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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)

**MAJOR TRANSACTION –
PROPOSED DISPOSAL BY AUTOBEST HOLDINGS LIMITED OF
APPROXIMATELY 56.06% OF THE EXISTING
ISSUED SHARE CAPITAL OF
ALLIED CEMENT HOLDINGS LIMITED
RESUMPTION OF TRADING**

THE SHARE SALE AGREEMENT

On 7th December, 2013, the Share Sale Agreement was entered into between the Vendor and the Purchaser, pursuant to which, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of HK\$532,800,000. As at the date of this announcement, the Sale Shares represent approximately 56.06% of the existing issued share capital of Allied Cement.

Completion is conditional upon the fulfillment of all the conditions specified in the Share Sale Agreement and as described under the paragraph headed “Conditions Precedent” under the section headed “The Share Sale Agreement” in this announcement.

LISTING RULES IMPLICATIONS

As one of the applicable Percentage Ratios in respect of the Share Sale exceeds 25% but is less than 75% as calculated under Rule 14.07 of the Listing Rules, the Share Sale constitutes a major transaction of Tian An. The Share Sale Agreement is therefore subject to reporting, announcement and shareholders’ approval requirements pursuant to the Listing Rules.

The EGM will be convened and held for the Tian An Shareholders to consider and, if thought fit, to approve the Share Sale Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Share Sale and the notice of the EGM will be despatched to the Tian An Shareholders on or before 9th January, 2014.

RESUMPTION OF TRADING

At the request of Tian An, trading in its shares on the Stock Exchange has been suspended from 9:00 a.m. on 9th December, 2013 pending the release of this announcement. Tian An has made an application to the Stock Exchange for resumption of trading in the Tian An Shares on the Stock Exchange with effect from 9:00 a.m on 17th December, 2013.

GENERAL

Tian An Shareholders and potential investors should note that the Share Sale may or may not proceed as it is subject to a number of conditions, which may or may not be fulfilled. Tian An Shareholders and potential investors are reminded to exercise caution when dealing in the shares of Tian An.

THE SHARE SALE AGREEMENT

Date

7th December, 2013

Parties

Vendor: Autobest Holdings Limited, a wholly-owned subsidiary of Tian An

Purchaser: China Health Management Investment Limited

To the best of knowledge, information and belief of the Board, after making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of Tian An and its Connected Persons.

Subject Matters

Pursuant to the Share Sale Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares. As at the date of this announcement, the Sale Shares represent approximately 56.06% of the existing issued share capital of Allied Cement.

Consideration

The Consideration of HK\$532,800,000 (representing approximately HK\$1.44 per Sale Share) shall be paid by the Purchaser to the Vendor or such other person as may be directed by the Vendor in the following manner:

- (1) the Deposit in the amount of HK\$53,280,000 has been paid on the date of signing of the Share Sale Agreement; and
- (2) the balance of the Consideration in the amount of HK\$479,520,000 shall be payable on Completion.

Tian An shall receive the Consideration on behalf of the Vendor.

The Consideration was determined following arm's length negotiation between the Vendor and the Purchaser, taking into account factors including but not limited to, the financial position (including the net asset value) and performance of Allied Cement Group.

The Vendor shall be entitled to forfeit the Deposit if the Share Sale does not proceed due to the default of the Purchaser.

Conditions Precedent

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

- (i) the issued shares of Allied Cement remain listed on the Stock Exchange and tradable on the market, except for suspension of trading due to the matters pursuant to the Share Sale Agreement and 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 issued shares of Allied Cement on the Stock Exchange; and
- (iii) the passing of the relevant resolution(s) by the Tian An Shareholders approving the Share Sale Agreement and the transactions contemplated thereunder; and the Company and the Vendor having obtained all necessary authorisations and approvals in relation to the transactions contemplated under the Share Sale 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 Allied Cement Group with loan facilities) required to be obtained by the Company for the major transaction involved in the transactions contemplated in the Share Sale Agreement).

If the above conditions precedent have not been fulfilled on or before 4th February, 2014 or waived by the Purchaser (other than the passing of relevant resolutions by Tian An Shareholders which cannot be waived), the Share Sale Agreement shall terminate without affecting the parties' rights and obligations therein before the termination. Upon termination, the Vendor shall return the Deposit to the Purchaser as soon as possible.

Undertaking, Warranties and Indemnities

The Vendor has given certain customary warranties to the Purchaser, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to Allied Cement.

The Vendor has provided an undertaking to the Purchaser that it shall procure the businesses of Allied Cement to be conducted in the ordinary and usual course and not to carry out any action which causes Allied Cement a material loss and specific actions, such as, allotment of new Allied Cement Shares, executing material contract or distributing dividend, etc., which are prohibited in that regard under the Share Sale Agreement, from the date of the Share Sale Agreement to the date which the Purchaser is permitted to appoint nominee(s) as directors of Allied Cement (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 fulfillment of conditions precedent as set out in this announcement, Completion shall take place on the third Business Day following the fulfillment of the conditions precedent. Upon Completion, Allied Cement will cease to be a subsidiary of Tian An, but Tian An will retain 125,000,000 Allied Cement Shares, representing approximately 18.94% of the issued share capital of Allied Cement as at the date of this announcement.

Offer

The Purchaser has agreed, following and subject to Completion, to comply with its obligations under the Takeovers Code to make the Offer to holders of Allied Cement Shares of the Offer Shares in accordance with the Takeovers Code.

Pursuant to the Share Sale Agreement, the Vendor shall retain 125,000,000 Allied Cement Shares, and shall not sell, assign, charge or otherwise dispose of these shares or accept the Offer prior to the close of the Offer.

INFORMATION ON ALLIED CEMENT GROUP

Allied Cement is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1312). As at the date of this announcement, Tian An indirectly owns 75% of the issued share capital of Allied Cement. Allied Cement Group is principally engaged 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 the key financial information of the Allied Cement Group based on its audited consolidated financial statements for each of the two years ended 31st December, 2011 and 31st December, 2012 respectively:

	For the year ended 31st December, 2011	For the year ended 31st December, 2012
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	725,298	704,698
Profit before tax	117,810	46,516
Profit after tax	88,489	37,132
Profit for the year (including discontinued operations)	88,489	37,132
	As at 31st December, 2011	As at 31st December, 2012
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net assets	570,757	741,633

FINANCIAL EFFECT OF THE SHARE SALE

Based on the Consideration of HK\$532,800,000, the carrying value of the investment in Sale Shares of approximately HK\$448,242,000 on the unaudited consolidated financial statements of Tian An as at 31st October, 2013 and the amount of HK\$532,800 being Vendor's agreed contribution to stamp duty payable on the Share Sale pursuant to the Share Sale Agreement, the gain to be accrued to Tian An (before legal and professional fee and tax) will be approximately HK\$84,025,200.

Tian An intends to apply the proceeds of the Consideration as working capital, in particular, for investment in assets that may offer better return.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated under the laws of the BVI with limited liability and a direct wholly-owned subsidiary of Tian An. Its principal business activity is investment holding.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated under the laws of the BVI with limited liability. The Purchaser is an investment holding company.

INFORMATION ON TIAN AN

Tian An is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of Tian An is investment holding. Tian An Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management, as well as the manufacture, sales and trading of cement and clinker in the PRC.

REASONS FOR AND BENEFITS OF THE SHARE SALE

The Directors consider that the Consideration is substantially above its carrying cost of the Sale Shares, and is an attractive opportunity to realise a capital gain on its investment in Allied Cement. The proceeds from the Share Sale are intended to be used for investment in assets that may offer better return. The Board considers that the terms of the Share Sale Agreement are fair and reasonable and in the interests of Tian An and Tian An Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable Percentage Ratios in respect of the Share Sale exceeds 25% but is less than 75% as calculated under Rule 14.07 of the Listing Rules, the Share Sale constitutes a major transaction of Tian An. The Share Sale Agreement is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to the Listing Rules.

The EGM will be convened and held for the Tian An Shareholders to consider and, if thought fit, to approve the Share Sale Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Share Sale and the notice of the EGM will be despatched to the Tian An Shareholders on or before 9th January, 2014.

RESUMPTION OF TRADING

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GENERAL

Tian An Shareholders and potential investors should note that the Share Sale may or may not proceed as it is subject to a number of conditions, which may or may not be fulfilled. Tian An Shareholders and potential investors are reminded to exercise caution when dealing in the shares of Tian An.

DEFINITIONS

“Allied Cement”	Allied Cement Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1312)
“Allied Cement Group”	Allied Cement and its subsidiaries
“Allied Cement Shares”	ordinary shares of HK\$0.01 each in the share capital of Allied Cement
“Board”	the board of Directors
“Business Days”	any days on which licensed banks are generally open for normal banking transactions in Hong Kong (excluding Saturdays and days on which a tropical cyclone signal no. 8 or above or a black rainstorm warning signal is issued between 9 a.m. and 5 p.m.)
“BVI”	British Virgin Islands
“Completion”	completion of the sale and purchase of Sale Shares in accordance with the Share Sale Agreement
“Connected Persons”	having the meaning ascribed to it under the Listing Rules
“Consideration”	consideration for the sale and purchase of the Sale Shares being HK\$532,800,000
“Deposit”	HK\$53,280,000, the deposit paid by the Purchaser to the Vendor pursuant to the Share Sale Agreement
“Directors”	directors of Tian An
“EGM”	the extraordinary general meeting of Tian An to be convened to consider and approve the Share Sale Agreement and the transactions contemplated thereunder

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the possible mandatory unconditional cash offer to be made by Yu Ming Investment Management Limited on behalf of the Purchaser (and parties acting in concert with it) in accordance with the Takeovers Code for the Offer Shares
“Offer Shares”	existing issued Allied Cement Shares other than the Sale Shares and any other Allied Cement Shares owned by the Purchaser, the Vendor and persons acting in concert with any of them
“Percentage Ratios”	percentage ratios as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“Purchaser”	China Health Management Investment Limited, a company incorporated under the laws of the BVI with limited liability
“Sale Shares”	370,000,000 Allied Cement Shares to be sold by the Vendor to the Purchaser pursuant to the Share Sale Agreement, representing approximately 56.06% of the existing issued share capital of Allied Cement as at the date of this announcement and each “Sale Share”
“SFC”	Securities and Futures Commission of Hong Kong
“Share Sale”	transactions contemplated under the Share Sale Agreement
“Share Sale Agreement”	conditional sale and purchase agreement dated 7th December, 2013 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Tian An”	Tian An China Investments Company Limited, a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and which owns 75% of shareholding in Allied Cement as at the date of this announcement

“Tian An Shares”	ordinary shares of HK\$0.20 each in the share capital of Tian An
“Tian An Shareholders”	holders of Tian An Shares
“Vendor”	Autobest Holdings Limited, a company incorporated under the laws of the BVI with limited liability and is a direct wholly-owned subsidiary of Tian An
“%”	per cent.

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

Hong Kong, 16th December, 2013

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