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**CHINA HEALTH MANAGEMENT  
INVESTMENT LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**ALLIED CEMENT HOLDINGS LIMITED**  
聯合水泥控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1312)**

**JOINT ANNOUNCEMENT**

**(1) CONDITIONAL PURCHASE OF 56.06% SHARES IN  
ALLIED CEMENT HOLDINGS LIMITED  
BY CHINA HEALTH MANAGEMENT INVESTMENT LIMITED;**

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY  
YU MING INVESTMENT MANAGEMENT LIMITED  
ON BEHALF OF  
CHINA HEALTH MANAGEMENT INVESTMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
ALLIED CEMENT HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY OR AGREED TO  
BE ACQUIRED BY  
CHINA HEALTH MANAGEMENT INVESTMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT, AND THOSE SHARES  
AGREED NOT TO BE THE SUBJECT OF THE OFFER); AND**

**(3) RESUMPTION OF TRADING**

Financial adviser to China Health Management Investment Limited



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

Placing Agent and Underwriter



**新鴻基金融集團**  
SUN HUNG KAI FINANCIAL

## THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor (the controlling Shareholder) on 7 December 2013 that the Vendor and the Purchaser had entered into the Sale and Purchase Agreement, pursuant to which the Purchaser had conditionally agreed to acquire and the Vendor had conditionally agreed to sell the Sale Shares, being 370,000,000 Shares, for a total Consideration of HK\$532.80 million, equivalent to HK\$1.44 per Sale Share. The Sale Shares represent approximately 56.06% of the entire issued share capital of the Company as at the date of this joint announcement. Subject to the conditions under the Sale and Purchase Agreement being fulfilled, Completion shall take place on the Completion Date. Pursuant to the Sale and Purchase Agreement, the Vendor will retain 125,000,000 Retained Shares, and will not sell them or accept the Offer prior to the end of the Offer Period.

## POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror Group is not interested in any Shares. Upon Completion, the Offeror Group and parties acting in concert with any of them will hold 370,000,000 Shares, representing approximately 56.06% of the entire issued share capital of the Company, and accordingly, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares, other than the Retained Shares, which are not owned or agreed to be acquired by the Offeror Group and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$1.44 in cash**

The Offer Price of HK\$1.44 per Offer Share equals to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the date of this joint announcement, there are 660,000,000 Shares in issue and there are no options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Based on the Offer Price of HK\$1.44 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$950.40 million. Upon Completion, the Offeror will be interested in 370,000,000 Shares and as the Vendor will not accept the Offer in respect of its 125,000,000 Retained Shares, the total number of Offer Shares will be 165,000,000 Shares, being the Shares held by the Independent Shareholders. In the event that the Offer is accepted in full, the aggregate amount payable by the Offeror under the Offer will be HK\$237.60 million.

The principal terms of the Offer are set out under the paragraph headed "Possible Mandatory Unconditional Cash Offer" of this joint announcement. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer. SHK shall place and underwrite all the Offer Shares validly tendered for acceptance under the Offer. Yu Ming is satisfied that SHK has sufficient financial resources available to satisfy the full acceptance of the Offer Shares under the Offer.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Doris Yang Yan Tung, has been formed to advise the Independent Shareholders in respect of the Offer. Further announcement will be made upon the appointment of the independent financial adviser to the Independent Board Committee.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite offer and response document. Accordingly, the Composite Document (accompanied by the Form of Acceptance and Transfer) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders.

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the general offer is subject to prior fulfillment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Given that the making of the Offer is subject to Completion, which in turn requires approval from shareholders of Tian An, it is expected that the Composite Document may not be despatched within 21 days from the date of this joint announcement. As such, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of posting of the Composite Document to a date falling within 7 days from the Completion Date or 11 February 2014, whichever is earlier.

## **RESUMPTION OF TRADING**

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 9 December 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 17 December 2013.

## **WARNING**

**The Offer will only be made if Completion takes place, which is conditional upon fulfillment and/or waiver of the conditions set out in the section headed "Conditions Precedent" below. Accordingly, Completion may or may not take place and the Offer may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.**

The Company was informed by the Vendor (the controlling Shareholder) on 7 December 2013 that the Vendor and the Purchaser had entered into the Sale and Purchase Agreement, details of which are set out below.

## **(1) THE SALE AND PURCHASE AGREEMENT**

Date: 7 December 2013

Parties: (i) Autobest Holdings Limited, a wholly-owned subsidiary of Tian An, as the Vendor  
(ii) the Offeror as the Purchaser

The Offeror and its ultimate beneficial owners are third parties independent of the Company and its connected persons and not a party acting in concert with any of them.

### **Sale Shares and the Consideration**

The Vendor is interested in 495,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of this joint announcement.

Pursuant to the Sale and Purchase Agreement, the Purchaser had conditionally agreed to acquire and the Vendor had conditionally agreed to sell the Sale Shares, being 370,000,000 Shares, representing approximately 56.06% of the entire issued share capital of the Company as at the date of this joint announcement, free from Encumbrances and together with all rights attaching to it (including but not limited to undistributed profit (excluding profits declared but not distributed) on the Completion Date and all dividends or distributions which may be declared, paid or made on or after Completion Date).

Immediately after Completion, the Vendor will hold 125,000,000 Retained Shares, representing approximately 18.94% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to the Sale and Purchase Agreement, the Vendor will retain the Retained Shares, such that during the period from the date of the Sale and Purchase Agreement to the end of the Offer Period (i) it will not sell, assign, charge or otherwise dispose of by similar means the Retained Shares; and (ii) it will not accept the Offer. Save as disclosed in this joint announcement, there is no other arrangement between the Purchaser, the Vendor and its ultimate beneficial owners regarding the Retained Shares.

The Consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$532.80 million, equivalent to HK\$1.44 per Sale Share, which shall be paid by the Purchaser to Tian An in the following manner: –

- (i) the Deposit amounting to HK\$53.28 million shall be paid upon the signing of the Sale and Purchase Agreement, which has been paid and cleared as at the date of this joint announcement; and
- (ii) HK\$479.52 million, being the remaining balance of the total Consideration, shall be paid upon Completion.

The Deposit is subject to refund or forfeiture in accordance with the provisions set out in the Sale and Purchase Agreement, in the case that the sale and purchase of the Sale Shares does not proceed.

The Consideration was determined following arm's length negotiations between the Vendor and the Purchaser, after taking into consideration the financial position, including the unaudited consolidated net asset value of the Group attributable to Shareholders as reported in the interim report of the Company as at 30 June 2013, which is approximately HK\$1.13 per Share, and performance of the Group.

### **Conditions Precedent**

Completion is conditional upon the fulfillment of, among other things, the following conditions: –

- (i) the issued Shares remain listed on the Stock Exchange and tradable on the market, except for trade suspension caused by matters pursuant to the Sale and Purchase Agreement or the Offer;
- (ii) the SFC or the Stock Exchange not having indicated that they will, or to the best knowledge of the Vendor, that they will possibly revoke or oppose to the listing of the Shares on the Stock Exchange; and
- (iii) the shareholders of Tian An having approved at its shareholders' meeting the Sale and Purchase Agreement and the transactions contemplated thereunder; and Tian An and the Vendor having obtained all necessary authorisations and approvals in relation to the transactions contemplated under the Sale and Purchase Agreement (including but not limited to all necessary approvals (including but not limited to approvals by the Stock Exchange, if applicable, and consents from the financial institutions which have provided the Group with loan facilities) required to be obtained by Tian An for the major transaction involved in the transactions contemplated in the Sale and Purchase Agreement).

If any of the conditions set out above have not been fulfilled or waived (except that the shareholders' approval of Tian An for the Sale and Purchase Agreement under (iii) above cannot be waived) on or before 4 February 2014 or such later date as may be agreed between the Vendor and the Purchaser, the Sale and Purchase Agreement shall terminate without affecting the rights and obligations of the parties under the Sale and Purchase Agreement before termination and the Vendor shall refund the Deposit to the Purchaser.

### **Undertaking, Warranties and Indemnities**

The Vendor has given Warranties to the Purchaser which are customary in the circumstances, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to the Company.

The Vendor has provided an undertaking to the Purchaser that it shall procure that the businesses of the Company to be conducted in the ordinary and usual course and not to carry out any action which causes the Company a material loss and specific actions, such as, allotment of new Shares, executing material contract or distributing dividend, etc., which are prohibited in that regard under the Sale and Purchase Agreement, from the date of the Sale and Purchase Agreement to the date which the Purchaser is permitted to appoint nominee(s) as Directors (as permitted under the Takeovers Code), other than for the purposes of repayment of loans due to banks and for other ordinary course of business.

## **Completion**

Subject to the conditions under the Sale and Purchase Agreement being fulfilled and/or waived, Completion shall take place on the Completion Date. Upon Completion, all transactions contemplated under the Sale and Purchase Agreement shall be completed simultaneously, otherwise, the contracting parties shall not be obligated to complete the transactions contemplated under the Sale and Purchase Agreement.

## **(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror Group is not interested in any Shares. Upon Completion, the Offeror Group and parties acting in concert with any of them will hold 370,000,000 Shares, representing approximately 56.06% of the entire issued share capital of the Company, and accordingly, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares, other than the Retained Shares, which are not owned or agreed to be acquired by the Offeror Group and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$1.44 in cash**

The Offer Price of HK\$1.44 per Offer Share equals to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

## **Total Consideration**

As at the date of this joint announcement, there are 660,000,000 Shares in issue and there are no options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Based on the Offer Price of HK\$1.44 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$950.40 million. Upon Completion, the Offeror will be interested in 370,000,000 Shares and as the Vendor will not accept the Offer in respect of its 125,000,000 Retained Shares, the total number of Offer Shares will be 165,000,000 Shares, being the Shares held by the Independent Shareholders. In the event that the Offer is accepted in full, the aggregate amount payable by the Offeror under the Offer will be HK\$237.60 million.

## **Offer Price**

The Offer Price of HK\$1.44 per Offer Share represents: –

- (i) a discount of approximately 36.00% to the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 33.02% to the average closing price of approximately HK\$2.15 per Share for the last five trading days immediately prior to and including the Last Trading Day;

- (iii) a discount of approximately 35.14% to the average closing price of approximately HK\$2.22 per Share for the last ten trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 33.64% to the average closing price of approximately HK\$2.17 per Share for the last thirty trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 27.43% over the unaudited net asset value attributable to Shareholders of approximately HK\$1.13 per Share as at 30 June 2013 and a premium of approximately 28.57% over the audited net asset value attributable to Shareholders of approximately HK\$1.12 per Share as at 31 December 2012.

### **Highest and Lowest Share Prices**

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$2.49 per Share on 21 October 2013 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.78 per Share on 21 June, 24 to 28 June, 24 July, 26 July, 29 to 30 July, 7 to 8 August and 20 to 21 August 2013.

### **Confirmation of Financial Resources**

Upon Completion, the Offeror and the Vendor will hold 75% of the entire issued capital of the Company in aggregate. As the Offeror and the Vendor will not be considered as public Shareholders (each of them owns more than 10% of the entire issued share capital of the Company), in order to satisfy the public float requirement under the Listing Rules, SHK has entered into a placing and underwriting agreement with the Offeror, pursuant to which, SHK agreed to act as the exclusive placing agent and underwriter of the Offeror. SHK shall place and fully underwrite all the Offer Shares validly tendered for acceptance under the Offer. SHK will place out the Underwritten Shares at placing price of HK\$1.44, which equals to the Offer Price, to parties who are not connected persons (as defined under the Listing Rules) of the Company upon closing of the Offer. The placing and underwriting arrangement will satisfactorily deal with the public float issue before it arises.

Yu Ming is satisfied that SHK has sufficient financial resources available to satisfy the full acceptance of the Offer Shares under the Offer.

### **Effect of Accepting the Offer**

By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document, which is expected to be issued jointly by the Offeror and the Company.

## **Overseas Shareholders**

The Offeror intends to make the Offer available to all Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

## **Stamp Duty**

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 7 business days (as defined under the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title of the Shares in respect of such acceptances are received by the Offeror to render each such acceptance complete and valid.

## **Other Arrangements**

Save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror Group, SHK or parties acting in concert with any of them has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, as at the date of this joint announcement,

- (i) save for the Sale Shares and the Retained Shares, none of the Offeror Group, SHK or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) none of the Offeror Group, SHK or parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;



- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror Group, SHK or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (v) none of the Offeror Group, SHK or parties acting in concert with any of them has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

## INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange since 2012. The Group is engaged principally in the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services with operations in Shandong province and Shanghai in the PRC.

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 December 2011 and 2012, and its unaudited consolidated results for the six months ended 30 June 2013, as extracted from the annual report of the Company for the year ended 31 December 2012 and interim report of the Company for the six months ended 30 June 2013, respectively.

| <i>HK\$'000</i>                                 | <b>For the<br/>six months<br/>ended 30 June<br/>2013<br/>(Unaudited)</b> | <b>For the year ended<br/>31 December<br/>2012<br/>(Audited)</b> | <b>For the year ended<br/>31 December<br/>2011<br/>(Audited)</b> |
|---|--|--|--|
| Revenue   | 306,669  | 704,698  | 725,298  |
| Profit before taxation                          | 18,363   | 46,516   | 117,810  |
| Profit attributable to owners of<br>the Company | 10,043   | 26,834   | 76,158   |

The unaudited consolidated net assets of the Group attributable to Shareholders as at 30 June 2013 were approximately HK\$748.11 million which was equivalent to approximately HK\$1.13 per Share. The audited consolidated net assets of the Group attributable to Shareholders as at 31 December 2012 were approximately HK\$741.63 million, which was equivalent to approximately HK\$1.12 per Share and the audited consolidated net assets of the Group attributable to Shareholders as at 31 December 2011 were approximately HK\$570.76 million.

## Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion:

| Name of Shareholders   | Note | Date of this joint announcement |                      | Immediately after Completion |                      |
|--|------|---------------------------------|----------------------|------------------------------|----------------------|
|  |      | No. of Shares                   | %                    | No. of Shares                | %                    |
| The Vendor   | 1    | 495,000,000                     | 75.00                | 125,000,000                  | 18.94                |
| The Offeror Group and parties acting in concert with any of them |      | –                               | –                    | 370,000,000                  | 56.06                |
| <i>Public Shareholders</i>                                       |      |                                 |                      |                              |                      |
| Citigroup Inc.   | 2    | 57,198,000                      | 8.67                 | 57,198,000                   | 8.67                 |
| ASM Co-Investment Opportunity Trust I LP                         | 2, 3 | 38,349,000                      | 5.81                 | 38,349,000                   | 5.81                 |
| COL Capital Limited  | 2, 4 | 33,468,752                      | 5.07                 | 33,468,752                   | 5.07                 |
| ASM Asia Recovery (Master) Fund                                  | 2, 3 | 18,849,000                      | 2.86                 | 18,849,000                   | 2.86                 |
| ASM Co-Investment Term Trust I                                   | 2, 3 | 7,800,000                       | 1.18                 | 7,800,000                    | 1.18                 |
| Other public Shareholders  |      | 9,335,248                       | 1.41                 | 9,335,248                    | 1.41                 |
| Sub-total  |      | <u>165,000,000</u>              | <u>25.00</u>         | <u>165,000,000</u>           | <u>25.00</u>         |
| <b>Total</b>   |      | <u><u>660,000,000</u></u>       | <u><u>100.00</u></u> | <u><u>660,000,000</u></u>    | <u><u>100.00</u></u> |

### Notes:

- The Vendor is a wholly-owned subsidiary of Tian An. As at the date of this joint announcement, Tian An is indirectly interested as to approximately 60.99% (including the interests of Sun Hung Kai & Co. Limited in 185,803,000 shares of Tian An) by Allied Properties (H.K.) Limited (“APL”), and APL is owned as to approximately 74.99% by Allied Group Limited, which in turn is owned as to approximately 68.16% by Lee and Lee Trust. Lee and Lee Trust is a discretionary trust which comprises three trustees, namely Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang.
- The interests owned by the Shareholders and information thereof are based on the notices filed under Part XV of the SFO.
- Argyle Street Management Limited (“Argyle Street Management”) is the investment manager of ASM Co-Investment Opportunity Trust I LP (“ASM Co-Investment”), ASM Asia Recovery (Master) Fund and ASM Co-Investment Term Trust I, and accordingly, Argyle Street Management is deemed to be interested in the Shares held by ASM Co-Investment, ASM Asia Recovery (Master) Fund and ASM Co-Investment Term Trust I. ASM General Partner I Limited (“ASM General Partner”) is the general partner of ASM Co-Investment and is therefore deemed to be interested in the Shares held by ASM Co-Investment. As far as the Company is aware, at the date of this joint announcement, Argyle Street Management and ASM General Partner are wholly-owned by Argyle Street Management Holdings Limited, which in turn is owned as to approximately 50.94% by Mr. Chan Kin.
- As at the date of this joint announcement, Sparkling Summer Limited and Focus Clear Limited, both being indirect wholly-owned subsidiaries of COL Capital Limited (“COL”), are interested in 8,469,752 Shares and 24,999,000 Shares respectively. Accordingly, COL is deemed to be interested in the Shares held by Sparkling Summer Limited and Focus Clear Limited. Ms. Chong Sok Un is the ultimate beneficial owner of COL holding approximately 72.57% in COL.

## **INFORMATION ON THE OFFEROR**

The Offeror was incorporated in the British Virgin Islands with limited liability. As at the date of this joint announcement, Waranty Shenzhen holds 100% interests in Waranty Hong Kong which in turn holds the entire issued share capital of the Offeror. The Offeror is an investment holding company established for the purpose of holding the Sale Shares, prior to the date of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation.

Waranty Shenzhen was incorporated under the laws of the PRC in 2009 and is principally engaged in equity investments, asset management, M&A advisory, venture capital and securities investments. Waranty Shenzhen is beneficially owned and controlled as to 40% by Tsinghua Holdings and 60% by Shenzhen Aorongxin. It employs ten professionals and manages assets in hundreds of million in Rmb.

Tsinghua Holdings is 100% owned by Tsinghua University and is directly supervised by the Assets Management Committee (經營性資產管理委員會) of Tsinghua University. It manages state-owned assets and state-owned share equity derived from its invested enterprises, and focuses on industrialization of technical achievements, incubation of high-tech enterprises, investment management, asset/capital operation, etc.

Shenzhen Aorongxin is beneficially owned and controlled as to 83.4% by Mr. Huang Yu (黃俞) and 16.6% by Mr. Huang Xuezhong (黃雪忠). Mr. Huang Yu is the founder and chairman of Waranty Shenzhen. Prior to the establishment of Waranty Shenzhen, he was the manager in China Agriculture Development Trust and Investment Co., Ltd., the general manager of CADTIC Hebei Trading Company, the deputy vice president at Zhongya Trust Co., Ltd., the president of Shenzhen Beirongxin Investment Development Co., Ltd, and the supervisor of Penghua Fund Management Co., Ltd.

## **INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

Following Completion, the Offeror intends to continue the existing businesses of the Group. As at the date of this joint announcement, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets after Completion.

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this joint announcement, the Offeror has not identified such investment or business opportunities.

The Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

## **Maintaining the Listing Status of the Company**

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has indicated that it would consider exercising its discretion to suspend dealing in the Shares if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that: –

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market.

## **GENERAL**

### **Independent Board Committee**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Doris Yang Yan Tung, has been formed to advise the Independent Shareholders in respect of the Offer. Further announcement will be made upon the appointment of the independent financial adviser to the Independent Board Committee.

### **Composite Document**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite offer and response document. Accordingly, the Composite Document (accompanied by the Form of Acceptance and Transfer) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched jointly by the Offeror and the Company to the Shareholders.

Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the general offer is subject to prior fulfillment of certain conditions precedent and the conditions precedent cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Given that the making of the Offer is subject to Completion, which in turn requires approval from shareholders of Tian An, it is expected that the Composite Document may not be despatched within 21 days from the date of this joint announcement. As such, an application will be made to the Executive in respect of Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of the posting of the Composite Document to a date falling within 7 days from the Completion Date or 11 February 2014, whichever is earlier.

## **Disclosure of Dealings**

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and the Company are reminded to disclose their dealings in any relevant securities of the Company in accordance with Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in the relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **WARNING**

**The Offer will only be made if Completion takes place, which is conditional upon fulfillment and/or waiver of the conditions set out in the section headed “Conditions Precedent” as detailed above. Accordingly, Completion may or may not take place and the Offer may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.**

## **(3) RESUMPTION OF TRADING**

Pending the release of this joint announcement, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 9 December 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 17 December 2013.

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise: –

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|-----------------------------------|--|
| “acting in concert”               | has the meaning ascribed to it under the Takeovers Code  |
| “associates”                      | has the meaning ascribed to it under the Takeovers Code  |
| “Board”                           | the board of Directors   |
| “Business Day(s)”                 | a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company”                         | Allied Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1312)   |
| “Completion”                      | completion of the sale and purchase of the Sale Shares contemplated under the Sale and Purchase Agreement  |
| “Completion Date”                 | the third Business Day following the fulfillment of all the conditions under the Sale and Purchase Agreement or such other date as shall be agreed by the parties under the Sale and Purchase Agreement  |
| “Composite Document”              | the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, detailed terms of the Offer  |
| “Consideration”                   | consideration for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, being HK\$532.80 million   |
| “Deposit”                         | deposit for the Consideration under the Sale and Purchase Agreement, being HK\$53.28 million   |
| “Director(s)”                     | director(s) of the Company from time to time   |
| “Encumbrances”                    | any mortgage, charge, pledge, lien, hypothecation, equities, adverse claims, restrictions, pre-emption rights or other encumbrance, priority or security interest or other rights of whatsoever nature or interest or any agreement for any of the same  |
| “Executive”                       | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director  |
| “Form of Acceptance and Transfer” | the form of acceptance and transfer in respect of the Offer accompanying the Composite Document  |
| “Group”                           | the Company and its subsidiaries   |
| “Hong Kong”                       | Hong Kong Special Administrative Region of the PRC   |

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| “Independent Board Committee” | the independent board committee of the Board, comprising all independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Doris Yang Yan Tung, formed to advise the Independent Shareholders in respect of the Offer   |
| “Independent Shareholder(s)”  | holders of the Shares, other than the Offeror Group, SHK, the Vendor and parties acting in concert with any of them. For the avoidance of doubt, parties acting in concert with the Offeror include, amongst others, SHK and parties acting in concert with any of them   |
| “Last Trading Day”            | 6 December 2013, the last trading date before the suspension of trading in the Shares   |
| “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 the GEM Board of the Stock Exchange  |
| “Offer”                       | the mandatory unconditional cash offer for all the issued Shares (other than those already acquired by or agreed to be acquired by the Offeror and parties acting in concert with it, and those Shares agreed not to be the subject of the Offer) to be made by Yu Ming on behalf of the Offeror at the Offer Price |
| “Offer Period”                | commencing from 16 December 2013, being the date of this joint announcement issued and ending on the date of the close of the Offer   |
| “Offer Price”                 | HK\$1.44 per Offer Share  |
| “Offer Share(s)”              | 165,000,000 Shares which are the subject of the Offer, being Shares held by Independent Shareholders  |
| “Offeror” or “Purchaser”      | China Health Management Investment Limited, a company incorporated under the laws of the British Virgin Islands and the purchaser of the Sale Shares under the Sale and Purchase Agreement  |
| “Offeror Group”               | the Offeror, Waranty Hong Kong, Waranty Shenzhen, Tsinghua Holdings and Shenzhen Aorongxin  |
| “Overseas Shareholder(s)”     | Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong  |
| “PRC”                         | the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan   |
| “Retained Shares”             | Shares to be retained by the Vendor after Completion, being 125,000,000 Shares  |
| “Rmb”                         | Renminbi, the lawful currency of the PRC  |

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| “Sale and Purchase Agreement” | the conditional agreement dated 7 December 2013 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares   |
| “Sale Shares”                 | 370,000,000 Shares to be acquired by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement, representing approximately 56.06% of the entire issued share capital of the Company as at the date of this joint announcement, and each a Sale Share  |
| “SFC”                         | the Securities and Futures Commission of Hong Kong  |
| “SFO”                         | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”                    | share(s) of nominal value of HK\$0.01 each in the share capital of the Company  |
| “Shareholder(s)”              | holder(s) of the Share(s)   |
| “Shenzhen Aorongxin”          | Shenzhen Aorongxin Investment Development Company Limited* (深圳市奧融信投資發展有限公司), a company incorporated under the laws of the PRC with limited liability. As at the date of this joint announcement, it is beneficially owned and controlled as to 83.4% by Mr. Huang Yu (黃俞) and 16.6% by Mr. Huang Xuezhong (黃雪忠)   |
| “SHK”                         | Sun Hung Kai International Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities) and type 6 (advising on corporate finance), being the exclusive placing agent and underwriter for all the Offer Shares validly tendered for acceptance under the Offer |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited   |
| “Takeovers Code”              | The Hong Kong Code on Takeovers and Mergers issued by the SFC   |
| “Tian An”                     | Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28)  |
| “Tsinghua Holdings”           | Tsinghua Holdings Company Limited* (清華控股有限公司), a solely state-owned corporation with limited liability, is 100% owned by Tsinghua University and is directly supervised by the Assets Management Committee (經營性資產管理委員會) of Tsinghua University  |
| “Underwritten Shares”         | the Offer Shares validly tendered by Independent Shareholders under the Offer, which are fully underwritten by SHK  |
| “Vendor”                      | Autobest Holdings Limited, a company incorporated under the laws of the British Virgin Islands, the controlling Shareholder of the Company holding 75% of the entire issued share capital as at the date of this joint announcement and a wholly-owned subsidiary of Tian An  |



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| “Waranty Hong Kong” | Waranty Assets Management (HK) Limited (華融泰資產管理(香港)有限公司), an investment holding company incorporated under the laws of Hong Kong with limited liability, which holds the entire issued share capital of the Offeror  |
| “Waranty Shenzhen”  | Shenzhen Waranty Assets Management Company Limited* (深圳市華融泰資產管理有限公司), a company incorporated under the laws of the PRC with limited liability, which holds the entire issued share capital of Waranty Hong Kong. As at the date of this joint announcement, it is beneficially owned and controlled as to 40% by Tsinghua Holdings and 60% by Shenzhen Aorongxin |
| “Warranties”        | means the warranties, representations and undertakings given or made by the Vendor in accordance with the Sale and Purchase Agreement  |
| “Yu Ming”           | Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)                                 |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong  |
| “%”                 | per cent.  |

**CHINA HEALTH MANAGEMENT  
INVESTMENT LIMITED**  
**Yan Zhi Min**  
*Sole Director*

On behalf of the Board  
**ALLIED CEMENT HOLDINGS LIMITED**  
**Li Chi Kong**  
*Executive Director*

Hong Kong, 16 December 2013

*As at the date of this joint announcement, Mr. Yan Zhi Min, the sole director of the Offeror, and Mr. Huang Yu, sole director of Shenzhen Aorongxin, jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group and parties acting in concert with it) and confirms, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the Board comprises Mr. Ng Qing Hai (Managing Director), Mr. Li Chi Kong and Mr. Yu Zhong being the Executive Directors; and Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Doris Yang Yan Tung being the Independent Non-Executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*\* The English translation of the names of companies established in the PRC referred to in this joint announcement is for reference only. The official names of those companies are in Chinese.*