
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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**MANDATE FOR POSSIBLE MAJOR TRANSACTION
IN RESPECT OF THE POSSIBLE INVESTMENT
IN THE TARGET COMPANY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 5 to 16 of this circular.

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 14th September, 2018 at 10:00 a.m. is set out on pages 38 and 39 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 August, 2018

CONTENTS

| | <i>Page</i> |
|---|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | |
| Introduction | 5 |
| Background of the Possible Investment | 6 |
| Principal Terms of the Tender for the Possible Investment | 6 |
| Reasons for and Benefits of the Possible Investment | 8 |
| Information on the Existing Equity Holder, Target Company and the Ducheng Yiyuan Project | 9 |
| Financial Effects of the Possible Investment | 11 |
| Management Discussion and Analysis on the Target Company | 11 |
| Listing Rules Implications | 13 |
| Waiver from Strict Compliance with the Listing Rules | 13 |
| EGM | 15 |
| Recommendation | 16 |
| Additional Information | 16 |
| APPENDIX I – FINANCIAL INFORMATION OF THE GROUP | 17 |
| APPENDIX II – PROPERTY VALUATION REPORT | 20 |
| APPENDIX III – GENERAL INFORMATION | 30 |
| NOTICE OF THE EGM | 38 |

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:

| | |
|------------------------------|---|
| “Bidder” | a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company to be nominated or designated by the Company at the time of submission of the application for participating in the Tender |
| “Board” | the board of Directors |
| “Business Day(s)” | a day on which licensed banks in the PRC are open for business |
| “Capital Increase Agreement” | the capital increase agreement for the Possible Investment to be entered into between the Existing Equity Holder and the Bidder pursuant to the Tender Documents if the Bidder’s bidding at the Tender is successful |
| “Company” | Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange |
| “Completion” | completion of the Capital Increase Agreement |
| “connected persons” | having the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Ducheng Yiyuan Project” | a property development project, namely 象嶼都城怡園 (Xiangyu Ducheng Yiyuan*) located at the Land |
| “EGM” | the extraordinary general meeting to be convened at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 14th September, 2018 at 10:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, approving the Possible Investment and the grant of the Proposed Mandate and the transactions contemplated thereunder |

DEFINITIONS

| | |
|--------------------------------|---|
| “Existing Equity Holder” | 上海象嶼置業有限公司 (Shanghai Xiangyu Real Estate Company Limited*), a company established in the PRC with limited liability which holds the entire equity interest in the Target Company as at the date of the Tender Documents and a subsidiary of 廈門象嶼集團有限公司 (Xiamen Xiangyu Group Corporation*) which is a state-owned enterprise registered and incorporated in the PRC |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKFRS” | the Hong Kong Financial Reporting Standards |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Land” | a parcel of land located at 中國蘇州昆山市花橋鎮集善路西側 (the western side of Jishan Road of Huaqiao Town in Kunshan City of Suzhou, the PRC*) with site areas of approximately 101,000 m ² , which is designated for commercial and residential mixed use |
| “Latest Practicable Date” | 23rd August, 2018, 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 |
| “Main Board” | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange |
| “Maximum Capital Contribution” | RMB1,322.0 million (equivalent to approximately HK\$1,537.2 million), being the maximum capital contribution to be offered by the Bidder for the Possible Investment under the Proposed Mandate to be approved by the Shareholders at the EGM |
| “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 |

DEFINITIONS

| | |
|-------------------------------------|--|
| “Possible Investment” | the possible investment in the Target Company by way of capital contribution by the Bidder through the Tender if the Bidder’s bidding at the Tender is successful |
| “PRC” | the People’s Republic of China which, for the purpose of this circular only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the PRC |
| “Proposed Mandate” | the authorisations proposed to be granted to the Directors in advance by the Shareholders at the EGM for the Possible Investment |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “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 Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | 蘇州象嶼地產有限公司 (Suzhou Xiangyu Real Estate Company Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Existing Equity Holder, the principal asset of which comprises the Ducheng Yiyuan Project which is located at the Land |
| “Tender” | the public tender for investment in the Target Company by way of capital contribution |
| “Tender Documents” | tender documents in respect of the Tender released by Xiamen Assets and Equity Exchange on 30th July, 2018 |
| “Valuer” | Norton Appraisals Limited, the independent property valuer appointed by the Company to assess the valuation of the Ducheng Yiyuan Project |
| “Xiamen Assets and Equity Exchange” | 廈門產權交易中心 (Xiamen Assets and Equity Exchange Center*) |

DEFINITIONS

“m²” square metres

“%” per cent.

For the purpose of this circular, translations of Renminbi into Hong Kong dollars and British Pound into Hong Kong dollars or vice versa have been calculated by using exchange rates of RMB0.86 equals to HK\$1.00 and GBP1.00 equals to HK\$10.30 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 rates or any other rates or at all.

* *for identification purpose only*

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

Independent Non-Executive Directors:

Francis J. Chang Chu Fai

Jin Hui Zhi

Ngai Wah Sang

Lisa Yang Lai Sum

28th August, 2018

To the Shareholders

Dear Sir or Madam,

**MANDATE FOR POSSIBLE MAJOR TRANSACTION
IN RESPECT OF THE POSSIBLE INVESTMENT
IN THE TARGET COMPANY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 1st August, 2018.

On 1st August, 2018, the Board announced that it would like to seek Shareholders' authorisation for the Company (through the Bidder, a wholly-owned subsidiary to be nominated or designated by the Company) to bid at the Tender for the investment in the Target Company by way of capital contribution at the Maximum Capital Contribution of not more than RMB1,322.0 million (equivalent to approximately HK\$1,537.2 million). The principal asset of the Target Company comprises the Ducheng Yiyuan Project which is located at the Land.

LETTER FROM THE BOARD

If the Bidder's bidding is successful, it will thereupon become unconditionally obliged to proceed with the Possible Investment and will not, at that time, be able to seek the approval of Shareholders which is required under Chapter 14 of the Listing Rules. Accordingly, the Directors would like to seek the Shareholders' prior approval for the grant of the Proposed Mandate at the EGM.

The purpose of this circular is to provide you with, among other things, (i) further details of the Possible Investment; (ii) financial information of the Group; (iii) valuation report on the Ducheng Yiyuan Project; and (iv) a notice of the EGM to be convened and held to consider and, if thought fit, to approve the Possible Investment and to grant the Directors the Proposed Mandate.

BACKGROUND OF THE POSSIBLE INVESTMENT

On 30th July, 2018, the Target Company (through the Xiamen Assets and Equity Exchange) announced a public tender for 50% equity interests in the Target Company. According to the Tender Documents, prior to the Possible Investment, the Target Company had a registered capital of RMB400.0 million, all of which was contributed by the Existing Equity Holder.

If the Bidder's bidding at the Tender is successful, the Target Company will increase its registered capital by RMB400.0 million and the Bidder will make a capital contribution to the Target Company in the amount of the relevant tender price submitted at the Tender to the registered capital and the capital reserve of the Target Company. Upon Completion, the equity interests in the Target Company will be owned as to 50% by the Bidder and 50% by the Existing Equity Holder. As such, the Target Company will become a joint venture of the Company and its financial results will be incorporated into the Company's consolidated financial statements using the equity method of accounting.

According to the Tender Documents, the capital contribution to be made by the successful bidder will be utilised by the Target Company primarily for the construction and development of the Ducheng Yiyuan Project and enhancement of the management system of the Target Company.

PRINCIPAL TERMS OF THE TENDER FOR THE POSSIBLE INVESTMENT

Date of the Tender

The Tender is to be held for a period of 40 Business Days from 30th July, 2018 to 21st September, 2018 (both days inclusive). In the event that the Existing Equity Holder does not receive any qualified tender during the initial tender period, the tender period shall be extended for each subsequent period of 10 Business Days.

LETTER FROM THE BOARD

Parties

Bidder: The Bidder, a wholly-owned subsidiary of the Company

Existing Equity Holder: The Existing Equity Holder

Procedure of the Tender

If at the expiry of the application period of the Tender, there shall be more than one qualified intended bidder with bidding price of not less than approximately RMB1,301.3 million (equivalent to approximately HK\$1,513.1 million), a tender evaluation committee of three members will be formed by the Existing Equity Holder to evaluate the tenders received based upon the evaluation criteria contained in the Tender Documents to select the most suitable bidder for award of contract. In the event that there is only one qualified intended bidder with bidding price of not less than approximately RMB1,301.3 million (equivalent to approximately HK\$1,513.1 million), no detailed evaluation will be conducted and the Tender shall be awarded to such bidder.

According to the Tender Documents, the Existing Equity Holder shall adopt a marking scheme approach in assessing the tenders received taking into account, among other things, the tender price and the management and operation capability of the bidder(s). The successful intended bidder will be obliged to enter into a capital increase agreement within 5 Business Days after winning the Tender.

Maximum Capital Contribution for the bid

According to the Tender Documents, the Target Company intends to raise approximately RMB1,301.3 million (equivalent to approximately HK\$1,513.1 million) through the Tender.

Potential bidder(s) will be required to deposit earnest money of RMB30.0 million (equivalent to approximately HK\$34.9 million) with the Xiamen Assets and Equity Exchange at the time of submission of the application for participating in the Tender. Potential bidder(s) will also be responsible for settling the fees, expenses or commissions payable to the Xiamen Assets and Equity Exchange in respect of the Tender.

The Group intends to submit the required documents for participating in the Tender and pay the earnest money before the prescribed deadline as stated above. Should the Proposed Mandate not be granted by the Shareholders at the EGM, the Group will not submit its application for participating in the Tender or pay the earnest money. If the Bidder wins the Tender, the Bidder shall within 5 Business Days from the date upon the Bidder having received the notification of completion of transaction from the Xiamen Assets and Equity Exchange enter into the Capital Increase Agreement with the Existing Equity Holder and pay the first installment of capital contribution to the Target Company in the amount of not less than 70%

LETTER FROM THE BOARD

of the tender price to the designated bank account of the Target Company. The remaining capital contribution to the Target Company shall be paid within 20 Business Days from the date upon the Bidder having received the notification of completion of transaction from the Xiamen Assets and Equity Exchange.

The Maximum Capital Contribution for the Possible Investment under the Proposed Mandate to be granted by the Shareholders is RMB1,322.0 million (equivalent to approximately HK\$1,537.2 million), which is determined having taken into account (i) the market value of the Ducheng Yiyuan Project as appraised by the Valuer, further details of which are set out in Appendix II to this circular; (ii) the amount of approximately RMB1,301.3 million (equivalent to approximately HK\$1,513.1 million) intended to be raised by the Target Company through the Tender; and (iii) the Group's view on the property market of Suzhou, the PRC. The Maximum Capital Contribution amounted to a discount of approximately 25.6% to the market value of 50% of the Ducheng Yiyuan Project of approximately RMB1,778.0 million (equivalent to approximately HK\$2,067.4 million) as appraised by the Valuer.

Shareholders should note that the final bid price for the Tender to be submitted by the Bidder will in any event not exceed the Maximum Capital Contribution. Based on the above, the Directors (including the independent non-executive Directors) consider that the Proposed Mandate including the Maximum Capital Contribution is fair and reasonable.

It is currently expected that the Bidder will finance the payment for the Possible Investment by the internal resources of the Bidder and bank financing.

Conditions precedent for participating in the Tender

The Group should satisfy the following criteria for participating in the Tender:

- (a) the Possible Investment and the Proposed Mandate having been approved and granted by the Shareholders at the EGM;
- (b) completion of the application for participating in the Tender during the prescribed period as elaborated above; and
- (c) full payment of earnest money of RMB30.0 million at the time of submission of the application for participating in the Tender.

REASONS FOR AND BENEFITS OF THE POSSIBLE INVESTMENT

The Group is principally engaged in the development of apartments, villas, office buildings and commercial properties, property investment and property management on the mainland in the PRC, as well as property investment and property management in Hong Kong.

LETTER FROM THE BOARD

In this connection, the Group has identified the Ducheng Yiyuan Project and considered that the Possible Investment is a good investment opportunity for the Group to further strengthen its property development business in the PRC to maximise return and enhance Shareholders' value.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Possible Investment are fair and reasonable and the Possible Investment is in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE EXISTING EQUITY HOLDER, TARGET COMPANY AND THE DUCHENG YIYUAN PROJECT

(1) The Existing Equity Holder

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Existing Equity Holder is a subsidiary of a state-owned enterprise registered and incorporated in the PRC, namely 廈門象嶼集團有限公司 (Xiamen Xiangyu Group Corporation*), and the Existing Equity Holder and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons. As at the date of the Tender Documents, the Existing Equity Holder held the entire equity interest in the Target Company.

(2) The Target Company

According to the Tender Documents, the Target Company is a company established in the PRC with limited liability on 13th March, 2014 and a direct wholly-owned subsidiary of the Existing Equity Holder. The Target Company currently has a registered capital of RMB400.0 million and is principally engaged in real estate development and operation and property management in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal asset of the Target Company is the Ducheng Yiyuan Project which is located at the western side of Jishan Road of Huaqiao Town in Kunshan City of Suzhou, the PRC (i.e. the Land) with site areas of approximately 101,000 m², which is designated for commercial and residential mixed use.

(3) The Ducheng Yiyuan Project

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the development of the Ducheng Yiyuan Project comprises two phases. Phase I primarily consists of residential and commercial buildings, whereas Phase II primarily consists of residential buildings. The development of Phase I was completed in 2017 and sales of more than half of the residential units under Phase I were recognised in the same year. As at the date of the Tender Documents, Phase II was still under construction. The total remaining saleable gross floor area of the Ducheng Yiyuan Project amounts to approximately 184,000 m²,

LETTER FROM THE BOARD

primarily comprising of (i) the remaining unsold residential units under Phase I and all the residential units to be constructed under Phase II with a total saleable gross floor area of approximately 181,800 m²; and (ii) all the commercial buildings under Phase I with a total saleable gross floor area of approximately 2,200 m².

The following table sets forth the audited financial information of the Target Company prepared in accordance with the PRC accounting standards for the years ended or as at (as the case may be) 31st December, 2015, 2016 and 2017 respectively as extracted from the Tender Documents:

| | For the year ended/As at 31st December, 2017 RMB'000 | For the year ended/As at 31st December, 2016 RMB'000 | For the year ended/As at 31st December, 2015 RMB'000 |
|-----------------------------------|---|---|---|
| Revenue | 964,920 | – | – |
| Net profit/(loss) before taxation | 249,010 | (11,810) | (940) |
| Net profit/(loss) after taxation | 186,710 | (8,540) | (940) |
| Total assets | 1,568,790 | 1,748,610 | 1,028,250 |
| Total liabilities | 992,020 | 1,358,540 | 629,650 |
| Net assets | 576,770 | 390,070 | 398,600 |

The following table sets forth the financial information of the Target Company prepared in accordance with the PRC accounting standards for the period ended or as at (as the case may be) 12th April, 2018 (being the latest date to which the financial statements of the Target Company made up to) as extracted from the Tender Documents:

| | For the period ended/As at 12th April, 2018 RMB'000 |
|----------------------------|--|
| Revenue | 16,430 |
| Net profit before taxation | 4,780 |
| Net profit after taxation | 3,580 |
| Total assets | 1,421,880 |
| Total liabilities | 1,000,630 |
| Net assets | 421,250 |

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Tender shall be conducted in accordance with “企業國有資產交易監督管理辦法” (Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises*) and the Xiamen Assets and Equity Exchange had

LETTER FROM THE BOARD

accordingly reviewed the information regarding the Target Company and the Tender as contained in the Tender Documents before approving the release and publication of the same. As such, and having considered that the existing auditor of the Target Company is an internationally renowned accounting firm, the Directors believe that the financial information of the Target Company as extracted from the Tender Documents and disclosed above are fair and reasonable in the circumstances for the Shareholders and potential investors to consider and, if thought fit, to approve the Possible Investment and to grant the Directors the Proposed Mandate.

FINANCIAL EFFECTS OF THE POSSIBLE INVESTMENT

Upon the successful bidding by the Bidder at the Tender and the entering into and completion of the Capital Increase Agreement, the Target Company will become a joint venture of the Company and its financial results will be incorporated into the Company's consolidated financial statements using the equity method of accounting.

Given that the consideration of the Possible Investment will be funded by the internal resources of the Bidder and bank financing, the Board considers that the Possible Investment, if materialises, will not have any material impact on the earnings and assets and liabilities of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET COMPANY

Set out below is the management discussion and analysis on the Target Company for the period from 1st January, 2015 to 12th April, 2018 (the "Relevant Period") based on the Tender Documents and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

Revenue

The Target Company recorded no revenue for both financial years ended 31st December, 2015 (the "FY2015") and 2016 (the "FY2016"), primarily because (i) Phase I of the Ducheng Yiyuan Project was still under construction during FY2015 and FY2016 with pre-sales commenced in November 2015; and (ii) Phase II only commenced construction in September 2016 with pre-sales of a portion of residential units having commenced in December 2017.

The revenue of the Target Company substantially increased to approximately RMB964.9 million for the financial year ended 31st December, 2017 (the "FY2017"), primarily because the development of Phase I was completed in 2017 and the sales of more than half of the residential units under Phase I were recognised in the same year.

The Target Company continued to record revenue in the amount of approximately RMB16.4 million for the period ended 12th April, 2018 (the "Stub Period"), primarily because the sales of the remaining residential units under Phase I continued to contribute to the revenue of the Target Company.

LETTER FROM THE BOARD

Profit/loss for the period

During the Relevant Period, the Target Company recorded a net loss for FY2015 and FY2016 mainly because (i) the Ducheng Yiyuan Project was still under construction with no revenue recognised during FY2015 and FY2016; and (ii) the significant selling expenses were incurred in 2016 for the pre-sales of residential units under Phase I.

The Target Company recorded a net profit for FY2017 and the Stub Period mainly due to the recognition of a substantial revenue from the sales of residential units under Phase I.

Capital structure and financial resources

During the Relevant Period, the registered capital of the Target Company was RMB400.0 million, which funded its operation.

As at 12th April, 2018, the Target Company had outstanding bank borrowings of approximately RMB432 million.

Charges on assets

As at 12th April, 2018, the Target Company pledged the Ducheng Yiyuan Project to a licensed bank in the PRC to secure its bank borrowings.

Contingent liabilities

As at 12th April, 2018, the Target Company had no contingent liabilities.

Exchange risk and hedging

As the Target Company's operations were principally in the PRC and most of its transactions, assets and liabilities were denominated in RMB, the operations of the Target Company were not subject to significant exchange risk. Accordingly, no financial instruments for hedging purposes were used by the Target Company during the Relevant Period.

Future plans

The Target Company will continue to be principally engaged in real estate development and operation and property management in the PRC and it is intended to continue developing the Ducheng Yiyuan Project which is located at the western side of Jishan Road of Huaqiao Town in Kunshan City of Suzhou, the PRC (i.e. the Land) into commercial and residential properties for resale and/or rental purposes. Upon Completion, the Target Company will be financially supported by its equity holders in order to meet its financial obligations.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the relevant Percentage Ratio(s) in respect of the Possible Investment (including the Maximum Capital Contribution) exceeds 25% but is less than 100%, the Possible Investment, if materialises, will constitute a major transaction for the Company and will therefore be subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the Bidder's bidding is successful, it will thereupon become unconditionally obliged to proceed with the Possible Investment and will not, at that time, be able to seek the approval of Shareholders which is required under Chapter 14 of the Listing Rules. Accordingly, the Directors would like to seek the Shareholders' prior approval for the grant of the Proposed Mandate at the EGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Possible Investment and the Proposed Mandate and the transactions contemplated thereunder, and no Shareholder is required to abstain from voting on the resolution in respect of the Possible Investment and the Proposed Mandate at the EGM.

As the Possible Investment may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Rule 14.67(6)(a) of the Listing Rules, the Company is required to, among others, include in this circular an accountants' report on the Target Company prepared in accordance with Chapter 4 of the Listing Rules. The accounts on which such report is based must relate to a financial period ended six months or less before this circular is issued, and the financial information on the Target Company as contained in such report must be prepared using accounting policies which should be materially consistent with those of the Company. Such information includes both publicly available and non-public information of the Target Company.

However, being only one of the potential bidders in the Tender who does not yet have any interest in the Target Company, the Bidder does not have sufficient access to the Target Company's financial systems to enable the Company's auditor to conduct an audit on the Target Company's financial statements in accordance with the HKFRS for the purpose of preparing the accountants' report of the Target Company nor does it have access to certain substantive confidential non-public information relating to the Target Company which is required by the Listing Rules to be provided in this circular.

LETTER FROM THE BOARD

Although the Company has tried to persuade and make request to the Existing Equity Holder and the Target Company to facilitate the Company's auditor in preparing the accountants' report of the Target Company in accordance with the HKFRS, it could not obtain full and timely cooperation from the Existing Equity Holder and/or the Target Company for such purpose as (i) the Bidder is only one of the potential bidders in the Tender and has not even submitted the application for participating in the Tender to the Target Company; and (ii) the Target Company is an indirect subsidiary of a state-owned enterprise in the PRC which is subject to stringent rules in providing confidential or non-public information to third parties. In view of the aforesaid and in particular the initial deadline for submission of the application for participating in the Tender is 21st September, 2018 and this circular must be despatched by the end of August 2018, the Company anticipates that it will not receive full and timely cooperation from the Existing Equity Holder and the Target Company for its preparation prior to the despatch of this circular.

The Company does not have access to the non-public information of the Target Company to enable the following information to be included in this circular:

- (a) the accountants' report of the Target Company for the three financial years ended 31st December, 2017 and a stub period ended 6 months or less before the date of this circular prepared under the HKFRS; and
- (b) a pro forma statement of the assets and liabilities of the Group combined with the assets and liabilities of the Target Company on the same accounting basis.

To provide information to the Shareholders to evaluate the Target Company, the Company has included the following information as alternative disclosure in this circular:

- (i) the audited financial information of the Target Company for the years ended or as at (as the case may be) 31st December, 2015, 2016 and 2017 prepared in accordance with the PRC accounting standards as published in the Tender Documents; and
- (ii) the financial information of the Target Company for the period ended or as at (as the case may be) 12th April, 2018 (being the latest date to which the financial statements of the Target Company made up to) prepared in accordance with the PRC accounting standards as published in the Tender Documents.

The Company noted from the Tender Documents that (i) the constitution of the Target Company's governance body would be jointly determined by the Existing Equity Holder and the winning bidder; and (ii) the winning bidder is entitled to nominate at least one financial personnel to participate in the capital management of the Target Company. The Company will also ensure that, if the Bidder's bidding at the Tender is successful, the right of gaining full access to the books and records of the Target Company will be stated in the formal joint venture agreement to be entered into between the Existing Equity Holder and the Bidder and/or stipulated in the constitutional document of the Target Company. As such, the Company anticipates that it can have full access to all non-public financial information of the Target Company upon successful bidding at the Tender by the Bidder and completion of the Possible Investment to fully comply with the disclosure requirements under Rules 14.66 and 14.67 of

LETTER FROM THE BOARD

the Listing Rules. In this regard, the Company intends to set out information available for the time being in this circular in partial compliance and defer the publication of remaining information in a supplemental circular in the manner as set out in Rules 14.67A(2) and (3) of the Listing Rules respectively.

The Stock Exchange has granted the waiver from strict compliance with Rule 14.67(6)(a)(i) and Rule 14.67(6)(a)(ii) of the Listing Rules to the Company.

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

The supplemental circular will include the following information:

- (a) the accountants' report of the Target Company for the three financial years ended 31st December, 2017 and a stub period ended 6 months or less before the date of the supplemental circular to be prepared under the HKFRS;
- (b) a pro forma statement of the assets and liabilities of the Group combined with the assets and liabilities of the Target Company on the same accounting basis; and
- (c) any material changes to the information previously disclosed in this circular.

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

EGM

A notice convening the EGM to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 14th September, 2018 at 10:00 a.m. is set out on pages 38 and 39 of this circular. An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Possible Investment and to grant the Directors the Proposed Mandate.

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.

LETTER FROM THE BOARD

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.

RECOMMENDATION

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) are of the view that the Possible Investment and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the EGM.

ADDITIONAL INFORMATION

Your attention is also 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

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this circular the information for the last three financial years ended 31st December, 2017 with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group. The financial information of the Group is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.tiananchina.com>):

- Annual report of the Company for the year ended 31st December, 2017 published on 17th April, 2018 (pages 92 to 243):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0417/LTN201804171063.pdf>
- Annual report of the Company for the year ended 31st December, 2016 published on 18th April, 2017 (pages 89 to 247):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0418/LTN20170418779.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>

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 30th June, 2018, 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\$4,752 million comprising secured bank loans of approximately HK\$4,364 million, unsecured loans from associates of approximately HK\$5 million, unsecured loan from joint ventures of approximately HK\$256 million and other unsecured loans of approximately HK\$127 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 properties for development of joint ventures and subsidiaries. Two pieces of properties for development that are held by joint ventures of the Group with carrying value of approximately HK\$89 million are under idle land investigation by the local authorities. These pieces of lands owned by the joint ventures were held under several land use right certificates. The development of more than half of the pieces of lands were either completed or under development, except for the portions which are retained for the remaining development of the whole projects. Another property for development that is held by a subsidiary of the Group with carrying value of approximately HK\$35 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 joint venture of the Group with carrying value of approximately HK\$761 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 for those under idle land investigation and taking remedy action to prevent from prosecution for those had been identified 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 can be reversed. In the opinion of the Directors, the economic outflows caused by the above cases are not probable.

In addition, the Group had contingent liabilities in the sum of approximately HK\$1,609 million in respect of guarantees for banking facilities granted to property purchasers, joint ventures together with utility supplies and government authorities for the property development works.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of business on 30th June, 2018, the Group did not have any outstanding debts securities, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptances credits, material hire purchase commitments, mortgages or charges, which were either guaranteed, unguaranteed, secured or unsecured.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 30th June, 2018.

3. WORKING CAPITAL

Taking into account the Group's presently financial available resources including internally generated cash flows, available credit facilities, bank balances and cash and the cash flow impact of the Possible Investment, the Directors, after due and careful enquiry, are of the opinion that the working capital of the Group is sufficient for its present requirements for at least 12 months from the date of this circular, in the absence of unforeseeable circumstance.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's main business market is mainland China, where there have been various measures by the authorities to regulate the high housing demand and cool down the overheated property market. In Hong Kong, there is a shortage in the supply of land resulting in record land prices. We expect that global market interest rates will go up continuously and the trade war between China and the United States of America may not abate in the second half of 2018. These two factors may have an adverse impact on the property market. However, we remain confident of the long term prospects of the property market in mainland China and Hong Kong.

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.

The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this circular received from Norton Appraisals Limited, an independent valuer, in connection with its opinion on the market value of the properties held by the Target Company in the PRC as at 30th June, 2018.



Unit F, 18/F, Seabright Plaza
9-23 Shell Street
North Point, Hong Kong
Tel : (852) 2810 7337 Fax : (852) 2810 6337

28th August, 2018

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

Dear Sirs,

We refer to your instructions to value the property interests (hereinafter referred to as the “Properties”) (as more particularly described in the attached Summary of Values) located in the People’s Republic of China (hereinafter referred to as the “PRC”) to be acquired by Tian An China Investments Company Limited (the “Company”) and its subsidiaries (the “Group”). We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 30th June, 2018 (hereinafter referred to as the “Date of Valuation”).

BASIS OF VALUATION

Our valuation has been undertaken on the basis of the market value, which is defined by The Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

VALUATION STANDARDS

The valuation has been carried out in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors effective from 30th December, 2017 with reference to the International Valuation Standards (2017) published by the International Valuation Standards Council effective from 1st July, 2017, and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

The valuations have been arrived by adopting Market Approach with reference to sales evidence of comparable properties with adjustments made to account for any difference. We have assumed that the Properties, where applicable, will be completed in accordance with the development proposals provided to us and the relevant approvals for the proposals have been obtained. We have also taken into account the cost of development including construction costs, finance costs, professional fees and developer's profit which duly reflects the risks associated with the development of the Properties. The "capital value when completed" represents our opinion of the aggregate selling prices of the development assuming that it would have been completed at the date of valuation.

TITLE DOCUMENTS

We have been provided with copies of extracts of title documents relating to the Properties. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. We have relied on the information given by the Group and its PRC legal advisers, Beijing Yingke Law Firm Shanghai Office, regarding the title and other legal matters relating to the Properties.

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Group and the PRC legal adviser, in respect of the titles to the Properties in the PRC. We have also accepted advice given to us on matters such as identification of the Properties, particulars of occupancy, statutory notices, easements, tenure, areas, site plans and all other relevant matters. Dimensions, measurements and areas included in the valuations are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuations are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations.

We have not carried out detailed on-site measurements to verify the correctness of the site area in respect of the Properties but have assumed that the areas shown on the documents and plans provided to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximately. No on-site measurement has been taken.

INSPECTION AND STRUCTURAL CONDITION

We have inspected the Properties. The inspection was carried out by our Director, Paul Wong on 11th August, 2018. However, we have not carried out site investigations to determine the suitability of ground conditions and services for the development. Our valuations are prepared on the assumption that these aspects are satisfactory.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the Properties on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect their values.

No allowances have been made in our valuations for any charges, mortgages or amounts owing neither on the Properties nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”).

Our Summary of values and valuation reports are attached hereto.

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

Note: Mr. Paul M.K. Wong is a Member of China Institute of Real Estate Appraisers and Agents, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Mr. Wong has more than 27 years’ experience in the professional property valuation and advisory services in the PRC and various overseas countries. Mr. Wong has sufficient current national knowledge of the market, and the skill and understanding to undertake the valuations competently.

SUMMARY OF VALUES

| Property | Market value as at 30th June, 2018 (RMB) | Interest attributable to the Group after acquisition | Market value attributable to the Group as at 30th June, 2018 (RMB) |
|---|---|---|---|
| Property Interests to be acquired by the Group for Investment | | | |
| 1. Unsold Portions in Phase I of Ducheng Yiyuan, 88 Yuanguo Road, Huaqiao Town, Kunshan City, Jiangsu Province, the PRC | 1,098,000,000 | 50% | 549,000,000 |
| 2. Phase II of Ducheng Yiyuan, 88 Yuanguo Road, Huaqiao Town, Kunshan City, Jiangsu Province, the PRC | 2,458,000,000 | 50% | 1,229,000,000 |
| Total: | <u>3,556,000,000</u> | | <u>1,778,000,000</u> |

VALUATION REPORT

Property Interests to be acquired by the Group for Investment

| Property | Description and Tenure | Particulars of Occupancy | Market value in existing state as at 30th June, 2018 | | | | | | | | | | | | |
|---|---|--------------------------|--|-------------------------|-----------|------------|----------|-----------------------|----------|------------------|-----------|---------------|------------------|-----------------------------------|--|
| 1. Unsold Portions in Phase I of Ducheng Yiyuan, 88 Yuanguo Road, Huaqiao Town, Kunshan City, Jiangsu Province, the PRC | <p>Ducheng Yiyuan (the “Development”) comprises a comprehensive residential/commercial development with a total gross floor area of approximately 325,614 sq.m. to be developed by 2 phases. The Development falls within the Huaqiao economic development zone which is planned to be developed into an integrated manufacture/logistic/finance centre accommodated with ancillary facilities including hotel, commercial, exhibition centre and residential etc.</p> <p>Phase I of the Development comprises 7 blocks of high-rise residential building and a 3-storey commercial building with a total gross floor area of 146,831.99 sq.m. and completed in 2017.</p> <p>The property comprises the unsold portion in Phase I of the Development with a total gross floor area of 78,654.59 sq.m.. Details of the floor area breakdown are listed as follows:</p> <table border="1"> <thead> <tr> <th>Uses</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential (562 units)</td> <td>45,463.93</td> </tr> <tr> <td>Commercial</td> <td>2,160.39</td> </tr> <tr> <td>Utilities/communities</td> <td>6,102.31</td> </tr> <tr> <td>Basement carpark</td> <td>24,927.96</td> </tr> <tr> <td>Total:</td> <td>78,654.59</td> </tr> </tbody> </table> <p>The Land Use Rights of the property have been granted with the respective terms up to 29th June, 2054 and 29th June, 2084 for commercial and residential uses. The annual land use fee is RMB5 per sq.m..</p> | Uses | Gross Floor Area (sq.m.) | Residential (562 units) | 45,463.93 | Commercial | 2,160.39 | Utilities/communities | 6,102.31 | Basement carpark | 24,927.96 | Total: | 78,654.59 | The property is currently vacant. | RMB1,098,000,000 (50% interest attributable to the Group: RMB549,000,000) |
| Uses | Gross Floor Area (sq.m.) | | | | | | | | | | | | | | |
| Residential (562 units) | 45,463.93 | | | | | | | | | | | | | | |
| Commercial | 2,160.39 | | | | | | | | | | | | | | |
| Utilities/communities | 6,102.31 | | | | | | | | | | | | | | |
| Basement carpark | 24,927.96 | | | | | | | | | | | | | | |
| Total: | 78,654.59 | | | | | | | | | | | | | | |

Notes:

- (i) Pursuant to the Contract for Grant of State-owned Land Use Rights (the “Land Grant Contract”) No. 3205832013CR0236 entered into between Kunshan Land Resources Bureau (the “Bureau”) and 上海象嶼置業有限公司 (Shanghai Xiangyu Real Estate Company Limited) (“Shanghai Xiangyu”) on 20th December, 2013, the Bureau agreed to grant the land use rights of the Development with a site area of 100,959.9 sq.m.. The Land Grant Contract contains, inter alia, the following salient conditions:
- | | | | |
|-----|---------------------------------|---|--|
| (a) | Site area | : | 100,959.9 sq.m. |
| (b) | Uses | : | commercial/residential |
| (c) | Land use terms | : | 40 years for commercial 70 years for residential |
| (d) | Plot ratio | : | superstructure : 2.0 – 2.5 substructure : 0.5 – 1.5 |
| (e) | Greenery ratio | : | not lower than 40% |
| (f) | Ancillary commercial floor area | : | not exceed 3,000 sq.m. |
- (ii) Pursuant to the Amendment Agreement dated 2nd April, 2014 to the Land Grant Contract entered into among the Bureau, Shanghai Xiangyu and 蘇州象嶼地產有限公司 (Suzhou Xiangyu Real Estate Company Limited) (“Suzhou Xiangyu”), all parties agreed to the grantee of the land use rights of the Development as stated in the Land Grant Contract changed to Suzhou Xiangyu whilst all the conditions as stated remain unchanged.
- (iii) Pursuant to the Business License with United Social Credit No. 91320583094142324U, Suzhou Xiangyu was established with a registered capital of RMB400,000,000 for an operation period from 13th March, 2014 to 12th March, 2044.
- (iv) Pursuant to the Certificate for State-owned Land Use Rights No. Kun Guo Yong (2015) DW120 issued by People’s Government of Kunshan City, the land use rights of the Development have been granted to Suzhou Xiangyu with respective terms up to 29th June, 2054 for commercial and 29th June, 2084 for residential uses.
- (v) Pursuant to the 14 Construction and Engineering Planning Permits issued by Planning Bureau of Kunshan City, the constructions for respective portions of the Development are approved and listed as follows:

| No. | Construction Portions (block No.) | Total gross floor (sq.m.) | Included basement carpark (sq.m.) | Included basement storeroom (sq.m.) | Others (sq.m.) |
|----------|--------------------------------------|------------------------------|---|---|-------------------|
| 2014-391 | No. 8 | 25,821.12 | 1,031.69 | 763.02 | 169.39 |
| 2014-392 | No. 10 | 15,447.22 | 684.50 | 518.23 | 28.75 |
| 2014-393 | No. 11 | 15,447.22 | 684.50 | 518.23 | 28.75 |
| 2014-394 | No. 12 | 11,837.15 | – | – | 613.91 |
| 2014-395 | No. 13 | 13,280.63 | 523.43 | 380.64 | 84.54 |
| 2014-396 | No. 14 | 24,540.74 | 1,004.03 | 707.83 | 153.92 |
| 2014-397 | No. 15 | 13,551.82 | 517.83 | – | 854.48 |
| 2014-422 | No. 16 | 4,854.78 | – | – | 2,627.34 |
| 2014-398 | No. 20 | – | – | – | 185.84 |
| 2014-399 | No. 21 | – | – | – | 155.80 |
| 2014-400 | No. 22 | – | – | – | 191.36 |
| 2014-401 | No. 23 | – | – | – | 338.56 |
| 2014-402 | Refuse | – | – | – | 53.90 |
| 2014-403 | Basement 1 | 21,029.16 | – | – | – |

- (vi) Pursuant to the 4 Certificates for Pre-sale issued by 昆山市住房局 (Kunshan Housing Bureau), a total gross floor area 148,906.71 sq.m. are permitted to be pre-sold. Details of the Certificates are summarized as follows:

| Certificate No. | Date | Block Nos. | Floor area (sq.m.) | Use | Basement Storeroom (sq.m.) |
|-----------------|---------------------|------------|-----------------------|------------|----------------------------------|
| 2015-235 | 16th November, 2015 | 18, 19 | 34,873.10 | apartment | 707.83 |
| 2016-106 | 25th March, 2016 | 11, 15, 16 | 37,769.10 | apartment | 886.97 |
| 2016-135 | 12th May, 2016 | 12, 13 | 38,111.68 | apartment | 1,268.80 |
| 2018-057 | 27th June, 2018 | 20 | 2,160.39 | commercial | – |

- (vii) As advised, a total gross floor area of 39,741.80 sq.m. (490 residential units) of the property has been pre-sold as at the Date of Valuation. In the course of our valuation, we have taken into account of the said pre-sold units.
- (viii) Pursuant to the Construction Land Use Planning Permit No. GJY2014-032 issued by Planning Bureau of Kunshan City dated 17th October, 2014, the subject site of the Development, having a site area of 100,959.9 sq.m., was permitted to be developed for commercial/residential uses.
- (ix) In the course of valuation, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristic as the property. The selected comparables are residential units within the same development of the property and other newly completed or to be completed development located in the area close to the property with similar finishing, development scale and facilities as the property. The unit prices of these sales evidences range from RMB20,000/sq.m to RMB25,000/sq.m. Appropriate adjustments and analysis are considered for the differences in location, size, building age, facilities and other characters between the comparables and the property to arrive at the assumed unit rate for the property as at the Date of Valuation.
- (x) We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
- Suzhou Xiangyu has obtained a proper legal title to the property;
 - Suzhou Xiangyu is vested with proper land use rights of the property and can occupy, use or transfer the land use rights to third parties;
 - Suzhou Xiangyu has been legally established; and
 - Suzhou Xiangyu has obtained all relevant licences/permits for the development of the property.

| Property | Description and Tenure | Particulars of Occupancy | Market value in existing state as at 30th June, 2018 | | | | | | | | | | | | | | |
|---|--|--------------------------|--|-------------|------------|-----------|----------|----------|--|-----------|----------|------------------|-----------|--------|-------------------|--|--|
| 2. Phase II of Ducheng Yiyuan, 88 Yuanguo Road, Huaqiao Town, Kunshan City, Jiangsu Province, the PRC | <p>Ducheng Yiyuan (the “Development”) comprises a comprehensive residential/commercial development with a total gross floor area of approximately 325,614 sq.m. to be developed by 2 phases. The Development falls within the Huaqiao economic development zone which is planned to be developed into an integrated manufacture/logistic/finance centre accommodated with ancillary facilities including hotel, commercial, exhibition centre and residential etc.</p> <p>Phase II of the Development comprises 8 blocks of high-rise residential building with a total gross floor area of 178,782.04 sq.m..</p> <p>Details of the floor area breakdown are listed as follows:</p> <table border="1"> <thead> <tr> <th>Uses</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>136,316.58</td> </tr> <tr> <td>Utilities</td> <td>1,319.39</td> </tr> <tr> <td>Basement</td> <td></td> </tr> <tr> <td> Storeroom</td> <td>4,958.84</td> </tr> <tr> <td>Basement carpark</td> <td>36,187.23</td> </tr> <tr> <td>Total:</td> <td><u>178,782.04</u></td> </tr> </tbody> </table> <p>The Land Use Rights of the property have been granted with the respective terms up to 29th June, 2054 and 29th June, 2084 for commercial and residential uses. The annual land use fee is RMB5 per sq.m..</p> | Uses | Gross Floor Area (sq.m.) | Residential | 136,316.58 | Utilities | 1,319.39 | Basement | | Storeroom | 4,958.84 | Basement carpark | 36,187.23 | Total: | <u>178,782.04</u> | The property is under construction and scheduled to be completed by end of 2018. | RMB2,458,000,000 (50% interest attributable to the Group: RMB1,229,000,000) |
| Uses | Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | |
| Residential | 136,316.58 | | | | | | | | | | | | | | | | |
| Utilities | 1,319.39 | | | | | | | | | | | | | | | | |
| Basement | | | | | | | | | | | | | | | | | |
| Storeroom | 4,958.84 | | | | | | | | | | | | | | | | |
| Basement carpark | 36,187.23 | | | | | | | | | | | | | | | | |
| Total: | <u>178,782.04</u> | | | | | | | | | | | | | | | | |

Notes:

- (i) Pursuant to Land Grant Contract No. 3205832013CR0236 entered into between Kunshan Land Resources Bureau (the “Bureau”) and Shanghai Xiangyu on 20th December, 2013, the Bureau agreed to grant the land use rights of the Development with a site area of 100,959.9 sq.m. to Shanghai Xiangyu. The Land Grant Contract contains, inter alia, the following salient conditions:
- (a) Site area : 100,959.9 sq.m.
- (b) Uses : commercial/residential
- (c) Land use terms : 40 years for commercial
70 years for residential
- (d) Plot ratio : superstructure : 2.0 – 2.5
substructure : 0.5 – 1.5
- (e) Greenery ratio : not lower than 40%
- (f) Ancillary commercial floor area : not exceed 3,000 sq.m.
- (ii) Pursuant to the Amendment Agreement dated 2nd April, 2014 to the Land Grant Contract entered into among the Bureau, Shanghai Xiangyu and Suzhou Xiangyu, all parties agreed to the grantee of the land use rights of the Development as stated in the Land Grant Contract changed to Suzhou Xiangyu whilst all the conditions as stated remain unchanged.
- (iii) Pursuant to the Business License with United Social Credit No. 91320583094142324U, Suzhou Xiangyu was established with a registered capital of RMB400,000,000 for an operation period from 13th March, 2014 to 12th March, 2044.
- (iv) Pursuant to the Certificate for State-owned Land Use Rights No. Kun Guo Yong (2015) DW120 issued by People’s Government of Kunshan City, the land use rights of the Development have been granted to Suzhou Xiangyu with respective terms up to 29th June, 2054 for commercial and 29th June, 2084 for residential uses.
- (v) Pursuant to the 13 Construction and Engineering Planning Permits issued by Planning Bureau of Kunshan City, the constructions for respective portions of the Development are approved and listed as follows:

| No. | Construction Portions (block No.) | Total gross floor (sq.m.) | Included basement carpark (sq.m.) | Included basement storeroom (sq.m.) | Others (sq.m.) |
|----------|--------------------------------------|------------------------------|---|---|-------------------|
| 2015-068 | No. 1 | 19,429.28 | 957.89 | 700.10 | 56.09 |
| 2015-069 | No. 2 | 29,106.16 | 1,381.07 | 1,056.79 | 83.98 |
| 2015-070 | No. 3 | 24,555.62 | 1,025.32 | 701.42 | 153.92 |
| 2015-071 | No. 4 | 20,423.06 | 993.97 | 715.79 | 56.09 |
| 2015-072 | No. 5 | 10,713.50 | 502.85 | 367.49 | 28.04 |
| 2015-073 | No. 6 | 15,447.22 | 684.50 | 518.23 | 28.75 |
| 2015-074 | No. 7 | 15,447.22 | 684.50 | 518.23 | 28.75 |
| 2015-075 | No. 9 | 13,280.63 | 523.43 | 380.64 | 84.54 |
| 2015-077 | No. 17 | 181.12 | – | – | – |
| 2015-078 | No. 18 | 340.03 | – | – | – |
| 2015-079 | No. 19 | 181.12 | – | – | – |
| 2015-080 | Guardhouse | 6.88 | – | – | – |
| 2015-081 | Basement | 29,514.43 | – | – | – |

- (vi) Pursuant to the Construction Land Use Planning Permit No. GJY2014-032 issued by Planning Bureau of Kunshan City dated 17th October, 2014, the subject site of the Development, having a site area of 100,959.9 sq.m., was permitted to be developed for commercial/residential uses.
- (vii) Pursuant to the Certificate for Pre-sale issued by 昆山市住房局 (Kunshan Housing Bureau) No. 2017-181 dated 27th November, 2017, a total gross floor area of 33,128.79 sq.m. (including 1,166.83 sq.m. basement storeroom) is permitted to be pre-sold.
- (viii) As advised, a total gross floor area of 25,312.51 sq.m. (364 residential units) of the property has been pre-sold as at the Date of Valuation. In the course of our valuation, we have taken into account of the said pre-sold units.

- (ix) As advised by the Group, the estimated total construction costs expended as at the Date of Valuation were approximately RMB331,040,000, and the outstanding construction costs to complete the Phase II of the Development were approximately RMB223,950,000. In the course of our valuation, we have taken into account the said construction costs.
- (x) The “capital value when completed” of the Phase II of the Development is approximately RMB2,998,000,000 as at the Date of Valuation.
- (xi) In the course of valuation, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristic as the property. The selected comparables are residential units within the same development of the property and other newly completed or to be completed development located in the area close to the property with similar finishing, development scale and facilities as the property. The unit prices of these sales evidences range from RMB20,000/sq.m to RMB25,000/sq.m. Appropriate adjustments and analysis are considered for the differences in location, size, building age, facilities and other characters between the comparables and the property to arrive at the assumed unit rate for the property as at the Date of Valuation.
- (xii) We have been provided with the Group’s PRC legal adviser’s opinion, which inter-alia, contains the followings:
- (a) Suzhou Xiangyu has obtained a proper legal title to the property;
 - (b) Suzhou Xiangyu is vested with proper land use rights of the property and can occupy, use or transfer the land use rights to third parties;
 - (c) Suzhou Xiangyu has been legally established;
 - (d) Suzhou Xiangyu has obtained all relevant licences/permits for the development of the property; and
 - (e) The subject site of the property is mortgaged in favour of China Minsheng Bank Corp. (Suzhou Branch) (“CMBC”) for a consideration of RMB432,000,000. CMBC has approved Suzhou Xiangyu to pre-sale the property.

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 the 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 interested | Approximate % of the relevant total number of issued shares | Nature of interests |
|-------------------|---------------------------------------|---|---|---|
| Lee Seng Hui | the Company | 798,269,096 <i>(Note 1)</i> | 52.97% | Other interests |
| | Asiasec Properties Limited ("ASL") | 938,826,898 <i>(Note 2)</i> | 75.64% | Other interests |
| Ma Sun | the Company | 47,945 | 0.003% | Personal interests (held as beneficial owner) |
| | ASL | 6,232 | 0.001% | 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. The Lee and Lee Trust controlled approximately 74.95% of the total number of issued shares of Allied Group Limited (“AGL”) (inclusive of Mr. Lee Seng Hui’s personal interests) and was therefore deemed to be interested in the Shares in which AGL was deemed to be interested through the subsidiaries of AGL, including (i) Allied Properties (H.K.) Limited (“APL”), its 74.99%-owned subsidiary; and (ii) Sun Hung Kai & Co. Limited (“SHK”), its 57.29%-owned subsidiary (held as holder of security interest).
- (2) Mr. Lee Seng Hui, by virtue of his interests in the Company, was deemed to be interested in the shares of ASL, a non wholly-owned subsidiary of the Company and therefore an associated corporation of the Company within the meaning of Part XV of the SFO.
- (3) 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, 798,269,096 Shares, representing approximately 52.97% of the total number of issued shares of the Company. In relation to such 798,269,096 Shares, 733,269,096 of which were held by an indirect subsidiary of APL as beneficial owner and 65,000,000 of which were held by an indirect subsidiary of APL as holder of security interest; 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, 798,269,096 Shares, representing approximately 52.97% of the total number of issued shares of the Company. In relation to such 798,269,096 Shares, 733,269,096 of which were held by an indirect subsidiary of AGL as beneficial owner and 65,000,000 of which were held by an indirect subsidiary of AGL as holder of security interest.

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 (not being the independent non-executive 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) Messrs. Patrick Lee Seng Wei, Edwin Lo King Yau and Tao Tsan Sang are director(s) of ASL which, through certain of its subsidiaries, is partly engaged in the businesses of property investment and property management;
- (b) 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 and property management;
- (c) Mr. Lee Seng Hui is a director of APAC Resources Limited (“APAC Resources”) which, through its subsidiary, is partly engaged in the business of money lending;
- (d) 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 and property management. 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
- (e) 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, APAC Resources and ASL. AGL, APL and SHK through their subsidiaries, are partly engaged in the businesses of money lending, property development and investment and property management. APAC Resources, through its subsidiary, is partly engaged in the business of money lending. ASL, through certain of its subsidiaries, is partly engaged in the businesses of property investment and property management.

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 interests 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' INTEREST 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, 2017 (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

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) 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);
- (b) 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;
- (c) a sale and purchase agreement dated 19th September, 2016 entered into among Fabulous Investments Limited (“FIL”), Dan Form International Limited (“DFIL”) and Mr. Dai Xiaoming (together with FIL and DFIL, the “Dan Form Vendors”) as vendors, Autobest Holdings Limited (“Autobest”, the then wholly-owned subsidiary of the Company) as purchaser and the Company as Autobest’s guarantor, pursuant to which the Dan Form Vendors conditionally agreed to sell and Autobest conditionally agreed to acquire 452,892,969 shares of Dan Form Holdings Company Limited (now known as “Asiasec Properties Limited”) (Stock Code: 271) at an aggregate consideration of HK\$1,245,455,664.75;

- (d) a sale and purchase agreement dated 10th December, 2016 entered into between Best Advantage Limited (“Best Advantage”, an indirect wholly-owned subsidiary of the Company) as vendor and 森隆地產有限公司 (Sen Long Real Estate Company Limited*) (“Sen Long”) as purchaser, pursuant to which Best Advantage agreed to sell and Sen Long agreed to purchase one issued share, representing the entire issued share capital of Great Title Holdings Limited at a consideration of HK\$450,800,000;
- (e) a leasing agreement dated 28th December, 2016 entered into between Hing Yip Holdings Limited (“Hing Yip”, an indirect wholly-owned subsidiary of the Company) as lessor 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”) as lessee, pursuant to which Hing Yip agreed to lease a premises located in Tian An Centre, Shanghai, the PRC to SHKIS for a term of six months at the monthly rental of RMB11,595.60 (equivalent to approximately HK\$13,500);
- (f) a supplemental sharing of administrative services and management services agreement dated 7th February, 2017 entered into between AGL and the Company, pursuant to which AGL and the Company agreed to amend certain terms and conditions of an agreement dated 28th January, 2014 entered into between AGL and the Company in respect of the sharing of administrative services and management services;
- (g) a sharing of administrative services and management services agreement dated 7th February, 2017 entered into between AGL and the Company in relation to the administrative services and management services provided by AGL to the Group (excluding ASL group) and the reimbursement of costs payable to AGL for a term of 3 years, for which the annual caps in respect of the management services are HK\$85,000,000, HK\$94,000,000 and HK\$103,000,000 for each of the three financial years ending 31st December, 2019 respectively;
- (h) a sale and purchase agreement dated 29th March, 2017 entered into between FREP (South Place) Limited (“FREP”) as vendor and Best Perspective Asian Real Estate Fund Limited (“Best Perspective”, an indirect wholly-owned subsidiary of the Company) as purchaser, pursuant to which FREP agreed to sell and Best Perspective agreed to purchase a freehold property in United Kingdom at a consideration of GBP67,000,000 (equivalent to approximately HK\$690,100,000);
- (i) a sub-tenancy agreement dated 31st March, 2017 entered into between AP Administration Limited (“AP Administration”, a wholly-owned subsidiary of APL) as landlord and the Company as tenant, pursuant to which AP Administration agreed to sublet to the Company a premises for a term from 1st April, 2017 to 31st March, 2019 at the monthly rental of (i) HK\$24,500 from 1st April, 2017 to 31st May, 2017; and (ii) HK\$28,200 from 1st June, 2017 to 31st March, 2019;

- (j) a sub-tenancy agreement dated 31st March, 2017 entered into between AGL as landlord and the Company as tenant, pursuant to which AGL agreed to sublet to the Company a premises for a term from 1st April, 2017 to 31st March, 2019 at the monthly rental of HK\$181,600;
- (k) a sub-tenancy agreement dated 31st March, 2017 entered into between AP Administration as landlord and ASL as tenant, pursuant to which AP Administration agreed to sublet to ASL a premises for a term from 1st June, 2017 to 31st March, 2019 at the monthly rental of HK\$103,000; and
- (l) a second shareholder's loan agreement dated 29th May, 2018 entered into between 應威(深圳)投資諮詢有限公司 (Greatway (Shenzhen) Investment Consulting Company Limited*) ("Greatway (Shenzhen)", an indirect wholly-owned subsidiary of the Company) and 香河明鴻房地產開發有限公司 (Xianghe Min-Hoong Real Estate Development Co., Ltd.*) ("Xianghe Min-Hoong", an indirect 50%-owned joint venture of the Company) to amend certain terms and conditions of the first shareholder's loan agreement dated 21st September, 2017 entered into between Greatway (Shenzhen) and Xianghe Min-Hoong, pursuant to which Greatway (Shenzhen) agreed to make available to Xianghe Min-Hoong a shareholder's loan in the amount of RMB200,000,000 (equivalent to approximately HK\$232,558,000).

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, 2017, being the date of which the latest published audited financial statements of the Group were made up.

9. EXPERTS AND CONSENTS

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

| Name | Qualification |
|---|--|
| Norton Appraisals Limited | An 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 letter, report and/or opinion 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 letter, report and/or opinion, 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 the above experts:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2017 (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 texts of this circular and the accompanying proxy form shall prevail over the Chinese texts 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 three financial years ended 31st December, 2015, 2016 and 2017;
- (d) the valuation report relating to the Ducheng Yiyuan Project prepared by Norton Appraisals Limited, the texts of which are set out in Appendix II to this circular;
- (e) the written consents referred to in the section headed “Experts and consents” in this appendix;
- (f) the Tender Documents; 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 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 14th September, 2018 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 participation in and bidding at a public tender (the “Tender”), through a wholly-owned subsidiary to be nominated or designated by the Company, for investment in 蘇州象嶼地產有限公司 (Suzhou Xiangyu Real Estate Company Limited*) (the “Possible Investment”) by way of capital contribution of not more than RMB1,322.0 million be and are hereby approved and confirmed; and
- (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to proceed with the Tender and, if the bid of the Tender is successful, to proceed with the completion of the Possible Investment and 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 any or all transactions in connection with the Tender for and on behalf of the Company.”

By Order of the Board

Tian An China Investments Company Limited

Cindy Yung Yee Mei

Company Secretary

Hong Kong, 28th August, 2018

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

* *for identification purpose only*

NOTICE OF THE EGM

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.
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(s), any one of such joint holders may vote at the Meeting, either personally or by proxy in respect of such Share(s) 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 Share(s).
6. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 11th September, 2018 to Friday, 14th September, 2018 (both days inclusive), 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 Monday, 10th September, 2018.