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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)



新鴻基有限公司  
SUN HUNG KAI & CO. LIMITED  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 86)

## JOINT ANNOUNCEMENT

### CONNECTED TRANSACTION IN RELATION TO UNDERWRITING AGREEMENT

The board of directors of Tian An and SHK jointly announce that on 29th December, 2011, the Underwriting Agreement in respect of the Offer Shares was entered into between Allied Cement, Allied Cement Executive Directors, Autobest Holdings, Tian An, and SHKIS, pursuant to which, SHKIS has agreed to subscribe or procure subscribers for, on the terms and conditions of the Underwriting Agreement and the Prospectus, all the Offer Shares at the Offer Price. Allied Cement Executive Directors, Autobest Holdings and Tian An have provided certain warranties and undertakings in the Underwriting Agreement. Subject to the terms and conditions of the Underwriting Agreement, SHKIS shall receive an underwriting commission equals to 2.5% of the Offer Price for all the Offer Shares, out of which SHKIS will pay any sub-underwriting commission.

SHKIS is an indirect wholly-owned subsidiary of SHK whose shares are listed on the Main Board and is owned as to approximately 53.48% by APL as at the date of this joint announcement. APL is a controlling shareholder holding approximately 46.85% of the issued share capital of Tian An and thus a connected person of Tian An. The entering into of the Underwriting Agreement with Allied Cement, Allied Cement Executive Directors, Autobest Holdings and Tian An constitutes a connected transaction for both Tian An and SHK under Chapter 14A of the Listing Rules.

In the case of Tian An, as each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to the expected maximum underwriting commission to be payable by Allied Cement is less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules.

In the case of SHK, as each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) applicable under Chapter 14A of the Listing Rules calculated with reference to SHKIS' expected maximum aggregate underwriting commitment under the Underwriting Agreement and the maximum underwriting commission is less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules.

Relevant details will also be included in the next published annual report and accounts of each of Tian An and SHK respectively in accordance with Rule 14A.45 of the Listing Rules.

## **THE UNDERWRITING AGREEMENT**

**Parties:**

- (1) Allied Cement;
- (2) Allied Cement Executive Directors;
- (3) Autobest Holdings and Tian An as controlling shareholders of Allied Cement; and
- (4) SHKIS.

**Date:** 29th December, 2011

### **Major terms of the Underwriting Agreement**

**Underwriting commitment by SHKIS:** Pursuant to the Underwriting Agreement, SHKIS has agreed to subscribe or procure subscribers for, on the terms and conditions of the Underwriting Agreement and the Prospectus, all the Offer Shares at the Offer Price under the Share Offer. The maximum underwriting commitment of SHKIS under the Underwriting Agreement is 165,000,000 Allied Cement Shares, representing 100% of the Offer Shares and approximately 25% of the total Allied Cement Shares upon Listing. Based on the Offer Price of HK\$1.00 per Offer Share, the underwriting commitment by SHKIS is HK\$165,000,000.

**Underwriting commission:** 2.5% of the aggregate Offer Price for all the Offer Shares, out of which SHKIS will pay any sub-underwriting commission. The underwriting commission was determined after arm's length negotiations between parties to the Underwriting Agreement.

Based on the underwriting commission of 2.5% and the underwriting commitment by SHKIS, SHKIS is expected to receive HK\$4,125,000 as underwriting commission from Allied Cement.

**Conditions Precedent:**

The obligations of SHKIS under the Underwriting Agreement are subject to fulfillment of the following conditions precedent:

- (a) the delivery to SHKIS or its legal advisors of certain documents by no later than 8:00 p.m. on 29th December, 2011 (or such later time as SHKIS may in its discretion determine);
- (b) the registration by the Registrar of Companies in Hong Kong of the Prospectus and the accompanying documents in accordance with the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) by no later than 29th December, 2011 (or such later time as SHKIS may in its discretion determine);
- (c) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Allied Cement Shares to be issued as mentioned in the Prospectus and any Allied Cement Shares which may fall to be issued pursuant to the exercise of options granted under the share option scheme by no later than the date before Listing (or such later time as SHKIS may in its discretion determine); and
- (d) in the opinion of SHKIS, the warranties on the part of each of the warrantors contained in the Underwriting Agreement being true and accurate in all material respects on and as of the date of the Underwriting Agreement and as at 9:00 a.m. on the day immediately preceding the day on which dealings in the Allied Cement Shares on the Stock Exchange first commence, as though they had been given and made on such dates by reference to the circumstances at the relevant time, and which SHKIS considers to be material in the context of the Public Offer or the Placing or the underwriting of the Offer Shares.

If the above conditions are not fulfilled or waived by SHKIS in accordance with the terms of the Underwriting Agreement on or before 30th day after the date of the Prospectus (or such later date as Allied Cement and SHKIS may agree), the Underwriting Agreement shall terminate and no parties shall have any claim against others save for the breach of undertakings by Allied Cement, Allied Cement Executive Directors, Autobest Holdings and Tian An in respect of the fulfillment of the conditions precedent and in respect of any antecedent breach.

**Termination:**

SHKIS entitles to terminate its obligations under the Underwriting Agreement by notice in writing to Allied Cement upon occurrence of any of the events set out in the section headed “Underwriting” of the Prospectus. Shareholders of Tian An and SHK should refer to the Prospectus for further details of the Underwriting Agreement.

**Undertaking:**

Allied Cement and its directors jointly and severally undertake with SHKIS that, save pursuant to the Public Offer and the Placing and save pursuant to the exercise of options granted under the share option scheme, no member of Allied Cement and its subsidiaries will allot or issue or agree to allot or issue any Allied Cement Shares or other securities or agree conditionally or unconditionally to allot or issue or grant any option or other right to subscribe for Allied Cement Shares or other securities of Allied Cement or repurchase any securities of Allied Cement during the period from and including the date of the Underwriting Agreement up to and including the date falling six months from the date on which dealings in the Allied Cement Shares commence on the Stock Exchange without the prior written consent of SHKIS.

Allied Cement Executive Directors, Autobest Holdings and Tian An have provided certain warranties and undertakings in the Underwriting Agreement. Please refer to the Prospectus for further details of the Underwriting Agreement and the Share Offer.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE UNDERWRITING AGREEMENT**

The principal business activity of SHK is investment holding. The principal business activities of SHK's major subsidiaries are wealth management and brokerage, capital markets, asset management, consumer finance as well as principal investments.

SHKIS, being an indirect wholly-owned subsidiary of SHK, is a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities defined under the SFO. The principal activities of SHKIS include investment holding, share brokerage and margin financing.

The board of directors of SHK considers that the entering into of the Underwriting Agreement falls within the business scopes of SHKIS and represents an opportunity for SHK Group to generate income from the underwriting commission to be received and in turn will have positive effect on SHK Group's financial performance.

The respective directors (including the independent non-executive directors) of Tian An and SHK consider that the Underwriting Agreement is on normal commercial terms derived after arm's length negotiations and the terms and conditions thereof are fair and reasonable and in the interests of each of Tian An and SHK and their shareholders as a whole.

## **CONNECTED TRANSACTION**

SHKIS is an indirect wholly-owned subsidiary of SHK whose shares are listed on the Main Board and is owned as to approximately 53.48% by APL as at the date of this joint announcement. APL is a controlling shareholder holding approximately 46.85% of the issued share capital of Tian An and thus a connected person of Tian An. The entering into of the Underwriting Agreement with Allied Cement, Allied Cement Executive Directors, Autobest Holdings and Tian An constitutes a connected transaction for both Tian An and SHK under Chapter 14A of the Listing Rules.

In the case of Tian An, as each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to the expected maximum underwriting commission to be payable by Allied Cement is less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules.

In the case of SHK, as each of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) applicable under Chapter 14A of the Listing Rules calculated with reference to SHKIS' expected maximum aggregate underwriting commitment under the Underwriting Agreement and the maximum underwriting commission is less than 5%, the entering into of the Underwriting Agreement is subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules.

As none of the directors of SHK has any material interest in the Underwriting Agreement, no director of SHK is required to abstain from voting on the resolutions passed by the board of directors of SHK to approve the entering into of the Underwriting Agreement.

As Mr. Ng Qing Hai, being a Deputy Managing Director and an executive director of Tian An, is also the managing director and an executive director of Allied Cement, Mr. Ng Qing Hai abstained from voting on the written board resolutions (but signed the relevant written resolutions as a matter of formality) of Tian An to approve the entering into of the Underwriting Agreement. Dr. Moses Cheng Mo Chi, a non-executive director of Tian An, is the senior partner of Messrs. P. C. Woo & Co., the legal firm which has been advising Tian An in respect of the transactions regarding the Offer Shares for normal professional fees. Dr. Moses Cheng Mo Chi abstained from voting on the written board resolutions (but signed the relevant written resolutions as a matter of formality) of Tian An to approve the entering into of the Underwriting Agreement.

Relevant details of the connected transaction will also be included in the next published annual report and accounts of each of Tian An and SHK respectively in accordance with Rule 14A.45 of the Listing Rules.

#### **INFORMATION RELATING TO ALLIED CEMENT**

Allied Cement is a holding company and its subsidiaries are principally engaged in the manufacture, sale and trading of cement and clinker in Shandong province and Shanghai in the PRC. The audited combined financial information of the Allied Cement Group contained in the accountants' report of the Prospectus is extracted and set out as follows:

	<b>For the six months ended 30th June, 2011 HK\$'000</b>	<b>For the year ended 31st December, 2010                      2009 HK\$'000                      HK\$'000</b>	
Revenue	391,659	451,444	490,116
Profit before taxation	70,072	515,491	9,487
Profit after taxation	53,275	374,515	10,022
	<b>As at 30th June, 2011 HK\$'000</b>	<b>As at 31st December, 2010                      2009 HK\$'000                      HK\$'000</b>	
Net asset value attributable to shareholders of Allied Cement	304,799	250,043	123,557

## **INFORMATION RELATING TO TIAN AN**

The principal business activities of Tian An's major subsidiaries are development of high-end apartments, villas, office buildings and commercial properties, property investment and property management as well as the manufacture, sale and trading of cement and clinker in the PRC.

## **INFORMATION RELATING TO AUTOBEST HOLDINGS**

Autobest Holdings is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of Tian An. It is principally engaged in investment holding. Autobest Holdings is interested in the entire issued share capital of Allied Cement as at the date of this joint announcement.

## **INFORMATION RELATING TO SHK**

The principal business activity of SHK is investment holding. The principal business activities of SHK's major subsidiaries are wealth management and brokerage, capital markets, asset management, consumer finance as well as principal investments.

## **INFORMATION RELATING TO SHKIS**

SHKIS, an indirect wholly-owned subsidiary of SHK, is a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities defined under the SFO. The principal activities of SHKIS include investment holding, share brokerage and margin financing.

## DEFINITIONS

“Allied Cement”	Allied Cement Holdings Limited, a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands and is an indirect wholly-owned subsidiary of Tian An;
“Allied Cement Executive Directors”	Messrs. Ng Qing Hai, Li Chi Kong and Yu Zhong, all being executive directors of Allied Cement;
“Allied Cement Group”	Allied Cement and its subsidiaries;
“Allied Cement Share(s)”	share(s) of HK\$0.01 each in the share capital of Allied Cement;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Main Board (Stock Code: 56 and Warrant Code: 1183);
“Autobest Holdings”	Autobest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of Tian An;
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing”	the proposed listing of Allied Cement Shares on the Main Board;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	the 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 Price”	the price per Offer Share of HK\$1.00 (exclusive of brokerage, the Stock Exchange trading fee and the transaction levy of the Securities and Futures Commission of Hong Kong);
“Offer Shares”	the Public Offer Shares and the Placing Shares;



“Placing”	the conditional placing by SHKIS of the Placing Shares with professional, institutional and other investors subject to the terms and conditions of the Underwriting Agreement and the Prospectus;
“Placing Shares”	the 133,650,000 new Allied Cement Shares to be offered by Allied Cement for subscription at the Offer Price pursuant to the Placing;
“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus issued by Allied Cement on 30th December, 2011 in connection with the Public Offer and the Placing;
“Public Offer”	the offering of the Public Offer Shares by Allied Cement for cash at the Offer Price for subscription by the public in Hong Kong subject to the terms and conditions of the Underwriting Agreement and the Prospectus;
“Public Offer Shares”	the 31,350,000 new Allied Cement Shares to be offered by Allied Cement for subscription at the Offer Price pursuant to the Public Offer;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Offer”	the Placing and the Public Offer;
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 86), and an indirect non wholly-owned subsidiary of APL;
“SHK Group”	SHK and its subsidiaries;
“SHKIS”	Sun Hung Kai Investment Services Limited, a company incorporated in Hong Kong with limited liability, and a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities defined under the SFO, being an indirect wholly-owned subsidiary of SHK;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Tian An” 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 (Stock Code: 28) and is owned as to approximately 46.85% by APL as at the date of this joint announcement;

“Underwriting Agreement” the underwriting agreement dated 29th December, 2011; and

“%” per cent.

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

On behalf of the Board  
**Sun Hung Kai & Co. Limited**  
**Joseph Tong Tang**  
*Executive Director*

Hong Kong, 29th December, 2011

As at the date of this joint announcement, the directors of Tian An are:

*Executive Directors:*

Messrs. 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 and Tao Tsan Sang

*Non-Executive Directors:*

Mr. Lee Seng Hui (*Chairman*), Dr. Moses Cheng Mo Chi and Mr. Lee Shu Yin

*Independent Non-Executive Directors:*

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

As at the date of this joint announcement, the directors of SHK are:

*Executive Directors:*

Messrs. Lee Seng Huang (*Chairman*), Joseph Tong Tang and Peter Anthony Curry

*Non-Executive Directors:*

Messrs. Goh Joo Chuan, Leung Pak To, Ming Cheng, Roy Kuan and Ho Chi Kit (*alternate to Mr. Roy Kuan*)

*Independent Non-Executive Directors:*

Messrs. David Craig Bartlett, Alan Stephen Jones, Carlisle Caldw Procter and Peter Wong Man Kong