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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 – DISPOSAL OF A SUBSIDIARY

RESUMPTION OF TRADING

THE AGREEMENT

On 24th June, 2015, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (ii) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan, at the Consideration of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000).

LISTING RULES IMPLICATIONS OF THE DISPOSAL

The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules on the basis that the relevant Percentage Ratio for the Company exceeds 25% but is less than 75%. The Disposal is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder. A circular containing, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) the financial information and other information of the Group; (iii) other information as required under the Listing Rules; and (iv) the notice of the EGM will be despatched to the Shareholders as soon as practicable, which is expected to be on or before 17th July, 2015 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

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 Agreement and the transactions contemplated thereunder, and no Shareholder is required to abstain from voting on the resolution(s) in respect of the Agreement at the EGM.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 25th June, 2015 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26th June, 2015.

INTRODUCTION

On 24th June, 2015, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (ii) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan, at the Consideration of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000).

THE AGREEMENT

Date: 24th June, 2015

Parties

- (1) The Vendor: ACE Result Limited
- (2) The Purchaser: Power Ample Investments Limited

As at the date of this announcement, based on the information and confirmation provided by the Purchaser and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties of the Company and its connected persons.

Assets to be disposed of

Pursuant to the Agreement, (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares; and (ii) the Vendor has agreed to sell and assign and the Purchaser has agreed to take up an assignment of the Sale Loan, at the Consideration.

Consideration

Pursuant to the Agreement, the Consideration of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000) shall be satisfied in the following manner:

- (i) upon signing of the Agreement, a deposit of RMB320,000,000 (equivalent to approximately HK\$405,063,000) which must be paid in RMB representing 10% of the Consideration (i.e. the Deposit) shall be payable by the Purchaser to the Vendor or its nominee(s) in cash; and
- (ii) upon Completion, the balance of the Consideration or its HK\$ equivalent shall be payable by the Purchaser to the Vendor or its nominee(s) in cash.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser having regard to (i) the market value of the Land; and (ii) the Sale Loan. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

Conditions Precedent

Completion of the Agreement shall be conditional upon:

- (i) the Vendor's warranties remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (ii) the Vendor and the Purchaser having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by it under the Agreement, on or prior to Completion;
- (iii) all necessary authorisations of all relevant governmental or regulatory authorities, agencies or bodies, or any other third party (including banks, lenders and/or shareholder(s) of the Vendor, the Purchaser or the Company and/or relevant regulatory authorities of the PRC (if required)), required for the implementation of the transactions contemplated in the Agreement being obtained and maintained;
- (iv) each of the Vendor and the Company having obtained (where applicable) the approval of their respective shareholders of the Agreement and the transactions contemplated thereunder as required by the Listing Rules; and
- (v) each of the Vendor and the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the sale of the Sale Shares and the assignment of the Sale Loan and other transactions contemplated thereunder.

Each of the Purchaser and the Vendor may, in its sole and absolute discretion, waive any of the above Conditions Precedent (except for the Conditions Precedent set out in (iv) and (v) above which cannot be waived).

If any of the above Conditions Precedent has not been fulfilled (or waived by the Vendor or the Purchaser (as the case may be)) on or before the Long Stop Date, the Vendor and the Purchaser shall not be obliged to proceed to Completion and the Vendor shall refund in cash to the Purchaser the full amount of the Deposit without interest within 10 business days after the Purchaser's written request. The Agreement shall then cease and determine save in respect of claims arising out of any antecedent breach thereof.

As at the date of this announcement, no Condition Precedent has been fulfilled or waived.

Completion

Completion shall take place at 2:00 p.m. on the third business day following the day on which the last of the Conditions Precedent is fulfilled (or otherwise waived) (or such other date and time as may be agreed by the Vendor and the Purchaser in writing) provided that the date of Completion shall be at least 6 weeks after the date of the Agreement, and in any event shall not be later than the third business day following the Long Stop Date.

On the date of Completion, the Purchaser shall reimburse the Vendor for any advance made by the Vendor to the Target Company for the development of the Land during the period from the date of Agreement to the date of Completion.

Upon Completion, the Group shall cease to hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

INFORMATION ON THE TARGET GROUP

The Target Company, an indirect wholly-owned subsidiary of the Company, is an investment holding company incorporated in the British Virgin Islands with limited liability, which holds 100% of the entire issued share capital of Teamlead and 15% of the total issued shares of Regal Asset. Regal Asset is owned as to 85% by Teamlead and 15% by the Target Company respectively. Shanghai Sheshan is a direct wholly-owned subsidiary of Regal Asset.

Teamlead is an investment holding company incorporated in the British Virgin Islands with limited liability. Regal Asset is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of investment holding. Shanghai Sheshan is a wholly foreign owned enterprise incorporated in the PRC with limited liability and is principally engaged in the business of development and operation of recreational estates, farming, residential development, membership clubs etc. and owns the land use and development rights of the Land with an aggregate total area of 333,716.60 square metres, which are all located in Songjiang District, Shanghai, the PRC. The Land is planned to be developed into a commercial and residential complex.

Set out below is the financial information of the Target Group for the two years ended 31st December, 2013 and 31st December, 2014:

	Year ended 31st December,	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	25,632	–
Net loss before taxation	6,186	28,418
Net loss after taxation	4,034	25,746

The unaudited net deficit of the equity interest of the Target Group was approximately HK\$129,921,000 as at 31st December, 2014.

The financial information above has been prepared in accordance with HKGAAP.

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that, as a result of the Disposal, the Company will recognise an estimated gain of approximately HK\$2,579,402,000 being the Consideration less the Sale Loan, net deficit of Target Group, and other costs. The proceeds generated from the Disposal will be applied as general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

The Company considers the Disposal to be a good opportunity for the Company to realise its investment especially given that the Disposal will be made at a gain. Moreover, with reference to the prevailing market conditions and the fact that the proceeds from the Disposal will strengthen the financial position of the Group and enhance its cashflow, the Directors consider that the present time is a mature time for the Disposal.

Having regard to the nature of and the benefits resulting from the Disposal, the Directors believe that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

INFORMATION RELATING TO THE COMPANY, THE VENDOR AND THE PURCHASER

(1) The Company

The Company is incorporated in Hong Kong with limited liability with its Shares listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The Group is engaged principally in the development of apartments, villas, office buildings and commercial properties, property investment and property management in the PRC.

(2) The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Vendor is investment holding.

(3) The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands with limited liability.

The principal business activity of the Purchaser is investment holding.

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RESUMPTION OF TRADING

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DEFINITIONS

“Agreement”	the sale and purchase agreement dated 24th June, 2015 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares and the Sale Loan
“Board”	the board of Directors
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of sale and purchase of the Sale Shares and the Sale Loan in accordance with the Agreement
“Condition(s) Precedent”	the condition(s) precedent to the Completion as set out under the section headed “Conditions Precedent” of this announcement
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the sum of RMB3,200,000,000 (equivalent to approximately HK\$4,050,633,000) payable by the Purchaser to the Vendor for the Disposal under the Agreement
“Deposit”	RMB320,000,000 (equivalent to approximately HK\$405,063,000) which must be paid in RMB representing 10% of the Consideration
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the Agreement
“EGM”	the extraordinary general meeting to be convened by the Company for the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder

“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
“Land”	8 pieces of land with the particulars of each of them as follows: <ul style="list-style-type: none"> (i) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 30,227.90 square metres which can be used for residential purposes; (ii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 48,297.10 square metres which can be used for residential purposes; (iii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 16,263.70 square metres which can be used for residential purposes; (iv) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 112,123.20 square metres which can be used for residential purposes; (v) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 54,425.80 square metres which can be used for residential purposes; (vi) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 7,090.40 square metres which can be used for residential purposes; (vii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 44,895.80 square metres which can be used for commercial and office purposes; and (viii) a parcel of land in Songjiang District, Shanghai, the PRC with an area of 20,392.70 square metres which can be used for residential purposes.
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	21st August, 2015 (or such other date as may be agreed by the Vendor and the Purchaser 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
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	Power Ample Investments Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Agreement
“Regal Asset”	Regal Asset Investment Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 85% and 15% of shareholding by Teamlead and the Target Company respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the shareholder’s loan in the amount of HK\$1,173,904,636.54 owed by the Target Company to the Vendor as at the date of the Agreement
“Sale Shares”	2 issued shares representing the entire issued share capital of the Target Company, to be sold by the Vendor to the Purchaser pursuant to the Agreement
“Shanghai Sheshan”	上海佘山鄉村俱樂部有限公司 (Shanghai Sheshan Country Club Company Limited*), a wholly foreign owned enterprise incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of Regal Asset
“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
“Target Company”	All Happy International Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Target Group”	the Target Company, Teamlead, Regal Asset and Shanghai Sheshan

“Teamlead”	Teamlead Associates Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Target Company
“Vendor”	ACE Result Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the beneficial owner of the entire issued share capital of the Target Company and the vendor under the Agreement
“%”	per cent.

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

Hong Kong, 25th June, 2015

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.79. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As at the date of this announcement, the Board comprises Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Ma Sun (Deputy Managing Director), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; Mr. Lee Seng Hui (Chairman), Dr. Moses Cheng Mo Chi and Mr. Lee Shu Yin being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.

* *for identification purpose only*