

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF THE 2020 TACI AGREEMENT AND THE 2020 ASL AGREEMENT

THE 2023 TACI AGREEMENT

As the 2020 TACI Agreement would expire on 31st December, 2022, on 23rd December, 2022, the Company and AGL entered into the 2023 TACI Agreement to renew the 2020 TACI Agreement for a term of three years from 1st January, 2023 to 31st December, 2025.

THE 2023 ASL AGREEMENT

As advised and confirmed by ASL, as the 2020 ASL Agreement would expire on 31st December, 2022, on 23rd December, 2022, ASL (a non wholly-owned subsidiary of the Company) and AGL entered into the 2023 ASL Agreement to renew the 2020 ASL Agreement for a term of three years from 1st January, 2023 to 31st December, 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is held as to approximately 51.70% by AGL and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of the 2023 TACI Agreement by the Company constitutes a continuing connected transaction for the Company under the Listing Rules.

As at the date of this announcement, ASL is a non wholly-owned subsidiary of the Company. As a result, the entering into of the 2023 ASL Agreement by ASL and AGL (being a connected person of the Company) constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rules 14A.73(8) and 14A.98 of the Listing Rules, the transaction regarding the sharing of the Administrative Services between the Company and AGL contemplated under the 2023 TACI Agreement is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As more than one of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules calculated with reference to the Annual Caps exceed 0.1% but are less than 5%, the entering into of the 2023 Agreements (save for the sharing of the Administrative Services which is fully exempt) are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

THE 2023 TACI AGREEMENT

As the 2020 TACI Agreement would expire on 31st December, 2022, on 23rd December, 2022, the Company and AGL entered into the 2023 TACI Agreement to renew the 2020 TACI Agreement for a term of three years from 1st January, 2023 to 31st December, 2025.

The major terms of the 2023 TACI Agreement are as follows:

Date	:	23rd December, 2022
Parties	:	The Company and AGL
Term	:	Three years commencing from 1st January, 2023 and expiring on 31st December, 2025
Nature of transaction	:	The Company agreed to reimburse AGL the costs incurred in respect of the Administrative Services and the Management Services provided by AGL to the Group.
Payment terms in respect of the sharing of the Management Services	:	The Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of the members of the Management Staff providing the Management Services to the Group, which will be payable by the Group on a quarterly basis. Such percentage varies among each member of the Management Staff providing the Management Services and would be determined by reference to the percentage of the time currently estimated to be devoted by the individual members of the Management Staff to the affairs of the Group against the amount of time they would otherwise devote to the affairs of AGL as full time employees of AGL.
Historical figures	:	The amount of service fees paid and payable by the Group to AGL for the Management Services for the financial years ended 31st December, 2020 and 2021 and the nine months ended 30th September, 2022 were approximately HK\$50,180,000, HK\$52,486,000 and HK\$48,642,000, respectively.

The historical service fees paid by the Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.

- TACI Annual Caps and the basis of determining the same : In determining the TACI Annual Caps, besides taking into account the historical figures of the service fees paid and payable by the Group, the Directors have also taken into consideration the existing scale of the Group's operations and, for the purpose of determining the TACI Annual Caps only, the anticipated growth of the Group, and the anticipated increase in the remuneration of those Management Staff who provides the Management Services to the Group, and having done so, for the financial years ending 31st December, 2023, 2024 and 2025, the TACI Annual Caps shall be HK\$76,300,000, HK\$83,900,000 and HK\$92,300,000, respectively.
- Reasons for and benefits of the transaction : The Directors consider that the sharing of the Administrative Services and the Management Services arrangement will benefit the Group in that both AGL and the Group can enjoy economies of scale brought by the sharing of the Administrative Services and the Management Services which will maximise cost efficiency and management effectiveness. In addition, since the Management Staff will devote part of their time to the affairs of the Group in the course of providing the Management Services to the Group, the Directors consider that it is reasonable for the Group to be charged for the Management Services to reimburse the costs incurred by AGL.

THE 2023 ASL AGREEMENT

As advised and confirmed by ASL, as the 2020 ASL Agreement would expire on 31st December, 2022, on 23rd December, 2022, ASL (a non wholly-owned subsidiary of the Company) and AGL entered into the 2023 ASL Agreement to renew the 2020 ASL Agreement for a term of three years from 1st January, 2023 to 31st December, 2025.

As advised and confirmed by ASL, the major terms of the 2023 ASL Agreement are as follows:

- Date : 23rd December, 2022
- Parties : ASL and AGL
- Term : Three years commencing from 1st January, 2023 and expiring on 31st December, 2025
- Nature of transaction : ASL agreed to reimburse AGL the costs incurred in respect of the IA and MIS Services provided by AGL to the ASL Group.

- Payment terms : The ASL Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of the members of the Management Staff providing the IA and MIS Services to the ASL Group, which will be payable by the ASL Group on a quarterly basis. Such percentage varies among each member of the Management Staff providing the IA and MIS Services and would be determined by reference to the percentage of the time currently estimated to be devoted by the individual members of the Management Staff to the affairs of the ASL Group against the amount of time they would otherwise devote to the affairs of AGL as full time employees of AGL.
- Historical figures : The amount of service fees paid and payable by the ASL Group to AGL for the IA and MIS Services for the financial years ended 31st December, 2020 and 2021 and the nine months ended 30th September, 2022 were approximately HK\$360,000, HK\$340,000 and HK\$198,000, respectively.
- ASL Annual Caps and the basis of determining the same : In determining the ASL Annual Caps, besides taking into account the historical figures of the service fees paid and payable by the ASL Group, the ASL Directors have also taken into consideration the existing scale of the ASL Group's operations and, for the purpose of determining the ASL Annual Caps only, the anticipated growth of the ASL Group, and the anticipated increase in the remuneration of those Management Staff who provides the Management Services to the ASL Group, and having done so, for the financial years ending 31st December, 2023, 2024 and 2025, the ASL Annual Caps shall be HK\$320,000, HK\$352,000 and HK\$387,000, respectively.
- Reasons for and benefits of the transaction : Based on the information and confirmation from ASL, the Directors consider that the sharing of the IA and MIS Services arrangement will benefit the ASL Group, which ASL is a non wholly-owned subsidiary of the Company, in that both AGL and the ASL Group can enjoy economies of scale brought by the sharing of the IA and MIS Services which will maximise cost efficiency and management effectiveness.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is held as to approximately 51.70% by AGL and AGL is regarded as a connected person of the Company under the Listing Rules. As a result, the entering into of the 2023 TACI Agreement by the Company constitutes a continuing connected transaction for the Company under the Listing Rules.

As at the date of this announcement, ASL is a non wholly-owned subsidiary of the Company. As a result, the entering into of the 2023 ASL Agreement by ASL and AGL (being a connected person of the Company) constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rules 14A.73(8) and 14A.98 of the Listing Rules, the transaction regarding the sharing of the Administrative Services between the Company and AGL contemplated under the 2023 TACI Agreement is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As more than one of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules calculated with reference to the Annual Caps exceed 0.1% but are less than 5%, the entering into of the 2023 Agreements (save for the sharing of the Administrative Services which is fully exempt) are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

Based on the information and confirmation provided by ASL and to the best knowledge, information and belief of the Directors, the Directors (including the independent non-executive Directors) are of the view that although the transactions contemplated under the 2023 Agreements are not conducted in the ordinary and usual course of business of the Group, the 2023 Agreements were entered into after arm's length negotiations on normal commercial terms and that the terms of the 2023 Agreements (including the Annual Caps) are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Mr. Lee Seng Hui (being the chairman and a non-executive Director of the Company is also the chief executive and an executive director of AGL, a member of the Management Staff providing the Management Services to the Group and also one of the trustees of Lee and Lee Trust, being a discretionary trust which together with his personal interest, controls approximately 74.99% of the total number of issued shares of AGL which is interested in approximately 51.70% of the total number of issued shares of the Company which owns approximately 74.98% of the total number of issued shares of ASL) is deemed to be interested in the 2023 Agreements and has abstained from voting on the relevant board resolutions of the Company.

Mr. Edwin Lo King Yau (being an executive Director of the Company is also an executive director of AGL, a member of the Management Staff providing the Management Services to the Group and an executive director of ASL) is deemed to be interested in the 2023 Agreements and has abstained from voting on the relevant board resolutions of the Company.

Ms. Lisa Yang Lai Sum (being an independent non-executive Director of the Company is also an independent non-executive director of each of AGL and ASL) has voluntarily abstained from voting on the relevant board resolutions of the Company although she was not considered by the Board to be materially interested in the transactions contemplated under the 2023 Agreements.

Apart from the above, none of the Directors has any material interest in the 2023 Agreements and is required to abstain from voting on the relevant board resolutions of the Company approving the 2023 Agreements and the transactions contemplated thereunder.

INFORMATION ON THE COMPANY, AGL AND ASL

The Company

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange; and is owned as to approximately 51.70% by AGL as at the date of this announcement.

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

AGL

AGL is a company incorporated in Hong Kong with limited liability, a Substantial Shareholder of the Company and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property development mainly comprising apartments, villas, office buildings and commercial properties, property investment, hospitality related activities, provision of elderly care services, property management, cleaning and security guarding services, logistics services, and the provision of finance, investments in listed and unlisted securities and funds management.

As at the date of this announcement, AGL is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee Seng Hui's personal interests), being a discretionary trust.

ASL

ASL is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange; and is a non wholly-owned subsidiary of the Company.

The principal business activity of ASL is investment holding, while that of its subsidiaries are property investment, property leasing and estate management in Hong Kong.

DEFINITIONS

“2020 ASL Agreement”	the agreement dated 2nd January, 2020 (as amended and supplemented by supplemental letters dated 19th April, 2021, 5th October, 2021, 6th January, 2022, 21st April, 2022, 1st August, 2022 and 7th September, 2022) entered into between ASL and AGL in respect of the provision of the IA and MIS Services by AGL to the ASL Group
“2020 TACI Agreement”	the agreement dated 2nd January, 2020 (as amended and supplemented by the supplemental letters dated 6th May, 2020, 4th June, 2020, 30th September, 2020, 19th April, 2021, 8th July, 2021, 5th October, 2021, 1st August, 2022 and 7th September, 2022) entered into between the Company and AGL in respect of the sharing of the Administrative Services and the Management Services

“2023 Agreements”	the 2023 ASL Agreement and the 2023 TACI Agreement
“2023 ASL Agreement”	the agreement dated 23rd December, 2022 entered into between ASL and AGL in respect of the renewal of the 2020 ASL Agreement
“2023 TACI Agreement”	the agreement dated 23rd December, 2022 entered into between the Company and AGL in respect of the renewal of the 2020 TACI Agreement
“Administrative Services”	the corporate secretarial services, provision of registered office address, utilities services including water, electricity, telephone (including international telephone services) and internet, photocopying, postal, courier, delivery and other services ancillary to the day-to-day administration and operation of the Group as stipulated in the 2020 TACI Agreement and the 2023 TACI Agreement
“AGL”	Allied Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 373), being a Substantial Shareholder of the Company
“Annual Cap(s)”	the ASL Annual Caps and the TACI Annual Caps
“ASL”	Asiasec Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 271), being a non wholly-owned subsidiary of the Company
“ASL Annual Cap(s)”	the maximum annual transaction amount payable by the ASL Group to AGL in respect of the IA and MIS Services for the three financial years ending 31st December, 2025
“ASL Directors”	the directors of ASL
“ASL Group”	ASL and its subsidiaries
“Board”	the board of Directors
“Company”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28)
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IA and MIS Services”	the internal audit services and the management information system services (as the case may be) as stipulated in the 2020 ASL Agreement and the 2023 ASL Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Management Services”	the management, consultancy, strategic, internal audit, management information system consultancy and business advice services (as the case may be) provided by the Management Staff to the Group as stipulated in the 2020 TACI Agreement and the 2023 TACI Agreement
“Management Staff”	the senior management and the selected staff of AGL
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	having the meaning ascribed to it under the Listing Rules
“TACI Annual Cap(s)”	the maximum annual transaction amount payable by the Group to AGL in respect of the Management Services for the three financial years ending 31st December, 2025
“%”	per cent.

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

Hong Kong, 23rd December, 2022

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