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天安中國投資有限公司

TIAN AN CHINA INVESTMENTS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 28)

DISCLOSEABLE TRANSACTION

PROPOSED SPIN-OFF AND SEPARATE LISTING OF ALLIED CEMENT HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE

The Board wishes to announce that the Prospectus in relation to the Share Offer of Allied Cement has been issued on 30th December, 2011 and the Listing Date of the Allied Cement Shares on the Main Board of the Stock Exchange is expected to be on 18th January, 2012.

Immediately upon completion of the Share Offer (assuming that no Allied Cement Share has been issued pursuant to the exercise of any option granted or which may be granted under the Allied Cement Share Option Scheme), the Company, through its wholly-owned subsidiary, Autobest Holdings Limited, will be interested in approximately 75% of the issued share capital of Allied Cement.

The Proposed Spin-off constitutes a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules, and given that the applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, it also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules. Upon completion of the Proposed Spin-off, Allied Cement will remain a subsidiary of the Company.

The Proposed Spin-off is conditional upon, among other things: (a) the Listing Committee granting the listing of, and permission to deal in, the Allied Cement Shares in issue and the Allied Cement Shares to be issued as mentioned in the Prospectus (including the Offer Shares and any Allied Cement Shares, up to 10% of the issued share capital of Allied Cement as of the Listing Date, which may be issued pursuant to the exercise of options which may be granted under the Allied Cement Share Option Scheme), and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Allied Cement Shares on the Stock Exchange; (b) the execution and delivery of the underwriting agreement in accordance with its terms; and (c) the obligations of the underwriter under the underwriting agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the underwriting agreement.

Shareholders and potential investors should note that the Proposed Spin-off is subject to, among others, the final decisions of the Board and the Allied Cement Board, the listing approval from the Listing Committee of the Stock Exchange, the underwriter's obligations under the underwriting agreement will become unconditional or that the underwriting agreement will not be terminated. Accordingly, there can be no assurance that such Proposed Spin-off will be proceeded, and Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

References are made to the announcements of Tian An China Investments Company Limited (the “**Company**”) dated 15th April, 2011, 7th December 2011, 13th December, 2011 and 23rd December, 2011 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

PUBLICATION OF THE PROSPECTUS

The Board wishes to announce that the prospectus (the “**Prospectus**”) in relation to the Share Offering of Allied Cement (the “**Share Offer**”) has been issued on 30th December, 2011 and the listing date (the “**Listing Date**”) of the Allied Cement Shares on the Main Board of the Stock Exchange is expected to be on 18th January, 2012.

The offer price for each Allied Cement Share offered in the Share Offer is HK\$1.00 (excluding brokerage of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%).

The Prospectus is available for viewing and downloading from the website of Allied Cement at (www.alliedcement.com.hk) and the Stock Exchange's website at (www.hkexnews.hk) from 30th December, 2011. Printed copies of the Prospectus are available for collection from certain branches of the receiving bank during normal business hours from 9:00 a.m. on Friday, 30th December, 2011 until 12:00 noon on Tuesday, 10th January, 2012, details of which are set out in the announcement of Allied Cement dated 30th December, 2011.

STRUCTURE OF THE PROPOSED SPIN-OFF/SHARE OFFER

The Share Offer comprises the Public Offer and the Placing. The 165,000,000 Offer Shares initially being offered in the Share Offer will represent approximately 25% of the enlarged share capital of Allied Cement immediately after completion of the Share Offer.

A total of 133,650,000 Allied Cement Shares, representing an aggregate of 81.0% of the initial total number of the Offer Shares, will initially be offered under the Placing to professional, institutional and/or other investors in Hong Kong. A total of 31,350,000 Allied Cement Shares, representing 19.0% of the initial total number of the Offer Shares, will initially be offered under the Public Offer.

Out of the 31,350,000 Offer Shares to be offered under the Public Offer, it is expected that (a) 16,500,000 Offer Shares will be offered as Reserved Shares to the Qualifying Shareholders under the Preferential Offering on an assured basis; (b) 1,485,000 Offer Shares will be offered to the eligible employees of the Allied Cement Group on a preferential basis; and (c) 13,365,000 Offer Shares will be offered to the other public.

All Offer Shares are underwritten by Sun Hung Kai Investment Services Limited, being the sole bookrunner, sole lead manager and sole underwriter, subject to the terms and conditions of the underwriting agreement.

Immediately upon completion of the Share Offer (assuming that no Allied Cement Share has been issued pursuant to the exercise of any option granted or which may be granted under the Allied Cement Share Option Scheme), the Company, through its wholly-owned subsidiary, Autobest Holdings Limited, will be interested in approximately 75% of the issued share capital of Allied Cement. Details of the shareholding structure of the Allied Cement Group are set out in the Prospectus.

CONDITIONS OF THE SHARE OFFER

The Proposed Spin-off is conditional upon, among other things:

- (a) the Listing Committee granting the listing of, and permission to deal in, the Allied Cement Shares in issue and the Allied Cement Shares to be issued as mentioned in the Prospectus (including the Offer Shares and any Allied Cement Shares, up to 10% of the issued share capital of Allied Cement as of the Listing Date, which may be issued pursuant to the exercise of options which may be granted under the Allied Cement Share Option Scheme), and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Allied Cement Shares on the Stock Exchange;
- (b) the execution and delivery of the underwriting agreement in accordance with its terms; and
- (c) the obligations of the underwriter under the underwriting agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the underwriting agreement.

All conditions are expected to be satisfied or waived on or before the 30th day after the date of the Prospectus (or such later date as Allied Cement and the sole lead manager may agree).

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times specified above, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Share Offer will be published by the Company and Allied Cement on the next day following such.

EXPECTED TIMETABLE

Below set out the expected timetable of the Proposed Spin-off:

Despatch of the BLUE application forms for the Preferential Offering together with the Prospectus to the Qualifying Shareholders	Friday, 30th December, 2011
Application lists of the Public Offering and the Preferential Offering open	11:45 a.m., Tuesday, 10th January, 2012
Latest time to lodge BLUE application form	12:00 noon, Tuesday, 10th January, 2012
Commencement of dealings in the Allied Cement Shares on the Stock Exchange	Wednesday, 18th January, 2012

All references to date and time contained in this announcement refer to Hong Kong date and time.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off will be beneficial to and create value for, the Allied Cement Group, the Group and the Shareholders as a whole for the following reasons:

- (i) the Proposed Spin-off will provide the Allied Cement Group with financial flexibility and a separate fund raising platform to raise funds from the capital markets to support its growth and future expansion as and when needed;
- (ii) the Proposed Spin-off will essentially separate the cement business from property investment, development and property management of the Group. Such segregation enables investors and financiers to appraise separately the value, strategies, functional exposure, risks and return of two sectors of business which are different in nature. This will facilitate their analysis of the two different businesses and their investment decisions. Investors will have a choice to invest in either the Group or the Allied Cement Group and invest in either one or both of the business models;

- (iii) the Proposed Spin-off will enable the management team of the Group and the Allied Cement Group to focus on their respective core businesses, thereby enhancing efficiency, the decision making process and its responsiveness to market changes;
- (iv) the Proposed Spin-off is expected to improve the operational and financial transparency of the Allied Cement Group and provide investors, the market and rating agencies with greater clarity on the business as well as the respective financial status of the Group and the Allied Cement Group;
- (v) the Company intends to maintain not more than 75% equity interest in the Allied Cement. Accordingly, the Company will continue to benefit from any potential upside on manufacture, sale and trading of cement and clinker business to be owned by Allied Cement through consolidation of the financial results generated by Allied Cement;
- (vi) the net cash proceeds from the Share Offer will provide the Allied Cement Group additional funding to repay shareholders' and bank loan, and provide additional working capital for the operations of the Allied Cement Group; and
- (vii) the Proposed Spin-off will enable the Qualifying Shareholders (through the Assured Entitlements) to have direct shareholding interests in the Allied Cement Group and its business.

INTENDED USE OF PROCEEDS

Allied Cement intended use of the net proceeds from the Share Offer, after deducting underwriting commissions and professional fees, of approximately HK\$145.0 million, are as follows (details of which are set out in the Prospectus):

- (a) approximately HK\$130.0 million, representing approximately 89.7% of the net proceeds from the Share Offer for repaying loans owed to related parties upon the Listing;
- (b) approximately HK\$10.0 million, representing approximately 6.9% of the net proceeds from the Share Offer for repayment of a bank loan partially due within 12 months from the Listing; and
- (c) approximately HK\$5.0 million, representing approximately 3.4% of the net proceeds from the Share Offer for general working capital of the Allied Cement Group.

INFORMATION OF ALLIED CEMENT AND THE GROUP AND FINANCIAL EFFECT OF THE SPIN-OFF

Allied Cement was incorporated in the Cayman Islands on 21st March, 2011, and is a wholly-owned subsidiary of Autobest Holdings Limited, which in turn a wholly-owned subsidiary of the Company as at the date of this announcement. Immediately following the completion of the Share Offer, Autobest Holdings Limited will have a 75% interest in the share capital of Allied Cement. The Allied Cement Group is principally engaged in the manufacture, sale and trading of cement and clinker in Shandong Province and Shanghai in the PRC.

The Group, save for its holding in Allied Cement, is principally engaged in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management in the PRC.

FINANCIAL INFORMATION OF THE COMPANY

Net tangible asset value

As at 30th June, 2011, the audited net asset value attributable to owners of the Company was approximately HK\$13,323.0 million. The audited net asset value attributable to owners of Allied Cement as at 30th June, 2011 was approximately HK\$304.8 million.

The audited net tangible assets of the Allied Cement Group attributable to owners of Allied Cement as at 30th June, 2011 was approximately HK\$297.0 million, the net proceeds from the Share Offer was approximately HK\$145.0 million and the estimated market capitalisation of Allied Cement following the completion of Share Offer is approximately HK\$660.0 million. Based on the current proposed structure of the Share Offer, financial results of the Allied Cement Group will remain to be consolidated into the accounts of the Group, as such, no gain or loss will be recognised by the Group upon completion of the Proposed Spin-off. The net asset values of the Group attributable to owners of the Company are expected to be reduced by HK\$36.3 million as a result of the Proposed Spin-off.

However, it should be noted that the aforesaid reduce in net asset value of the Group is estimated based on a number of assumptions, including, among others, the estimated market capitalisation and the assumption that the Share Offer will be completed on 18th January, 2012, and has not taken into account the financial position of the Allied Cement Group at the date when the Proposed Spin-off becomes effective. Accordingly, the actual reduction in net asset value of the Group, which shall be calculated by reference to the financial position of the Allied Cement Group at the time of completion of the Share Offer, may be different from the above estimation.

Earnings

The effect of the Proposed Spin-off on the future earnings of the Group will depend on, among others, the proceeds raised from the Share Offer as well as the growth of the business operations of the Allied Cement Group.

The following is the audited combined financial information of the Allied Cement Group for each of the three years ended 31st December, 2010. Details of which are included in the Prospectus;

<i>HK\$'million</i>	For the year ended 31st December, 2008	For the year ended 31st December, 2009	For the year ended 31st December, 2010
Net profits before taxation	57.6	9.5	515.5
Net profits after taxation	53.1	10.0	374.5

Following completion of the Proposed Spin-off, the profit attributable to owners of the Company will be reduced as earnings contributed by the Allied Cement Group are expected to be reduced due to the decrease of the Company's effective interest in Allied Cement from 100% to approximately 75% (assuming the options which were granted or may be granted under the Allied Cement Share Option Scheme are not exercised). Allied Cement will remain as a subsidiary of the Company and accordingly, financial results of the Allied Cement Group will be consolidated into the accounts of the Group.

The Directors are of the view that the Allied Cement Group is capable of carrying on its own business independently from the Group after the listing of the Allied Cement Shares.

THE PREFERENTIAL OFFERING

It was previously disclosed in the Announcements that based on the shareholding structure of the Company when the Partial Share Exchange Offer has not been declared unconditional, the Qualifying Shareholders will be entitled to subscribe on an assured basis at the Offer Price one (1) Reserved Share for every integral multiple of fifty five (55) Shares held by them as at 5:00 p.m. on the Record Date. The Partial Share Exchange Offer has become and been declared unconditional in all respects and closed on 23rd December, 2011, being the final closing date of the Partial Share Exchange Offer. Accordingly, APL's interest in the Company increases from 602,789,096 Shares to 705,969,096 Shares, representing approximately 46.85% of the total issued share capital of the Company. As APL has waived its Assured Entitlements, the entitlements to the Qualifying Shareholders under the Preferential Offering is now made on an assured basis at the Offer Price one (1) Reserved Share for every integral multiple of forty nine (49) Shares held by them as at 5:00 p.m. on the Record Date.

In connection with the Preferential Offering, a **BLUE** application form, together with the Prospectus, have been despatched on 30th December, 2011 to each Qualifying Shareholder who is entitled to apply for the Reserved Shares on an assured basis under the Preferential Offering. The procedures for applying for the Reserved Shares to be issued under the Preferential Offering are set out in the Prospectus.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules, and given that the applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, it also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements under the Listing Rules. Upon completion of the Proposed Spin-off, Allied Cement will remain a subsidiary of the Company.

Shareholders and potential investors should note that the Proposed Spin-off is subject to, among others, the final decisions of the Board and the Allied Cement Board, the listing approval from the Listing Committee of the Stock Exchange, the underwriter's obligations under the underwriting agreement will become unconditional or that the underwriting agreement will not be terminated. Accordingly, there can be no assurance that such Proposed Spin-off will be proceeded, and Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30th December, 2011

As at the date of this announcement, the Board comprises Mr. Hu Aimin (Deputy Chairman), Mr. Song Zengbin (Deputy Chairman), Mr. Patrick Lee Seng Wei (Managing Director), Mr. Ng Qing Hai (Deputy 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.