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

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天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

MAJOR TRANSACTION

DISPOSAL OF 50% INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the board of directors of the Company is set out on pages 6 to 17 of this circular.

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 4th July, 2013 at 10:00 a.m. is set out on pages 35 and 36 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. 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.

18th June, 2013

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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:

“AH Agreement”	the sale and purchase agreement dated 9th May, 2013 made between the Vendor, the Purchaser and the Guarantor, relating to the AH Disposal
“AH Disposal”	the disposal of the AH Sale Share and the AH Loan by the Vendor pursuant to the AH Agreement
“AH Group”	All Happy, Teamlead, Regal Asset and Shanghai Sheshan
“AH Loan”	50% of shareholder’s loan owed by All Happy to the Vendor as at the Completion Date
“AH Sale Share”	one (1) ordinary share of US\$1 in the issued share capital, representing 50% of the entire issued share capital of All Happy
“All Happy”	All Happy International Limited, a company incorporated in the British Virgin Islands with limited liability
“Announcement”	announcement of the Company dated 9th May, 2013 in relation to the AH Disposal
“Balance Payment”	a sum of RMB350,000,000 (equivalent to approximately HK\$432,099,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement
“Board”	the board of Directors
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of sale and purchase of the AH Sale Share and the AH Loan in accordance with the AH Agreement
“Completion Date”	date of Completion
“connected person(s)”	having the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Consideration”	the total consideration in the sum of RMB1,450,000,000 (equivalent to approximately HK\$1,790,124,000) payable by the Purchaser to the Vendor for the AH Disposal under the AH Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 4th July, 2013 at 10:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, approving, among other things, the AH Agreement and the transactions contemplated thereunder
“FC Agreement”	the sale and purchase agreement dated 21st March, 2013 made between Full Choice Resources Limited, the Purchaser and the Guarantor, relating to the FC Disposal
“FC Disposal”	the disposal of one (1) ordinary share of US\$1 in the issued share capital of Foo Chow Holdings Limited, representing 50% of its entire issued share capital, and 50% of shareholder’s loan owed by Foo Chow Holdings Limited to Full Choice Resources Limited pursuant to the FC Agreement
“FC Disposal Announcement”	the announcement of the Company dated 21st March, 2013 in relation to the FC Disposal
“Fifth Payment”	a sum of RMB350,000,000 (equivalent to approximately HK\$432,099,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement
“First Payment”	a sum of RMB100,000,000 (equivalent to approximately HK\$123,457,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement
“Fourth Payment”	a sum of RMB250,000,000 (equivalent to approximately HK\$308,642,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement

DEFINITIONS

“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Ou Qijin, the ultimate beneficial owner of the entire issued share capital of the Purchaser and the guarantor to the Purchaser under the FC Agreement and AH Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKGAAP”	Hong Kong Generally Accepted Accounting Practice
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	Land A, Land B, Land C, Land D, Land E, Land F, Land G and Land H
“Land A”	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
“Land B”	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
“Land C”	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
“Land D”	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
“Land E”	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
“Land F”	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

DEFINITIONS

“Land G”	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
“Land H”	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
“Latest Practicable Date”	13th June, 2013, 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 of Hong Kong Limited
“Long Stop Date”	the date falling on the expiry of 90 days after the date of the AH Agreement or such other date as may be agreed in writing between the Vendor and the Purchaser
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this circular only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	Kata Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by the Guarantor
“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 All Happy respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Second Payment”	a sum of RMB100,000,000 (equivalent to approximately HK\$123,457,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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, which is a wholly-owned subsidiary of Regal Asset
“Shareholder(s)”	holder(s) of the issued ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teamlead”	Teamlead Associates Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of All Happy
“Third Payment”	a sum of RMB300,000,000 (equivalent to approximately HK\$370,370,000) payable by the Purchaser to the Vendor on the terms and subject to the conditions set out in the AH Agreement
“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 All Happy
“%”	per cent.

* *for identification purpose only*

For the purpose of this circular, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.81. 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.

LETTER FROM THE BOARD



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 28)

Executive Directors:

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

Registered Office:

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

Non-Executive Directors:

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

Independent Non-Executive Directors:

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

18th June, 2013

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF 50% INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the Announcement and the FC Disposal Announcement. On 9th May, 2013, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the AH Agreement with the Purchaser and the Guarantor, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase the AH Sale Share and the AH Loan for the Consideration of RMB1,450,000,000 (equivalent to approximately HK\$1,790,124,000).

The purpose of this circular is to provide you with, among other things, further details of the AH Disposal and a notice of the EGM.

LETTER FROM THE BOARD

THE AH AGREEMENT

Date

9th May, 2013

Parties

- (1) The Vendor: ACE Result Limited as the vendor of the AH Sale Share and the AH Loan
- (2) The Purchaser: Kata Holdings Limited as the purchaser of the AH Sale Share and the AH Loan, also being the purchaser under the FC Agreement
- (3) The Guarantor: Mr. Ou Qijin as the guarantor to the Purchaser, also being the guarantor to the purchaser under the FC Agreement

As at the Latest Practicable Date, based on the information and confirmations provided by each of the Purchaser and the Guarantor and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the entering into of the FC Agreement which has not been completed as at the Latest Practicable Date, the Purchaser and its ultimate beneficial owner being the Guarantor, who is a natural person, are independent third parties of the Company and its connected persons.

Assets to be disposed of

Pursuant to the AH Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the AH Sale Share, which represents 50% of the entire issued share capital of All Happy, and the AH Loan.

The AH Sale Share and the AH Loan will be disposed of free from any encumbrance as of Completion.

Consideration and Payment Terms

Pursuant to the AH Agreement, the Consideration of RMB1,450,000,000 (equivalent to approximately HK\$1,790,124,000), shall be satisfied in cash in the following manner:

- (1) the First Payment of RMB100,000,000 (equivalent to approximately HK\$123,457,000) shall be paid by the Purchaser to the Vendor on the date of the AH Agreement;
- (2) the Second Payment of RMB100,000,000 (equivalent to approximately HK\$123,457,000) shall be paid by the Purchaser to the Vendor on or before the date falling 30 days from the date of the AH Agreement;

LETTER FROM THE BOARD

- (3) the Third Payment of RMB300,000,000 (equivalent to approximately HK\$370,370,000) shall be paid by the Purchaser to the Vendor on or before the date falling 9 months from the date of the AH Agreement;
- (4) the Fourth Payment of RMB250,000,000 (equivalent to approximately HK\$308,642,000) shall be paid by the Purchaser to the Vendor on or before the date falling 1 year from the date of the AH Agreement;
- (5) the Fifth Payment of RMB350,000,000 (equivalent to approximately HK\$432,099,000) shall be paid by the Purchaser to the Vendor on or before the date falling 2 years from the date of the AH Agreement; and
- (6) the Balance Payment of RMB350,000,000 (equivalent to approximately HK\$432,099,000) shall be paid by the Purchaser to the Vendor on or before the date falling 3 years from the date of the AH Agreement.

The AH Agreement will be terminated if, inter alia, the Purchaser fails to pay (i) the First Payment on the relevant due date; (ii) the Second Payment within 30 days following the relevant due date (or such other date as may be agreed between the Vendor and the Purchaser in writing); (iii) the Third Payment within 90 days following the relevant due date (or such other date as may be agreed between the Vendor and the Purchaser in writing); or (iv) the Fourth Payment, the Fifth Payment and the Balance Payment within 180 days following the relevant due dates (or such other date as may be agreed between the Vendor and the Purchaser in writing). The buffers of 30 days, 90 days and 180 days given to the Purchaser were determined based on arm's length negotiation between the Vendor, the Purchaser and the Guarantor. Given the amount of each payment of the Consideration to be settled in cash and the interest accrued thereon as detailed below, the Directors consider that the payment terms, including the provision of a longer buffer for later payment, are commercially justifiable.

Pursuant to the AH Agreement, the Purchaser has agreed to pay interest accrued on the Second Payment, the Third Payment, the Fourth Payment, the Fifth Payment and the Balance Payment from the date of the AH Agreement up to the respective dates of actual payment of the Second Payment, the Third Payment, the Fourth Payment, the Fifth Payment and the Balance Payment at the rate of 1% per month. However, the interest accrued on the Second Payment will be waived if the Purchaser shall pay the Second Payment on the relevant due date. The relevant interest is payable by the Purchaser to the Vendor every three months from the date of the AH Agreement. The interest rate of 1% per month was determined with reference to the existing RMB interest rate of 6.15% per annum as announced by the People's Bank of China in respect of borrowings offered by financial institutions for the period of up to three years ("PBOC Interest Rate"), being the expected time when the Consideration will be fully settled. The Directors consider that the relatively higher interest rate under the AH Agreement, which is almost a double of the PBOC Interest Rate, results in an incentive on the part of the Purchaser to settle the Consideration early by opting for loan financing in the PRC if the same is available.

LETTER FROM THE BOARD

The Consideration, the interest rate and the payment terms of the AH Disposal were determined after arm's length negotiation between the Vendor, the Purchaser and the Guarantor having regard to (i) the market value of the Land with reference to the historical valuation performed on the Land and the comparable transaction values for other land close to the area in which the Land is located; (ii) the outstanding amount of approximately HK\$1,112,750,000 being the entire shareholder's loan owed by All Happy to the Vendor as at the date of the AH Agreement; and (iii) the PBOC Interest Rate. Pursuant to the payment terms of the AH Agreement as discussed above, the full Consideration would be received by the Company until and up to three years from the date of the AH Agreement. The Directors consider that such arrangement would enhance certainty to parties of the AH Disposal in respect of development of the Land, in particular to allow time for the planning and structuring of such development project phase by phase. Also, taking into account the net loss of the AH Group for the financial years ended 31st December, 2011 and 2012 and the interest payment from the Purchaser every three months, the Directors consider the Consideration, the interest rate and the payment terms are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

As at the Latest Practicable Date, the Vendor has received RMB100,000,000 (equivalent to approximately HK\$123,457,000), being the First Payment from the Purchaser.

Conditions Precedent

Completion of the AH Agreement is conditional upon fulfilment of the following conditions precedent:

- (1) the approval of the AH Agreement and the transactions contemplated thereunder by the Shareholders; and
- (2) all necessary consents and approvals in relation to the transactions contemplated under the AH Agreement having been obtained by the Vendor and the Purchaser.

If any of the above conditions has not been fulfilled on or before the Long Stop Date, the AH Agreement shall cease and determine save in respect of claims arising out of any antecedent breach thereof and the Vendor shall return all monies received from the Purchaser pursuant to the AH Agreement within 14 days from the Long Stop Date. The Long Stop Date in the AH Agreement means the latest date for fulfillment of conditions precedent and it was included to require the parties to fulfill the fundamental requirements for giving effect to the AH Agreement, failing which, no losses will be incurred by the parties save for antecedent breaches.

After the fulfillment of conditions precedent, the AH Agreement will become unconditional and will only be terminated upon triggering of any of the termination events, e.g. failure to pay the Consideration by the Purchaser as set out below. Completion of the AH Agreement will only take place after, among others, the full payment of the Consideration, failing which, the AH Agreement will terminate as mentioned in "Termination Events" below, and a pre-agreed sum will be forfeited by the Vendor as liquidated damages.

LETTER FROM THE BOARD

Assuming that the Purchaser pays the Consideration at the end of the grace period as agreed in the AH Agreement, the latest date for Completion shall be the date falling on the approximately 42 months from the date of the AH Agreement.

Guarantee

The Guarantor has agreed to guarantee the due and punctual performance of the obligations of the Purchaser under the AH Agreement.

Completion

Completion shall take place on the day of the full payment of the Consideration and the interest accrued thereon in the manner set out above which shall, in any event, be on or before the Completion Date or such other date as may be agreed between the Vendor and the Purchaser in writing.

Upon Completion on the Completion Date, All Happy will cease to be a subsidiary of the Company but the Company will continue to be interested in 50% of the entire issued share capital of All Happy.

The Company and the Purchaser shall have joint control over the economic activity of All Happy upon Completion, accordingly, the Company will account for its 50% interest in All Happy as a jointly controlled entity.

Termination Events

The AH Agreement will terminate upon occurrence of:

- (1) the Purchaser failing to perform any one or more of the obligation for payment of any of the Consideration within the prescribed period as agreed in the AH Agreement;
- (2) the Purchaser failing to proceed with Completion in accordance with the terms of the AH Agreement; or
- (3) the winding up of All Happy or the Purchaser, or the bankruptcy of the Guarantor.

If the termination of the AH Agreement occurs as a result of the winding up of All Happy, the Purchaser shall be entitled to, inter alia, a refund of all amounts paid to the Vendor pursuant to the AH Agreement immediately preceding the date of termination.

If the termination of the AH Agreement occurs as a result of:

- (i) the Purchaser failing to pay the Second Payment within 30 days following the relevant due date (or such other date as may be agreed between the Vendor and the Purchaser in writing), the Vendor shall be entitled to forfeit the First Payment and to claim against the Purchaser the interest accrued on the outstanding amount of the Consideration from 30 days after the date of the AH Agreement to the date of termination as liquidated damages;

LETTER FROM THE BOARD

(ii) the Purchaser:

- a. failing to pay the Third Payment within 90 days following the relevant due date (or such other date as may be agreed between the Vendor and the Purchaser in writing), or the Fourth Payment, the Fifth Payment and the Balance Payment within 180 days following the relevant due dates (or such other date as may be agreed between the Vendor and the Purchaser in writing);
- b. failing to proceed with Completion in accordance with the terms of the AH Agreement; or
- c. being wound up or the Guarantor being declared bankrupt,

in any of these cases, the Vendor shall forfeit a sum of RMB100,000,000 (equivalent to approximately HK\$123,457,000) and the interest payable by the Purchaser on the Consideration (other than the First Payment) from the date of signing of the AH Agreement up to the date of termination as liquidated damages.

Other Material Terms

Upon the full receipt of the Second Payment and up to the Completion Date, the Purchaser shall be entitled to nominate a person as a director to the board of directors of All Happy, Teamlead, Regal Asset and Shanghai Sheshan. The expected board of directors of All Happy, Teamlead, Regal Asset and Shanghai Sheshan will consist of 5, 4, 5 and 5 members respectively, of which, one member of the respective board of such companies will be nominated by the Purchaser after the appointment mentioned above. The director to be nominated by the Purchaser shall be conferred equal voting rights as the existing directors of All Happy, Teamlead, Regal Asset and Shanghai Sheshan.

Upon the full receipt of the Fourth Payment and up to the Completion Date, the board of directors of Shanghai Sheshan shall appoint the Chairman and the Financial Controller as nominated by the Vendor and shall also appoint the Vice-Chairman and the Vice-Financial Controller as nominated by the Purchaser.

Upon Completion of the AH Disposal, the Purchaser shall be entitled to appoint 50% of the board members of All Happy and shall have the right to nominate equal number of directors nominated by the Vendor to each of the board of directors of Teamlead, Regal Asset and Shanghai Sheshan.

Upon the signing of the AH Agreement, both the Vendor and the Purchaser shall provide loans in portion of 50% each to the AH Group for financing the development project of the Land when such funding need arises.

INFORMATION ON THE AH GROUP

All Happy 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 entire issued share capital of Regal Asset. Regal Asset is owned as to 85% by Teamlead and 15% by All Happy respectively. Shanghai Sheshan is a direct wholly-owned subsidiary of Regal Asset.

LETTER FROM THE BOARD

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 comprising Land A, Land B, Land C, Land D, Land E, Land F, Land G and Land H 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. The development project is located near the Shanghai Sheshan National Travel and Resort Area. Construction work for the phase 1 low density high-class villas with GFA of approximately 32,200 m² was completed in December 2003 and sold during July 2003 to May 2013. Phase 2 part 1 villas with GFA of approximately 16,300 m² are under construction and scheduled to be completed in mid 2014 the earliest. Since the local government is modifying the planning of the surrounding areas, the master planning for property development is being modified accordingly. The Certificates of Real Estate Ownership in respect of the Land were registered in March 2013. Given the aforesaid recent changes and to allow time for the Purchaser to take part in the overall planning and structuring of the development project, details including the expected total number of phases of the development project, and the expected date of completion of each phases have not been decided and confirmed. The Directors anticipate the development project to be completed within three to five years. It is also expected that the daily operations, including but not limited to sales and construction, as well as material decisions concerning the development project, are to be monitored and resolved jointly by the Vendor and Purchaser in a fair and reasonable manner.

Set out below is the financial information of AH Group for the two years ended 31st December, 2011 and 31st December, 2012:

	Year ended 31st December,	
	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	–	–
Net loss before taxation	35,766	32,950
Net loss after taxation	33,642	30,288

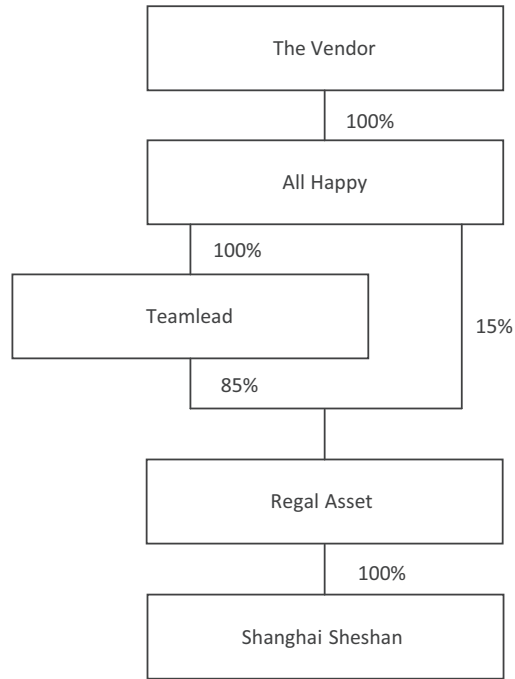
The unaudited net deficit of 50% of the equity interest of the AH Group was approximately HK\$76,871,000 as at 31st December, 2012.

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

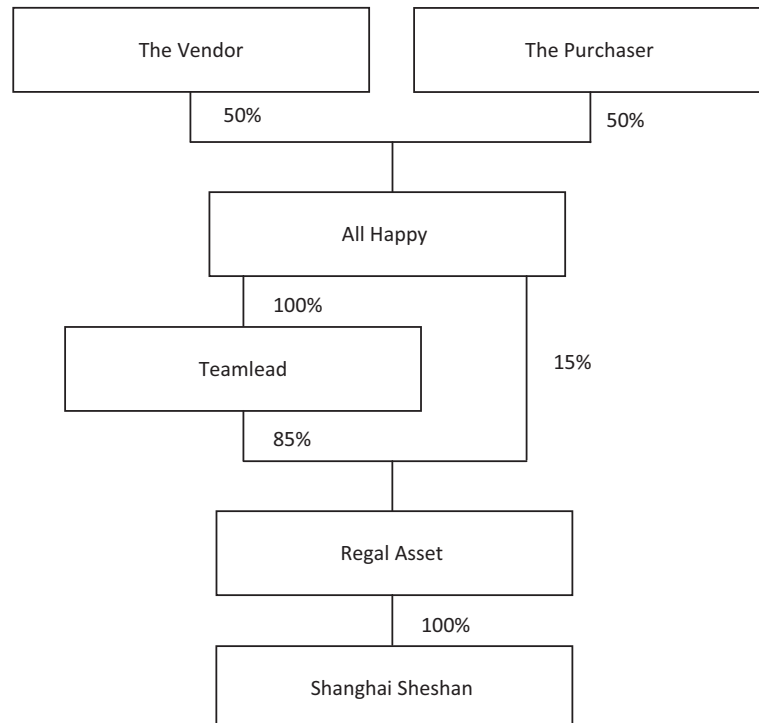
LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE AH GROUP BEFORE AND AFTER THE COMPLETION OF THE AH DISPOSAL

Set out below is the shareholding structure of the AH Group as at the Latest Practicable Date and before the Completion:



Set out below is the shareholding structure of the AH Group upon Completion:



LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE AH DISPOSAL

It is estimated that, as a result of the AH Disposal, the Company will recognise an estimated gain of approximately HK\$1,179,558,000 being the Consideration less the AH Loan, 50% of net deficit of AH Group, and other costs, including, inter alia, a provision for a potential PRC withholding tax of 10% of the estimated gain before taxation from the AH Disposal. The proceeds generated from the AH Disposal will be applied as general working capital of the Group. There is no commitment by the Group to apply any fixed amount out of the net proceeds from the AH Disposal on the development project of the Land, as proceeds from operation (if any) from the development project and other means such as loan financing can be explored.

As at the Latest Practicable Date, the Group does not have any intention to further sell the remaining 50% interest in All Happy.

REASONS FOR AND BENEFITS OF THE AH DISPOSAL

The Company considers the AH Disposal to be a good opportunity for the Company to realise part of its investment especially given that the AH Disposal will be made at a gain. Moreover, with reference to the prevailing market conditions in light of the measures, regulations, and restrictions passed by the PRC government to stabilise property prices and the fact that the proceeds from the AH Disposal will strengthen the financial position of the Group and enhance its cashflow, although the Group has no immediate funding needs, the Directors consider that the present time is a mature time for the AH Disposal.

The restrictions and regulations imposed by the PRC government on the property sector result in uncertainty as to the future conditions of the property market and hence the Group's operating results on the development project of the Land. The Directors consider that the AH Disposal can reduce such uncertainty by realising a portion of the Company's future profit and cash flow through the disposal of 50% interest in the AH Group. On the other hand, the remaining 50% interest of the AH Group retained allows the Company to enjoy the potential growth in the development project of the Land and capture the resulting capital gain through the joint control of the AH Group with the Purchaser. Despite the loss of absolute control of the AH Group and half of the possible return, the Directors consider the mitigation of the aforesaid PRC property market risks and the financial costs associated with the development of the Land render the AH Disposal beneficial to the Group. On balance, the Directors consider that the AH Disposal is in the interests of the Company and its Shareholders taken as a whole.

Having regard to the nature of and the benefits resulting from the AH Disposal, the Directors believe that the terms of the AH 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 a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange.

LETTER FROM THE BOARD

The principal business activity of the Company is investment holding. The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management, as well as the manufacture, sales and trading of cement and clinker 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 and its entire issued share capital is beneficially owned by the Guarantor.

The principal business activity of the Purchaser is investment holding.

(4) The Guarantor

Mr. Ou Qijin, an individual who is the ultimate beneficial owner of the Purchaser.

To the best knowledge, belief and information of the Directors, the Purchaser and/or the Guarantor has relevant experience and interests in property development projects in the PRC. The Directors consider their participation would be beneficial to the Company and the development project of the Land through the joint control and management of the AH Group. The sharing of the PRC property market risks and the financial burden that may arise from the development of the Land, as discussed under the paragraph headed “Reasons for and benefits of the AH Disposal” of this letter, are also benefits brought in by their participation in the development of the Land.

THE FC DISPOSAL

Reference is made to the FC Disposal Announcement. On 21st March, 2013, Full Choice Resources Limited, a direct wholly-owned subsidiary of the Company, entered into the FC Agreement with the same Purchaser and Guarantor in relation to the FC Disposal. Nevertheless, the FC Agreement and the AH Agreement are not inter-conditional.

As at the Latest Practicable Date, Full Choice Resources Limited has received an aggregate of RMB200,000,000 (equivalent to approximately HK\$246,914,000) being two respective payments of RMB100,000,000 (equivalent to approximately HK\$123,457,000) each according to the terms of the FC Agreement. Also, a director has been nominated by the Purchaser to the board of directors of each of Foo Chow Holdings Limited, Jack Rock Development Limited, Tianan Summit (Fujian) Real Estate Development Co., Ltd. and Pacific (Fuzhou) Golf Club Ltd.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS OF THE AH DISPOSAL

As set out in the FC Disposal Announcement, the FC Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules on the basis that the relevant Percentage Ratios for the Company exceed 5% and less than 25%.

The AH Disposal, on a stand-alone basis and when aggregated with the FC Disposal pursuant to Rule 14.22 of the Listing Rules, 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 AH Disposal is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors, and having made all reasonable enquiries, no Shareholder has any material interest in the AH Disposal, no Shareholder is required to abstain from voting at the EGM in respect of the AH Agreement and the transactions contemplated thereunder.

EGM

A notice convening the EGM to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 4th July, 2013 at 10:00 a.m. is set out on pages 35 and 36 of this circular. An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve, inter alia, the AH Agreement and the transactions contemplated thereunder.

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

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

RECOMMENDATION

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

LETTER FROM THE BOARD

As Completion is subject to fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

ADDITIONAL INFORMATION

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

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

INDEBTEDNESS

As at the close of business on 30th April, 2013, 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\$4,041.31 million comprising secured bank loans of approximately HK\$3,098.48 million, other secured loans of approximately HK\$1.23 million, unsecured bank loans of approximately HK\$323.64 million, unsecured loans from certain non-controlling shareholders of approximately HK\$476.60 million, unsecured loans from jointly controlled entities of approximately HK\$13.91 million, unsecured loans from associates of approximately HK\$25.79 million, and other unsecured loans of approximately HK\$101.66 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, investment properties and interest in a subsidiary.

There were contingent liabilities arising from the property for development of a jointly controlled entity. A portion of a property for development that is held by a 50%-owned jointly controlled entity of the Group with carrying value of approximately HK\$2.98 million is under idle land investigation by the local authority. The piece of land owned by the jointly controlled entity was entitled for several land use right certificates. The development of more than half of the piece of land was either completed or under development, except for a portion of the land for the remaining development of the whole project. The Group is currently working diligently to prevent the possible classification as idle land, including negotiating the feasibility of development plans with local authorities. Based on legal advices, the Group has assessed the issue and considers that the idle land confiscation may not materialise.

In addition, the Group had contingent liabilities in the sum of approximately HK\$583.06 million in respect of guarantees for banking facilities granted to property purchasers, jointly controlled entities and an investee classified as available-for-sale investments. There were also claims totaling approximately HK\$203.45 million arising from litigations with property purchasers, a contractor, claimed beneficial owner of the vendor in an acquisition, and a former material supplier of cement business. Further particulars of these litigations are set out in the section headed "Litigation" in Appendix III to this circular.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 30th April, 2013, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of its existing cash and bank balances and other internal resources available and also the effect of the AH Disposal, the Group will have sufficient working capital for its present requirements and for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

FINANCIAL AND TRADING PROSPECTS**Property Development**

The central government is still concerned with the perceived high property prices. Accordingly, it has restricted the number of homes that can be purchased as well as foreign investment in the property sector and imposed individual income tax on properties sold by individuals. It has also increased the speed of its low cost housing programme in all major cities. However, with the poor global economic outlook, monetary policy has been slightly loosened with the lowering of the reserve requirement ratio and loan interest rates in 2012. With government controls still in place, the sentiment in the short term cannot be good. However, the Directors remain confident of the longer term prospects of the property market in China.

The Group's business objectives for 2013 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 accelerate construction works for all its development projects. The Group is however cognizant of the slow property market in China at the moment. The Group will adjust its products and pricing where necessary to assist the sale of its products in this weak environment.
- (3) To work closely with onshore mainland banks which are interested in extending credit to customers. The Group hopes to responsibly gear up its projects rather than over-utilising equity in order to increase its return on equity.
- (4) To review its 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 it is believed that these properties will provide increasing rental streams and corresponding increases in capital value.
- (2) Concentrating its effort on developing its cyberpark projects where the Group believes its products are competitive. The Group can increase its cyberpark landbank as the initial capital outlay is considered reasonable.

Manufacture, Sales and Trading of Cement and Clinker

The Group's shareholding interest in Allied Cement Holdings Limited (Stock Code: 1312) ("ACHL") has been 75% since its spin-off and separate listing on 18th January, 2012. The group has 3 cement operations in Shanghai and Shandong. Its principal activities are the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services.

As urbanisation is still a focus of the central government's Twelfth Five-year Plan, it is expected that the demand of cement will increase steadily, which will provide certain strategic opportunities for the cement industry. However, oversupply of cement still persists for a period of time and there is fierce competition in the market.

To generate and preserve its long-term value, the group will continue to:

- (1) Position itself as a quality-focused clinker and cement company focusing on producing and selling high quality products to differentiate itself from its competitors and to lower its production cost.
- (2) Further strengthen its customer base, market position and sales and marketing capabilities so as to achieve continued growth in its revenue and net profit.

After the land resumption exercise of its Shanghai operation in 2009, the group is preparing to develop the new cement production facilities at Bailonggang, Pudong, Shanghai, the PRC and this factory relocation is subject to approvals by the relevant government authorities.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Norton Appraisals Limited, an independent valuer, in connection with its valuation of the Land held by AH Group as at 30th April, 2013.



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

18th June, 2013

The Directors

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

Dear Sirs,

Re: Development site (Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02) located in Dongjing Town, Songjiang District, Shanghai, the People's Republic of China (the "PRC")

In accordance with the instructions from Tian An China Investments Company Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for us to value the captioned property interest, we confirm that we have carried out inspections, made relevant enquires and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the property interest as at 30th April, 2013 (hereinafter referred to as the "date of valuation") for public documentation purpose.

Our valuation is our opinion of value of the property on the basis of "**Market Value**" which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been made on the assumption that the owner sells the property on the market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on the property interest nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property interest, we have valued the property by Direct Comparison Approach assuming sale of the property interest in its existing state and making reference to relevant comparables as available in the market.

We have not investigated the title to or any liabilities against the property. We have, however assumed that transferable land use rights of the property for the specific term at nominal annual land use fee have been granted. We have relied on the advice given by the Group and its PRC legal adviser, 福建天衡聯合（上海）律師事務所 (Tenet & Partners Shanghai Office) (hereinafter referred to as the “PRC legal adviser”), regarding the title to the property as at the date of valuation.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services. Inspection of the property was carried out in the period from 14th January, 2013 to 18th January, 2013 by Mr. Hanson Chau who has obtained a degree in Economics and have 3 years’ experience in the valuation of properties in the PRC.

We have not carried out on-site measurements to verify the correctness of the site and floor areas in respect of the property but have assumed that the areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation certificate is based on information contained in the documents provided to us and are, therefore, only approximations.

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, lettings, site and floor areas, construction cost incurred as at the date of valuation and all other relevant matters.

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

Our valuation has been prepared in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors and the requirement as stated in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all monetary amounts stated in our valuation certificate is in Renminbi.

Our Valuation Certificate is enclosed herewith.

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

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 21 years' experience in valuation of properties in Hong Kong and the PRC.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Capital value in existing state as at 30th April, 2013
Development site (Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02) located in Dongjing Town, Songjiang District, Shanghai, the PRC	<p>Shanghai Tian An Villa (the "Development") having a total site area of 441,609 sq.m., is planned to be developed into a comprehensive residential/commercial development with a total gross floor area of approximately 409,202 sq.m. by phases.</p> <p>The property comprises Phase II Part 1 of the Development, having a site area of approximately 48,297 sq.m., and is planned to be developed into a 65 villa houses with a total gross floor area of approximately 25,397 sq.m. (including basement area of 9,058 sq.m.) and the remaining development site of the Development with a total site area of approximately 285,420 sq.m. and a proposed gross floor area of 360,696 sq.m. for comprehensive residential/commercial uses.</p> <p>The land use rights of the property have been granted for respective terms up to 27th June, 2075, 27th June, 2055 and 27th June, 2045 for residential, office and commercial uses.</p>	Phase II Part 1 of the property is currently under construction and scheduled to be completed in mid 2014 whilst the remaining portion is vacant.	RMB2,780,000,000 (100% interest attributable to the Group: RMB2,780,000,000)

*Notes:***Section I: Title Documents**

- Pursuant to the Contract for Grant of State Owned Land Use Rights dated 26th April, 2005, 上海市松江區房屋土地管理局 (Shanghai Housing and Land Administration (Songjiang District) Bureau) agreed to grant the land use rights of Lot No. 654-1 (being portion of the property) on its existing state basis, having a site area of 165,920 sq.m., to 上海佘山鄉村俱樂部有限公司 (Shanghai Sheshan Country Club Company Limited) (the "WFOE"), a wholly-owned subsidiary of the Company, with maximum plot ratio of 0.85 for a term of 70 years for residential use.
- Pursuant to the Contract for Grant of State Owned Land Use Rights dated 1st November, 2005, Shanghai Housing and Land Administration (Songjiang District) Bureau agree to grant the land use rights of Lot No. 654-2 (being portion of the property) on its existing state basis, having a site area of 197,243 sq.m., to the WFOE with a maximum plot ratio of 0.85 for a term of 70 years for residential use.
- Pursuant to the 上海市國有建設用地使用權出讓合同【滬松規土(2013)出讓合同補字第3號】 dated 25th January, 2013. Shanghai Planning and Land Administration (Songjiang District) Bureau agreed to re-grant the land use rights of the property (being Lot Nos. 06-01, 06-08, 07-01, 07-05, 08-01, 08-06, 08-08, 27-02 and 33-02), having a site area of approximately 333,717 sq.m., to the WFOE, with a maximum gross floor area 401,748 sq.m. for terms of 70 years, 50 years and 40 years for residential, office and commercial use respectively. The development of the property should be commenced before 31st December, 2013 and completed prior to 31st December, 2016.

4. Pursuant to the Certificate for Real Estate Ownership No. 【滬房地松字(2013)第007389號】 dated 27th March, 2013, the land use rights for a total site area of 48,297 sq.m. of the property, have been granted to the WFOE for a term commencing from 28th June, 2005 to 27th June, 2075 for residential use.
5. Pursuant to six Certificates for Real Estate Ownership Nos. 【滬房地松字(2013)第007392, 007395, 007397 to 007399 and 007401號】 both dated 27th March, 2013, the land use rights for a total site area of 240,524 sq.m. of the property, have been granted to the WFOE for a term commencing from 28th June, 2005 to 27th June, 2075 for residential use.
6. Pursuant to the Certificate for Real Estate Ownership No. 【滬房地松字(2013)第007404號】 dated 27th March, 2013, the land use rights for a site area of 44,896 sq.m. of the property, have been granted to the WFOE for terms up to 27th June, 2045, 27th June, 2055 for commercial and office use respectively.

Section II: Status of the Property

7. Pursuant to the Certificate for Commencing Construction No. 0502SJ0115D01310227200506303919 dated 26th September, 2005, construction works of Phase II Part 1 of the Development with a total gross floor area of 25,397 sq.m. has been permitted. As advised by the Group, no other construction/planning permit has been obtained for the remaining site of the property as at the date of valuation.
8. As advised by the Group, the estimated construction cost expended for Phase II Part 1 of the Development as at 30th April, 2013 was approximately RMB93,460,185 and the outstanding cost to complete Phase II Part I of the Development was approximately RMB111,341,814. In the course of our valuation, we have taken into account the said construction cost.
9. The “capital value when completed” of Phase II Part I of the Development is approximately RMB720,000,000.

Section III: Others

10. We have been provided with a legal opinion regarding the property interest by the Group’s PRC legal advisers, which contains, *inter alia*, the following:
 - (a) the WFOE has obtained the legal land use rights of the property and has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of it in accordance with the prescribed use term stated in the title certificate;
 - (b) all the land premium of the property have been fully paid and the property is not subject to any mortgage or other third party’s encumbrance as at the date of valuation;
 - (c) the WFOE have obtained all relevant approvals/licences for the development of Phase II Part 1 of the Development and all the land premium for the property have been fully paid as at the date of valuation; and
 - (d) the WFOE has been duly incorporated and has full corporate power and legal capacity to carry out on the business specified in the Business Licence of the WFOE.

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' INTERESTS

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

Name of Directors	Name of Companies	Number of shares and underlying shares held	Approximate % of the relevant issued share capital	Nature of interests
Lee Seng Hui	the Company	735,371,096 (Note 1)	48.80%	Other interests
	Allied Cement Holdings Limited ("ACHL")	495,000,000 (Note 2)	75.00%	Other interests
Ma Sun	the Company	47,945	0.003%	Personal interests (held as beneficial owner)

Notes:

- (1) Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 65.02% interests in the issued share capital of Allied Group Limited ("AGL") (inclusive of Mr. Lee Seng Hui's personal interests) and were therefore deemed to be interested in the shares of the Company in which AGL was deemed to be interested through the subsidiaries of AGL, including (i) Allied Properties (H.K.) Limited ("APL"), its 74.98%-owned subsidiary; and (ii) Sun Hung Kai & Co. Limited ("SHK"), its 55.94%-owned subsidiary.
- (2) Mr. Lee Seng Hui, by virtue of his interests in the Company, is deemed to be interested in the shares of ACHL, 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, 735,371,096 shares of the Company, representing approximately 48.80% of the issued share capital of the Company. In relation to such 735,371,096 shares, 705,969,096 of which were held by an indirect subsidiary of APL as beneficial owner and 29,402,000 of which were held by an indirect subsidiary of APL as a holder of security. APL, through its subsidiaries, is also deemed to be interested in 495,000,000 shares of ACHL, representing 75% of the issued share capital of ACHL, for the purpose of the SFO; and
- (b) Messrs. Lee Seng Hui and Edwin Lo King Yau are executive directors of AGL. AGL is interested in approximately 74.98% of the entire issued share capital 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, 735,371,096 shares of the Company, representing approximately 48.80% of the issued share capital of the Company. In relation to such 735,371,096 shares, 705,969,096 of which were held by an indirect subsidiary of AGL as beneficial owner and 29,402,000 of which were held by an indirect subsidiary of AGL as a holder of security. AGL, through its subsidiaries, is also deemed to be interested in 495,000,000 shares of ACHL, representing 75% of the issued share capital of ACHL, for the purpose of the SFO.

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 associates (as defined in the Listing Rules) was considered to have interests in any competing businesses of the Group pursuant to the Listing Rules:

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

- (b) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of AGL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment. Mr. Edwin Lo King Yau is a director of AG Capital Limited (a subsidiary of AGL) which is partly engaged in the business of money lending; and
- (c) 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 and SHK which, through their subsidiaries, are partly engaged in the businesses of money lending, property development and investment.

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

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

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

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31st December, 2012 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

6. LITIGATION

- (a) A property purchaser who previously purchased a property in Shenzhen initiated legal proceedings against a wholly-owned subsidiary of the Company to rescind the sale contracts and claim for total sales proceeds paid of HK\$142,010,000 together with compensation. Inventories of completed properties with carrying amount of HK\$2,079,000 are held in the custody of the court. In 2007 and 2008, conditional settlement agreements were reached between the parties whereby the property purchaser agreed to settle the case on condition that the Group has to arrange the issue of ownership certificates of the subject properties under the name of the property purchaser. In December 2012, except for 2 units of shop, all ownership certificates of the subject properties were issued to the property purchasers. During January to March 2013, the property purchaser then agreed to release all properties held in custody of the court to the Group on the condition that the Group has to place a RMB security deposit with amount equivalent to approximately HK\$6,296,000 to the property purchaser. The RMB security deposit is agreed to be released to the Group following the issue of ownership certificate of the remaining subject property under the name of the property purchaser.

- (b) A contractor has applied for arbitration against a subsidiary claiming for outstanding construction costs and compensation of totally HK\$31,272,000 which are being disputed. The arbitration is still in progress, but based on legal opinions, the Group has assessed the claim and considers that the final outcome of the claim will not have material effect on the financial position of the Group.
- (c) In 1998, the Company acquired a subsidiary that held a land site in the PRC with the consideration partially satisfied by disposing of its interest in a jointly controlled entity to the vendor. A person who claimed to be the beneficial owner of the vendor has initiated legal proceeding against the Company, for which proceedings a writ was received by the Company in March 2008, claiming the transfer of the interest in the jointly controlled entity and losses in Renminbi of HK\$23,506,000 equivalent plus interest and other costs on the grounds that the Company had not effectively transferred the legal title to the interest in that jointly controlled entity to the vendor. The court judgment made in July 2009 was held in favour of the Company and the plaintiff had appealed. The retrial court judgment made in August 2012 was also held in favour of the Company and the plaintiff has further appealed. The case is under trial by the court in the PRC. The Group has assessed the claim and obtained legal advice, and considers that the final outcome of the claim will not have material effect on the financial position of the Group.
- (d) A property purchaser has initiated legal proceeding against a subsidiary claiming for total compensation of approximately HK\$2,500,000 for the delayed handover and the decrease in area of that property including private garden and basement. The case is under trial by the court in the PRC. The Group has assessed the claims and obtained legal advice, and considers that it is too early to assess the possible liability at this stage.
- (e) A former materials supplier of cement business has initiated legal proceeding against subsidiaries of the Company claiming for outstanding construction and material supply costs and compensation of HK\$8,617,000 which are being disputed. The court judgment was held in favour of the former materials supplier. The Group had appealed and the Higher Court had ordered retrial to the case. A total of HK\$4,454,000 was recognised as trade, bills and other payable in relation to these claims. The Group has assessed the claims and obtained legal advice, and considers that the final outcome of the claim will not have material effect on the financial position of the Group.

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

7. MATERIAL CONTRACTS

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

- (a) a termination and sale and purchase agreement dated 10th June, 2011 entered into among Sea Vanguard Limited (“Sea Vanguard”) (an indirect wholly-owned subsidiary of the Company) as vendor, Tian An China Hotel and Property Investments Company Limited (“TACHP”) (a direct wholly-owned subsidiary of the Company) as warrantor, the Company, Lead Step Holdings Limited (“Lead Step”) as purchaser and Mr. Fong Kai Shing (previously known as Mr. Fong Ting) (“Mr. Fong”) as purchaser’s guarantor in relation to the termination of the sale and purchase agreement dated 3rd December, 2007 entered into among TACHP as vendor, the Company as vendor’s guarantor, Lead Step as purchaser and Mr. Fong as purchaser’s guarantor so far as the same related to the 11,878,788 shares of US\$1.00 each (the “Second Sale Shares”), representing approximately 84.85% of the issued share capital of Asia Coast Investments Limited (“Asia Coast”), an indirect non wholly-owned subsidiary of the Company, and to proceed with the sale and purchase of the Second Sale Shares and a shareholder’s loan indebted by Asia Coast and its subsidiaries to Sea Vanguard at an aggregate consideration of HK\$710,000,000;
- (b) a deed of reorganisation dated 20th December, 2011 entered into among ACHL, Sunwealth Holdings Limited (an indirect wholly-owned subsidiary of the Company) (“Sunwealth Holdings”) and the Company, pursuant to which Sunwealth Holdings agreed to sell the one share in Splendid Link Limited (“Splendid Link”) and the shareholder’s loan in the total amount of HK\$227,305,017.43 owed by Splendid Link and its subsidiary, namely Shanghai Allied Cement Holdings Limited (“SAC Holdings”), to ACHL in consideration of ACHL’s allotting and issuing 494,999,999 shares of HK\$0.01 each credited as fully paid at an issue price of HK\$1.00 per share to Sunwealth Holdings or as it may direct (the “Deed of Reorganisation”);
- (c) pursuant to terms and conditions of the Deed of Reorganisation, a deed of loan assignment dated 20th December, 2011 entered into among ACHL, Sunwealth Holdings, Splendid Link and SAC Holdings in relation to the assignment of a loan in the amount of HK\$227,305,017.43 due from Splendid Link and SAC Holdings to Sunwealth Holdings;
- (d) a deed of non-competition dated 20th December, 2011 entered into between the Company and ACHL;
- (e) a deed of indemnity dated 20th December, 2011 given by the Company and Autobest Holdings Limited (a direct wholly-owned subsidiary of the Company) (“Autobest Holdings”) in favour of ACHL;

- (f) an underwriting agreement dated 29th December, 2011 entered into, among others, ACHL, ACHL's executive directors, Autobest Holdings, the Company and the underwriter with respect to the share offer of ACHL pursuant to which an amount of HK\$4,125,000 shall be paid by ACHL to the said underwriter as underwriting commission;
- (g) 《關於建設「白龍港項目」合作協議》(Bailonggang Project Construction Cooperation Agreement*) dated 13th February, 2012 entered into between 上海建築材料(集團)總公司 (Shanghai Building Material (Group) General Company*) (“Shanghai Building Material”) and 上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.*) (“Shanghai SAC”) (an indirect non wholly-owned subsidiary of ACHL) with respect to the development of new cement production facilities at Bailonggang (白龍港), Pudong, Shanghai, the PRC;
- (h) 《關於設立合資公司(原則)協議》(Principle Agreement for the Establishment of the JV Company*) dated 13th February, 2012 entered into between Shanghai Building Material and Shanghai SAC setting out the principle and principal terms of the joint venture company to be established in the PRC by Shanghai Building Material and Shanghai SAC pursuant to which Shanghai SAC would invest a sum of RMB400,000,000 to the joint venture company;
- (i) a sale and purchase agreement dated 12th June, 2012 entered into among Best Advantage Limited (“Best Advantage”) (an indirect wholly-owned subsidiary of the Company) as vendor, Lanwa International Limited as purchaser and Mr. Liao Chang as purchaser's guarantor in relation to the sale and purchase of 1 ordinary share of US\$1.00, representing the entire issued share capital of Best Diversity Limited (“Best Diversity”) and all shareholder's loan owed by Best Diversity to Best Advantage at an aggregate consideration of RMB476,000,000 (equivalent to approximately HK\$587,654,000);
- (j) a memorandum dated 18th December, 2012 entered into among 天安投資(深圳)有限公司 (Tian An Investments (Shenzhen) Co., Ltd.*) (“Tian An (Shenzhen)”) (an indirect wholly-owned subsidiary of the Company), 深圳市駿業房地產開發有限公司 (Shenzhen Junye Property Development Co., Ltd.*) (“Junye Company”) and a director of 深圳天安駿業投資發展有限公司 (Shenzhen Tian An Junye Investments Development Co., Ltd.*) (“Shenzhen Tian An Junye”) (owned as to 50% by each of Tian An (Shenzhen) and Junye Company respectively), pursuant to which, among other things, Tian An (Shenzhen) proposed to provide guarantee detailed in (m) below;
- (k) a memorandum dated 8th January, 2013 entered into between Tian An (Shenzhen) and Junye Company, pursuant to which, among other things, Tian An (Shenzhen) proposed to provide guarantee detailed in (l) below;

- (l) a deed of guarantee dated 23rd January, 2013 entered into between Tian An (Shenzhen) as guarantor in favour of a licensed commercial bank in the PRC, pursuant to which Tian An (Shenzhen) agreed to provide guarantee in respect of the repayment obligations of a loan in the amount of RMB180,000,000 (equivalent to approximately HK\$222,222,000) granted to Shenzhen Tian An Junye;
- (m) a deed of guarantee dated 29th January, 2013 entered into between Tian An (Shenzhen) as guarantor in favour of a licensed commercial bank in the PRC, pursuant to which Tian An (Shenzhen) agreed to provide guarantee in respect of the repayment obligations of a loan in the amount of RMB250,000,000 (equivalent to approximately HK\$308,642,000) granted to Shenzhen Tian An Junye;
- (n) an insurance brokerage services agreement dated 29th January, 2013 entered into between the Company and Sun Hung Kai Insurance Consultants Limited (“SHK Insurance”) in relation to the provision of packaged insurance brokerage services by SHK Insurance to the Group for an annual cap of HK\$1,751,000 and HK\$2,028,000 for each of the two financial years ending 31st December, 2014 respectively;
- (o) the FC Agreement; and
- (p) the AH Agreement.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2012, being the date to which the latest published audited financial statements of the Group were made up.

9. EXPERT AND CONSENT

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

Name	Qualification
Norton Appraisals Limited	independent property valuer and member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors
Tenet & Partners Shanghai Office	PRC legal adviser

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

As at the Latest Practicable Date, each of Norton Appraisals Limited and Tenet & Partners Shanghai Office:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2012 (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) Dr. Moses Cheng Mo Chi, a Non-Executive Director of the Company, is a senior partner of Messrs. P. C. Woo & Co., the legal firm which has been advising the Company in respect of the AH Agreement for normal professional fees. Accordingly, Dr. Moses Cheng Mo Chi has abstained from voting at the board resolutions approving the entering into of the AH Agreement. Save as disclosed above, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Cindy Yung Yee Mei, who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (e) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the memorandum and articles of association of the Company;

- (b) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (c) the annual reports of the Company for the two financial years ended 31st December, 2012;
- (d) the consent letters from Norton Appraisals Limited and Tenet & Partners Shanghai Office referred to in the section headed “Expert and Consent” in this appendix; and
- (e) this circular.

* *for identification purpose only*

NOTICE OF THE EGM



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Tian An China Investments Company Limited (the “Company”) will be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 4th July, 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the sale and purchase agreement dated 9th May, 2013 (the “AH Agreement”) entered into among ACE Result Limited, an indirect wholly-owned subsidiary of the Company (“ACE Result”), as the vendor, Kata Holdings Limited as the purchaser and Mr. Ou Qijin as the purchaser’s guarantor relating to the sale and purchase of one ordinary share of US\$1.00 in the issued share capital, representing 50% of the entire issued share capital of All Happy International Limited (“All Happy”) and 50% of shareholder’s loan owed by All Happy to ACE Result (a copy of the AH Agreement marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) and all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company, amongst other matters, to sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the AH Agreement and to make and agree such variations of a minor or non-material nature in or to the terms of the AH Agreement as he/she may in his/her discretion consider to be desirable and in the interests of the Company.”

By Order of the Board

Tian An China Investments Company Limited

Cindy Yung Yee Mei

Company Secretary

Hong Kong, 18th June, 2013

NOTICE OF THE EGM

Registered Office:

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

Notes:

1. A member of the Company entitled to attend and vote at the Meeting will be entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
2. 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.
3. 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
4. Where there are joint holders of any shares of the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy in respect of such shares as if he or she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such shares.
5. The register of members of the Company will be closed on Wednesday, 3rd July, 2013 and Thursday, 4th July, 2013, during which period no transfer of shares of the Company 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2nd July, 2013.