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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)

FURTHER ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

Reference is made to the announcements of Tian An China Investments Company Limited (the “**Company**”) dated 6th January, 2014 (the “**First Announcement**”) and 7th January, 2014 (the “**Second Announcement**”, together with the First Announcement, the “**Announcements**”) relating to the disposal of a subsidiary. Terms used herein, unless otherwise specified, shall have the same meanings ascribed to them in the Announcements.

PAYMENT MADE BY THE PURCHASER UNDER THE SF AGREEMENT

On 6th January, 2014, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the SF Agreement with the Purchaser, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Loan for the Consideration of RMB360,000,000 (equivalent to approximately HK\$455,696,000).

The Board would like to inform the shareholders of the Company (the “**Shareholders**”) that as at the date of this announcement, the Purchaser has, through the Purchaser Designated PRC Company, paid a total of RMB75,000,000 (equivalent to approximately HK\$94,937,000) to the Vendor Designated PRC Company, which received the same for and on behalf of the Vendor. The remainder of the Deposit to be paid by the Purchaser Designated PRC Company to the Vendor Designated PRC Company under the SF Agreement was RMB285,000,000 (equivalent to approximately HK\$360,759,000).

SUPPLEMENTAL AGREEMENT TO THE SF AGREEMENT

On 19th September, 2014, as requested by the Purchaser, the Vendor, the Purchaser and 邁世集團有限公司(Maishi Group Co., Ltd.*) (the “**Guarantor**”) entered into a supplemental agreement to the SF Agreement (the “**Supplemental Agreement**”) to amend certain terms and conditions of the SF Agreement.

A. Revised Payment Terms

Pursuant to the Supplemental Agreement, the Vendor, the Purchaser and the Guarantor agreed that:

- (i) the Consideration shall be paid in full in RMB instead of Hong Kong dollars as previously agreed in the SF Agreement. Accordingly, the part payment of the Deposit in the amount of RMB75,000,000 (equivalent to approximately HK\$94,937,000) so paid by the Purchaser Designated PRC Company to the Vendor Designated PRC Company shall be treated as payment for the Consideration, and the remainder of the Consideration in the amount of RMB285,000,000 (equivalent to approximately HK\$360,759,000) shall be satisfied in RMB. The Purchaser shall bear any risk and tax that may be incurred in the PRC resulting from making payment in RMB;
- (ii) the remainder of the Consideration (i.e. RMB285,000,000, equivalent to approximately HK\$360,759,000) and the interest accrued thereon shall be paid by the Purchaser to the Vendor in full on or before 31st March, 2015. In the event that the Purchaser shall not be able to settle the remainder of the Consideration, the Purchaser shall inform the Vendor in writing one month before 31st March, 2015 and the Vendor may, based on the circumstances at the relevant material time, provide the Purchaser with an extension of six months so that the Purchaser shall, in any case, pay the remainder of the Consideration and the interest accrued thereon in full on or before 30th September, 2015; and
- (iii) the Vendor shall charge the Purchaser interest on RMB285,000,000 (equivalent to approximately HK\$360,759,000) for the period from 21st June, 2014 until the date of actual payment of RMB285,000,000 (equivalent to approximately HK\$360,759,000) at a rate of 13% per annum. The relevant interest to be accrued on RMB285,000,000 (equivalent to approximately HK\$360,759,000) is payable by the Purchaser in RMB to the Vendor on 21st September, 2014, 21st December, 2014 and 31st March, 2015 (or the actual payment date of the remainder of the Consideration) respectively.

B. Provision of Guarantee by the Guarantor

Under the SF Agreement, the Vendor and the Purchaser agreed that during the period commencing from the date of the SF Agreement until the Completion Date, the Purchaser shall be responsible for the payment of all construction costs payable by Dalian Jinma under the construction projects of Dalian Jinma (the “**Construction Costs Payable**”).

Under the Supplemental Agreement, the Guarantor shall unconditionally and irrevocably guarantee the due and punctual payment in full of the payment obligations of the Purchaser for the Construction Costs Payable.

C. Forfeiture of payment made

Pursuant to the Supplemental Agreement, if Completion does not take place as a result of the default of the Purchaser, the Vendor may forthwith terminate the SF Agreement (as supplemented by the Supplemental Agreement), in which event the Vendor and Dalian Jinma shall forthwith be entitled to forfeit any payment made by the Purchaser under the SF Agreement (as supplemented by the Supplemental Agreement), including but not limited to any Consideration and Construction Costs Payable that have been paid by the Purchaser.

COMPLETION

Pursuant to the SF Agreement and as disclosed in the First Announcement, Completion for the sale and purchase of the Sale Shares and the assignment of the Loan shall take place on the day of the full payment of the Consideration which shall, in any event, be on or before the Completion Date. The legal title of the Sale Shares and the Loan will be transferred to the Purchaser only at Completion.

Upon Completion, each member of the SF Group will cease to be a subsidiary of the Company.

OPERATION OF DALIAN JINMA PRIOR TO THE COMPLETION

Since there was a delay in commencement of the construction project on the Land, Dalian Jinma has been required by the relevant local authority to pay approximately RMB30,192,500 (equivalent to approximately HK\$38,218,000) as a penalty (the “**Penalty A**”). In addition, pursuant to the relevant land grant contract, Dalian Jinma shall pay a penalty in the amount of approximately RMB7,580,000 (equivalent to approximately HK\$9,595,000) for the delay in commencement of the construction project on the Land (the “**Penalty B**”, together with the Penalty A, the “**Penalties**”).

The permit for commencement of the construction project on the Land has been obtained by Dalian Jinma on 31st July, 2014. Pursuant to the SF Agreement, the Purchaser shall be responsible for the settlement of the Penalties.

INFORMATION OF THE GUARANTOR

The Guarantor is a company incorporated in the PRC with limited liability, which is owned as to 80% by Mr. Chen Jie (“**Mr. Chen**”). Mr. Chen is also holding 20% shareholding interest in 香港城鼎國際投資有限公司(Hong Kong Cheng Ding International Investment Company Limited*), the sole shareholder of the Purchaser.

The scope of business of the Guarantor are project investment, acquisition of agricultural by-products, rental of construction equipment, general trading in the PRC, import and export of goods and technologies, enterprise management consultation, and economic information consultation.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, both the Guarantor and Mr. Chen are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

The Company entered into the Supplemental Agreement, as per the request of the Purchaser, after taking into account the following factors:

- (1) the recent changes in the PRC property market;
- (2) it is a good opportunity and a mature time for the Company to realise its investment through the SF Disposal, especially given that the SF Disposal will be made as a gain;

- (3) up to the date of this announcement, the Purchaser has paid an aggregate amount of approximately RMB75,000,000 (equivalent to approximately HK\$94,937,000), which demonstrated the willingness of the Purchaser to the Completion; and
- (4) the Supplemental Agreement would enable the Company to proceed with the intended SF Disposal at such time as the Company deems appropriate.

The amendments as disclosed in this announcement have been determined after arm's length negotiations among the parties to the Supplemental Agreement. The Board considers that the terms and conditions of the Supplemental Agreement are fair and reasonable and the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 19th September, 2014

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

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

* *for identification purpose only*