yao Building was held in the Second Intermediate People's Court in Beijing (the "Court"), the second cash distribution proposal in respect of the liquidation of Beijing Dan Yao Property Co., Ltd ("Dan Yao") submitted by the liquidator was approved by the Court on the same day and the Group is expected to receive approximately RMB13,563,000 (approximately HK\$16,146,000) as its share. The liquidation of Dan Yao would still take a long time to complete and the final realisation of the assets, and the time involved and the ultimate amount that would remain available to the creditors of Dan Yao (including the Group) remains uncertain.

The Xidan Project (29.4% owned)

In prior years, the shareholders and the board of the directors of Beijing Jing Yuan Property Development Company Limited ("Jian Yuan") agreed to commence the liquidation proceeding for Jian Yuan and submitted the application for the liquidation of Jian Yuan to the State-owned Assets Supervision and Administration Commission ("SASAC") in Xicheng District followed by the completion of the Xidan project. The liquidation proceeding for Jian Yuan can only commence upon receiving the SASAC's approval.

For the six months ended 30th June, 2016

Hong Kong Business

Property

For the six months ended 30 June 2016, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 99% and the performance of these rental properties rental income was satisfactory.

As from 2015 onwards, the Group and its associate have started launching the sales of residential properties at the Redhill Peninsula. As at the date of this report, excluding the completion of sales of 55 apartments and 80 car parking spaces for the year ended 31 December, 2015, 47 apartments, 58 car parking spaces and 2 houses, were sold out at a consideration of approximately HK\$1,530,335,000, which approximately HK\$510,112,000 (before profits tax and expenses) was attributable to the Group. During the six months period ended 30 June 2016, sales of 32 apartments and 41 car parking spaces were completed at a consideration of HK\$930,048,000, which approximately HK\$310,016,000 (before profits tax and expenses) was attributable to the Group. If the sales of the remaining 15 apartments, 17 car parking spaces and 2 houses are completed, it is expected that approximately HK\$200,096,000 (before profits tax and expenses) will be attributable to the Group, and the Group will be entitled to receive net proceeds of approximately HK\$142,068,000 after payments of profits tax and expenses.

The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.3% owned) recorded an average occupancy level of approximately 89% and the rental income was satisfactory.

Beijing Business

The Wangfujing Projects

Dan Yao Building (85% owned)

On 28 December, 2015, the second cash distribution proposal in respect of the liquidation of Beijing Dan Yao Property Co., Ltd ("Dan Yao") submitted by the liquidator was approved by the seventh creditor's meeting of Dan Yao Building. Based on the proposal, on 5 May, 2016, the Group received repayment of RMB13,563,000 (approximately HK\$16,146,000).

The liquidator of Dan Yao Building is negotiating with the Beijing Municipal Bureau of Land and Resources so as to settle the problem related to the right of use the land of the resettlement units.

The Xidan Project (29.4% owned)

During the first half of the year 2016, Beijing Jing Yuan Property Development Co., Ltd (“Jing Yuan”) submitted the application for the liquidation of Jing Yuan to the State-owned Assets Supervision and Administration Commission in Xicheng District, Beijing in accordance with the opinions of three shareholders and the Board. As at the date of this report, there is still no concrete progress being made, but we will continue to proceed. In the second half of the year 2016, Jing Yuan would strive to get approval from the State-owned Assets Supervision and Administration Commission in Xicheng District, Beijing for the liquidation of Jing Yuan as soon as possible.

SUPPLEMENTAL INFORMATION ON THE MANAGEMENT DISCUSSION AND ANALYSIS OF THE DAN FORM GROUP

Extract from the annual report of Dan Form Group for the financial year ended 31st December, 2007

In relation to the liquidation of Dan Yao Property Co., Ltd (previously a member of the Dan Form Group), the following paragraph were extracted from notes 30(b) to the consolidated cash flow statement in the annual report of Dan Form Group for the financial year ended 31st December, 2007 for Shareholders’ information. For the avoidance of doubt, all references to “the Company” and “the Group” in the following paragraph refer to “Dan Form” and the “Dan Form Group” respectively.

“In February 2003, a purchaser of the properties developed by Beijing Dan Yao Property Company, Limited (“Dan Yao”), a 85% subsidiary of the Group, lodged claims against Dan Yao for the refund of purchase consideration and penalties for reasons, among others, that Dan Yao was not able to obtain the property title certificate within the time stated in the relevant sale and purchase agreement. The first court judgement ruled in favour of the purchaser and as a result, the Group has made a full provision (note 28) for the claims while Dan Yao appealed against this ruling. In order to enable the interest of all creditors of Dan Yao, including the Group, be dealt with fairly and properly, the Second Intermediate People’s Court of Beijing Municipality (the “Court”) accepted for consideration of the application of the Company to liquidate Dan Yao, which was then operating under the supervision of the Court while the Group maintained control of its day to day operations. On 14 June 2007, the Court granted an order for the liquidation of Dan Yao and the Group therefore is no longer able to exercise control on Dan Yao. Accordingly, the Group ceased to consolidate the financial statements of Dan Yao.”

The Board’s assessment on the potential impact of the liquidation of Dan Yao

As Dan Yao had been deconsolidated from the financial statements of the Dan Form Group, the Board is of the view that the liquidation of Dan Yao would not cause material adverse impact towards the Acquisition and the Offer.

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP
AFTER THE COMPLETION OF ACQUISITION AND THE OFFER****A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP IN
CONNECTION WITH ACQUISITION OF ORDINARY SHARES IN DAN FORM**

The following is an illustrative and unaudited pro forma consolidated statement of assets and liabilities as at 30th June, 2016 of Tian An China Investments Company Limited (the “Company”) and its subsidiaries (together referred to as the “Group”), which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the proposed acquisition of ordinary shares in Dan Form Holdings Company Limited (“Dan Form”) by the Group, as if it had taken place on 30th June, 2016 (the “Unaudited Pro Forma Financial Information of the Enlarged Group”). Upon completion of the acquisition of 452,892,969 ordinary shares in Dan Form (the “Acquisition”), the Group will be required to make a conditional mandatory cash offer for all the issued ordinary shares in Dan Form (other than those already owned or agreed to be acquired by the Group and parties acting in concert with it (the “Dan Form Independent Shareholders”)) pursuant to rule 26.1 of the Takeovers Code (the “Offer”). The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, on the basis which is consistent with the accounting policies and presentation format of the Group.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30th June, 2016 as set out in the Group’s interim report published on 9th September, 2016, the unaudited condensed consolidated statement of financial position of Dan Form and its subsidiaries (the “Dan Form Group”) as at 30th June, 2016 as set out in the Dan Form Group’s interim report published on 13th September, 2016 after giving effect to the unaudited pro forma adjustments as described in the accompanying notes which are (i) directly attributable to the transaction; and (ii) factually supportable.

The extent of acceptance of the Offer is uncertain and there may be uncountable outcome. For simplicity purpose, the Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared to cover the following two extreme scenarios for two possible accounting treatments:

- (1) the first scenario (Scenario 1) assumes that the Acquisition is completed and the Offer is not accepted by any of the Dan Form Independent Shareholders. Therefore, Dan Form will be accounted for as an associate by the Enlarged Group using Hong Kong Accounting Standard 28 “Investments in Associates and Joint Ventures” (“HKAS 28”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”); and

- (2) the second scenario (Scenario 2) assumes that the Acquisition is completed and the Offer is accepted in full by all the Dan Form Independent Shareholders. Therefore, the Dan Form Group will be consolidated by the Enlarged Group using Hong Kong Financial Reporting Standard 10 “Consolidated Financial Statements” (“HKFRS 10”) and applying Hong Kong Financial Reporting Standard 3 “Business Combination” (“HKFRS 3”) issued by the HKICPA.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information of the Enlarged Group may not give a true picture of the financial position of the Group that would have been attained had the Acquisition or have the Acquisition and the Offer been completed on 30th June, 2016, nor purport to predict the Group’s future financial position of operations.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Group for the six months ended 30th June, 2016, the published interim report of the Dan Form Group for the six months ended 30th June, 2016, and other financial information included elsewhere in this circular.

SCENARIO 1

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP AFTER COMPLETION OF THE
ACQUISITION

	As at 30th June, 2016			The Enlarged Group HK\$'000
	The Group HK\$'000 (Note 1) (unaudited)	Pro Forma adjustments HK\$'000 (Note 2) (Note 3)		
NON-CURRENT ASSETS				
Property, plant and equipment	254,114	-	-	254,114
Deposits for acquisition of property, plant and equipment	22	-	-	22
Investment properties	9,983,300	-	-	9,983,300
Properties for development	3,012,740	-	-	3,012,740
Deposits for acquisition of properties for development	171,116	-	-	171,116
Prepaid lease payments on land use rights	41,504	-	-	41,504
Other assets – properties interests	18,909	-	-	18,909
Interests in associates	429,213	1,851,844	-	2,281,057
Interests in joint ventures	1,935,755	-	-	1,935,755
Loans receivable	523,128	-	-	523,128
Available-for-sale investments	394,408	-	-	394,408
Deferred tax assets	78,388	-	-	78,388
	16,842,597	1,851,844	-	18,694,441
CURRENT ASSETS				
Inventories of properties				
– under development	4,758,983	-	-	4,758,983
– completed	3,247,695	-	-	3,247,695
Other inventories	337	-	-	337
Amounts due from associates	2,563	-	-	2,563
Amounts due from joint ventures	961,281	-	-	961,281
Amounts due from non-controlling shareholders	18,824	-	-	18,824
Loans receivable	626,293	-	-	626,293
Trade and other receivables, deposits and prepayments	335,001	-	-	335,001
Prepaid lease payments on land use rights	897	-	-	897
Held-for-trading Investments	86,829	-	-	86,829
Prepaid tax	42,966	-	-	42,966
Pledged bank deposits	300,129	-	-	300,129
Bank balances and cash	3,309,882	(1,245,456)	-	2,064,426
	13,691,680	(1,245,456)	-	12,446,224
Assets classified as held for sale	888,079	-	-	888,079
	14,579,759	(1,245,456)	-	13,334,303

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	As at 30th June, 2016			The Enlarged Group HK\$'000
	The Group HK\$'000 (Note 1) (unaudited)	Pro Forma adjustments HK\$'000 (Note 2) HK\$'000 (Note 3)		
CURRENT LIABILITIES				
Trade and other payables	3,499,229	–	5,500	3,504,729
Pre-sale deposits	1,558,906	–	–	1,558,906
Tax liabilities	788,334	–	–	788,334
Interest-bearing borrowings	2,321,005	–	–	2,321,005
Interest-free borrowings	180,074	–	–	180,074
	<u>8,347,548</u>	<u>–</u>	<u>5,500</u>	<u>8,353,048</u>
Liabilities associated with assets classified as held for sale	810,119	–	–	810,119
	<u>9,157,667</u>	<u>–</u>	<u>5,500</u>	<u>9,163,167</u>
NON-CURRENT LIABILITIES				
Interest-bearing borrowings	3,024,315	–	–	3,024,315
Deferred rental income from a tenant	46,537	–	–	46,537
Rental deposits from tenants	31,277	–	–	31,277
Deferred tax liabilities	2,114,417	–	–	2,114,417
	<u>5,216,546</u>	<u>–</u>	<u>–</u>	<u>5,216,546</u>
NET ASSETS (LIABILITIES)	<u>17,048,143</u>	<u>606,388</u>	<u>(5,500)</u>	<u>17,649,031</u>

Note:

- (1) The amounts are extracted from the latest published condensed consolidated financial statements of the Group for the period ended 30th June, 2016.
- (2) Upon completion of the Acquisition, the Group will have approximately 36.45% interest in the Dan Form Group in which the Group will have significant influence. Dan Form will be accounted for as an associate of the Enlarged Group by using the equity method of accounting in accordance with HKAS 28.

For the purpose of preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, it is assumed that the Acquisition is completed and the Offer is not accepted by any of the Dan Form Independent Shareholders.

The adjustment represents consideration paid for the Acquisition and recognition of approximately 36.45% equity interest in Dan Form as an associate with its identifiable net assets and liabilities remeasured at fair value as at 30th June, 2016.

The identifiable assets and liabilities of the Dan Form Group are measured at their fair values based on the valuations estimated by the management of the Company. The calculation of the identifiable net assets of Dan Form Group are as followings:

	<i>HK\$'000</i>
Net assets of Dan Form Group as at 30th June, 2016	5,015,113
Fair value adjustments on:	
– properties, plant and equipment	13,173
– prepaid lease payments on land use right	64,211
Deferred tax impact on fair value remeasurement (<i>Note 1</i>)	<u>(12,320)</u>
Fair value of identifiable net assets	5,080,177
Equity interest of Dan Form shared by the Group (<i>Note 2</i>)	36.45%
Fair value of identifiable net assets shared by the Group	<u><u>1,851,844</u></u>

Notes:

- For the purpose of preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the management of the Company is of the view that investment properties located in Hong Kong will be recovered through use.
- Equity interest of Dan Form shared by the Group represents 452,892,969 shares out of 1,242,424,945 total issued shares in Dan Form as at 30th June, 2016.

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

Pursuant to the sale and purchase agreement, the cash consideration for acquisition of approximately 36.45% equity interest in Dan Form is HK\$1,245,456,000, which is calculated based on 452,892,969 issued shares in Dan Form at a price of HK\$2.75 per share.

	<i>HK\$'000</i>
Consideration of the Acquisition	1,245,456
Less: Fair value of identifiable net assets acquired of the Dan Form Group	<u>(1,851,844)</u>
Excess of fair value of identifiable net assets acquired over consideration, representing pro forma gain to be recognised in profit or loss attributable to the shareholders of the Company upon completion of the Acquisition	<u><u>(606,388)</u></u>

The excess of fair value of identifiable net assets acquired of the Dan Form Group over the consideration, amounting to HK\$606,388,000 will be recognised in profit or loss as pro forma gain on bargain purchase on a provisional basis after re-assessment as required in HKFRS 3.

Since the fair values of the identifiable assets and liabilities of the Dan Form Group at the actual date of completion of the Acquisition may be substantially different from the fair values used in the preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the actual amounts of the identifiable assets and liabilities of the Dan Form Group as well as the actual gain on bargain purchase on acquisition of 36.45% equity interest in Dan Form to be recognised in connection with the Acquisition could be materially different from the amounts presented above. At the actual date of completion of the Acquisition, the Group will reassess whether the Group has correctly identified all of the Dan Form Group's assets acquired and all of Dan Form Group's liabilities assumed and will recognise any additional assets and liabilities that are identified in that review as well as measure the identified assets and liabilities at their fair values.

- (3) The adjustment represents the recognition of the estimated expenditures in related to the Acquisition. The estimated expenditure of approximately HK\$5,500,000 to be borne by the Group including agency fee, legal fees, printing costs, accountants' fees, and other related expenses.
- (4) A formal valuation of the identifiable assets, liabilities and contingent liabilities of the Dan Form Group will be performed as at the date of completion of the Acquisition and their fair values may be different with those used in preparing this unaudited pro forma consolidated statement of assets and liabilities.

SCENARIO 2

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP AFTER COMPLETION OF THE
ACQUISITION AND THE OFFER

	As at 30th June, 2016				The Enlarged Group HK\$'000
	The Group HK\$'000 (Note 1) (unaudited)	The Dan Form Group HK\$'000 (Note 2) (unaudited)	Pro Forma adjustments		
			HK\$'000 (Note 3)	HK\$'000 (Note 4)	
NON-CURRENT ASSETS					
Property, plant and equipment	254,114	85,240	13,173	-	352,527
Deposits for acquisition of property, plant and equipment	22	-	-	-	22
Investment properties	9,983,300	1,038,750	-	-	11,022,050
Properties for development	3,012,740	-	-	-	3,012,740
Deposits for acquisition of properties for development	171,116	-	-	-	171,116
Prepaid lease payments on land use rights	41,504	24,267	64,211	-	129,982
Other assets – properties interests	18,909	-	-	-	18,909
Interests in associates	429,213	3,158,109	-	-	3,587,322
Interests in joint ventures	1,935,755	-	-	-	1,935,755
Loans receivable	523,128	-	-	-	523,128
Available-for-sale investments	394,408	45,526	-	-	439,934
Deferred tax assets	78,388	-	-	-	78,388
	16,842,597	4,351,892	77,384	-	21,271,873
CURRENT ASSETS					
Inventories of properties					
– under development	4,758,983	-	-	-	4,758,983
– completed	3,247,695	-	-	-	3,247,695
Other inventories	337	-	-	-	337
Amounts due from associates	2,563	-	-	-	2,563
Amounts due from joint ventures	961,281	-	-	-	961,281
Amounts due from non-controlling shareholders	18,824	-	-	-	18,824
Loans receivable	626,293	-	-	-	626,293
Trade and other receivables, deposits and prepayments	335,001	8,818	-	-	343,819
Prepaid lease payments on land use rights	897	-	-	-	897
Held-for-trading Investments	86,829	-	-	-	86,829
Prepaid tax	42,966	-	-	-	42,966
Pledged bank deposits	300,129	-	-	-	300,129
Bank balances and cash	3,309,882	1,104,071	(3,309,882)	-	1,104,071
	13,691,680	1,112,889	(3,309,882)	-	11,494,687
Assets classified as held for sale	888,079	-	-	-	888,079
	14,579,759	1,112,889	(3,309,882)	-	12,382,766

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	As at 30th June, 2016				The Enlarged Group HK\$'000
	The Group HK\$'000 (Note 1) (unaudited)	The Dan Form Group HK\$'000 (Note 2) (unaudited)	Pro Forma adjustments		
			HK\$'000 (Note 3)	HK\$'000 (Note 4)	
CURRENT LIABILITIES					
Trade and other payables	3,499,229	214,706	-	5,500	3,719,435
Pre-sale deposits	1,558,906	-	-	-	1,558,906
Tax liabilities	788,334	772	-	-	789,106
Interest-bearing borrowings	2,321,005	-	106,787	-	2,427,792
Interest-free borrowings	180,074	98,655	-	-	278,729
	<u>8,347,548</u>	<u>314,133</u>	<u>106,787</u>	<u>5,500</u>	<u>8,773,968</u>
Liabilities associated with assets classified as held for sale	810,119	-	-	-	810,119
	<u>9,157,667</u>	<u>314,133</u>	<u>106,787</u>	<u>5,500</u>	<u>9,584,087</u>
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	3,024,315	-	-	-	3,024,315
Deferred rental income from a tenant	46,537	-	-	-	46,537
Rental deposits from tenants	31,277	-	-	-	31,277
Deferred tax liabilities	2,114,417	135,535	12,320	-	2,262,272
	<u>5,216,546</u>	<u>135,535</u>	<u>12,320</u>	<u>-</u>	<u>5,364,401</u>
NET ASSETS (LIABILITIES)	<u>17,048,143</u>	<u>5,015,113</u>	<u>(3,351,604)</u>	<u>(5,500)</u>	<u>18,706,151</u>

Note:

- (1) The amounts are extracted from the latest published condensed consolidated financial statements of the Group for the period ended 30th June, 2016.
- (2) The amounts are extracted from the latest published condensed consolidated financial statements of the Dan Form Group for the period ended 30th June, 2016 as set out in Appendix II to this Circular.
- (3) The adjustment represents consideration paid for the Acquisition and the Offer, fair value remeasurement on identifiable assets and liabilities of the Dan Form Group as at 30th June, 2016 and recognition of the gain on bargain purchase on acquisition of 100% equity interest in Dan Form.

Upon acceptance of the Offer, Dan Form will become a wholly-owned subsidiary of the Company. For the purpose of this Unaudited Pro Forma Financial Information of the Enlarged Group and in accordance with HKFRS 3, the acquisition of Dan Form is accounted for as a business combination which requires the Dan Form Group's assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. The identifiable assets and liabilities of the Dan Form Group are accounted for under acquisition accounting at their fair values as at 30th June, 2016 which are based on the valuations estimated by the management of the Company. The calculation of the identifiable net assets of Dan Form Group are as followings:

	<i>HK\$'000</i>
Net assets of Dan Form Group as at 30th June, 2016	5,015,113
Fair value adjustments on:	
– properties, plant and equipment	13,173
– prepaid lease payments on land use right	64,211
Deferred tax impact on fair value remeasurement (<i>Note</i>)	<u>(12,320)</u>
Fair value of identifiable net assets	<u><u>5,080,177</u></u>

Note: For the purpose of preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the management of the Company is of the view that investment properties located in Hong Kong will be recovered through use.

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

The consideration for acquisition of the entire equity interest in Dan Form is HK\$3,416,669,000 which is calculated based on 1,242,424,945 total issued shares in Dan Form as at 30th June, 2016 at a price of HK\$2.75 per share, of which HK\$3,309,882,000 (being maximum bank balances and cash of the Group as at 30th June, 2016) will be settled by cash and the balance of HK\$106,787,000 will be financed by a new borrowing available to the Group as set out in subsection headed "Confirmation of Financial Resources".

	<i>HK\$'000</i>
Consideration of the Acquisition and the Offer	3,416,669
Less: Fair value of identifiable net assets acquired of the Dan Form Group	<u>(5,080,177)</u>
Excess of fair value of net assets acquired over consideration, representing pro forma gain to be recognised in the profit or loss attributable to the shareholders of the Company upon completion of the Acquisition and the Offer	<u><u>(1,663,508)</u></u>

The excess of fair value of identifiable net assets acquired of the Dan Form Group over the consideration, amounting to HK\$1,663,508,000 will be recognised in profit or loss as pro forma gain on bargain purchase on a provisional basis after re-assessment as required in HKFRS 3.

Since the fair values of the identifiable assets and liabilities of the Dan Form Group at the actual date of completion of the Acquisition and the Offer may be substantially different from the fair values used in the preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the actual amounts of the identifiable assets and liabilities of the Dan Form Group as well as the actual gain on bargain purchase on acquisition of 100% equity interest in Dan Form to be recognised in connection with the Acquisition and the Offer could be materially different from the amounts presented above. At the actual date of completion of the Acquisition and the Offer, the Group will reassess whether the Group has correctly identified all of Dan Form Group's assets acquired and all of Dan Form Group's liabilities assumed and will recognise any additional assets and liabilities that are identified in that review as well as measure the identified assets and liabilities at their fair values.

Should the Group maintain the listing of the shares of Dan Form, not less than 25% of the issued shares of Dan Form would be held by the public and non-controlling interests of HK\$1,253,778,000, that is 25% of fair value of identifiable net assets of the Dan Form Group.

- (4) The adjustment represents the recognition of the estimated expenditures in related to the Acquisition. The estimated expenditure of approximately HK\$5,500,000 to be borne by the Group including agency fee, legal fees, printing costs, accountants' fees, and other related expenses.
- (5) A formal valuation of the identifiable assets, liabilities and contingent liabilities of the Dan Form Group will be performed as at the date of completion of the Acquisition and their fair values may be different with those used in preparing this unaudited pro forma consolidated statement of assets and liabilities.

**B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
GROUP AND THE ENLARGED GROUP**

The following is the text of a report received from the Company's reporting accountant, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Tian An China Investments Company Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tian An China Investments Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30th June, 2016 and related notes as set out on pages 30 to 39 to the circular issued by the Company dated 28th October, 2016 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page 30 and 31 to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of issued shares of Dan Form Holdings Company Limited (the "Proposed Transaction") on the Group's financial position as at 30th June, 2016 as if the Proposed Transaction had taken place at 30th June, 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30th June, 2016, on which a review conclusion has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30th June, 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28th October, 2016



Unit 2401-02, 24/F, Jubilee Centre
46 Gloucester Road
Wan Chai Hong Kong
Tel: (852) 2810 7337 Fax: (852) 2810 6337

28th October, 2016

The Directors
Tian An China Investments Company Limited
22nd Floor, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Our Ref: NAL/PW/OP/R16218

Dear Sirs,

In accordance with the instructions from Tian An China Investments Company Limited (hereinafter referred to as the “Company”) and its subsidiaries (hereinafter together referred to as “Tian An Group”) for us to value the properties held by Dan Form Holdings Company Limited and its subsidiaries (hereinafter together referred to as “Dan Form Group”) located in the Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”) and in the People’s Republic of China (hereinafter referred to as the “PRC”) (as more particularly described in the attached summary of values) (hereinafter referred to as the “Properties”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of values of the Properties as at 30th September, 2016 (hereinafter referred to as the “Date of Valuation”) for public documentation purpose.

Our valuations are our opinion of values of the Properties on the basis of “Market Value” which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the Properties, we have assumed that the owner has valid and enforceable title to the Properties which are freely transferable, and has free and uninterrupted right to use the same, for the whole of the land use terms granted subject to payment of annual land use fees and all requisite premium payable have been fully paid.

Our valuations have been made on the assumption that the owner sells the Properties on the open market without the benefit of a deferred terms contract, leaseback, management agreement or any similar arrangement which could serve to affect the value of the Properties.

In the course of our valuations, we have relied on the advice given by Tian An Group and its legal adviser on PRC laws, 北京盈科(上海)律師事務所 (Beijing Yingke Law Firm, Shanghai Office) (the “PRC Legal Adviser”) for the titles to each of the Properties in the PRC.

In valuing the property interests in Group I and III which are held for investment in Hong Kong and the PRC, we have adopted the Investment Approach by taking into account the current passing rents and the reversionary income potential of the tenancies or, wherever appropriate, the Direct Comparison Approach by making reference to comparable sale evidence as available in the relevant markets.

In valuing the property interests under Group II and IV which are held for owner-occupied in Hong Kong and the PRC, we have adopted the Direct Comparison Approach by making reference to comparable transactions as available in the relevant markets.

We have inspected the exterior and, where possible, the interior of the properties in the PRC by our senior valuation manager Mr. Oliver Pan who possesses a master degree in investment from University of Reading on 28th September, 2016 and properties in Hong Kong by Mr. Paul Wong who is the person in charge of this valuation on 6th October, 2016. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the Properties are free from rot, infestation or other defects.

We have not carried out site measurements to verify the correctness of the site and floor areas in respect of the Properties but have assumed that the areas shown on the documents and official site plans handed to use are correct. All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by Tian An Group and therefore only approximations.

We have relied to a considerable extent on the information provided by Tian An Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, completion dates of buildings, particulars of occupancy, tenancy summaries, site and floor areas and all other relevant matter in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by Tian An Group. We were also advised by Tian An Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In our valuations, we have complied with all the requirements set out in The Codes on Takeovers and Mergers and Share Repurchases issued by The Securities and Futures Commission and the Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all sums stated in our valuations are in Hong Kong dollars. The exchange rate adopted in our valuations are approximately HK\$1 = RMB0.86 which was approximately the prevailing exchange rate as at the Date of Valuation.

Our summary of values and the valuation certificates are enclosed herewith.

Yours faithfully,
For and on behalf of
Norton Appraisals Limited
Paul M. K. Wong
MHKIS, RPS (G.P.)
Director

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 25 years' experience in valuation of properties in Hong Kong and in the PRC.

SUMMARY OF VALUES

Property	Market value in existing state as at 30th September, 2016 (HK\$)	Interest attributable to Dan Form Group	Market value in existing state attributable to Dan Form Group as at 30th September, 2016 (HK\$)	
Group I – Property interests held for investment in Hong Kong				
1	House Nos. 1 and 69, Palm Drive, The Redhill Peninsula – Site D (Phase 1), No. 18 Pak Pat Shan Road, Hong Kong	157,400,000	$\frac{1}{3}$ share	52,466,667
2	House Nos. 60, 62, 68, 70, 76, 78, 97, 99, 105, 107, 113, 115, 121 and 123, Palm Drive and House Nos. 108, 110 and 134, Cedar Drive, The Redhill Peninsula – Site C (Phase 2), No. 18 Pak Pat Shan Road, Hong Kong	1,435,000,000	$\frac{1}{3}$ share	478,333,333
3	House Nos. 129, 131, 137, 139, 145, 147 and 153, Palm Drive and House Nos. 63, 65, 71, 73, 79, 81, 87, 89, 95, 97, 101, 140, 142, 148, 150, 158, 164, 166, 172, 174 and 178, Cedar Drive, The Redhill Peninsula – Site B (Phase 3), No. 18 Pak Pat Shan Road, Hong Kong	2,528,000,000	$\frac{1}{3}$ share	842,666,667
4	Various residential units of Towers 1, 3, 6, 7, 10 and car parking spaces, The Redhill Peninsula – Phase 4, No. 18 Pak Pat Shan Road, Hong Kong	814,000,000	$\frac{1}{3}$ share	271,333,333
5	Basement; Units A, B, C, D and F on Ground Floor; 1st Floor; Units C and D on 2nd Floor; Units A, B and C on 3rd Floor; Units B and C on 5th Floor; Units A, B and C on 7th – 8th Floor; Units A and C on 9th Floor; Unit C on 10th Floor; Units A, B and C on 11th Floor; Unit A on 16th Floor; Units A and B on 19th Floor; and Units A and B on 21st Floor, Queen’s Centre, 58-64 Queen’s Road East, Hong Kong	369,000,000	50%	184,500,000
6	Units A, B and Storeroom on Lower Ground Floor; Units C1, C2, C3 and D on Ground Floor; Units A1, A3, A4, A5, A6, B, C, D1, D2, D3 and E on Upper Ground Floor; Flat Roof on 2nd Floor; Roof Top; and 11 Car Parking Spaces on Lower Ground Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong	1,205,000,000	5%	60,250,000

Property	Market value in existing state as at 30th September, 2016 (HK\$)	Interest attributable to Dan Form Group	Market value in existing state attributable to Dan Form Group as at 30th September, 2016 (HK\$)
7 Various industrial units and car parking spaces of Harbour Industrial Centre, No. 10 Lee Hing Street and Oceanic Industrial Centre, No. 2 Lee Lok Street, Hong Kong	5,123,000,000	¹ / ₃ share	1,707,666,667
8 Flat F on 5th Floor of Tower 22 (Mei Wah Court), South Horizons, No. 22 South Horizon Drive, Hong Kong	10,190,000	100%	10,190,000
9 Entire Basement (Shop Nos. 1 to 65 and Coffee Shop), the whole of Lower Ground Floor, Shop Nos. 1-5, 10-49, 50-57, 59-66 on Ground Floor, Shop Nos. 1B, 2-7, 10-22, 24, 25, 29-44, 48 and 56 on 1st Floor, the whole of 2nd Floor and 3rd Floor, 4th (Garage) Floor together with the Entrance and Car Lift Shaft (including Car Lift therein) leading from Ground Floor to the Garage and 2 Car Parking Spaces on Ground Floor and Reserved Areas (including Roof and External Wall), Harbour Crystal Centre, No. 100 Granville Road, Kowloon	Portion A 1,180,000,000	80%	Portion A 944,000,000
	Portion B 208,500,000	40%	Portion B 83,400,000
	Portion C 30,900,000	100%	Portion C 30,900,000
10 The whole of the Lower Ground; Units A and B on Ground Floor; Units D and E on 1st Floor; Units A, B and G on 3rd Floor; Unit E & Flat Roof E and Unit G on 4th Floor, Units B, C, E, G and P on 5th Floor, Units C, F and G on 6th Floor, Units A, C, D, G and H on 8th Floor and Roofs; Lorry Car Parking Space Nos. L14 and L15 on Lower Ground Floor; Private Car Parking Space Nos. P4 and P5, Lorry Car Parking Space Nos. L2, L3, L7, L12, L13 and Container Car Parking Space No. C15 on 1st Floor, Wah Shun Industrial Building, No. 4 Cho Yuen Street, Kowloon	359,000,000	50%	179,500,000
11 Units D and E on 33rd Floor of Tower A, Billion Centre, No. 1 Wang Kwong Road, Kowloon	57,000,000	100%	57,000,000
12 Flat B on 21st Floor and Car Parking Space No. C56 on 3rd Floor, Forfar, No. 2 Forfar Road, Kowloon	35,800,000	100%	35,800,000
13 Car Parking Spaces Nos. 95 and 97 on Level 2, Waldorf Garden, No. 1 Tuen Lee Street, Tuen Mun, New Territories	1,500,000	50%	750,000
Total of Group I:	13,514,290,000		4,938,756,667

Property	Market value in existing state as at 30th September, 2016 (HK\$)	Interest attributable to Dan Form Group	Market value in existing state attributable to Dan Form Group as at 30th September, 2016 (HK\$)	
Group II – Property interests held for owner-occupied in Hong Kong				
14	Workshop No. 13 on 9th Floor, Harbour Industrial Centre, No. 10 Lee Hing Street, Hong Kong	4,950,000	100%	4,950,000
15	Flat C on 45th Floor (including Flat Roof(s)) of Tower 1 and Car Parking Spaces Nos. R151 and R152, The Wings, No. 9 Tong Yin Street, Tsueng Kwan O, New Territories	44,800,000	100%	44,800,000
16	Units A, B and C on 33rd Floor of Tower A and Car Parking Spaces Nos. P24 and P57 on 2nd Floor, Billion Centre, No. 1 Wang Kwong Road, Kowloon	91,000,000	100%	91,000,000
	Total of Group II:	140,750,000		140,750,000
Group III – Property interest held for investment in the PRC				
17	Unit B712 on 7th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	3,730,000	100%	3,730,000
	Total of Group III:	3,730,000		3,730,000
Group IV- Property interests held for owner-occupied in the PRC				
18	Units 1802 and 1809 on 15th Floor, Tower A, Yintai Center, No. 4 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC	22,000,000	100%	22,000,000
19	Unit B902 on 9th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	No Commercial Value	100%	No Commercial Value
20	Unit A505 on 5th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	9,500,000	100%	9,500,000
21	Unit B102, Block 1, Juning Villa(1), Xili Golf Course, Nanshan District, Shenzhen, the PRC	16,230,000	100%	16,230,000
	Total of Group IV:	47,730,000		47,730,000
	Grand Total:	13,706,500,000		5,130,966,667

VALUATION CERTIFICATE

Group I – Property interests held for investment in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
1	House Nos. 1 and 69, Palm Drive, The Redhill Peninsula – Site D (Phase 1), No. 18 Pak Pat Shan Road, Hong Kong	The property comprises 2 semi-detached houses of Phase 1 of a large-scale residential development named The Redhill Peninsula completed in 1990.	157,400,000
	120/9,100th shares of and in Section A of Rural Building Lot No. 1050	The property is currently vacant.	(¹ / ₃ share attributable interest to Dan Form Group: 52,466,667)
		The total area of the property is approximately 11,001 sq.ft. (1,022.01 sq.m.). The breakdown of area is as follows:	
		Gross Floor Area (sq.ft.)	
	House Area	5,859	
	Garden	1,493	
	Flat Roof	1,617	
	Carport/Entrance	<u>2,032</u>	
		<u><u>11,001</u></u>	
		The Lot is held under Conditions of Sale No. 11461 for a term of 75 years commencing on 2nd January, 1981 renewable for a further term of 75 years.	
		The Government rent payable for the Lot is HK\$1,000 per annum.	

Note:

The registered owner of the property is Zeta Estates Limited, an associate company of Dan Form Group, via Memorial No. 05080401760011 dated 16th July, 2005.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
2	House Nos. 60, 62, 68, 70, 76, 78, 97, 99, 105, 107, 113, 115, 121 and 123, Palm Drive and House Nos. 108, 110 and 134, Cedar Drive, The Redhill Peninsula – Site C (Phase 2), No. 18 Pak Pat Shan Road, Hong Kong	House No. 110 of Cedar Drive is subject to a tenancy for a term of 2 years from 8th December, 2015 to 7th December, 2017 at a monthly rent of HK\$133,000.	1,435,000,000
	The property comprises 17 semi-detached houses of Phase 2 of a large-scale residential development named The Redhill Peninsula completed in 1991.	The remaining 16 houses are currently vacant.	(¹ / ₃ share attributable interest to Dan Form Group: 478,333,333)
	The total area of the property is approximately 95,818 sq.ft. (8,901.72 sq.m.). The breakdown of area is as follows:		
		Gross Floor Area (sq.ft.)	
	1,020/2,620th shares of and in The Remaining Portion of Section B of Rural Building Lot No. 1050	House Area Garden Flat Roof Carport/Entrance	53,133 25,251 8,146 9,288
		<u>95,818</u>	

The Lot is held under Conditions of Sale No. 11461 for a term of 75 years commencing on 2nd January, 1981 renewable for a further term of 75 years.

The Government rent payable for the Lot is HK\$1,000 per annum.

Note:

The registered owner of the property is Zeta Estates Limited, an associate company of Dan Form Group, via Memorial No. UB5157011 dated 31st December, 1991.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
4 Various residential units of Towers 1, 3, 6, 7, 10 and car parking spaces, The Redhill Peninsula – Phase 4, No. 18 Pak Pat Shan Road, Hong Kong 411/5,000th shares of and in The Remaining Portion of Rural Building Lot No. 1050	<p>The property comprises 27 residential units and 143 car parking spaces of Phase 4 of a large-scale residential development named The Redhill Peninsula completed in 1992.</p> <p>The total saleable area of the residential units is approximately 31,514 sq.ft. (2,927.72 sq.m.).</p> <p>The Lot is held under Conditions of Sale No. 11461 for a term of 75 years commencing on 2nd January, 1981 renewable for a further term of 75 years.</p> <p>The Government rent payable for the Lot is HK\$1,000 per annum.</p>	<p>Except for a car parking space which is subject to a tenancy for a term of 2 years expiring in November, 2016 at a monthly rent of HK\$2,000, the property is currently vacant.</p>	<p>814,000,000</p> <p>(¹/₃ share attributable interest to Dan Form Group: 271,333,333)</p>

Notes:

- i) The property comprises Flat A on 1st and 6th Floors, Flat B on 16th Floor of Tower 1, Flat A on 4th, 7th and 14th to 16th Floors, Flat B on 4th, 7th to 9th and 15th Floors of Tower 3, Flat A on 4th to 7th and 10th Floors, Flat B on 5th, 7th and 9th Floors of Tower 6, Flat A on 6th, 8th and 10th Floors of Tower 7, Flat A on 4th to 5th Floors, Flat B on 3rd Floor of Tower 10 of the development.
- ii) The property comprises Car Parking Spaces Nos. 4, 34, 37-40, 57-59, 61-62, 65, 70, 74, 76-77, 81, 105-106, 108, 115, 117, 120, 134-139, 172, 212-217, 234, 257, 260 and 263-264 on Level 1 and Car Parking Spaces Nos. 1-6, 9-15, 28-44, 58-67, 71-78, 83-87, 108-109, 118-119, 124-127, 141, 143-144, 146-147, 174, 180-189, 211-228, 247-249 and 269-272 on Level 2 of the development.

- iii) The registered owner of the property is Zeta Estates Limited, an associate company of Dan Form Group, via Memorial No. 14072902300058 dated 18th July, 2014.
- iv) In the course of our valuation, we have taken into account the respective units which are subject to agreements for sale and purchase as follows:

Tower	Units	Date	Consideration (HK\$)
1	Flat A on 1st Floor	19th September, 2016	33,191,700
1	Flat A on 6th Floor	7th July, 2016	36,403,100
3	Flat A on 4th Floor	30th September, 2016	21,146,300
3	Flat A on 7th Floor	8th June, 2016	21,703,600
3	Flat B on 9th Floor	9th August, 2016	22,308,700
3	Flat A on 14th Floor	4th August, 2016	22,766,400
3	Flat A on 15th Floor	22nd July, 2016	22,867,000
3	Flat B on 15th Floor	17th July, 2016	21,073,600
3	Flat A on 16th Floor	16th August, 2016	22,967,500
6	Flat B on 5th Floor	2nd July, 2016	20,072,000
6	Flat B on 9th Floor	28th September, 2016	20,898,300
7	Flat A on 6th Floor	27th June, 2016	32,418,000
7	Flat A on 8th Floor	18th July, 2016	33,022,200
7	Flat A on 10th Floor	19th July, 2016	33,490,400
10	Flat B on 3rd Floor	15th June, 2016	19,131,600
10	Flat A on 5th Floor	22nd July, 2016	21,474,800

			Market Value in existing state as at 30th September, 2016 (HK\$)									
Property	Description and Tenure	Particulars of Occupancy										
5	Basement; Units A, B, C, D and F on Ground Floor; 1st Floor; Units C and D on 2nd Floor; Units A, B and C on 3rd Floor; Units B and C on 5th Floor; Units A, B and C on 7th – 8th Floor; Units A and C on 9th Floor; Unit C on 10th Floor; Units A, B and C on 11th Floor; Unit A on 16th Floor; Units A and B on 19th Floor; and Units A and B on 21st Floor, Queen's Centre, 58-64 Queen's Road East, Hong Kong	<p>The property comprises various commercial units on basement, ground floor and various office units on various floors of a 22-storey commercial building completed in 1982.</p> <p>The total gross floor area of the property is approximately 27,457 sq.ft. (2,550.81 sq.m.). The breakdown of area is as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: right;">Gross Floor Area (sq.ft.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Basement, Units on G/F & 1/F</td> <td style="text-align: right;">8,712</td> </tr> <tr> <td style="text-align: left;">Units on Upper Floor</td> <td style="text-align: right;"><u>18,745</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u><u>27,457</u></u></td> </tr> </tbody> </table>		Gross Floor Area (sq.ft.)	Basement, Units on G/F & 1/F	8,712	Units on Upper Floor	<u>18,745</u>		<u><u>27,457</u></u>	<p>Except for a portion of the property with a total gross floor area of approximately 1,811 sq.ft. (168.25 sq.m.) which are currently vacant, the property is subject to various tenancies for terms of mainly 2 to 3 years with the latest tenancy expiring on 14th March, 2019, yielding a total monthly rent of approximately HK\$754,000.</p>	<p>369,000,000</p> <p>(50% attributable interest to Dan Form Group: 184,500,000)</p>
	Gross Floor Area (sq.ft.)											
Basement, Units on G/F & 1/F	8,712											
Units on Upper Floor	<u>18,745</u>											
	<u><u>27,457</u></u>											
	118/228th Shares of and in The Remaining Portion of Inland Lot No. 2243	<p>The Lot is held under a Government lease for a term of 999 years commencing on 9th July, 1844.</p> <p>The Government rent payable for the Lot is HK\$30 per annum.</p>										

Note:

The registered owner of the property is Kin Tong Land Investment Company Limited, an associate company of Dan Form Group, via Memorial No. UB1630112 dated 16th November, 1978.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
<p>6 Units A, B and Storeroom on Lower Ground Floor; Units C1, C2, C3 and D on Ground Floor; Units A1, A3, A4, A5, A6, B, C, D1, D2, D3 and E on Upper Ground Floor; Flat Roof on 2nd Floor; Roof Top; and 11 Car Parking Spaces on Lower Ground Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong</p> <p>2,027/13,200th shares of and in Inland Lot No. 8466</p>	<p>The property comprises various storeroom and commercial units on various floor, flat roof area on the 2nd Floor, roof top and 11 car parking spaces of a 51-storey office building completed in 1982.</p> <p>The total gross floor area of the property (excluding the car parking spaces, flat roof and storeroom) is approximately 52,409 sq.ft. (4,868.91 sq.m.).</p> <p>The property has a flat roof area of approximately 19,700 sq.ft. (1,830.19 sq.m.).</p> <p>The Lot is held under Conditions of Sale No. 11418 for a term of 75 years commencing on 23rd July, 1980 renewable for a further term of 75 years.</p> <p>The Government rent payable for the Lot is HK\$1,000 per annum.</p>	<p>The property is subject to various tenancies for terms of mainly 1 to 3 years with the latest tenancy expiring on 30th March, 2020, yielding a total monthly rent of approximately HK\$3,775,000.</p>	<p>1,205,000,000</p> <p>(5% attributable interest to Dan Form Group: 60,250,000)</p>

Note:

The registered owner of the property is Green Palm Estates Limited, a related company of Dan Form Group, via Condition of Sale No. 11418 of IL8466.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)															
7	<p>Various industrial units and car parking spaces of Harbour Industrial Centre, No. 10 Lee Hing Street and Oceanic Industrial Centre, No. 2 Lee Lok Street, Hong Kong</p> <p>159,060/236,843rd shares of and in Ap Lei Chau Inland Lot No. 116</p>	<p>The property comprises 692 industrial units and 133 car parking spaces on various floors of two blocks of 24-storey industrial building completed in 1991.</p> <p>The gross floor area of the property (excluding car parking spaces) is approximately as follows:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Gross Floor Area (sq.ft.)</th> </tr> </thead> <tbody> <tr> <td>Harbour Industrial Centre</td> <td></td> </tr> <tr> <td>Industrial units</td> <td style="text-align: right;">242,931</td> </tr> <tr> <td>Roof</td> <td style="text-align: right;">23,195</td> </tr> <tr> <td>Oceanic Industrial Centre</td> <td></td> </tr> <tr> <td>Industrial units</td> <td style="text-align: right;">704,152</td> </tr> <tr> <td>Roof</td> <td style="text-align: right;">37,554</td> </tr> </tbody> </table> <p>The Lot is held under Conditions of Exchange No. 11820 for a term of 75 years commencing on 1st October, 1980 renewable for a further term of 75 years.</p> <p>The Government rent payable for the Lot is HK\$1,000 per annum.</p>		Gross Floor Area (sq.ft.)	Harbour Industrial Centre		Industrial units	242,931	Roof	23,195	Oceanic Industrial Centre		Industrial units	704,152	Roof	37,554	<p>Except for a portion of the property with a total gross floor area of 169,022 sq.ft. (15,702.53 sq.m.) which are currently vacant, the property is subject to various tenancies for terms of mainly 2 years with the latest tenancy expiring on 31st March, 2019 yielding a total monthly rent of approximately HK\$7,955,000.</p> <p>A portion of the car parking spaces are subject to various tenancies for a term of 1 year yielding a total monthly rent of approximately HK\$346,700.</p>	<p style="text-align: right;">5,123,000,000</p> <p style="text-align: right;">(¹/₃ share attributable interest to Dan Form Group: 1,707,666,667)</p>
	Gross Floor Area (sq.ft.)																	
Harbour Industrial Centre																		
Industrial units	242,931																	
Roof	23,195																	
Oceanic Industrial Centre																		
Industrial units	704,152																	
Roof	37,554																	

Notes:

- i) The registered owner of the property is Zeta Estates Limited, an associate company of Dan Form Group, via Conditions of Exchange No. 11820 of APLIL 116.

- ii) The property comprises the following units:

Harbour Industrial Centre

Floor(s)	Unit(s)
1st	Car parking spaces Nos. P1-P30 and L1-L29
2nd	1-12
3rd	5, 6, 8, 9, 11
4th – 6th	1-12
7th	2, 9, 10-14, 16-19
8th	7
9th	2, 10-12, 14, 16-20
10th	11-14, 16-19
11th	7, 9-11, 13-14, 16-19
12th	5, 16
13th	5, 11, 14, 19
14th	5, 7, 16-18
16th	5
17th	16
20th	16
21st	16, 21
22nd	7, 16, 21
23rd	1-3, 5-21

Oceanic Industrial Centre

Floor(s)	Unit(s)
Ground	Car parking spaces Nos. P1-P3 and L1-L7
1st	P1-P34, L1-L30
2nd	1-10, 12-32
3rd	16-26
4th – 11th	1-26
12th – 13th	1-27
14th	6-27
15th	8-15, 17, 19-27
16th – 23rd	1-27

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
8 Flat F on 5th Floor of Tower 22 (Mei Wah Court), South Horizons, No. 22 South Horizon Drive, Hong Kong 20/168,000th shares of and in The Remaining Portion of Aplichau Inland Lot No. 121	<p>The property comprises a residential unit on the 5th Floor of a 37-storey residential building of a large-scale residential development completed in 1994.</p> <p>The gross floor area of the property is approximately 1,100 sq.ft. (102.19 sq.m.).</p> <p>The Lot is held under Conditions of Exchange No. UB11998 for a term commencing on 28th January, 1988 and expiring on 31st March 2040.</p> <p>The Government rent payable for the Lot is 3% of the rateable value from time to time of the Lot per annum.</p>	<p>The property is currently vacant.</p>	<p>10,190,000</p> <p>(100% attributable interest to Dan Form Group: 10,190,000)</p>

Note:

The registered owner of the property is Citigrand Investment Limited, a wholly-owned subsidiary of Dan Form Group, via Memorial No. UB625615 dated 28th February, 1995.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
9	Entire Basement (Shop Nos. 1 to 65 and Coffee Shop), the whole of Lower Ground Floor, Shop Nos. 1-5, 10-49, 50-57, 59-66 on Ground Floor, Shop Nos. 1B, 2-7, 10-22, 24, 25, 29-44, 48 and 56 on 1st Floor, the whole of 2nd Floor and 3rd Floor, 4th (Garage) Floor together with the Entrance and Car Lift Shaft (including Car Lift therein) leading from Ground Floor to the Garage and 2 Car Parking Spaces on Ground Floor and Reserved Areas (including Roof and External Wall), Harbour Crystal Centre, No. 100 Granville Road, Kowloon	The property comprises various shops on various Floors, the garage on the 4th Floor together with various ancillary areas, reserved area as well as the external walls of a 14-storey commercial building completed in 1982. The total gross floor area of the property (excluding car parking spaces and reserved areas) is approximately 147,544 sq.ft. (13,707.17 sq.m.). The breakdown of area is as follows:	Portion A 1,180,000,000 (80% attributable interest to Dan Form Group: 944,000,000)
	1,755/3,100th shares of and in Kowloon Inland Lot No.10600	The Lot is held under Conditions of Sale No. 11281 for a term of 75 years commencing on 11th December, 1978 renewable for a further term of 75 years. The Government rent payable for the Lot is HK\$1,000 per annum.	Portion B 208,500,000 (40% attributable interest to Dan Form Group: 83,400,000)
	Gross Floor Area (sq.ft.)	HK\$3,950,000.	Portion C 30,900,000
	Portion A 138,663		(100% attributable interest to Dan Form Group: 30,900,000)
	Portion B <u>8,881</u>		(see Note (i) below)
	<u><u>147,544</u></u>		
	<i>(see Note (1) below for detailed description of Portions A, B and C)</i>		

Notes:

- i) The breakdown of portions is as follows:

Portion	Equity Interest Attributable to Dan Form Group	Units
A	80%	The whole of Basement and Lower Ground Floor; Shop Nos. 1-5, 10-49, 59-66 on Ground Floor; Shop Nos. 1B, 2-7, 10-22, 24-25, 29-32, 43-44, 48 and 56 on 1st Floor; the whole of 2nd and 3rd Floor; and Reserved Areas (including Roof and External Wall)
B	40%	Shop Nos. 50-57 on Ground Floor and Shop Nos. 33-42 on 1st Floor
C	100%	4th (Garage) Floor together with the Entrance and Car Lift Shaft (including Car Lift herein) leading from Ground Floor to the Garage and 2 car parking spaces on Ground Floor

- ii) The registered owners of Shop No. 7 on 1st Floor are Asia Empire Investment Limited (80%) which is a wholly-owned subsidiary of Dan Form Group and Yau Fook Hong Company Limited (20%) (Tenants in Common) via Memorial No. UB2593966 dated 2nd May, 1984 and Memorial No. UB9474542 dated 12th January, 2005.
- iii) The registered owners of Shop No. 10 on 1st Floor are Asiawell Investment Limited (80%) which is wholly-owned subsidiary of Dan Form Group and Yau Fook Hong Company Limited (20%) (Tenants in Common) via Memorial No. UB2593966 dated 2nd May, 1984 and Memorial No. UB9474544 dated 12th January, 2005.
- iv) The registered owners of Shop No. 11 on 1st Floor are Gold Asia Investment Limited (80%) which is a wholly-owned subsidiary of Dan Form Group and Yau Fook Hong Company Limited (20%) (Tenants in Common) via Memorial No. UB2593966 dated 2nd May, 1984 and Memorial No. UB9474546 dated 12th January, 2005.
- v) The registered owners of Shop No. 12 on 1st Floor are Wide Asia Investment Limited (80%) which is a wholly-owned subsidiary of Dan Form Group and Yau Fook Hong Company Limited (20%) (Tenants in Common) via Memorial No. UB2593966 dated 2nd May, 1984 and Memorial No. UB9474548 dated 12th January, 2005.

- vi) The registered owners of the Basement and Lower Ground Floor, Shop Nos. 1-5, 10-49, 59-66 on Ground Floor, Shop Nos. 1B, 2-6, 13-22, 24, 25, 29-32, 43, 44, 48 and 56 on 1st Floor, 2nd Floor and 3rd Floor and the Reserved Areas (including Roof and External Wall) are Harcape Limited (80%) which is a wholly-owned subsidiary of Dan Form Group and Yau Fook Hong Company Limited (20%) (Tenants in Common) via Memorial No. UB3867852 dated 30th September, 1988.

- vii) The registered owners of Shop Nos. 50-57 on Ground Floor and Shop Nos. 33-42 on 1st Floor are Harcape Limited (40%) which is a wholly-owned subsidiary of Dan Form Group and Rococo Estate Limited (60%) (Tenants in Common) via Memorial No. UB3867851 dated 30th September, 1988 and conditions of sale No. 11281 of KIL10600.

- viii) The registered owners of 4th (Garage) Floor together with the Entrance and Car Lift Shaft (including Car Lift herein) leading from Ground Floor to the Garage and 2 car parking spaces on Ground Floor are Harcape Limited, a wholly-owned subsidiary of Dan Form Group, via Memorial No. UB3867849 dated 30th September, 1988 and conditions of sale No. 11281 of KIL10600.

			Market Value in existing state as at 30th September, 2016 (HK\$)	
Property	Description and Tenure	Particulars of Occupancy		
10	<p>The whole of the Lower Ground; Units A and B on Ground Floor; Units D and E on 1st Floor; Units A, B and G on 3rd Floor; Unit E & Flat Roof E and Unit G on 4th Floor, Units B, C, E, G and P on 5th Floor, Units C, F and G on 6th Floor, Units A, C, D, G and H on 8th Floor and Roofs, Lorry Car Parking Space Nos. L14 and L15 on Lower Ground Floor; Private Car Parking Space Nos. P4 and P5, Lorry Car Parking Space Nos. L2, L3, L7, L12, L13 and Container Car Parking Space No. C15 on 1st Floor, Wah Shun Industrial Building, No. 4 Cho Yuen Street, Kowloon</p> <p>786⁷/₂₀ of 1,653rd shares of and in Yau Tong Inland Lot No. 29</p>	<p>The property comprises various industrial units, lorry parking spaces, container parking space and private car parking spaces on various floors of a 10-storey industrial building completed in 1979.</p> <p>Total gross floor area of various industrial units (excluding car parking spaces) is approximately 134,236 sq.ft. (12,470.83 sq.m.).</p> <p>The Lot is held under Conditions of Sale No. 10916 for a term of 99 years commencing on 1st July, 1898 and has been statutorily extended to 30th June, 2047.</p> <p>The Government rent payable for the Lot is 3% of the rateable value from time to time of the Lot per annum.</p>	<p>Except for portion of the property with a gross floor area of approximately 1,800 sq.ft. (167.22 sq.m.) which are vacant, the property is subject to various tenancies for terms of 1 to 3 years with the latest tenancy expiring on 31st March, 2018 yielding a monthly rent of approximately HK\$929,000.</p> <p>The car parking spaces are subject to various tenancies yielding a total monthly rent of approximately HK\$22,800.</p>	<p>359,000,000</p> <p>(50% attributable interest to Dan Form Group: 179,500,000)</p>

Note:

The registered owner of the property is Kin Tong Land Investment Company Limited, an associate company of Dan Form Group, via Memorial No. UB1610837 dated 31st October, 1978.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
11 Units D and E on 33rd Floor of Tower A, Billion Centre, No. 1 Wang Kwong Road, Kowloon Certain shares of and in The Remaining Portion of New Kowloon Inland Lot No. 5925	<p>The property comprises 2 office units on 33rd Floor of a 30-storey commercial building completed in 2009.</p> <p>The gross floor area of the property is approximately 5,425 sq.ft. (503.99 sq.m.).</p> <p>The Lot is held under Conditions of Sale No. 11579 for a term of 99 years commencing on 1st July, 1878 and had been statutorily renewed to 30th June, 2047.</p> <p>The Government rent payable for the Lot is 3% of the rateable value from time to time of the Lot per annum.</p>	The property is subject to a tenancy for a term of 3 years from 16th June, 2015 to 15th June, 2018 at a monthly rent of HK\$108,500.	57,000,000 (100% attributable interest to Dan Form Group: 57,000,000)

Note:

Top Power Development Limited, a wholly-owned subsidiary of Dan Form Group, is the registered owner of the whole of 33rd Floor via Memorial No. 09111701090011 dated 20th October, 2009.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
12 Flat B on 21st Floor and Car Parking Space No. C56 on 3rd Floor, Forfar, No. 2 Forfar Road, Kowloon 1,888/88,108th shares of and in The Remaining Portion of Kowloon Inland Lot No. 4022	The property comprises a residential unit on 21st Floor and a car parking space on 3rd Floor of a 29-storey residential building completed in 2010. The gross floor area of the residential unit is approximately 2,342 sq.ft. (217.58 sq.m.). The Lot is held under Conditions of Sale No. UB3807 for a term of 75 years from 20th June, 1838 renewable for a further term of 75 years and has been statutorily extended to 30th June, 2047. The Government rent payable for the Lot is HK\$210 per annum.	The property is subject to a tenancy for a term of 2 years from 1st May, 2016 to 30th April, 2018 at a monthly rent of HK\$66,000.	35,800,000 (100% attributable interest to Dan Form Group: 35,800,000)

Note:

The registered owner of the property is Citigrand Investment Limited, a wholly-owned subsidiary of Dan Form Group, via Memorial No. 11060200490064 dated 13th May, 2011.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
13 Car Parking Spaces Nos. 95 and 97 on Level 2, Waldorf Garden, No. 1 Tuen Lee Street, Tuen Mun, New Territories	The property comprises 2 car parking spaces on the level 2 of a residential development named Waldorf Garden completed in 1982.	The property is subject to monthly tenancies yielding a total monthly rent of HK\$2,600.	1,500,000 (50% attributable interest to Dan Form Group: 750,000)
2/10,100th shares of and in Tuen Mun Town Lot No. 194	The Lot is held under New Grant No. 2344 for a term of 99 years and has been statutorily extended to 30th June, 2047. The Government rent payable for the Lot is 3% of the rateable value from time to time of the Lot per annum.		

Notes:

- i) The registered owners of the property are Asiasec Project Management Limited (formerly known as Terrian Limited) (½ share) which is a wholly-owned subsidiary of Dan Form Group and Bevercourt Limited (½ share) (Tenants in Common) via Memorial No. TM349887 dated 30th September, 1988 and Memorial No. TM1001473 dated 28th June, 2001.
- ii) Pursuant to Certificate of Incorporation on Change of Name Memorial No. 05083000480483 dated 3rd January, 1990, Terrian Limited changed its name as Asiasec Project Management Limited.

Group II – Property interests held for owner-occupied in Hong Kong

			Market Value in existing state as at 30th September, 2016 (HK\$)
Property	Description and Tenure	Particulars of Occupancy	
14	Workshop No. 13 on 9th Floor, Harbour Industrial Centre, No. 10 Lee Hing Street, Hong Kong 162/236,843rd shares of and in Ap Lei Chau Inland Lot No. 116	The property comprises an industrial unit on the 9th Floor of a 24-storey industrial building completed in 1991. The gross floor area of the property is approximately 1,010 sq.ft. (93.83 sq.m). The Lot is held under Conditions of Exchange No. 11820 for a term of 75 years commencing on 1st October, 1980 renewable for a further term of 75 years. The Government rent payable for the Lot is HK\$1,000 per annum.	4,950,000 (100% attributable interest to Dan Form Group: 4,950,000)

Note:

The registered owner of the property is Dun Man Enterprises Limited, a wholly-owned subsidiary of Dan Form Group, via Memorial No. UB6325377 dated 9th June, 1995.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
15 Flat C on 45th Floor (including Flat Roof(s)) of Tower 1 and Car Parking Spaces Nos. R151 and R152, The Wings, No. 9 Tong Yin Street, Tsueng Kwan O, New Territories 1,968/5,008,804th shares of and in Tseung Kwan O Town Lot No. 72	<p>The property comprises a residential unit on 45th Floor of a 38-storey residential building and two car parking spaces of a large-scale residential development completed in 2012.</p> <p>The gross floor area of the residential unit is approximately 2,276 sq.ft. (211.45 sq.m.). The total area of flat roofs is approximately 570 sq.ft. (52.95 sq.m.).</p> <p>The property is held under New Grant No. 20379 for a term of 50 years commencing on 18th May, 2007.</p> <p>The Government rent payable for the Lot is an amount equal to 3% of the rateable value from time to time of the Lot subject to General Condition No. 1 of New Grant.</p>	The property is currently owner-occupied.	44,800,000 (100% attributable interest to Dan Form Group: 44,800,000)

Note:

The registered owner of the property is Citigrand Investment Limited, a wholly-owned subsidiary of Dan Form Group, via Memorial No. 13021501470054 dated 22nd January, 2013.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
16 Units A, B and C on 33rd Floor of Tower A and Car Parking Spaces Nos. P24 and P57 on 2nd Floor, Billion Centre, No. 1 Wang Kwong Road, Kowloon	The property comprises 3 office units on 33rd Floor and 2 car parking spaces on 2nd Floor of a 30-storey commercial building completed in 2009.	The property is currently owner-occupied.	91,000,000 (100% attributable interest to Dan Form Group: 91,000,000)
Certain shares of and in The Remaining Portion of New Kowloon Inland Lot No. 5925	The total gross floor area of the property (excluding car parking spaces) is approximately 8,426 sq.ft. (782.79 sq.m.).	The Lot is held under Conditions of Sale No. 11579 for a term of 99 years commencing on 1st July, 1878 and had been statutorily renewed to 30th June, 2047.	
	The Government rent payable for the Lot is 3% of the rateable value from time to time of the Lot per annum.		

Note:

Top Power Development Limited, a wholly-owned subsidiary of Dan Form Group, is the registered owner of the whole of 33rd Floor and Car Parking Spaces Nos. P24 and P57 on 2nd Floor via Memorial No. 09111701090011 dated 20th October, 2009 and No. 10082000250089 dated 12th August, 2010.

Group III – Property interest held for investment in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
17 Unit B712 on 7th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	Wangfujing Century Square (the “Development”) comprises a 5-storey apartment block and a 5- storey office block erected on 4-level shopping mall complex with car parking spaces completed in 1996. The property comprises a residential unit on 7th Floor of the apartment block of the Development. The gross floor area of the property is approximately 560 sq.ft. (52.03 sq.m.). The land use rights of the property have been granted for a term of 70 years for residential use expiring on 24th December, 2063.	The property is subject to a tenancy for a term of 1 year expiring on 28th February, 2017 at a monthly rent of RMB7,000.	3,730,000 (100% attributable interest to Dan Form Group: 3,730,000)

Notes:

- i) Pursuant to the Certificate for Real Estate Ownership No. 京房權證市東涉外字第0310498號 issued by 北京市建設委員會, the ownership of the property, having a total gross floor area of 52.03 sq.m., has been vested in Oriental Dragon Investment Ltd. (“ODIL”) which is a wholly-owned subsidiary of Dan Form Group.
- ii) Pursuant to Certificate of Land Use Rights No. 京市東涉外國用(2007出)第6014214號 issued by the People’s Government of Beijing, the Land Use Rights of the property have been granted to ODIL for residential use.
- iii) Pursuant to the Certificate of Incorporation No.110248 dated 21st July, 2006, ODIL is incorporated in the British Virgin Islands as an International Business Company.
- iv) We have been provided with a legal opinion on the title to the property issued by Tian An Group’s PRC legal advisers, which contains, *inter alia*, the following information:
 - (a) ODIL is in possession of a proper legal title to the property;
 - (b) ODIL has the rights to transfer the Land Use Rights of the property by way of transfer, mortgage or letting.

Group IV – Property interests held for owner-occupied in the PRC

Property	Description and Tenure	Particulars of Occupancy	Market Value
			in existing state as at 30th September, 2016 (HK\$)
18 Units 1802 and 1809 on 15th Floor, Tower A, Yintai Center, No. 4 Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC	Yintai Center comprises 1 block of 63-storey residential building and 2 blocks of 42-storey office buildings completed in 2008. The property comprises two residential units on 15th Floor of Tower A. The total gross floor area of the property is approximately 2,913 sq.ft. (270.6 sq.m.). The land use rights of the property have been granted for a term of 70 years for residential use from 31st August, 2004 to 30th August, 2074 for residential use.	The property is currently owner-occupied.	22,000,000 (100% attributable interest to Dan Form Group: 22,000,000)

Notes:

- i) Pursuant to the Certificate for Real Estate Ownership No. 京房權証朝字第1016660號 dated 9th July, 2011 issued by 北京市住房和城鄉建設委員會, the ownership of Unit 1802 on 15th Floor, Tower A, No. 2 Jianguomenwai Avenue, having a total gross floor area of 137.4 sq.m., has been vested in 萬利海外有限公司 (Man Lee Offshore Limited) (“MLOL”) which is a wholly-owned subsidiary of Dan Form Group.
- ii) Pursuant to the Certificate for Real Estate Ownership No. 京房權証朝字第1016661號 dated 9th July, 2011 issued by 北京市住房和城鄉建設委員會, the ownership of Unit 1809 on 15th Floor, Tower A, No. 2 Jianguomenwai Avenue, having a total gross floor area of 133.2 sq.m., has been vested in MLOL.
- iii) Pursuant to the Certificate of Incorporation No. 167149 date 28th February, 2011, MLOL is incorporated in the British Virgin Islands as an International Business Company.

- iv) We have been provided with a legal opinion on the title to the property issued by Tian An Group's PRC legal advisers, which contains, *inter alia*, the following information:
 - (a) MLOL is in possession of proper legal titles to the property;
 - (b) MLOL has the rights to transfer the Land Use Rights of the property by way of transfer, mortgage or letting.

Property	Description and Tenure	Particulars of Occupancy	Market Value
			in existing state as at 30th September, 2016 (HK\$)
19 Unit B902 on 9th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	<p>Wangfujing Century Square (the "Development") comprises a 5-storey apartment block and a 5-storey office block erected on 4-level shopping mall complex with car parking spaces completed in 1996.</p> <p>The property comprises a residential unit on 9th Floor of the apartment block of the Development. The gross floor area of the property is approximately 970 sq.ft. (90.1 sq.m.).</p> <p>The land use rights of the property have been granted for a term of 70 years for residential use expiring on 24th December, 2063.</p>	The property is currently owner-occupied.	<p>No Commercial Value</p> <p>(100% attributable interest to Dan Form Group: No Commercial Value)</p>

Notes:

- i) Pursuant to the Sale and Purchase Agreement entered between Long Age Industrial Ltd. ("LAIL") and Landfine Investment Limited ("LIL") which is a wholly-owned subsidiary of Dan Form Group, dated 18th June, 1997, LIL agreed to purchase the property at a consideration of US\$280,752.
- ii) As advised by the Dan Form Group, the consideration of the Sale and Purchase Agreement has been fully paid by LIL and as LAIL had never owned the legal title of the property, the transactions under the Sale and Purchase Agreement had not been completed and LIL was unable to obtain the legal title of the property.
- iii) In the course of our valuation, we attribute no commercial value to the property due to no legal title of the property has been transferred to LIL as at the Date of Valuation.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
20 Unit A505 on 5th Floor, Wangfujing Century Square, Wangfujing Avenue, Dongcheng District, Beijing, the PRC	Wangfujing Century Square (the "Development") comprises a 5-storey apartment block and a 5- storey office block erected on 4-level shopping mall complex with car parking spaces completed in 1996.	The property is currently owner-occupied.	9,500,000 (100% attributable interest to Dan Form Group: 9,500,000)
	The property comprises an office unit on 5th Floor of the office block of the Development. The gross floor area of the property is approximately 2,226 sq.ft. (206.76 sq.m.).		
	The land use rights of the property have been granted for a term of 40 years for office use expiring on 24th December, 2043.		

Notes:

- i) Pursuant to the Certificate for Real Estate Ownership No. 京房權證市東涉外字第0310497號 issued by 北京市建設委員會, the ownership of property, having a total gross floor area of 206.76 sq.m., has been vested in Winshine Properties Limited ("WPL") which is a wholly-owned subsidiary of Dan Form Group.
- ii) Pursuant to Certificate of Land Use Rights No. 京市東涉外國用(2007出)第6014213號 issued by the People's Government of Beijing, the Land Use Rights of the property have been granted to WPL for office use.
- iii) Pursuant to the Certificate of Incorporation No.109165 dated 4th August, 2006, WPL is incorporated in the British Virgin Islands as an International Business Company.

- iv) We have been provided with a legal opinion on the title to the property issued by Tian An Group's PRC legal advisers, which contains, *inter alia*, the following information:
 - (a) WPL is in possession of a proper legal title to the property;
 - (b) WPL has the rights to transfer the Land Use Rights of the property by way of transfer, mortgage or letting.

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30th September, 2016 (HK\$)
21	Unit B102, Block 1, Juning Villa(1), Xili Golf Course, Nanshan District, Shenzhen, the PRC	<p>Juning Villa(1) comprises a residential development with various residential units, car parking spaces and ancillary facilities (the "Development") completed in about 2000.</p> <p>The property comprises an residential unit of Apartment Block 1 of Juning Villa(1). The gross floor area of the property is approximately 1,844.52 sq.ft. (172.87 sq.m.).</p> <p>The land use rights of the development have been granted for a term of 70 years for residential use expiring on 13th March, 2071.</p>	<p>16,230,000</p> <p>(100% attributable interest to Dan Form Group: 16,230,000)</p>

Notes:

- i) Pursuant to the Certificate for Real Estate Ownership No. 深房地字第4000562827號, the ownership of the property, having a gross floor area of 172.87 sq.m., has been vested in 深圳隆運諮詢服務有限公司 ("SZLY") which is a wholly-owned subsidiary of Dan Form Group. In addition, the property is saleable to members of 深圳西麗高爾夫球場 (Shenzhen Xili Golf Club*) only.
- ii) Pursuant to the Business License No. 91440300597753207L dated 6th July, 2016, SZLY has been established on 24th July, 2012 as a limited liability company.
- iii) We have been provided with a legal opinion on the title to the property issued by Tian An Group's PRC legal advisers, which contains, *inter alia*, the following information:
 - (a) SZLY is in possession of a proper legal title to the property;
 - (b) SZLY has the rights to transfer the Land Use Rights of the property by way of transfer, mortgage or letting.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange:

Name of Directors	Name of Companies	Number of shares and underlying shares held	Approximate % of the total number of issued shares	Nature of interests
Lee Seng Hui	the Company	951,020,096 (Note 1)	63.11%	Other interests
Ma Sun	the Company	47,945	0.003%	Personal interests (held as beneficial owner)

Notes:

- (1) Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 74.49% interests in the total number of issued shares of Allied Group Limited ("AGL") (inclusive of Mr. Lee Seng Hui's personal interests) and were therefore deemed to be interested in the Shares in which AGL was deemed to be interested through the subsidiaries of AGL, including (i) APL, its 74.99%-owned subsidiary; and (ii) Sun Hung Kai & Co. Limited ("SHK"), its 56.08%-owned subsidiary (for its interest held as a holder of securities).
- (2) All interests stated above represent long positions.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Lee Seng Hui is an executive director of APL. APL, through its subsidiaries, is deemed to be interested in, for the purpose of the SFO, 951,020,096 Shares, representing approximately 63.11% of the total number of issued shares of the Company. In relation to such 951,020,096 Shares, 733,269,096 of which were held by an indirect subsidiary of APL as beneficial owner and 217,751,000 of which were held by indirect subsidiaries of APL as holders of securities; and
- (b) Messrs. Lee Seng Hui and Edwin Lo King Yau are executive directors and Ms. Lisa Yang Lai Sum is an independent non-executive director of AGL. AGL is interested in approximately 74.99% of the total number of issued shares of APL through itself and its direct wholly-owned subsidiaries. Accordingly, AGL is also deemed to be interested in, for the purpose of the SFO, 951,020,096 Shares, representing approximately 63.11% of the total number of issued shares of the Company. In relation to such 951,020,096 Shares, 733,269,096 of which were held by an indirect subsidiary of AGL as beneficial owner and 217,751,000 of which were held by indirect subsidiaries of AGL as holders of securities.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) was considered to have interests in any competing businesses of the Group pursuant to the Listing Rules:

- (a) Mr. Lee Seng Hui is a director of APL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment;

- (b) Mr. Lee Seng Hui is a director of APAC Resources Limited (“APAC”) which, through its subsidiary, is partly engaged in the business of money lending;
- (c) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of AGL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment. Mr. Edwin Lo King Yau is a director of AG Capital Limited (a subsidiary of AGL) which is partly engaged in the business of money lending; and
- (d) Mr. Lee Seng Hui is one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL, SHK and APAC. AGL, APL and SHK through their subsidiaries, are partly engaged in the businesses of money lending, property development and investment. APAC, through its subsidiary, is partly engaged in the business of money lending.

Although the above mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interest of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm’s length from, the businesses of such companies.

5. DIRECTORS’ INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31st December, 2015 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

6. LITIGATION

A joint venture partner has initiated legal proceeding against the joint ventures of the Group claiming that according to the cooperating memorandum of the joint venture, the joint venture should sell a certain portion of the properties developed by the joint venture to that joint venture partner at a disputed price of approximately HK\$32,941,000. The case is under trial by the court in the PRC. The Group has assessed the claims and obtained legal advice, and considers that the final outcome of the claim will not have material effect on the financial position of the Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any litigation or claims of material importance which were pending or threatened against any members of the Group.

7. MATERIAL CONTRACTS

Save and except the transactions disclosed below, there are no material contracts (being contracts entered outside the ordinary course of business carried on or intended to be carried on by the Group) having been entered into by any member of the Group within the two years preceding the Latest Practicable Date:

- (a) a shareholder's loan agreement dated 11th June, 2015 entered into between 天安投資(深圳)有限公司 (Tian An Investments (Shenzhen) Co., Ltd.*) ("Tian An (Shenzhen)", an indirect wholly-owned subsidiary of the Company) and 深圳天安駿業投資發展有限公司 (Shenzhen Tian An Junye Investments Development Co., Ltd.*) ("Tian An Junye", a joint venture with 50% equity interest of which is held by Tian An (Shenzhen)), pursuant to which Tian An (Shenzhen) agreed to make available to Tian An Junye a shareholder's loan in the amount of RMB200,000,000 (equivalent to approximately HK\$235,294,000);
- (b) a sale and purchase agreement dated 24th June, 2015 entered into between ACE Result Limited ("ACE Result", an indirect wholly-owned subsidiary of the Company) as vendor and Power Ample Investments Limited as purchaser in relation to the sale and purchase of two issued shares, representing the entire issued share capital of All Happy International Limited ("All Happy", the then indirect wholly-owned subsidiary of the Company) and the shareholder's loan owed by All Happy to ACE Result at a total consideration of RMB3,200,000,000 (equivalent to approximately HK\$3,764,706,000);
- (c) a leasing agreement dated 26th June, 2015 entered into between Dalian Tian An Tower Co., Ltd. ("Dalian Tian An", an indirect wholly-owned subsidiary of the Company) and 大連保稅區亞聯財小額貸款有限公司 (United Asia Finance (Free Trade Zone Dalian) Limited*) ("Dalian UAF"), pursuant to which Dalian Tian An agreed to lease a premises located in Dalian Tian An International Building, Dalian, the PRC to Dalian UAF for a term of 13 months at a consideration of RMB232,107.98 (equivalent to approximately HK\$273,000);

- (d) a memorandum dated 29th June, 2015 entered into between Tian An (Shenzhen) and 深圳市駿業雲谷投資發展有限公司 (Shenzhen Junye Cloud Park Investment Development Co., Ltd.*), pursuant to which each of them agreed to provide a guarantee up to a limit of RMB3,000,000,000 (equivalent to approximately HK\$3,529,412,000) in respect of the loans obtained or to be obtained by Tian An Junye from banks and/or financial institutions in the PRC;
- (e) a sale and purchase agreement dated 21st January, 2016 entered into between Autobest as vendor and the purchaser in relation to the sale and purchase of 352,995,000 shares in Allied Cement Holdings Limited (now known as “Tongfang Kontafarma Holdings Limited”) (Stock Code: 1312) (“ACHL”) at a consideration of HK\$211,797,000;
- (f) a sale and purchase agreement dated 21st January, 2016 entered into between Autobest as vendor and the purchaser in relation to the sale and purchase of 133,011,000 shares in ACHL at a consideration of HK\$79,806,600;
- (g) a sale and purchase agreement dated 21st January, 2016 entered into between Autobest as vendor and the purchaser in relation to the sale and purchase of 113,994,000 shares in ACHL at a consideration of HK\$68,396,400;
- (h) a sale and purchase agreement dated 21st January, 2016 entered into between Autobest as vendor and the purchaser in relation to the sale and purchase of 100,000,000 shares in ACHL at a consideration of HK\$60,000,000;
- (i) a sale and purchase agreement dated 21st January, 2016 entered into between Autobest as vendor and the purchaser in relation to the sale and purchase of 100,000,000 shares in ACHL at a consideration of HK\$60,000,000;
- (j) a loan agreement dated 26th February, 2016 entered into between Join View Development Limited (“Join View”, an indirect wholly-owned subsidiary of the Company) as the lender and the borrower, pursuant to which Join View agreed to make available a loan in the amount of HK\$275,000,000 to the borrower (“Join View Loan Agreement”);
- (k) a first supplemental agreement to the Join View Loan Agreement dated 7th April, 2016 entered into between Join View as the lender and the borrower, pursuant to which Join View agreed to make available the additional loan in the amount of HK\$10,000,000 to the borrower;

- (l) a sale and purchase agreement dated 6th May, 2016 entered into among SHK, Boneast Assets Limited (“Boneast”) as vendor, Shine Star Properties Limited (“Shine Star”, an indirect wholly-owned subsidiary of the Company) as purchaser and Hing Yip Holdings Limited (“Hing Yip”) as the subject company in relation to (i) the sale and purchase of the entire issued share capital of Hing Yip; and (ii) the assignment of shareholder’s loan due from Hing Yip to SHK at a consideration of RMB23,106,600 (equivalent to approximately HK\$27,184,000);
- (m) a sale and purchase agreement dated 6th May, 2016 entered into among SHK, Boneast as vendor, Shine Star as purchaser and Sing Hing Investment Limited (“Sing Hing”) as the subject company in relation to (i) the sale and purchase of the entire issued share capital of Sing Hing; and (ii) the assignment of shareholder’s loan due from Sing Hing to SHK at a consideration of RMB61,179,300 (equivalent to approximately HK\$71,976,000);
- (n) a deed of settlement dated 19th May, 2016 entered into among AP Pearl Limited (“AP Pearl”, an indirect wholly-owned subsidiary of the Company), Lanwa International Limited (“Lanwa”) and Mr. Liao Chang (“Mr. Liao”) in relation to, among other things, the termination of the sale and purchase agreement dated 23rd March, 2011 among AP Pearl as vendor, Lanwa as purchaser and Mr. Liao as guarantor for the sale and purchase of the entire issued share capital of and all shareholder’s loan owed by Green Village Limited to AP Pearl;
- (o) a deed of settlement dated 19th May, 2016 entered into among Best Advantage Limited (“Best Advantage”, an indirect wholly-owned subsidiary of the Company), Lanwa and Mr. Liao in relation to, among other things, the termination of the sale and purchase agreement dated 12th June, 2012 among Best Advantage as vendor, Lanwa as purchaser and Mr. Liao as guarantor for the sale and purchase of the entire issued share capital of and all shareholder’s loan owed by Best Diversity Limited to Best Advantage;
- (p) an application form dated 20th May, 2016 submitted by Oasis Star Limited (an indirect wholly-owned subsidiary of the Company) in respect of the subscription of the note in the principal amount of US\$15 million (equivalent to approximately HK\$116.25 million) pursuant to the terms and conditions of the first tranche of the notes in the principal amount of US\$361,639,000 to be issued under the guaranteed medium term note programme under which medium term notes for an aggregate principal amount of not exceeding US\$2 billion (equivalent to approximately HK\$15.5 billion) may be issued from time to time by Sun Hung Kai & Co. (BVI) Limited and guaranteed by SHK unconditionally and irrevocably;

- (q) four leasing agreements, all dated 30th May, 2016, entered into between Dalian Tian An and Dalian UAF, pursuant to which Dalian Tian An agreed to lease four premises located in Dalian Tian An International Building, Dalian, the PRC to Dalian UAF for a term of two years at the considerations of RMB576,074.88, RMB780,619.92, RMB5,093,744.16 and RMB383,452.08 respectively (equivalent to approximately HK\$678,000, HK\$918,000, HK\$5,993,000 and HK\$451,000 respectively);
- (r) a leasing agreement dated 30th May, 2016 entered into between Hing Yip (an indirect wholly-owned subsidiary of the Company) and 新鴻基投資服務有限公司上海代表處 (Sun Hung Kai Investment Services Limited (Shanghai Representative Office)*) (“SHKIS”), pursuant to which Hing Yip agreed to lease a premises located in Tian An Centre, Shanghai, the PRC to SHKIS for a term of seven months at a consideration of RMB91,215.60 (equivalent to approximately HK\$107,000);
- (s) a sale and purchase agreement dated 8th July, 2016 entered into between Turbo Rich Holdings Limited (“Turbo Rich”, an indirect wholly-owned subsidiary of the Company) as vendor and 陽光城控股集團有限公司 (Yangguangcheng Holdings Group Limited*) (“Yangguangcheng”) as purchaser in relation to the sale and purchase of the entire issued share capital of Ace Mission Investments Limited at a consideration of HK\$771,300,000;
- (t) a sale and purchase agreement dated 8th July, 2016 entered into between Turbo Rich as vendor and Yangguangcheng as purchaser in relation to the sale and purchase of the entire issued share capital of Full Choice Resources Limited at a consideration of HK\$1,641,600,000;
- (u) a second supplemental agreement to the Join View Loan Agreement dated 28th July, 2016 entered into between Join View as the lender and the borrower, pursuant to which Join View agreed to make available the additional loan in the amount of HK\$500,000,000 to the borrower;
- (v) a sale and purchase agreement dated 29th July, 2016 entered into between Beauty Pearl Holdings Limited (“Beauty Pearl”) as the vendor and Sino Trader Investments Limited (“Sino Trader”, an indirect wholly-owned subsidiary of the Company) as the purchaser in relation to the sale and purchase of 60 shares, representing 60% of the entire issued share capital of Noble-Link Worldwide Inc. (“Noble-Link”) and 60% of the shareholder’s loan owed by Noble-Link to Beauty Pearl at a total consideration of RMB480,000,000 (equivalent to approximately HK\$564,706,000);
- (w) a joint venture agreement dated 29th July, 2016 entered into between Beauty Pearl, Sino Trader and Noble-Link in relation to the management of Noble-Link’s business;

- (x) a second supplemental agreement dated 13th September, 2016 entered into among Silvery Horizon Holdings Limited (“Silvery Horizon”, an indirect wholly-owned subsidiary of the Company) as vendor, Leaderich Global Limited (“Leaderich”) as purchaser, 邁世集團有限公司 (Maishi Group Co., Ltd.*) as guarantor, 國城信安資產管理有限公司 (Guocheng Xinan Asset Management Co., Ltd.*) and 大連建和建設工程有限公司 (Dalian Jianhe Construction Co., Ltd.*) as purchaser designated parties to amend certain terms and conditions of the sale and purchase agreement dated 6th January, 2014 entered into between Silvery Horizon and Leaderich in relation to the sale and purchase of the entire issued share capital of Silver Forest Holdings Limited (“Silver Forest”) and the shareholder’s loan owed by Silver Forest to Silvery Horizon at a total consideration of RMB360,000,000 (equivalent to approximately HK\$423,529,411);
- (y) a termination agreement dated 13th September, 2016 entered into among Silvery Horizon, Leaderich, 大連經濟技術開發區金馬大廈企業有限公司 (Dalian Development Area Jinma Building Enterprise Co., Ltd.*) and 上海凱隆置業有限公司 (Shanghai Greentree II Company Ltd.*) pursuant to which the parties thereto agreed to terminate the relocation agreement dated 6th January, 2014 entered into among them relating to the construction of the relocation apartments; and
- (z) the Sale and Purchase Agreement.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2015, being the date to which the latest published audited financial statements of the Group were made.

9. EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Norton Appraisals Limited	independent property valuer and member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors
Beijing Yingke Law Firm, Shanghai Office	PRC legal adviser

The letters, reports and/or opinions from each of the above experts are given as of the date of this circular for incorporation in this circular. Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letters, reports and/or opinions, as the case may be, and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Deloitte Touche Tohmatsu, Norton Appraisals Limited and Beijing Yingke Law Firm, Shanghai Office:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2015 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. GENERAL

- (a) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.
- (b) The registered office of the Company is 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (c) The share registrar of the Company is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Cindy Yung Yee Mei, who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (e) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Messrs. P. C. Woo & Co., at 12th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

- (a) the articles of association of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31st December, 2014 and 2015;
- (d) the valuation report from Norton Appraisals Limited, the text of which is set out in Appendix IV to this circular;
- (e) the consent letters from Deloitte Touche Tohmatsu, Norton Appraisals Limited and Beijing Yingke Law Firm, Shanghai Office referred to in the section headed "Expert and Consent" in this appendix;
- (f) the circular of the Company dated 19th August, 2016; and
- (g) this circular.

NOTICE OF THE EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Tian An China Investments Company Limited (the “Company”) will be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 16th November, 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the sale and purchase agreement dated 19th September, 2016 (the “Sale and Purchase Agreement”) entered into among Fabulous Investments Limited, Dan Form International Limited and Mr. Dai Xiaoming, together as the vendors, Autobest Holdings Limited (the “Offeror”, a wholly-owned subsidiary of the Company) as the purchaser and the Company as the guarantor relating to the sale and purchase of 452,892,969 issued shares in Dan Form Holdings Company Limited (“Dan Form”), representing approximately 36.45% of the entire issued shares of Dan Form (a copy of the Sale and Purchase Agreement marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed;
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the Sale and Purchase Agreement and to make and agree such variations of a minor or non-material nature in or to the terms of the Sale and Purchase Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company;

NOTICE OF THE EGM

- (c) subject to and upon the completion of the transactions contemplated under the Sale and Purchase Agreement, the making of the offer to acquire all issued shares in Dan Form (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it), being a maximum of 785,742,976 issued shares in Dan Form (the “Offer Share(s)”), at the total consideration of the Offer of not more than HK\$2,160,793,184 based on the offer price of HK\$2.75 per Offer Share by Yu Ming Investment Management Limited on behalf of the Offeror in compliance with the Hong Kong Code on Takeovers and Mergers be and is hereby approved; and
- (d) any one director of the Company be and is hereby authorised to execute all such other documents and agreements and to do all such acts or things for and on behalf of the Company as he/she may consider appropriate or desirable relating to or in connection with the matters contemplated in and for completion of the Offer.”

By Order of the Board
Tian An China Investments Company Limited
Cindy Yung Yee Mei
Company Secretary

Hong Kong, 28th October, 2016

Registered Office:

22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Notes:

1. The resolution set out in this notice of the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the result of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and to speak and vote at the Meeting will be entitled to appoint one or more proxies to attend and to speak and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
3. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.

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4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday.
5. Where there are joint registered holders of any Share, any one of such joint holders may vote at the Meeting, either personally or by proxy in respect of such Share as if he or she was solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such shares.
6. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 14th November, 2016 to Wednesday, 16th November, 2016, during which period no transfer of Shares will be registered. In order for a member to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 11th November, 2016.