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

If you have sold or transferred all your shares in Tian An China Investments Company Limited, 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)

**DISCLOSEABLE TRANSACTION
AND
CONNECTED TRANSACTION**

DISPOSAL OF AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY

Independent Financial Adviser to the Independent Board Committee



Huntington Asia Limited

A letter from the board of directors of Tian An China Investments Company Limited (the “Company”) is set out on pages 8 to 21 of this circular and a letter from the Independent Board Committee containing its recommendation in respect of the transactions is set out on pages 22 and 23 of this circular. A letter from Huntington Asia Limited containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 33 of this circular.

A notice convening an 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 Monday, 1st August, 2011 at 10:00 a.m. is set out on pages 44 and 45 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 holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not prevent Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

13th July, 2011

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DEFINITIONS

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

“2008 Share Charge”	the share charge dated 5th February, 2008 executed between Lead Step as the chargor and TACHP as the chargee in relation to the charged Sale Shares as security for the performance of Lead Step under the First Agreement
“Agreement”	the termination and sale and purchase agreement dated 10th June, 2011 entered into between Sea Vanguard as the vendor, TACHP, the Company, Lead Step as the purchaser and Mr. Fong as the purchaser’s guarantor in relation to the termination of the First Agreement so far as the same relates to the Second Sale Shares and the sale and purchase of the Second Sale Shares and the Shareholder’s Loan on the terms and subject to the conditions therein
“Asia Coast”	Asia Coast Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect non wholly-owned subsidiary of the Company
“Asia Coast Share Charge”	the share mortgage charging over the Sale Shares and the Second Sale Shares to be executed by Lead Step as the mortgagor and Sea Vanguard as the mortgagee on Completion
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which banks in Hong Kong are open for business other than (i) a Saturday or (ii) a “general holiday” as defined in Section 2 of the General Holidays Ordinance (Cap.149 of the Laws of Hong Kong), or one of the days specified from time to time in the schedule to that Ordinance as being “general holidays” under Section 3 thereof or (iii) a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon

DEFINITIONS

“Call Option”	the option to require TACHP to sell to Lead Step the Option Shares at the Option Price granted by TACHP to Lead Step under the First Agreement
“Call Option Period”	the period commencing from the date of completion of the First Agreement and ending on the last day of the ninth (9th) month following the date of signing of the First Agreement
“CBI”	CBI Investment Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct non wholly-owned subsidiary of Asia Coast
“CBI Debenture”	the debenture to be provided by CBI as chargor in favour of Sea Vanguard as chargee charging by way of first floating charge over all its undertaking, property and/or assets on Completion
“CBI Share Charge”	the share mortgage charging over the shares of CBI held by Asia Coast to be executed by Asia Coast as the mortgagor and Sea Vanguard as the mortgagee on Completion
“Company”	Tian An China Investments Company Limited, a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Second Sale Shares and the Shareholder’s Loan under the Agreement
“Completion Date”	the date on which Completion takes place in accordance with the Agreement
“Conditions Precedent”	the conditions precedent contained in the Agreement, details of which are set out in the paragraph headed “Conditions Precedent” of this circular
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration in the sum of HK\$710,000,000 for the sale and purchase of Second Sale Shares and the Shareholder’s Loan under the Agreement

DEFINITIONS

“Directors”	the directors of the Company
“Disposal”	the disposal of the entire issued share capital of Asia Coast and the Shareholder’s Loan in accordance with the First Agreement and the Agreement
“Disposal Group”	Asia Coast, CBI, Regal Zone, RP Hotel BVI, RP Zhaoqing BVI, RP Golf BVI, RP Hotel HK, RP Zhaoqing HK, RP Golf HK, the PRC Co., the PRC Hotel Co. and the PRC Property Co.
“EGM”	an extraordinary general meeting of the Company to be convened at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 1st August, 2011 at 10:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, approving (inter alia) the terms of the Agreement and the transactions contemplated thereunder, notice of which is set out on pages 44 and 45 of this circular
“Extended Call Option Period”	the period commencing from the expiry of the Call Option Period and ending on the last date of the three (3) months following the expiry of the Call Option Period
“First Agreement”	the sale and purchase agreement dated 3rd December, 2007 entered into between TACHP as the vendor, the Company as the vendor’s guarantor, Lead Step as the purchaser and Mr. Fong as the guarantor to Lead Step in relation to the Sale Shares and the Option Shares
“Group”	the Company and its subsidiaries
“Guo Wei Investment”	東莞市國威投資顧問有限公司 (Dongguan Guo Wei Investment Consulting Company Limited*), a company incorporated under the laws of the PRC with limited liability
“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

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all the Independent Non-Executive Directors, namely Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum, established to advise the Independent Shareholders in respect of the terms of the Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Huntington Asia Limited, a licensed corporation permitted to engage in type 6 regulated activity as stipulated in the SFO, being appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder
“Independent Shareholders”	shareholders of the Company who are not interested in the Agreement and are not required under the Listing Rules to abstain from voting at the EGM to approve the Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	8th July, 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Lead Step”	Lead Step Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Fong
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Fong”	Mr. Fong Kai Shing (previously known as Mr. Fong Ting), the sole beneficial owner of the entire issued share of Lead Step and the guarantor to Lead Step under the First Agreement and the Agreement
“New Security Documents”	the Asia Coast Share Charge, the CBI Share Charge and the CBI Debenture
“Option Price”	the sum of HK\$560,000,000, subject to adjustments as contained in the First Agreement

DEFINITIONS

“Option Shares”	11,878,788 option shares of US\$1.00 each in the share capital of Asia Coast under the First Agreement, and are the Second Sale Shares under the Agreement
“Party(ies)”	party(ies) to the Agreement
“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 the Macau Special Administrative Region of the People’s Republic of China
“PRC Co.”	Zhao Qing Golf and Development Co., Ltd., a sino foreign co-operative enterprise incorporated under the laws of the PRC and the 88% equity interest of which is owned by CBI directly
“PRC Hotel Co.”	廣東聚廷峰酒店有限公司 (Guangdong Rising Peak Hotel Company Limited*), a sino foreign co-operative enterprise incorporated under the laws of the PRC and the 88% equity interest of which is owned by RP Hotel HK
“PRC Property Co.”	廣東聚廷峰房地產開發有限公司 (Guangdong Rising Peak Property Development Company Limited*), a sino foreign co-operative enterprise incorporated under the laws of the PRC and the 88% equity interest of which is owned by RP Golf HK
“Put Option”	the option to require Lead Step to purchase from TACHP the Option Shares at the Option Price granted by Lead Step to TACHP under the First Agreement
“Regal Zone”	Regal Zone Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of CBI
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“RP Golf BVI”	Rising Peak Golf and Property Development (BVI) Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CBI
“RP Golf HK”	Rising Peak Golf and Property Development Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of RP Golf BVI
“RP Hotel BVI”	Rising Peak Hotel (BVI) Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CBI
“RP Hotel HK”	Rising Peak Hotel Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of RP Hotel BVI
“RP Zhaoqing BVI”	Rising Peak Zhaoqing Property Development (BVI) Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CBI
“RP Zhaoqing HK”	Rising Peak Zhaoqing Property Development Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of RP Zhaoqing BVI
“Sale Shares”	2,121,212 shares of US\$1.00 each in the issued share capital of Asia Coast, representing approximately 15.15% of its entire issued share capital
“Sea Vanguard”	Sea Vanguard Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by TACHP
“Second Sale Shares”	11,878,788 shares of US\$1.00 each in the issued share capital of Asia Coast, representing approximately 84.85% of its issued share capital

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.20 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the shareholder’s loan indebted by the members of the Disposal Group to Sea Vanguard in the amount to be determined on the Completion Date, which represents all advances made by Sea Vanguard to the members of the Disposal Group up to the Completion Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TACHP”	Tian An China Hotel and Property Investments Company Limited, a company incorporated under the laws of Hong Kong with limited liability, a direct wholly-owned subsidiary of the Company and the sole beneficial owner of entire issued share capital of Sea Vanguard
“%”	per cent.

* *for identification purpose only*

LETTER FROM THE BOARD



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

Executive Directors:

Hu Aimin (*Deputy Chairman*)
Song Zengbin (*Deputy Chairman*)
Patrick Lee Seng Wei (*Managing Director*)
Ng Qing Hai (*Deputy 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

13th July, 2011

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
AND
CONNECTED TRANSACTION**

DISPOSAL OF AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY

1. INTRODUCTION

Reference is made to the announcement of the Company dated 10th December, 2007, in which the Board announced that the First Agreement was entered into among, inter alia, TACHP as the vendor and Lead Step as the purchaser with respect to the sale and purchase of the Sale Shares and the Option Shares on 3rd December, 2007. Pursuant to the First Agreement,

LETTER FROM THE BOARD

TACHP has agreed, inter alia, to sell the Sale Shares to Lead Step at the consideration of HK\$100,000,000 and to grant to Lead Step the Call Option for the purchase of the Option Shares at the Option Price of HK\$560,000,000 on terms and subject to the conditions set out therein.

The sale and purchase of the Sale Shares was completed on 5th February, 2008 whereupon (i) Lead Step became the registered and legal owner of the Sale Shares; and (ii) the Sale Shares were charged by Lead Step as the chargor in favour of TACHP as the chargee under the 2008 Share Charge to secure the due and punctual performance of certain obligations of Lead Step under the First Agreement. As at the Latest Practicable Date, TACHP has not exercised any of its rights under the 2008 Share Charge.

On 6th April, 2011, TACHP has transferred the Option Shares (i.e. Second Sale Shares) to Sea Vanguard, a wholly-owned subsidiary of TACHP.

Reference is also made to the announcement of the Company dated 10th June, 2011, in which the Board further announced that following arm's length negotiations among the Parties to the Agreement, namely Sea Vanguard as the vendor, TACHP, the Company, Lead Step as the purchaser and Mr. Fong as the purchaser's guarantor, the Parties agreed to terminate the First Agreement so far as the same relates to the Option Shares (i.e. the Second Sale Shares) and to proceed with the sale and purchase of the Second Sale Shares and the Shareholder's Loan subject to the terms and conditions of the Agreement. The salient terms of the First Agreement which were agreed to be terminated include the terms and conditions with respect to, inter alia, (i) the Call Option to Lead Step by TACHP for the purchase of the Option Shares at the Option Price of HK\$560,000,000 (subject to adjustment) within the Call Option Period or Extended Call Option Period, as the case may be; and (ii) the Put Option to TACHP by Lead Step for the sale of the Option Shares at the Option Price of HK\$560,000,000 (subject to adjustment) to Lead Step. Save for the Agreement, no other agreement has been entered into among Sea Vanguard, TACHP, the Company, Lead Step and Mr. Fong after the date of the First Agreement and up to the Latest Practicable Date.

The transactions under the Agreement, on a stand alone basis and when aggregated with the transactions contemplated under the First Agreement pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules on the basis that the relevant Percentage Ratios, both on a stand alone basis or on an aggregated basis, exceed 5% but are less than 25%.

Moreover, to the best of the Directors' knowledge and information, as Mr. Fong is a connected person of the Company by virtue of his shareholding of more than 10% in Asia Coast and his directorships in the members of the Disposal Group, the transactions contemplated under the Agreement shall also constitute a connected transaction for the Company. Pursuant to Rule 14A.17 of the Listing Rules, since the transactions contemplated under the Agreement do not fall under any of the categories set out in Rules 14A.16(1) to (4) of the Listing Rules, it is subject to the reporting, announcement and Independent Shareholders' approval requirements.

The purposes of this circular are:

- (a) to provide you with further details of the Agreement;

LETTER FROM THE BOARD

- (b) to set out the recommendations from the Independent Board Committee and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder; and
- (c) to give the Shareholders notice of the EGM to be convened for the purpose of considering and, if thought fit, approving (inter alia) the terms of the Agreement and the transactions contemplated thereunder.

2. THE AGREEMENT

Date

10th June, 2011

Parties to the Agreement

- (1) Sea Vanguard, as the vendor;
- (2) TACHP, as the warrantor, which is the vendor under the First Agreement;
- (3) the Company;
- (4) Lead Step, as the purchaser; and
- (5) Mr. Fong, as the purchaser's guarantor.

As at the Latest Practicable Date, based on the information and confirmations provided by each of Lead Step and Mr. Fong and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Lead Step was the beneficial owner of the Sale Shares, and Mr. Fong was the sole beneficial owner of Lead Step, a director of Asia Coast, CBI, the PRC Co., RP Hotel BVI, RP Hotel HK, RP Zhaoqing BVI, RP Zhaoqing HK, RP Golf BVI, RP Golf HK, the PRC Hotel Co. and the PRC Property Co. Accordingly, Mr. Fong is a connected person of the Company by virtue of his shareholding of more than 10% in Asia Coast and his directorships in the members of the Disposal Group.

Termination of the First Agreement

Pursuant to the Agreement, the Parties have agreed to terminate the First Agreement so far as the same relates to the Option Shares (i.e. the Second Sale Shares) upon Completion and to release the 2008 Share Charge upon the duly execution and delivery of the New Security Documents by Lead Step to Sea Vanguard to secure the due and punctual performance of certain obligations of Lead Step under the Agreement.

LETTER FROM THE BOARD

The salient terms of the First Agreement which were agreed to be terminated include the terms and conditions with respect to, inter alia, (i) the Call Option to Lead Step by TACHP for the purchase of the Option Shares at the Option Price of HK\$560,000,000 (subject to adjustment) within the Call Option Period or Extended Call Option Period, as the case may be; and (ii) the Put Option to TACHP by Lead Step for the sale of the Option Shares at the Option Price of HK\$560,000,000 (subject to adjustment) to Lead Step.

Assets to be disposed of

Pursuant to the Agreement, Sea Vanguard agreed to sell and Lead Step agreed to purchase the Second Sale Shares, which represent approximately 84.85% of the entire issued share capital of Asia Coast, and the Shareholder's Loan. The Second Sale Shares and the Shareholder's Loan will be disposed of free from any encumbrances as at the Completion Date.

Conditions Precedent

Completion is conditional upon the Company having obtained (where applicable) the approval of its Shareholders of the Agreement and the transactions contemplated thereunder as required by the Listing Rules and having complied with all of its obligations under the Listing Rules in relation to the Agreement and the transactions contemplated thereunder, and that all relevant consents, clearance, authorisation, approval having been obtained by the Company.

If the conditions are not fulfilled on or before 30th September, 2011 (or such other date as may be agreed by the Parties in writing), then the Completion will not take place and Sea Vanguard shall refund to Lead Step the amount already paid by Lead Step under the Agreement and no Party shall have any claim against any of the other Parties, except in respect of claims arising out of any antecedent breach of any of the provisions of the Agreement. For avoidance of doubt, in event that the conditions are not fulfilled on or before 30th September, 2011, subject to the compliance of the Agreement, the Agreement shall become null and void and the First Agreement so far as the same relates to the Option Shares (i.e. the Second Sale Shares) will not be terminated and the terms and conditions of the First Agreement and the 2008 Share Charge shall continue to be valid and in full force and effect.

Consideration and Payment Terms

The Consideration for the sale and purchase of Second Sale Shares and the Shareholder's Loan is HK\$710,000,000 which shall be payable in the following manner:

- (1) an initial deposit in the sum of HK\$5,000,000 or its equivalent in other currency has been paid by Lead Step to Sea Vanguard on the date of signing of the Agreement;
- (2) a sum of HK\$195,000,000 or its equivalent in other currency shall be payable by Lead Step to Sea Vanguard on or before the Completion Date; and

LETTER FROM THE BOARD

- (3) the remaining balance of the Consideration in the amount of HK\$510,000,000 or its equivalent in other currency (the “Total Balance”) together with the interest accrued thereon shall be payable by Lead Step to Sea Vanguard by 8 successive quarterly payments of not less than HK\$30,000,000 each (which shall include the interest accrued up to the date of payment) and each of such payments shall be made on the last day of each quarter (and if that day is not a Business Day, payment shall be due on the next Business Day) with the first payment to be made on the last day of the three-month period following the Completion Date.

Pursuant to the Agreement, Lead Step agreed to pay interest accrued on the outstanding Total Balance from the Completion Date at the rate of 1% per month (the “Interest”) up to the date of actual full payment of the Total Balance. Assuming the Total Balance is paid by Lead Step to Sea Vanguard by 8 successive quarterly payments with the first 7 quarterly payments in the amount of HK\$30,000,000 each (which shall include the Interest accrued up to the date of payment) and the last quarterly payment in the remaining amount on their respective due dates, the maximum amount of Interest receivable by Sea Vanguard under the Agreement shall be approximately HK\$111,179,600. As Lead Step only needs to pay the Interest commencing from the Completion Date up to the date of actual full payment of the Total Balance, there would not be any accrued Interest which needs to be refunded to Lead Step if the Completion does not take place.

Under the Agreement, Lead Step shall have the right to early repay the Total Balance at any time after the Completion and in such event the Interest shall be accrued up to the date of actual payment of the Total Balance.

The consideration for the sale and purchase of the Sale Shares under the First Agreement and of the Second Sale Shares under the Agreement were calculated on the assumption that Asia Coast shall hold 100% of the entire issued share capital of CBI. As at the Latest Practicable Date, Asia Coast was interested in approximately 99.97% of the entire issued share capital of CBI. Since Sea Vanguard cannot procure the transfer to Asia Coast of all shares of whatever classes and rights in CBI not otherwise beneficially owned by Asia Coast (representing approximately 0.03% of the entire issued share capital of CBI) on Completion, Sea Vanguard has agreed to reduce the amount of HK\$198,000 by setting off such amount from the last payment of the Total Balance. The Consideration reduction in the amount of HK\$198,000 represents 0.03% of the aggregate amount of (i) the consideration of the Sale Shares in the sum of HK\$100,000,000; and (ii) the Option Price of the Option Shares in the sum of HK\$560,000,000 under the First Agreement.

LETTER FROM THE BOARD

As disclosed in the announcement of the Company dated 10th December, 2007, the Group has agreed to sell the Sale Shares, representing approximately 15.15% of the entire issued share capital of Asia Coast, at the consideration of HK\$100,000,000 and to grant to Lead Step the Call Option for the purchase of the Option Shares (i.e. the Second Sale Shares), representing the remaining approximately 84.85% of the entire issued share capital of Asia Coast, at the Option Price of HK\$560,000,000 under the First Agreement. The Consideration and the interest rate under the Agreement were agreed among the Parties after arm's length negotiations, which were on normal commercial terms with reference to: (i) the Option Price of the Option Shares (i.e. the Second Sale Shares) under the First Agreement; (ii) the underlying asset of Asia Coast; (iii) the Shareholder's Loan in the sum of not exceeding HK\$150,000,000 which has been or shall be advanced by Sea Vanguard to the members of the Disposal Group following the date of the First Agreement up to Completion, part of which has been or should be applied to pay up the registered capital of the PRC Hotel Co. and the PRC Property Co.; and (iv) existing RMB interest rate announced by the People's Bank of China. The Directors consider that the Consideration and the interest rate were fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

The underlying asset of Asia Coast is the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, PRC, and its only associated property which comprises three contiguous plots of land with a total site area of approximately 3,400,000 square metres (the "Land") and is under the development into golf courses, a club house, a golf lodge and ancillary club facilities together with villas and residential apartments. An 18-hole golf course in Phase 1 development is currently in operation and a further 9-hole golf course is now under construction. Save for the above, the remaining site of the development is vacant.

The Group recorded a carrying value of approximately HK\$347,680,000 for the Land. The appraised value of the Land as shown in the valuation report prepared by the independent professional valuer as set out in Appendix I of this circular based on depreciated replacement cost method was approximately HK\$834,000,000 as at 31st May, 2011.

Guarantee and Undertakings

Mr. Fong has agreed to guarantee the due and punctual performance of the obligations of Lead Step under the Agreement. Lead Step and Mr. Fong have agreed and undertaken to Sea Vanguard that so long as any part of the Consideration and Interest payable by Lead Step pursuant to the Agreement shall remain outstanding, except with the written consent of Sea Vanguard and such consent shall not be unreasonably withheld in relation to the restructuring of the Disposal Group, they (i) shall not sell, transfer or otherwise dispose of any shares or registered capital of any member of the Disposal Group to any party, or grant or create any options, other rights, charge, pledge, encumber or security or third party interest on or over the shares or registered capital of any member of the Disposal Group; and (ii) shall not sell, transfer or otherwise dispose of any underlying assets of the PRC Co., the PRC Property Co. and/or the PRC Hotel Co., in particular, any interest in the Land or any part thereof to any party other than a member of the Disposal Group, or grant or create any options, other rights, charge, pledge, encumber or security or third party interest on or over any underlying assets of the PRC Co., the PRC Property Co. and/or the PRC Hotel Co., in particular, any interest in the Land or any part thereof; and (iii) shall not effect any removal, appointment or change of directors or legal representative of any member of the Disposal Group.

LETTER FROM THE BOARD

Security for the Transaction

Save for the guarantee provided by Mr. Fong, the due and punctual performance of Lead Step's obligations under, amongst other things, the Agreement is further secured by the New Security Documents, consisting of:

(1) *Asia Coast Share Charge*

On the Completion Date, Lead Step as the mortgagor will mortgage, charge and assign by way of first legal mortgage the entire issued share capital of Asia Coast in favour of Sea Vanguard as the mortgagee and by way of first legal assignment all rights, title, benefits, claims and interest in and to the Shareholder's Loan to Sea Vanguard pursuant to the Asia Coast Share Charge as a continuing security for the due and punctual payment obligations and other performance of and observance by Lead Step under the Agreement. If there occurs an event of default as set out in the Asia Coast Share Charge or a prospective event of default, Sea Vanguard shall have the rights to, amongst other things, dispose of and/or transfer to itself the Sale Shares and the Second Sale Shares pursuant to the terms therein.

(2) *CBI Share Charge*

On the Completion Date, Asia Coast as the mortgagor will mortgage, charge and assign by way of first legal mortgage all shares of CBI issued to or owned by Asia Coast in favour of Sea Vanguard as the mortgagee pursuant to the CBI Share Charge as a continuing security for the due and punctual payment obligations and other performance of and observance by Lead Step under the Agreement. If there occurs an event of default as set out in the CBI Share Charge or a prospective event of default, Sea Vanguard shall have the rights to, amongst other things, dispose of and/or transfer to itself the subject shares of CBI pursuant to the terms of the CBI Share Charge.

(3) *CBI Debenture*

On the Completion Date, CBI as the chargor will charge by way of first floating charge to Sea Vanguard as the chargee over all its undertaking, property and/or assets and rights whatsoever and wheresoever, both present and future as a continuing security for the due and punctual payment obligations and other performance of and observance by Lead Step under the Agreement. The CBI Debenture shall become immediately enforceable upon the occurrence of an event of default as set out in the CBI Debenture.

LETTER FROM THE BOARD

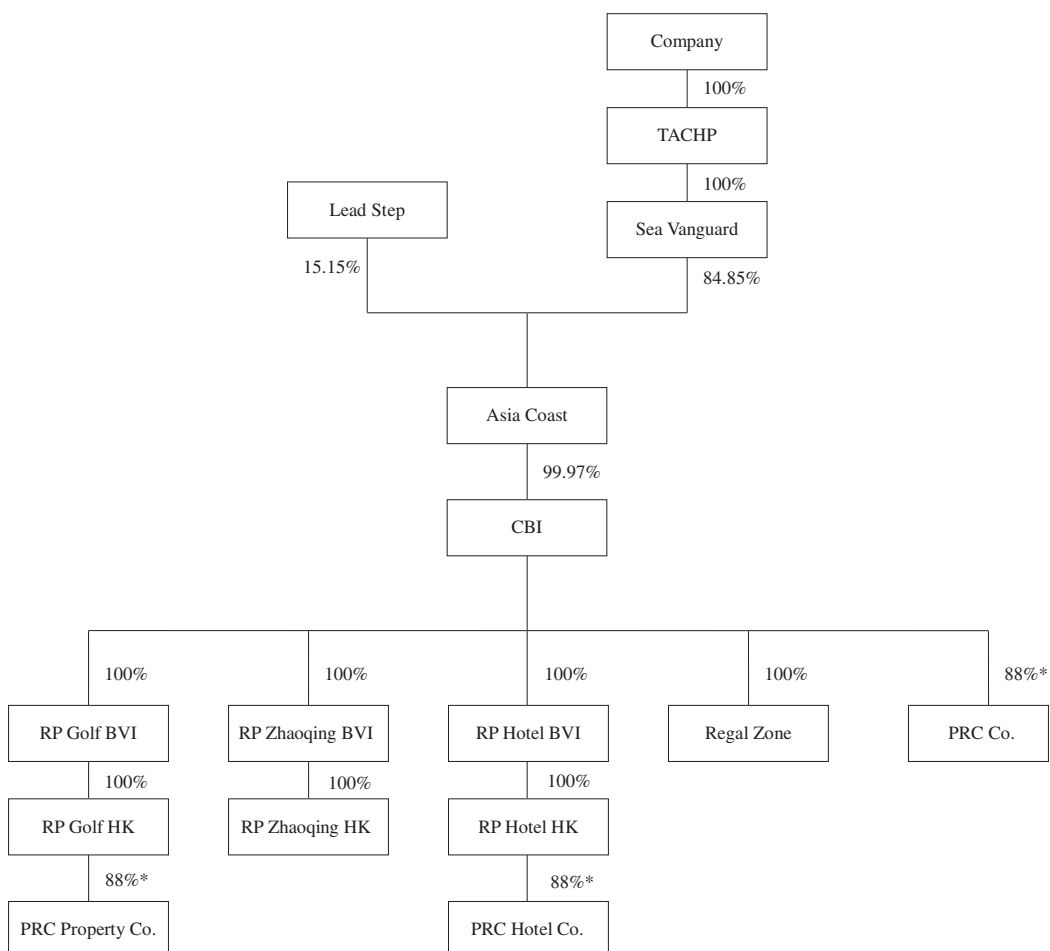
Completion

Subject to the fulfilment of the Conditions Precedent, the sale and purchase of the Second Sale Shares and the Shareholder's Loan shall be completed within ten Business Days after fulfilment of the Conditions Precedent. Upon Completion, all members of the Disposal Group will cease to be subsidiaries of the Company.

Set out below is the simplified corporate structure of the Disposal Group as at the Latest Practicable Date and upon Completion:

As at the Latest Practicable Date, the shareholding structure of the Disposal Group was as follows:

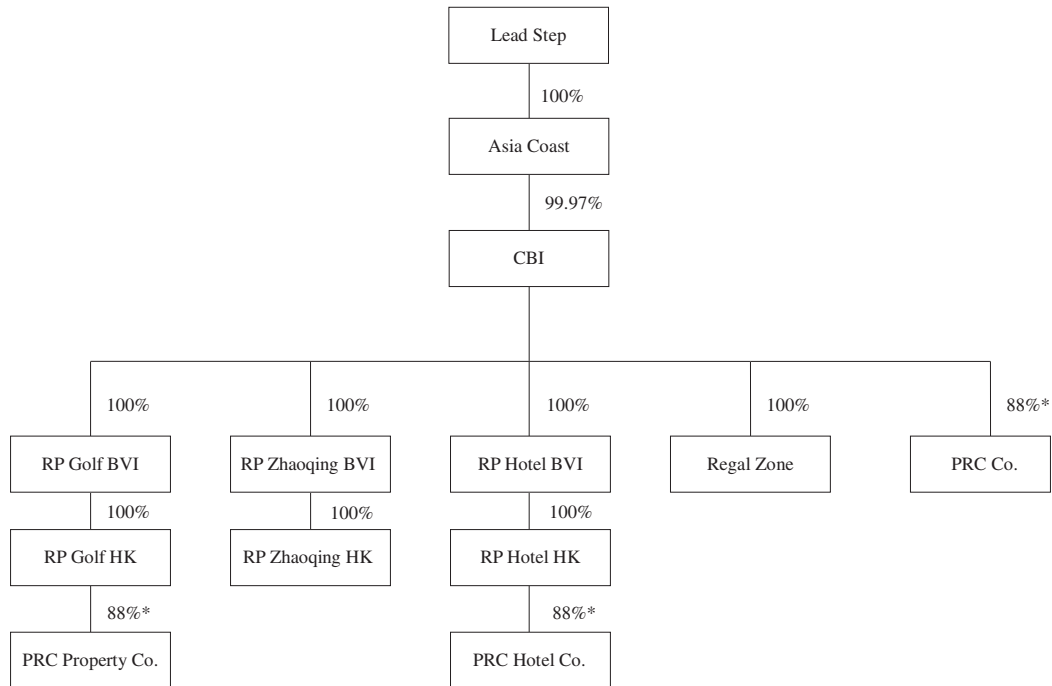
Chart 1



LETTER FROM THE BOARD

Upon Completion, the shareholding structure of the Disposal Group will be as follows:

Chart 2



Remarks

* The remaining shareholding interest is owned by an independent third party not connected with the Company and its connected persons.

3. INFORMATION OF THE DISPOSAL GROUP

Asia Coast

Asia Coast is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability, which is beneficially owned as to approximately 15.15% by Lead Step and as to approximately 84.85% by Sea Vanguard as at the Latest Practicable Date.

Asia Coast is interested in approximately 99.97% of the issued share capital of CBI which directly holds 88% equity interest in the PRC Co. and the respective entire issued share capital of Regal Zone, RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI. RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI are the holding companies of RP Hotel HK, RP Zhaoqing HK and RP Golf HK respectively. Each of RP Hotel HK and RP Golf HK owns 88% equity interest in the PRC Hotel Co. and the PRC Property Co. respectively, both are foreign co-operative enterprises incorporated under the laws of the PRC.

LETTER FROM THE BOARD

CBI

CBI is a company incorporated under the laws of Hong Kong with limited liability. As at the Latest Practicable Date, Asia Coast has been interested in approximately 99.97% of the entire issued share capital of CBI. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the remaining approximately 0.03% of the issued share capital of CBI is held by third parties independent from the Company and its connected persons. The principal business activity of CBI is investment holding. Other than its direct shareholding interests in the PRC Co., Regal Zone, RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI, CBI has no any other assets.

PRC Co.

The PRC Co. is a sino foreign co-operative enterprise duly incorporated and validly existing under the laws of the PRC. As at the Latest Practicable Date, CBI has been interested in 88% equity interest in the PRC Co. The remaining 12% equity interest in the PRC Co. is held by Guo Wei Investment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than its substantial shareholding in the PRC Co., the PRC Hotel Co. and the PRC Property Co., Guo Wei Investment is a third party independent from the Company and its connected persons.

The principal business activity of the PRC Co. is the construction and development of the Land, the sale of properties to be developed on the Land and the sale of related golf course membership, clubs, villas and related facilities of the Zhaoqing Resort & Golf Club.

The only underlying asset of the PRC Co. is the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, PRC, and its only associated property which comprises the Land and is under the development into golf courses, a club house, a golf lodge and ancillary club facilities together with villas and residential apartments. An 18-hole golf course in Phase 1 development is currently in operation and a further 9-hole golf course is under construction. The remaining site of the development is vacant.

Other than the Zhaoqing Resort & Golf Club and its associated property, the PRC Co. has no any other assets. The Zhaoqing Resort & Golf Club commenced its operation in 1995.

Regal Zone

Regal Zone is a company incorporated under the laws of Hong Kong with limited liability, whose principal business activity is being an agent of the PRC Co. providing services (arranging the travelling and accommodation) to people who plan to visit the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, PRC. Save for the above, Regal Zone has no any other business activities.

LETTER FROM THE BOARD

Other members of the Disposal Group

Each of RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI is a company incorporated under the laws of the British Virgin Islands with limited liability, whose respective principal business activity is investment holding. Other than the respective direct shareholding interest in RP Hotel HK, RP Zhaoqing HK and RP Golf HK, each of RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI has no any other assets.

Each of RP Hotel HK, RP Zhaoqing HK and RP Golf HK is a company incorporated under the laws of Hong Kong with limited liability, whose respective principal business activity is investment holding. Each of RP Hotel HK and RP Golf HK is an investment holding company holding 88% equity interest of the PRC Hotel Co. and the PRC Property Co. respectively. Other than that, RP Hotel HK and RP Golf HK have no any other assets.

The PRC Hotel Co. and the PRC Property Co. are newly established sino foreign co-operative enterprises under the laws of the PRC. Accordingly, neither the PRC Hotel Co. nor PRC Property Co. has any business operations or any assets currently.

4. SUMMARY OF FINANCIAL INFORMATION OF ASIA COAST

A summary of the unaudited consolidated results of Asia Coast for the two financial years ended 31st December, 2009 and 31st December, 2010 are as follows:

	Year ended 31st December,	
	2009	2010
	HK\$'000	HK\$'000
Revenue	25,588	22,627
Loss before tax	(12,822)	(14,629)
Loss after tax	(12,038)	(13,843)

The unaudited consolidated net asset value of Asia Coast as at 31st December, 2010 was approximately HK\$143,000,000.

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

5. FINANCIAL EFFECTS OF THE DISPOSAL

It is estimated that the disposal of the Second Sale Shares and the Shareholder's Loan under the Agreement will generate an estimated gain of approximately HK\$440,000,000, representing the Consideration of HK\$710,000,000 together with the maximum amount of Interest receivable by Sea Vanguard in the approximate amount of HK\$111,179,600 less 84.85% of the net asset value of Asia Coast as at 31st December, 2010 in the amount of approximately HK\$122,000,000, loans of approximately HK\$13,000,000 owed by CBI and the PRC Co. to be repaid or settled by Sea Vanguard before the Completion Date, the Shareholder's Loan in the estimated amount of approximately HK\$164,000,000 at the Completion Date and other costs which include, inter alia, a provision for a potential PRC withholding tax in the approximate amount of HK\$82,000,000. The sale proceeds will be applied for the internal working capital of the Group.

LETTER FROM THE BOARD

It is also estimated that the Disposal will generate an estimated gain of approximately HK\$509,000,000, an estimated sum representing the total consideration of the Sale Shares, the Second Sale Shares and the Shareholder's Loan in the aggregate amount of HK\$810,000,000 together with the maximum amount of Interest receivable by Sea Vanguard in the approximate amount of HK\$111,179,600 less the net asset value of Asia Coast as at 31st December, 2010 in the amount of approximately HK\$143,000,000, loans of approximately HK\$13,000,000 owed by CBI and the PRC Co. to be repaid or settled by Sea Vanguard before the Completion Date, the Shareholder's Loan in the estimated amount of approximately HK\$164,000,000 at the Completion Date and other costs which include, inter alia, a provision for a potential PRC withholding tax in the approximate amount of HK\$92,000,000.

6. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company considers the Disposal to be a good opportunity for the Company to realise part of its investment especially given that the Consideration in the amount of HK\$710,000,000 represents a premium of approximately 5.82 times to 84.85% of the net asset value of Asia Coast as at 31st December, 2010 while the total consideration of the Sale Shares, the Second Sale Shares and the Shareholder's Loan in the aggregate amount of HK\$810,000,000 represents a premium of approximately 5.66 times to the net asset value of Asia Coast as at 31st December, 2010. Moreover, with reference to the prevailing market conditions and the fact that the proceeds from the Disposal will strengthen the financial position of the Group and enhance its cashflow, the Directors consider that the present time is an appropriate time for the Disposal.

Having regard to the nature of and the benefits resulting from the sale of the Second Sale Shares and the Shareholder's Loan, the Directors believe that the terms of the sale and purchase of the Second Sale Shares and the Shareholder's Loan are fair and reasonable and in the interests of the Shareholders taken as a whole.

7. INFORMATION RELATING TO THE COMPANY, LEAD STEP AND MR. FONG

The Company

The Company is a company incorporated under the laws of Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding. The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management, as well as the manufacture, sale and trading of cement and clinker in the PRC.

Lead Step

Lead Step is a company incorporated under the laws of the British Virgin Islands with limited liability. Lead Step is wholly-beneficially owned by Mr. Fong. The principal business activity of Lead Step is investment holding. As at the Latest Practicable Date, Lead Step has been interested in approximately 15.15% of the entire issued share capital of Asia Coast.

LETTER FROM THE BOARD

Mr. Fong

Mr. Fong is the sole beneficial owner of Lead Step, a director of Asia Coast, CBI, the PRC Co., RP Hotel BVI, RP Hotel HK, RP Zhaoqing BVI, RP Zhaoqing HK, RP Golf BVI, RP Golf HK, the PRC Hotel Co. and the PRC Property Co.

8. LISTING RULES IMPLICATION OF THE AGREEMENT

The transactions under the Agreement, on a stand alone basis and when aggregated with the transactions contemplated under the First Agreement pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules on the basis that the relevant Percentage Ratios, both on a stand alone basis or on an aggregated basis, exceed 5% but are less than 25%.

Moreover, to the best of the Directors' knowledge and information, as Mr. Fong is a connected person of the Company by virtue of his shareholding of more than 10% in Asia Coast and his directorships in the members of the Disposal Group, the transactions contemplated under the Agreement shall also constitute a connected transaction for the Company. Pursuant to Rule 14A.17 of the Listing Rules, since the transactions contemplated under the Agreement do not fall under any of the categories set out in Rules 14A.16(1) to (4) of the Listing Rules, it is subject to the reporting, announcement and Independent Shareholders' approval requirements.

The Company has formed an Independent Board Committee to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. An Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the transactions contemplated under the Agreement.

9. EGM

A notice convening the EGM is set out on pages 44 and 45 of this circular. An ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve (*inter alia*) the terms of the 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. 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.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors, and having made all reasonable inquiries, no Shareholders or their associates had material interests in the transactions contemplated under the Agreement nor were they required under Rule 14A.18 of the Listing Rules to abstain from voting on the resolution regarding the Agreement at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, 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 holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not prevent Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

10. RECOMMENDATION

The Board considers the terms of the Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

11. ADDITIONAL INFORMATION

Your attention is drawn to the respective letters from the Independent Board Committee and the Independent Financial Adviser in this circular. As set out in the letter from the Independent Board Committee, the Independent Board Committee considers that the entering into of the Agreement is in the interests of the Company and the Shareholders and concurs with the views of the Independent Financial Adviser that the terms of the Agreement are fair and reasonable so far as the Shareholders as a whole are concerned and therefore, recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the terms of the Agreement and the transactions contemplated thereunder.

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



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)

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

13th July, 2011

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
AND
CONNECTED TRANSACTION**

DISPOSAL OF AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY

We refer to the circular (the “Circular”) of Tian An China Investments Company Limited dated 13th July, 2011, of which this letter forms part. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As the Independent Non-Executive Directors who are independent of the parties to the Agreement, we have been appointed to form this Independent Board Committee to advise you as to whether, in our opinion, the terms of the Agreement are fair and reasonable so far as the Shareholders as a whole are concerned.

Huntington Asia Limited has been appointed as the Independent Financial Adviser to advise this Independent Board Committee on the fairness and reasonableness of the terms of the Agreement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board, as set out on pages 8 to 21 of the Circular, and the letter of advice from the Independent Financial Adviser, as set out on pages 24 to 33 of the Circular, both of which provide details of the Agreement. Having considered the advice rendered by the Independent Financial Adviser and the principal factors and reasons taken into consideration by it in arriving its advice, we are of the opinion that the terms of the Agreement are in the interests of the Company and the Shareholders as a whole and the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM to approve the terms of the Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Tian An China Investments Company Limited
Francis J. Chang Chu Fai, Jin Hui Zhi,
Ngai Wah Sang and Lisa Yang Lai Sum
Independent Non-Executive Directors

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

Set out below is a full text of the letter of advice from the Independent Financial Adviser, Huntington Asia Limited to the Independent Board Committee and the Independent Shareholders in relation to the Agreement, which has been prepared for the purpose of incorporation into this circular.



6/F CRE Building
303 Hennessy Road
Wanchai
Hong Kong

13th July, 2011

*The Independent Board Committee and the Independent Shareholders
Tian An China Investments Company Limited
22nd Floor, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong*

Dear Sirs,

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION

DISPOSAL OF AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY

INTRODUCTION

We refer to our engagement as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and the reasonableness of the terms of the Agreement, details of which are set out in the letter from the Board (the “Letter from the Board”) as contained in the circular of the Company dated 13th July, 2011 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 10th June, 2011, an agreement was entered into among Sea Vanguard (an indirect wholly-owned subsidiary of the Company) as the vendor, TACHP, the Company, Lead Step as the purchaser and Mr. Fong as the purchaser’s guarantor, pursuant to which the Parties have, amongst other things, agreed to terminate the First Agreement so far as the same relates to the Option Shares (i.e. the Second Sale Shares) and to proceed with the sale and purchase of the Second Sale Shares and the Shareholder’s Loan subject to the terms and conditions therein (the “Agreement”).

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

The transactions under the Agreement, on a stand alone basis and when aggregated with the transactions contemplated under the First Agreement pursuant to Rule 14.22 of the Listing Rules, constitute a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules on the basis that the relevant Percentage Ratios, both on a stand alone basis or on an aggregated basis, exceed 5% but are less than 25%.

Since Mr. Fong is a connected person of the Company by virtue of his shareholding of more than 10% in Asia Coast and his directorships in the members of the Disposal Group, the transactions contemplated under the Agreement shall also constitute a connected transaction for the Company.

The Independent Board Committee, comprising all the Independent Non-Executive Directors who are considered independent to the Agreement and the transactions contemplated thereunder, namely Mr. Francis J. Chang Chu Fai, Mr. Jin Hui Zhi, Mr. Ngai Wah Sang and Ms. Lisa Yang Lai Sum, has been formed to advise the Independent Shareholders as to whether the terms of the Agreement are on normal commercial terms, whether they are fair and reasonable so far as the Independent Shareholders are concerned and whether they are in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and facts supplied and the opinions expressed by the Directors and management of the Company and we have assumed that the information and representations contained or referred to in the Circular were true and accurate at all time when they were prepared or made and will continue to be so up to the date of the EGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and were made based on honestly held opinion.

We have no reason to believe that any information and representation relied on by us in forming the opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent investigation into the business position or future prospects of the Group, nor have carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Principal terms of the Agreement

Assets to be disposed of

Pursuant to the Agreement, Sea Vanguard agreed to sell and Lead Step agreed to purchase the Second Sale Shares, which represent approximately 84.85% of the entire issued share capital of Asia Coast and the Shareholder's Loan. The Second Sale Shares and the Shareholder's Loan will be disposed of free from encumbrances as at the Completion Date.

Payment of Consideration

The Consideration for the sale and purchase of the Second Sale Shares and the Shareholder's Loan is HK\$710,000,000 which shall be payable in the following manner:

- (i) an initial deposit in the sum of HK\$5,000,000 or its equivalent in other currency has been paid by Lead Step to Sea Vanguard on the date of signing of the Agreement;
- (ii) a sum of HK\$195,000,000 or its equivalent in other currency shall be payable by Lead Step on or before the Completion Date; and
- (iii) the remaining balance of the Consideration in the amount of HK\$510,000,000 or its equivalent in other currency (the "Total Balance") together with the interest accrued thereon shall be payable by Lead Step to Sea Vanguard by 8 successive quarterly payments of not less than HK\$30,000,000 each (which shall include the interest accrued up to the date of payment) and each of such payments shall be made on the last day of each quarter (and if that day is not a Business Day, payment shall be due on the next Business Day) with the first payment to be made on the last day of the three-month period following the Completion Date.

The Consideration for the sale and purchase of the Sale Shares under the First Agreement and of the Second Sale Shares under the Agreement were calculated on the assumption that Asia Coast shall hold 100% of the entire issued share capital of CBI. As at the Latest Practicable Date, Asia Coast was interested in approximately 99.97% of the entire issued share capital of CBI. Since Sea Vanguard cannot procure the transfer to Asia Coast of all shares of whatever classes and rights in CBI not otherwise beneficially owned by Asia Coast (representing approximately 0.03% of the entire issued share capital of CBI) on Completion, Sea Vanguard has agreed to reduce the amount of HK\$198,000 by

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

setting off such amount from the last payment of the Total Balance. The Consideration reduction in the amount of HK\$198,000 represents 0.03% of the aggregate amount of (i) the consideration of the Sale Shares in the sum of HK\$100,000,000; and (ii) the Option Price of the Option Shares in the sum of HK\$560,000,000 under the First Agreement.

Basis for the Consideration

As stated in the Letter from the Board, the Consideration and the interest rate under the Agreement were agreed among the Parties after arm's length negotiations which were on normal commercial terms with reference to: (i) Option Price of the Option Shares (i.e. the Second Sale Shares) under the First Agreement; (ii) the underlying asset of Asia Coast; (iii) the Shareholder's Loan in the sum of not exceeding HK\$150,000,000 which has been or shall be advanced by Sea Vanguard to the members of the Disposal Group following the date of the First Agreement up to Completion, part of which has been or should be applied to pay up the registered capital of the PRC Hotel Co. and the PRC Property Co.; and (iv) existing RMB interest rate announced by the People's Bank of China. The Directors consider that the Consideration was fair and reasonable and in the interests of the Company and its Shareholders as a whole.

On the basis that (i) the consideration in the amount of HK\$560,000,000 for the sale and purchase of the Second Sale Shares was determined after arm's length negotiation and was previously agreed upon under the First Agreement, the terms of which were approved by the then Shareholders in 2008; (ii) the Consideration in the amount of HK\$710,000,000 represents a premium of approximately 5.82 times to the 84.85% of the net asset value of Asia Coast as at 31st December, 2010; (iii) Shareholder's Loan of up to HK\$150,000,000; and (iv) interest on Total Balance, we concur with the Directors' view that the Consideration was fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Interest

Pursuant to the Agreement, Lead Step agreed to pay interest accrued on the outstanding Total Balance from the Completion Date at the rate of 1% per month (the "Interest") up to the date of actual full payment of the Total Balance. Assuming the Total Balance is paid by Lead Step to Sea Vanguard by 8 successive quarterly payments with the first 7 quarterly payments in the amount of HK\$30,000,000 each (which shall include the Interest accrued up to the date of payment) and the last quarterly payment in the remaining amount on their respective due dates, the maximum amount of Interest receivable by Sea Vanguard under the Agreement shall be approximately HK\$111.17 million and the maximum consideration pursuant to the Agreement shall be approximately HK\$821.17 million. Lead Step shall have the right to early repay the Total Balance at any time after the Completion and in such event the Interest shall be accrued up to the date of actual payment of the Total Balance. As Lead Step only needs to pay the Interest commencing from the Completion Date up to the date of actual full payment of the Total Balance, there would not be any accrued Interest which needs to be refunded to Lead Step if the Completion does not take place.

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

It is the Group's general practice to charge 1% interest on financing. According to the website of the People's Bank of China (www.pbc.gov.cn), we noted that the current loan rate quoted by the People's Bank of China from one year is 6.31% (the "PBC Rate"). The interest rate charged by the Company at 12% on annualised basis is higher than the PBC Rate. The Directors consider that the Consideration and the interest rate were fair and reasonable and in the interests of the Company and its Shareholders as a whole. We concur with the Directors' view that the Consideration and the interest rate were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Security for the Disposed Asset

Pursuant to the Agreement, the Parties have agreed to terminate the First Agreement so far as the same relates to the Option Shares (i.e. the Second Sale Shares) upon Completion and to release the 2008 Share Charge upon duly execution and delivery of the New Security Documents by Lead Step to Sea Vanguard to secure the due and punctual performance of certain obligations of Lead Step under the Agreement.

Pursuant to the First Agreement, the 2008 Share Charge was entered into between Lead Step as the charger and TACHP as the chargee to secure the due and punctual performance of certain obligations of Lead Step under the First Agreement.

Save for the guarantee provided by Mr. Fong, the due and punctual performance of Lead Step's obligations under, among other things, the Agreement is further secured by the New Security Documents consisting of (i) Asia Coast Share Charge, (ii) CBI Share Charge, and (iii) CBI debenture.

2. Reasons for the Disposal

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, property management, as well as the manufacture, sale and trading of cement and clinker in the PRC.

As stated in the Company's 2010 Annual Report, the Group intended to dispose of non-core assets and had indeed disposed of non-core assets, such as the Group's interest in Tianjin International Building, Shenzhen Tian An International Building and restructured their interest in Shanghai Elegant Garden. According to the Letter from the Board, the Directors consider the Disposal to be a good opportunity for the Company to realise part of its investment especially given that the Consideration in the amount of HK\$710,000,000 represents a premium of approximately 5.82 times to 84.85% of the net asset value of Asia Coast as at 31st December, 2010 while the total consideration of the Sale Shares, the Second Sale Shares and the Shareholder's Loan in the aggregate amount of HK\$810,000,000 represents a premium of approximately 5.66 times to the net asset value of Asia Coast as at 31st December, 2010. Moreover, the Directors consider that with reference to the prevailing market conditions and the fact that the proceeds from the Disposal will strengthen the financial position of the Group

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

and enhance its cashflow, the Directors consider that the present time is an appropriate time for the Disposal. We concur with the Directors' view that the Disposal will enhance the Group's financial position and cashflow and that the Disposal poses a good opportunity for the Group to realise part of its investment. We are also of the view that the Disposal is in line with the Group's strategy to dispose of non-core assets and to enable the Group to deploy additional resources to its core business activities.

3. Financial Information of the Group

The table below summarises the audited consolidated financial results of the Group for the two years ended 31st December, 2009 and 2010 as extracted from the 2010 Annual Report of the Company:

Table 1: Extract of the audited consolidated financial results of the Group

	For the year ended	
	31st December,	
	2009	2010
	HK\$'000	HK\$'000
Total Revenue	1,083,528	1,411,986
Net profit after tax	1,082,993	1,621,721

As Asia Coast is an indirect non wholly-owned subsidiary of the Company, the results of Asia Coast was equity accounted for in the Group's results.

4. Financial Information of the Disposal Group

Asia Coast

Asia Coast is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability, which is beneficially owned as to approximately 15.15% by Lead Step and as to approximately 84.85% by Sea Vanguard as at the Latest Practicable Date. Asia Coast is interested in approximately 99.97% of the issued share capital of CBI which directly holds 88% equity interest in the PRC Co. and the respective entire issued share capital of Regal Zone, RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI.

CBI

CBI is a company incorporated under the laws of Hong Kong with limited liability. As at the Latest Practicable Date, Asia Coast has been interested in approximately 99.97% of the entire issued share capital of CBI. The principal business activity of CBI is investment holding which has direct shareholding in the PRC Co., Regal Zone, RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI.

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

PRC Co.

The PRC Co. is a sino foreign co-operative enterprise duly incorporated and validly existing under the laws of the PRC. As at the Latest Practicable Date, CBI has been interested in 88% equity interest in the PRC Co. The principal business activity of the PRC Co. is the construction and development of the Land, the sale of properties to be developed on the Land and the sale of related golf course membership, clubs, villas and related facilities of the Zhaoqing Resort & Golf Club. The only underlying asset of the PRC Co. is the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, PRC, and its only associated property which comprises the Land and is under the development into golf courses, a club house, a golf lodge and ancillary club facilities together with villas and residential apartments. An 18-hole golf course in Phase I development is currently in operation and a further 9-hole golf course is under construction. The remaining site of the development is vacant.

Regal Zone

Regal Zone is a company incorporated under the laws of Hong Kong with limited liability and its principal business is being an agent of the PRC Co. providing services (arranging the travelling and accommodation) to people who plan to visit the Zhaoqing Resort & Golf Club in Gaoyao City, Zhaoqing, Guangdong Province, PRC.

Other members of the Disposal Group

Each of RP Hotel BVI, RP Zhaoqing BVI and RP Golf BVI is a company incorporated under the laws of the British Virgin Islands with limited liability, whose principal business activity is investment holding.

Financial information of Asia Coast

The table below summaries the unaudited financial information of Asia Coast for the two years ended 31st December, 2009 and 2010 as extracted from the Letter from the Board:

Table 2: Extract of the unaudited consolidated accounts of Asia Coast

	For the year ended	
	31st December,	
	2009	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	25,588	22,627
Net loss after tax	(12,038)	(13,843)

The unaudited consolidated net asset value of Asia Coast as at 31st December, 2010 was approximately HK\$143 million.

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

The turnover of Asia Coast of approximately HK\$22.63 million and HK\$22.59 million represented only 2.36% and 1.60% of the audited consolidated financial results of the Group for the two years ended 31st December, 2010 and 31st December, 2009 respectively. Asia Coast incurred a net loss of HK\$13.84 million and HK\$12.03 million for the two years ended 31st December, 2010 and 31st December 2009 respectively. We are of the view that the Disposal would result in an increase in the Company's profit.

The Valuation of the underlying asset of Asia Coast

The Company recorded a carrying value of HK\$347.68 million for the property interests in Zhaoqing Project. The Group engaged Norton Appraisals Limited, as an independent professional valuer (the "Valuer") to assess the market value of the property interests of Zhaoqing Project (the "Valuation"). The Valuer estimated a value of the property interests in approximately HK\$834 million.

We have reviewed the valuation report and discussed with the Valuer on the adoption of the methodologies in relation to the Valuation. In valuing the property interest which is currently operated as a golf course and country club, the Valuer adopted the Depreciated Replacement Cost Method which is based on an estimate of the market value for the existing use of the land in the property, and the costs to reproduce or replace in new condition the buildings and structures being valued with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. In valuing the remaining resort portion of the property, the Valuer adopted the Direct Comparison Approach on the assumption that such property is capable of being sold in its existing state on a strata-titled basis with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. As stated in the valuation report, the Valuation has been based on the market value which is defined as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion". We also noted that the Valuation has been prepared with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and the requirement as stated in the Practice Note 12 and the Chapter 5 to the Listing Rules.

We have discussed with the Valuer and noted their expertise and confirmed their independency in relation to this transaction. We have also reviewed with the Valuer their terms of engagement and their scope of work in arriving at the conclusion of the valuation report, which was not adversely impact by any limitations to their work performed.

In light of the above and pursuant to Rule 13.80(2) under the Listing Rules, there is no reason to believe that any of the information in the valuation report in respect of the Valuation is not true or omits a material fact, we are of the view that the Valuation has been reasonably prepared and are normal in nature without any unusual assumption and the basis thereof is complete, fair and reasonable.

5. Financial effects of the Disposal on the Group

Earnings

As stated in the Letter from the Board, it is estimated that the disposal of the Second Sale Shares and the Shareholder's Loan under the Agreement will generate an estimated gain of approximately HK\$440,000,000, representing the Consideration of HK\$710,000,000 together with the maximum amount of Interest receivable by Sea Vanguard in the approximate amount of HK\$111,179,600 less 84.85% of the net asset value of Asia Coast as at 31st December, 2010 in the amount of approximately HK\$122,000,000, loans of approximately HK\$13,000,000 owed by CBI and the PRC Co. to be repaid or settled by Sea Vanguard before the Completion Date, the Shareholder's Loan in the estimated amount of approximately HK\$164,000,000 at the Completion Date and other costs which include, inter alia, a provision for a potential PRC withholding tax in the approximate amount of HK\$82,000,000. The sale proceeds will be applied for the internal working capital of the Group. It is further stated that the Disposal will generate an estimated gain of approximately HK\$509,000,000. We are advised by the Company that the estimated gain of approximately HK\$509,000,000 from the Disposal will be reflected as one-off gain on the Group's account, thus having a positive impact on the earnings of the Group.

Net Asset Value

Upon Completion of the Agreement, the Disposal Group will be de-consolidated from the Group's account. The gain on Disposal will enhance the net asset value of the Group and cashflow position of the Group.

Working Capital

Based on the 2010 Annual Report of the Company, the Group had working capital (i.e. assets less current liabilities) and bank balances and cash (excluding pledged bank deposits) as at 31st December, 2010 of approximately HK\$16,690.81 million and HK\$2,923.51 million (excluding pledged bank deposits) respectively. The Group intends to apply the sale proceeds to the general working capital, thereby enhancing the working capital position of the Group.

Gearing Position

As reported in 2010 Annual Report of the Company, the total borrowings less bank and cash balances and pledged bank deposits amounted to a negative balance of approximately HK\$284.06 million and equity attributable to owners of the Company amounted to approximately HK\$12,592.59 million, representing a gearing ratio of approximately negative 2.26%. The sale proceeds are intended to be applied for general working capital of the Group, which will give a positive impact to the gearing position of the Group.

LETTER OF ADVICE FROM INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered all the above-mentioned principal factors and reasons, we consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the interests of the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Huntington Asia Limited
Helen Zee
Managing Director

The following is the text of a valuation report prepared for inclusion in this circular received from Norton Appraisals Limited, being an independent valuer, in connection with its valuation of the property interest located in the PRC as at 31st May, 2011.



Unit 01, 21/F, Emperor Group Center
288 Hennessy Road
Wanchai Hong Kong
Tel: (852) 2810 7337 Fax: (852) 2810 6337

13th July, 2011

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

Dear Sirs,

Re: Zhaoqing Resort & Golf Club, Huilong Town, Gaoyao City, Zhaoqing, Guangdong Province, 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 31st May, 2011 (hereinafter referred to as the "date of valuation") for public documentation purpose.

BASIS OF VALUATION

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 wherein the parties had each acted knowledgeably prudently and without compulsion".

In valuing the property interest, we have assumed that the owner has valid and enforceable title to the property interest which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the land use terms granted subject to payment of land use fees and all requisite land premium/purchase consideration payable have been fully settled.

VALUATION METHODOLOGY

In valuing the property interest, we have adopted, which is currently operated as a golf course and country club by the Group in the PRC, we, having considered its general and inherent characteristics, have adopted the Depreciated Replacement Cost (hereinafter referred to as the “DRC”) Method. The DRC Method is based on an estimate of the market value for the existing use of the land in the property, and the costs to reproduce or replace in new condition the buildings and structures being valued with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes, whereas the remaining resort portion of the property is valued by Direct Comparison Approach assuming such property interest is capable of being sold in its existing state on a strata-titled basis with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property on the open 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.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting sales of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses 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.

TITLE INVESTIGATION

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 and that any premium payable has already been fully paid. We have relied on the advice given by the Group and its PRC legal adviser, 廣東國政律師事務所 (Guangdong Guo Zheng Law Firm) (hereinafter referred to as the “PRC legal adviser”), regarding the title to the property as at the date of valuation.

LIMITING CONDITIONS

We have inspected the exterior, and whenever possible, the interior of the property. In the course of our inspections, we did not note any serious defects. However, no structural survey has been made. We are not able to report whether the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

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 site and floor 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.

Furthermore, we have not carried out any site investigation to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services, etc. for future development.

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 and all other relevant matters in the identification of the property.

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.

Our valuation has been prepared in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors and the requirement as stated in the Practice Note 12 and the Chapter 5 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation certificate is in Hong Kong dollars. The exchange rate adopted in our valuation is HK\$1 = RMB0.83 which was the approximate exchange rate prevailing as at the date of valuation.

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 19 years' experience in valuation of properties in Hong Kong and the PRC.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Capital value in its existing state as at 31st May, 2011
Zhaoqing Resort & Golf Club, Huilong Town, Gaoyao City, Zhaoqing, Guangdong Province, the PRC	<p>Zhaoqing Resort & Golf Club (the "Development") is planned to be developed by three phases and will comprise one 9-hole and one 18-hole golf courses, a club house, a golf lodge and ancillary club facilities together with a total of 1,900 units of villas and condominiums.</p> <p>The property comprises three contiguous plots of land which form an irregular-shaped site with a total site area of approximately 3,398,046.16 sq.m..</p> <p>The total developable gross floor area of the villas and apartments of the Development is approximately 500,000 sq.m..</p> <p>The land use rights of the property have been granted under 34 separate Certificates for State-owned Land Use Rights for residential and commercial service uses.</p>	<p>An 18-hole golf course in Phase I development is currently in operation. Part of residential units in Phase IIA completed in 1995, having a total gross floor area of 10,815 sq.m., of the Development have been sold whereas the remaining units with a total gross floor area of 776 sq.m. are vacant/owner occupied.</p> <p>The remaining site for Phase IIB and III of the Development is currently vacant and no detailed development proposal is obtained as at the date of valuation.</p>	<p>HK\$834,000,000</p> <p>(87.97% interest attributable to the Group: HK\$733,669,800)</p>

Notes:

Section I: Title Documents

- Pursuant to the 34 Certificates of State-owned Land Use Rights, the land use rights of portion of the property, having a total site area of 3,398,046.16 sq.m., have been granted to 肇慶高爾夫發展有限公司 (Zhaoqing Golf and Development Co., Ltd.) (the "JV Company"). The salient conditions stipulated in the Certificates are summarised as follows:

Certificate No.	Date of Issuance	Use	Site Area (sq.m)	Expiry
高要國用(2010)第060047號	5th December, 2010	Commercial service	36,646.60	30th August, 2035
高要國用(2010)第060048號	15th October, 2010	Residential	26,246.50	19th December, 2062
高要國用(2010)第060049號	5th December, 2010	Residential	35,517.50	19th December, 2062
高要國用(2010)第060050號	15th October, 2010	Residential	31,409.40	19th December, 2062
高要國用(2010)第060051號	15th October, 2010	Residential	49,135.70	19th December, 2062
高要國用(2010)第060052號	15th October, 2010	Residential	145,371.70	19th December, 2062
高要國用(2010)第060053號	5th December, 2010	Residential	40,034.90	19th December, 2062
高要國用(2010)第060054號	15th October, 2010	Residential	38,210.70	20th November, 2065
高要國用(2010)第060055號	15th October, 2010	Residential	7,444.90	19th December, 2062
高要國用(2010)第060056號	15th October, 2010	Residential	60,401.10	19th December, 2062
高要國用(2010)第060057號	15th October, 2010	Residential	16,041.90	19th December, 2062
高要國用(2010)第060058號	15th October, 2010	Residential	13,824.50	19th December, 2062
高要國用(2010)第060059號	15th October, 2010	Residential	65,551.70	19th December, 2062
高要國用(2010)第060060號	15th October, 2010	Residential	7,005.30	19th December, 2062

Certificate No.	Date of Issuance	Use	Site Area (sq.m)	Expiry
高要國用(2010)第060061號	15th October, 2010	Residential	49,096.60	19th December, 2062
高要國用(2010)第060062號	15th October, 2010	Residential	8,702.80	19th December, 2062
高要國用(2010)第060063號	15th October, 2010	Residential	32,707.80	19th December, 2062
高要國用(2010)第060064號	15th October, 2010	Residential	91,672.00	19th December, 2062
高要國用(2010)第060065號	15th October, 2010	Residential	52,031.60	19th December, 2062
高要國用(2010)第060066號	15th October, 2010	Residential	60,468.20	19th December, 2062
高要國用(2010)第060067號	15th October, 2010	Residential	72,307.30	19th December, 2062
高要國用(2010)第060068號	15th October, 2010	Residential	16,305.10	19th December, 2062
高要國用(2010)第060069號	15th October, 2010	Residential	95,728.10	19th December, 2062
高要國用(2010)第060070號	15th October, 2010	Residential	19,737.80	19th December, 2062
高要國用(2010)第060071號	10th December, 2010	Residential	45,562.50	19th December, 2062
高要國用(2010)第060072號	10th December, 2010	Residential	24,635.90	19th December, 2062
高要國用(2010)第060073號	10th December, 2010	Commercial financial	33,333.30	30th August, 2035
高要國用(2010)第060074號	10th December, 2010	Commercial financial	33,333.90	30th August, 2035
高要國用(2010)第060075號	10th December, 2010	Commercial financial	902,983.60	27th March, 2033
高要國用(2010)第060076號	10th December, 2010	Residential	74,910.20	19th December, 2062
高要國用(2010)第060088號	10th December, 2010	Commercial financial	1,119,906.56	30th August, 2035
高要國用(2010)第060091號	10th December, 2010	Commercial financial	11,143.70	30th August, 2035
高要國用(2010)第060092號	10th December, 2010	Commercial financial	48,793.40	30th August, 2035
高要國用(2010)第060097號	24th December, 2010	Commercial financial	31,843.40	30th August, 2035
		Total:	3,398,046.16	

- Pursuant to the 9 Certificates for Real Estate Ownership issued by 高要市人民政府 (the People's Government of Gaoyao City), the titles of Club House and 6 residential units of Fairway Lodge of the Development, having a total gross floor area of approximately 8,147.94 sq.m., are vested in the JV Company, for a term expiring on 19th December, 2062 for residential and commercial service use.
- Pursuant to the 3 Certificates for Real Estate Ownership issued by 高要市房產管理局 (Gaoyao City Housing Administration Bureau) registered on 25th January, 2011, the titles of 3 residential units of Fairway Lodge of the Development, having a total gross floor area of approximately 224.09 sq.m., are vested in the JV Company for residential use.

Section II: Corporate Background

- Pursuant to the Co-operative Joint Venture Agreement (the "JV Agreement") entered into between 肇慶市北嶺建設發展公司 (Zhaoqing Beiling Construction Development Company (currently known as 肇慶市七星發展公司 (Zhaoqing City Seven Star Development Company), "Party A") and CBI Investment Limited ("Party B") on 26th May, 1992, a joint venture company known as 肇慶高爾夫發展有限公司 (Zhaoqing Golf and Development Co., Ltd.) (the "JV Company") has been established to develop the property. The salient conditions stipulated in the JV Agreement are summarised as follows:
 - Party A shall contribute the land use rights of the property while all land and development costs will be borne by Party B.
 - Party A shall have a 12% interest in the JV Company whilst Party B shall have 88%.
 - Party A agreed that Party B may, within 5 years, acquire an additional 5,000 mu (3,333,350 sq.m.) of land adjacent to the property at a consideration to be calculated based on the land premium stated in the JV Agreement with an annual increment of 5%. Party A's interest in the JV Company shall be increased to not less than 20%.

5. Pursuant to the approval granted by 廣東省對外貿易經濟合作廳 dated 27th April, 2010, those 12% interest held by Zhaoqing City Seven Star Development Company in the JV Company is agreed to be transferred to 東莞市國威投資顧問有限公司 (Dongguan Guo Wei Investment Consulting Company Limited).
6. Pursuant to the Business Licence No. 441200400012398 dated 10th May, 2010, the JV Company has been established with a registered capital of USD12,000,000 of an operation period is 70 years from 9th September, 1992 to 8th September, 2062. The scope of business is to construct and sell golf course, club house, villas and residential/commercial buildings.

Section III: Status of the Property

7. Pursuant to the Certificate for Foreign-sale No. 038 dated 18th July, 1993, commodity houses with a total gross floor area of 500,000 sq.m. in Zhaoqing Resort & Golf Club have been permitted to be sold in Hong Kong and overseas.
8. Pursuant to the Certificate for Pre-sale No. 004 dated 8th December, 1993, the gross floor areas of 11,000 sq.m. and 14,000 sq.m. in Zhaoqing Resort & Golf Club have been permitted to be pre-sold in domestic and overseas respectively.
9. As advised by the Group, a total gross floor area of 10,815 sq.m. have been sold. In the course of our valuation, we have excluded the said portion.

Section IV: Others

10. The opinion of the Group's legal adviser on PRC law states that:
 - (i) Pursuant to the Real Estate Title Certificates and the Certificates for State-owned Land Use Rights, the JV Company is in possession of a proper legal title to the property and is entitled to transfer the residual term of its land use rights at no extra land premium or other onerous payment payable to the government;
 - (ii) The land use rights of the property are freely transferable by way of transfer, mortgage or letting; and
 - (iii) The JV Company 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 JV Company.
11. We have prepared our valuation on the following assumptions:
 - (i) The JV Company is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of the land use rights of the property at no extra land premium or other onerous payment to the government;
 - (ii) All land premium and other costs of ancillary utility services have been settled in full;
 - (iii) The design and construction of the Development are in compliance with the local planning regulations and have been approved by the relevant government authorities; and
 - (iv) The property, whether as a whole or on a strata-titled basis, may be disposed of freely to both local and overseas purchasers.

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 corporation (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	Nature of interests	Number of Shares held	Percentage to the issued share capital
Lee Seng Hui	Other interests	602,789,096 <i>(Note 1)</i>	40.00%
Ma Sun	Personal interests (held as beneficial owner)	62,550	0.004%

Notes:

- 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. As at the Latest Practicable Date, they together, through Lee and Lee Trust, owned approximately 53.32% interest in the issued share capital of Allied Group Limited ("AGL") and were therefore deemed to have an interest in the Shares in which AGL was interested through Allied Properties (H.K.) Limited ("APL"), its 72.34%-owned subsidiary.
- All the interests stated above represent long positions.

Save as disclosed above, none of the Directors of the Company had any interests or short position in the Shares or underlying shares or debentures of the Company or any of its associated corporations, which would fall to be disclosed pursuant to 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) or 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) Mr. Patrick Lee Seng Wei is a director of Sun Hung Kai & Co. Limited ("SHK") which, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment;
- (c) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of AGL which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment. Mr. Edwin Lo King Yau is a director of AG Capital Limited, a subsidiary of AGL, which is partly engaged in the business of money lending;
- (d) Mr. Lee Seng Hui is one of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of AGL, APL and SHK which, through their subsidiaries, are partly engaged in the businesses of money lending, property development and investment; and
- (e) Mr. Ng Qing Hai is a director of ChinaVision Media Group Limited which, together with its subsidiaries, are partly engaged in the business of distribution of cement.

Although the abovementioned 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 interests of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

5. 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, 2010, being the date to which the latest published audited financial statements of the Group were made up.

6. 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, 2010 (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.

7. EXPERTS AND CONSENTS

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 Professional Valuer
Huntington Asia Limited	Licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

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, Norton Appraisals Limited and Huntington Asia Limited:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2010 (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.

8. 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 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 Agreement. Other than disclosed hereinabove, 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 English text of this circular shall prevail over the Chinese text in the event of inconsistency.

9. 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 First Agreement and Agreement;
- (c) the property valuation report by Norton Appraisals Limited, the text of which is set out in Appendix I to this circular;
- (d) the consent letters from Norton Appraisals Limited and Huntington Asia Limited referred to in the paragraph headed "Experts and Consents" in this appendix;
- (e) the letter dated 13th July, 2011 from the Independent Board Committee, the text of which is set out on pages 22 and 23 of this circular; and
- (f) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 Monday, 1st August, 2011 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 termination and sale and purchase agreement dated 10th June, 2011 (the “Agreement”) entered into between Sea Vanguard Limited (“Sea Vanguard”) as the vendor, Tian An China Hotel and Property Investments Company Limited as the warrantor, the Company, Lead Step Holdings Limited as the purchaser and Mr. Fong Kai Shing (previously known as Mr. Fong Ting) as the purchaser’s guarantor, for, inter alia, the sale and purchase of (i) 11,878,788 shares of US\$1.00 each, representing approximately 84.85% of the issued share capital of Asia Coast Investments Limited (“Asia Coast”); and (ii) the shareholder’s loan indebted by Asia Coast and its subsidiaries to Sea Vanguard in the amount to be determined on the date of completion of the Agreement, representing all advances made by Sea Vanguard to Asia Coast and its subsidiaries up to the date of completion of the Agreement, at an aggregate consideration at HK\$710,000,000.00; and all other transactions contemplated in the Agreement (a copy of which has been produced to the Meeting marked “A” and signed by the Chairman of the Meeting for the purpose of identification), be and are hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised for and on behalf of the Company, amongst other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, and to do or authorise doing all such 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 Agreement and to make and agree such variations of a minor or

NOTICE OF EXTRAORDINARY GENERAL MEETING

non-material nature in or to the terms of the Agreement (including but not limited to the time for completion under the 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, 13th July, 2011

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 the Meeting and voting in person 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.