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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)**

**(i) PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
ALLIED CEMENT HOLDINGS LIMITED  
ON THE MAIN BOARD OF THE STOCK EXCHANGE,  
WHICH CONSTITUTE A DEEMED DISPOSAL OF A SUBSIDIARY  
AND  
DISCLOSEABLE TRANSACTION**

**AND**

**(ii) PROPOSED ADOPTION OF SHARE OPTION SCHEME BY A SUBSIDIARY**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board announces that the Company submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Proposed Spin-off. On 15th April, 2011, the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On the same day, Allied Cement (a wholly-owned subsidiary of the Company) submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, Allied Cement Shares in issue and to be issued under the Share Offering (including Allied Cement Shares to be issued upon the exercise of the share options that may be granted under the Allied Cement Share Option Scheme) on the Main Board of the Stock Exchange. The Proposed Spin-off is subject to the requirements under Practice Note 15 and other relevant provisions of the Listing Rules.

Allied Cement will become a holding company of the Cement Group, the subject of the Proposed Spin-off, which comprises certain existing subsidiaries of the Company and is engaged principally in the manufacture, sale and trading of cement and clinker in Shanghai and Shandong province in the PRC.

In accordance with the requirements of Practice Note 15 of the Listing Rules, the Board will give due and careful consideration to the interests of the Qualifying Shareholders by providing them with assured entitlements to Allied Cement Shares by way of a preferential offering of Allied Cement Shares to be issued under the Share Offering if the Proposed Spin-off proceeds. Final terms of such assured entitlements to Allied Cement Shares have not yet been finalised and will be announced in due course, but in any event all Qualifying Shareholders will be treated equally.

The Proposed Spin-off, should it materialise, will constitute a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and a discloseable transaction for the Company under Chapter 14 of the Listing Rules, which will be 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 board of directors of Allied Cement will propose to adopt the Allied Cement Share Option Scheme. The Allied Cement Share Option Scheme will be conditional upon, among others, the obtaining of the approval of the Shareholders under Chapter 17 of the Listing Rules and the Listing Committee granting the approval for the listing of, and permission to deal in, Allied Cement Shares which may be issued pursuant to the grant of share options under the Allied Cement Share Option Scheme; and will become effective upon commencement of dealings in Allied Cement Shares on the Main Board of the Stock Exchange.

A circular containing, among others, further details of the Allied Cement Share Option Scheme and a notice of an extraordinary general meeting to be convened by the Company to approve the Allied Cement Share Option Scheme will be despatched to the Shareholders in due course.

**Shareholders and potential investors should note that the Proposed Spin-off is subject to, among others, final decisions of the Board and the board of directors of Allied Cement and the approval from the Stock Exchange, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

This announcement is made pursuant to Rule 13.09 of the Listing Rules. The Board announces that the Company submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules in relation to the Proposed Spin-off. On 15th April, 2011, the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

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It is proposed that, pursuant to the Share Offering, Allied Cement Shares will be offered for subscription by way of public offering and placement to professional, institutional and other investors in Hong Kong. Following the completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of Allied Cement will be reduced although it is intended that Allied Cement will remain a subsidiary of the Company.

## **INFORMATION OF ALLIED CEMENT AND THE REMAINING GROUP**

Allied Cement was incorporated in the Cayman Islands on 21st March, 2011, and is a wholly-owned subsidiary of the Company. Prior to the Proposed Spin-off, reorganisation will be carried out pursuant to which Allied Cement will become the holding company of Splendid Link, which in turn holds the Cement Group. The Cement Group is engaged principally in the manufacture, sale and trading of cement and clinker in Shanghai and Shandong province in the PRC.

The Remaining Group, save for its holding in Allied Cement, will be engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management in the PRC upon completion of the Proposed Spin-off.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board believes that the Proposed Spin-off will be beneficial to and create value for the Company, the Cement Group, and the Shareholders for the following reasons:

- (i) the Proposed Spin-off will provide the 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 business of manufacture, sale and trading of cement and clinker from property development, investment 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 Remaining Group or 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 Remaining Group and 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 Allied Cement and provide investors, the market and rating agencies with greater clarity on the business as well as the respective financial status of the Remaining Group and Cement Group;
- (v) the Company intends to maintain not more than approximately 75% equity interest in Allied Cement. Accordingly, the Company will continue to benefit from any potential upside on the 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; and
- (vi) the net cash proceeds from the Share Offering will provide Allied Cement additional funding to repay shareholder's loan and working capital for its operation and trading activities.

#### **CONDITIONS PRECEDENT TO THE PROPOSED SPIN-OFF**

The Proposed Spin-off will be conditional on, among others, the followings:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, Allied Cement Shares in issue and to be issued under the Share Offering (including Allied Cement Shares to be issued upon the exercise of the share options that may be granted under the Allied Cement Share Option Scheme); and
- (ii) the terms and structure of the Share Offering being agreed among the Company, Allied Cement, Altus Capital Limited, the sponsor appointed and the underwriters to be appointed for the Share Offering.

#### **ASSURED ENTITLEMENTS AND FURTHER ANNOUNCEMENT**

In accordance with the requirements of Practice Note 15 of the Listing Rules, the Board will give due and careful consideration to the interests of the Qualifying Shareholders by providing them with assured entitlements to Allied Cement Shares by way of a preferential offering of Allied Cement Shares to be issued under the Share Offering if the Proposed Spin-off proceeds. Final terms of such assured entitlements to Allied Cement Shares have not yet been finalised and will be announced in due course, but in any event all Qualifying Shareholders will be treated equally.

## **PROPOSED ADOPTION OF THE ALLIED CEMENT SHARE OPTION SCHEME**

The board of directors of Allied Cement will propose to adopt the Allied Cement Share Option Scheme. The Allied Cement Share Option Scheme will be conditional upon, among others, the obtaining of the approval of the Shareholders under Chapter 17 of the Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, Allied Cement Shares which may be issued pursuant to the grant of share options under the Allied Cement Share Option Scheme; and will become effective upon commencement of dealings in Allied Cement Shares on the Main Board of the Stock Exchange.

### **LISTING RULE IMPLICATION**

The Proposed Spin-off, should it materialise, will constitute a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and a discloseable transaction for the Company under Chapter 14 of the Listing Rules, which will be 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.

A circular containing, among others, further details of the Allied Cement Share Option Scheme and a notice of an extraordinary general meeting to be convened by the Company to approve the Allied Cement Share Option Scheme will be despatched to the Shareholders in due course.

### **GENERAL**

The Group is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment and property management through the Remaining Group, as well as the manufacture, sale and trading of cement and clinker through the Cement Group in the PRC.

As of the date of this announcement, the Board has not yet finalised the date of listing of Allied Cement Shares. The decisions of the Board and the board of directors of Allied Cement to proceed with the Proposed Spin-off and the Share Offering are dependent upon, among others, market conditions during the period leading up to the proposed Share Offering. There is also no assurance that the Proposed Spin-off and the separate listing of, and the permission to deal in, Allied Cement Shares in issue and to be issued under the Share Offering (including Allied Cement Shares to be issued upon the exercise of the share options that may be granted under the Allied Cement Share Option Scheme) on the Main Board of the Stock Exchange will take place or as to when it may take place. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the Share Offering as and when appropriate. Any decision to apply for Allied Cement Shares under the Share Offering should be based solely on information provided in the prospectus to be issued by Allied Cement in connection therewith.

**Shareholders and potential investors should note that the Proposed Spin-off is subject to, among others, the final decisions of the Board and the board of directors of Allied Cement and the approval from the Stock Exchange, and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

“Allied Cement”	Allied Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 21st March, 2011
“Allied Cement Shares”	ordinary shares of par value of HK\$0.01 each in the share capital of Allied Cement
“Allied Cement Share Option Scheme”	the share option scheme proposed to be adopted by Allied Cement which will take effect subject to, among other things, the commencement of dealings in Allied Cement Shares on the Main Board of the Stock Exchange
“Board”	the board of Directors of the Company from time to time
“Cement Group”	Splendid Link and its subsidiaries, all being subsidiaries of the Company and engaged principally in the manufacture, sale and trading of cement and clinker in the PRC
“Company”	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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	Main Board of the Stock Exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the PRC

“Proposed Spin-off”	the proposed separate listing of Allied Cement Shares on the Main Board of the Stock Exchange
“Qualifying Shareholder(s)”	Shareholder(s) of the Company appearing on the register of members of the Company on such record date to be determined by the Company, who shall be entitled to subscribe for Allied Cement Shares on a preferential basis to be determined under the Share Offering, other than the Shareholders whose addresses on the register of members of the Company are outside Hong Kong on such record date
“Remaining Group”	the remaining subsidiaries of the Company excluding the Cement Group
“Share(s)”	ordinary share(s) of par value HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share Offering”	the proposed offer for subscription of Allied Cement Shares by the public in Hong Kong, the placing of Allied Cement Shares to certain professional, institutional and other investors and the potential offer for subscription of Allied Cement Shares by the Qualifying Shareholders in connection with the Proposed Spin-off
“Splendid Link”	Splendid Link Limited, a company incorporated in the British Virgin Islands with limited liability and the existing holding company of the Cement Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15th April, 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.*