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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)**

## CONTINUING CONNECTED TRANSACTION

### LEASING OF PREMISES

#### **RENEWAL OF 2016 LEASING AGREEMENT V**

The Previous Leasing Agreements have expired on 30th June, 2018. Dalian Tian An, an indirect wholly-owned subsidiary of the Company, and Dalian UAF, an indirect non wholly-owned subsidiary of SHK, have indicated their intention to renew the lease under the 2016 Leasing Agreement V and have been negotiating on the terms of the renewal since its expiry. On 28th September, 2018, Dalian Tian An entered into the 2018 Leasing Agreement V with Dalian UAF to renew the lease under the 2016 Leasing Agreement V.

#### **LISTING RULES IMPLICATIONS**

As APL is a substantial shareholder of the Company and SHK is a subsidiary of APL, SHK and its subsidiaries are connected persons of the Company within the meaning of the Listing Rules. As a result, the 2018 Leasing Transaction V constitutes a continuing connected transaction of the Company.

Following the entering into of the 2018 Leasing Agreement V, there is an update on the annual cap for the year ending 31st December, 2018 as compared to the one disclosed in the section headed “Revised Annual Caps” in the Previous Announcement after the term of 2016 Leasing Agreement V has been renewed. Pursuant to Rule 14A.54 of the Listing Rules, the Group is required to re-comply with Rule 14A.53 of the Listing Rules to set the Revised Annual Caps in respect of the 2018 Leasing Transaction V.

As a result of the entering into of the 2018 Leasing Agreement V, the applicable Percentage Ratio(s) for the Company in respect of the Previous Leasing Transactions and the 2018 Leasing Transaction V for the financial year ending 31st December, 2018 exceed 0.1% but are less than 5%, the 2018 Leasing Transaction V is only subject to the reporting, announcement and annual review requirements but exempt from the circular and the shareholders’ approval requirements under Chapter 14A of the Listing Rules for 2018.

## **RENEWAL OF 2016 LEASING AGREEMENT V**

Reference is made to the Previous Announcement.

The Previous Leasing Agreements have expired on 30th June, 2018. Dalian Tian An, an indirect wholly-owned subsidiary of the Company, and Dalian UAF, an indirect non wholly-owned subsidiary of SHK, have indicated their intention to renew the lease under the 2016 Leasing Agreement V and have been negotiating on the terms of the renewal since its expiry.

On 28th September, 2018, Dalian Tian An entered into the 2018 Leasing Agreement V with Dalian UAF to renew the lease under the 2016 Leasing Agreement V.

The major terms of the 2018 Leasing Agreement V are detailed below:

Date	:	28th September, 2018
Lessor	:	Dalian Tian An
Lessee	:	Dalian UAF
Premises	:	Units 01-06, 52nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC
Leased area	:	1,368.44 square metres
Usage	:	Office premises
Term of the lease	:	1st July, 2018 to 30th June, 2019
Monthly rental	:	RMB179,396.78
Management fee	:	RMB32,842.56 per month
Rental deposit (inclusive of management fee deposit)	:	RMB424,478.68

The above amounts of monthly rental, management fee and other charges payable for the 2018 Leasing Agreement V were arrived at after arm's length negotiation between Dalian Tian An and Dalian UAF with reference to the prevailing market conditions and the rental levels of similar properties in the vicinity of the leased premises.

## HISTORICAL FIGURES AND REVISED ANNUAL CAPS

The historical figures relating to the Previous Leasing Agreements are set out below:

<b>Financial year ended 31st December, 2016</b> <i>(RMB)</i>	<b>Financial year ended 31st December, 2017</b> <i>(RMB)</i>	<b>Financial year ending 31st December, 2018</b> <i>(RMB)</i>
3,608,505.27	3,495,130.32	1,708,472.76

Based on the monthly rentals, management fees and other charges payable under the Previous Leasing Agreements and the 2018 Leasing Agreement V, it is expected that the aggregate amount payable by the SHK Group to the Group for the financial year ending 31st December, 2018 and for the six months ending 30th June, 2019 will not exceed RMB2,982,000 (equivalent to approximately HK\$3,428,000) and RMB1,274,000 (equivalent to approximately HK\$1,464,000) respectively, which are the Revised Annual Caps for the corresponding periods.

## REASONS FOR AND BENEFITS OF THE 2018 LEASING TRANSACTION V

The Group is engaged in the business of property investment and owns office premises in various provinces of the PRC, leasing out the PRC Premises provides the Group with stable revenue.

The Directors (including the independent non-executive directors) are of the view that the terms of the 2018 Leasing Agreement V are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the 2018 Leasing Transaction V as well as the Revised Annual Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As APL is a substantial shareholder of the Company and SHK is a subsidiary of APL, SHK and its subsidiaries are connected persons of the Company within the meaning of the Listing Rules. As a result, the 2018 Leasing Transaction V constitutes a continuing connected transaction of the Company.

Following the entering into of the 2018 Leasing Agreement V, there is an update on the annual cap for the year ending 31st December, 2018 as compared to the one disclosed in the section headed "Revised Annual Caps" in the Previous Announcement after the term of 2016 Leasing Agreement V has been renewed. Pursuant to Rule 14A.54 of the Listing Rules, the Group is required to re-comply with Rule 14A.53 of the Listing Rules to set the Revised Annual Caps in respect of the 2018 Leasing Transaction V.

As a result of the entering into of the 2018 Leasing Agreement V, the applicable Percentage Ratio(s) for the Company in respect of the Previous Leasing Transactions and the 2018 Leasing Transaction V for the financial year ending 31st December, 2018 exceed 0.1% but are less than 5%, the 2018 Leasing Transaction V is only subject to the reporting, announcement and annual review requirements but exempt from the circular and the shareholders' approval requirements under Chapter 14A of the Listing Rules for 2018.

Mr. Lee Seng Hui (being the Chairman and a Non-Executive Director of the Company) is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with his personal interests, indirectly controls approximately 74.95% interests in the total issued shares of AGL, which in turn owns approximately 74.99% of the total issued shares of APL, and which in turn indirectly owns approximately 48.66% of the total issued shares of the Company. Since APL indirectly owns approximately 61.43% interests in the total issued shares of SHK, Mr. Lee Seng Hui is deemed to be interested in the continuing connected transaction in respect of the 2018 Leasing Transaction V and therefore has abstained from voting on the relevant resolutions of the Company.

Apart from the above, none of the Directors has any material interest in the 2018 Leasing Transaction V and is required to abstain from voting on the board resolutions approving the 2018 Leasing Transaction V and the transaction contemplated thereunder.

## **INFORMATION ABOUT THE COMPANY, SHK, DALIAN TIAN AN AND DALIAN UAF**

### **The Company**

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

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

### **SHK**

SHK is a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Main Board and is a non wholly-owned subsidiary of APL.

The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are consumer finance, principal investments, mortgage loans and financial services.

### **Dalian Tian An**

Dalian Tian An is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

The principal business activities of Dalian Tian An are property development and property investment.

### **Dalian UAF**

Dalian UAF is a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of SHK.

The principal business activity of Dalian UAF is money lending in Dalian.

## DEFINITIONS

“2016 Leasing Agreement I”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement I” in the Previous Announcement, which has expired on 30th June, 2018
“2016 Leasing Agreement II”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement II” in the Previous Announcement, which has expired on 30th June, 2018
“2016 Leasing Agreement V”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement V” in the Previous Announcement, which has expired on 30th June, 2018
“2016 Leasing Agreement VI”	a leasing agreement dated 30th May, 2016 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2016 Leasing Agreement VI” in the Previous Announcement, which has expired on 30th June, 2018
“2018 Leasing Agreement V”	a leasing agreement dated 28th September, 2018 entered into between Dalian Tian An and Dalian UAF, as described in the section headed “2018 Leasing Agreement V” in this announcement
“2018 Leasing Transaction V”	the transaction between the SHK Group and the Group in relation to leasing of the PRC Premises under the 2018 Leasing Agreement V
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 373) and is a substantial shareholder of the Company and SHK
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board (Stock Code: 56) and is a substantial shareholder of the Company and SHK
“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
“connected person(s)”	having the meaning ascribed to it under the Listing Rules

“Dalian Tian An”	Dalian Tian An Tower Co., Ltd., a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Dalian UAF”	大連保稅區亞聯財小額貸款有限公司 (United Asia Finance (Free Trade Zone Dalian) Limited*), a company established in the RPC and an indirect non wholly-owned subsidiary of SHK
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“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
“PRC Premises”	Units 01-06, 52nd Floor, Dalian Tian An International Building, No. 88 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, PRC
“Previous Announcement”	the announcement issued by the Company on 28th December, 2016 in respect of the continuing connected transactions of the Company
“Previous Leasing Agreements”	2016 Leasing Agreement I, 2016 Leasing Agreement II, 2016 Leasing Agreement V and 2016 Leasing Agreement VI
“Previous Leasing Transactions”	the transactions between the SHK Group and the Group in relation to leasing of certain premises in the PRC under the Previous Leasing Agreements
“Revised Annual Caps”	the aggregate annual cap amount payable by the SHK Group to the Group in respect of the Previous Leasing Transactions and/or the 2018 Leasing Transaction V for the financial year ending 31st December, 2018 and the six months ending 30th June, 2019

“RMB”	Renminbi, the lawful currency of the PRC
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Main Board (Stock Code: 86) and is a non wholly-owned subsidiary of APL
“SHK Group”	SHK and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 28th September, 2018

*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 RMB0.87. 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) and Dr. Moses Cheng Mo Chi being the Non-Executive Directors; and Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*

\* *For identification purpose only*