
STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

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

A total of 133,650,000 Shares, representing an aggregate of 81.0% of the total number of the Offer Shares, will be offered under the Placing to professional, institutional and/or other investors in Hong Kong. A total of 31,350,000 Shares, representing 19.0% of the initial total number of the Offer Shares, will be offered under the Public Offer. The number of Shares to be offered under the Public Offer and the Placing are subject to reallocation as described below.

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 TA Shareholders under the Preferential Offering on an assured basis; (b) 1,485,000 Offer Shares will be offered as Employee Reserved Shares to the Eligible Employees on a preferential basis; and (c) 13,365,000 Offer Shares will be offered to the other public.

All Public Offer Shares are underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement. All Placing Shares will be underwritten by the Underwriter under the terms and conditions of the Underwriting Agreement.

Investors may apply for the Public Offer Shares under the Public Offer or indicate an interest for the Placing Shares under the Placing, but may not apply under both of these methods for the Offer Shares. In other words, investors may only receive Offer Shares under either the Placing or the Public Offer, but not under both of these methods. The Public Offer is open to members of the public in Hong Kong as well as to professional, institutional and/or other investors. The Placing will involve selective marketing of the Placing Shares to professional, institutional and/or other investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

PRICE PAYABLE ON APPLICATION

The Offer Price of HK\$1.00 per Share plus brokerage of 1.0%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%, in each case of the Offer Price, amounting to a total of HK\$3,030.24 per board lot of 3,000 Offer Shares, is payable in full on application.

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CONDITIONS OF THE SHARE OFFER

Acceptance of applications for the Offer Shares in the Share Offer is conditional upon, among other things:

- (a) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus (including the Offer Shares and any Shares, up to 10% of the issued share capital of our Company as of the Listing Date, which may be issued pursuant to the exercise of options which may be granted under the Share Option Scheme), and such listing and permission not subsequently being revoked prior to the commencement of dealings in the 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 agreement.

All conditions are expected to be satisfied or waived on or before the 30th day after the date of this prospectus (or such later date as our Company 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, 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 our Company in The Standard (in English) and the Hong Kong Economic Times (in Chinese) and on our website (www.alliedcement.com.hk) and the Stock Exchange's website (www.hkexnews.hk) on the next day following such lapse. In such event, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for the Public Offer Shares and Reserved Shares" in this prospectus.

In the meantime, all application monies will be held in one or more separate bank account(s) with the receiving banker or any other bank(s) in Hong Kong licenced under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

We expect to issue share certificates for the Offer Shares on Tuesday, 17 January 2012. However, these share certificates will only become valid certificates of title at 8:00 a.m. on the Listing Date provided that the Share Offer has become unconditional in all respects (including the right of termination as described in the section headed "Underwriting" in this prospectus not having been exercised) at any time prior to 8:00 a.m. on the Listing Date.

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THE PUBLIC OFFER

Number of Shares initially offered

Pursuant to the Public Offer, our Company is initially offering 31,350,000 new Shares, representing 19.0 % of the total number of Offer Shares initially available under the Share Offer, for subscription by way of a public offer to the public in Hong Kong at the Offer Price. Subject to reallocation as described in the paragraph headed “Reallocation of the Offer Shares between the Public Offer and the Placing” in this section, the Public Offer Shares will represent approximately 4.75% of our enlarged issued capital immediately upon completion of the Share Offer. All Public Offer Shares are underwritten by the Underwriter subject to the terms and conditions of the Underwriting Agreement and as described in the paragraph headed “Conditions of the Share Offer” in this section.

Allocation

Allocation of the Public Offer Shares to investors under the Public Offer will be based on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, involve balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

For allocation purposes only, the Public Offer Shares available under the Public Offer (assuming that there is no reallocation of Offer Shares between the Public Offer and the Placing) after deducting (a) the 16,500,000 Reserved Shares (as more particularly set out in the paragraph headed “The Preferential Offering” in this section), and (b) the 1,485,000 Employee Reserved Shares (as more particularly set out in the paragraph headed “Employee Preferential Offering” in this section) (after taking into account of any adjustment referred to below) will be divided equally into two pools: pool A and pool B, with any odd board lots being allocated to pool A. Accordingly, the maximum number of Public Offer Shares initially in pool A and pool B will be 6,684,000 Shares and 6,681,000 Shares respectively. The Public Offer Shares in pool A will be allocated on an equitable basis to successful applicants who have applied for Public Offer Shares with a total subscription price (excluding amounts of brokerage, SFC transaction levy and Stock Exchange trading fee) of HK\$5 million or less. The Public Offer Shares in pool B will be allocated on an equitable basis to successful applicants who have applied for Public Offer Shares with a total subscription price (excluding amounts of brokerage, SFC transaction levy and Stock Exchange trading fee) of more than HK\$5 million and up to the total value of pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Public Offer Shares in one pool (but not both pools) are under-subscribed, the surplus Public Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. For the purposes of this paragraph only, the “subscription price” for the Offer Shares means the price payable on application thereof. Applicants can only receive an allocation of Public Offer Shares from either pool A or pool B but not from both pools and may only apply for Public Offer Shares in either pool A or pool B. In addition, multiple applications or suspected multiple applications within either pool or between pools, and any application for more 50% of the Public Offer Shares in the Public Offer (after deducting (a) the 16,500,000 Reserved Share, and (b) the 1,485,000 Employee Reserved Shares), (that is 6,681,000 Public Offer Shares) are liable to be rejected.

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Applications

The Public Offer is open to all members of the public in Hong Kong. An applicant for Public Offer Shares under the Public Offer will be required to give an undertaking and confirmation in the relevant Application Forms submitted by him/her/it that he/she/it and any persons(s) for whose benefit he/she/it is making the application have not applied for or taken up or indicated an interest for or received or been placed or allocated (including conditionally and/or provisionally) and will not apply for or take up or indicate an interest for or receive or be placed or allocated any Placing Shares in the Placing, nor otherwise participate in the Placing, and such applicant's application is liable to be rejected if the said undertaking and confirmation is breached and/or found to be untrue (as the case may be). Our Directors, the Underwriter and us will take reasonable steps to identify and reject applications in the Public Offer from investors who have received Placing Shares in the Placing, and to identify and reject indications of interest in the Placing from investors who have received Public Offer Shares in the Public Offer. The Public Offer will be subject to the conditions stated in the paragraph headed "Conditions of the Share Offer" in this section.

THE PREFERENTIAL OFFERING

In order to enable shareholders of Tian An to participate in the Share Offer on a preferential basis as to allocation only, Qualifying TA Shareholders are being invited to apply for an aggregate of up to 16,500,000 Reserved Shares, representing 10.0% of the Offer Shares available under the Share Offer and 2.5% of the enlarged issued share capital of our Company upon completion of the Share Offer in the Preferential Offering, on the basis of an Assured Entitlement of one (1) Reserved Share for every integral multiple of forty nine (49) shares in Tian An held by them as at 5:00 p.m. on the Record Date. Allied Properties as a substantial shareholder of Tian An has waived its entitlements under the Preferential Offering. Fractional shareholders will not be entitled to apply for any Reserved Share. The Reserved Shares are being offered out of the Offer Shares, offered under the Public Offer and any Reserved Shares not taken up will first be allocated to satisfy the excess applications for Reserved Shares from other Qualifying TA Shareholders on a fair and reasonable basis and thereafter will be reallocated to the Public Offer as described in the paragraph headed "Reallocation of the Offer Shares between the Public Offer and the Placing" in this section.

The Reserved Shares are not available to Autobest Holdings, the Directors or chief executive of our Company or their respective associates or any other connected persons of our Company or persons who will become connected persons of our Company immediately upon completion of the Share Offer.

The Assured Entitlements may represent Shares which are not in a multiple of a full board lot of 3,000 Shares. Dealings in odd lots of Shares may be at or below their prevailing market price.

A **BLUE** Application Form is being despatched to each Qualifying TA Shareholder together with this prospectus. Qualifying TA Shareholders are permitted to apply for a number of Reserved Shares which is greater than, equal to or less than their Assured Entitlements under the Preferential Offering. A valid application in respect of a number of Reserved Shares equal to or less than a Qualifying TA Shareholder's Assured Entitlement will be accepted in full, subject to the terms and conditions set forth in the **BLUE** Application Forms. If an application is made for a number of Reserved Shares greater than the Assured Entitlement of a Qualifying TA Shareholder, the Assured Entitlement will be satisfied in full but the excess proportion of such application will only be met to the extent that there are sufficient

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available Reserved Shares resulting from other Qualifying TA Shareholders with an Assured Entitlement declining to take up all or some of their Assured Entitlements. Any Reserved Share not taken up by the Qualifying TA Shareholders will first be allocated to satisfy the excess applications for the Reserved Shares from other Qualifying TA Shareholders on a fair and reasonable basis and thereafter the Public Offer.

Holders of shares in Tian An with their shares held by a nominee company (including HKSCC Nominees) should note that the board of the directors of Tian An will regard the nominee company (including HKSCC Nominees) as a single Tian An shareholder according to the register of members of Tian An. Accordingly, holders of Tian An shares should note that the aforesaid arrangement in relation to the allocation of the excess Reserved Shares will not be extended to beneficial owners individually.

If an application is made for a number of Reserved Shares greater than or less than the Assured Entitlement of a Qualifying TA Shareholder, the applicant is recommended to apply for a number in one of the multiples of full board lots stated in the table of multiples and payments on the back page of the **BLUE** Application Form which also states the amount of remittance payable on application for each multiple of full board lot of Reserved Shares. If such applicant does not follow this recommendation when applying for greater than or less than the Assured Entitlement, he/she/it must calculate the correct amount of remittance payable on application for the number of Reserved Shares applied for by using the formula set out below the table of multiples and payments on the back page of the **BLUE** Application Form. Any application not accompanied by the correct amount of application monies will be treated as invalid in its entirety and no Reserved Share will be allotted to such applicant.

In addition to any application for the Reserved Shares on a **BLUE** Application Form, Qualifying TA Shareholders who have applied for Reserved Shares under the Preferential Offering on a **BLUE** Application Form, as a beneficial owner, will be entitled to make one application for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form. Qualifying TA Shareholders will receive no preference as to entitlement or allocation in respect of applications for Public Offer Shares made on **WHITE** or **YELLOW** Application Form.

Assured Entitlements of Qualifying TA Shareholders are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange. The Sole Bookrunner and the Sole Lead Manager has the authority to reallocate all or any of the Reserved Shares not taken up by the Qualifying TA Shareholders to the Public Offer in such proportions as it considers appropriate.

The procedures for application under, and the terms and conditions of, the Preferential Offering are set forth on the **BLUE** Application Form.

The documents to be issued in connection with the Share Offer (comprising this prospectus and the Application Forms) will not be registered or filed under any applicable security or equivalent legislation of any jurisdiction other than Hong Kong. Accordingly, no Reserved Share is being offered to Overseas TA Shareholders with registered addresses in Canada, Germany, Japan, Malaysia, the Philippines and the US under the Preferential Offering and no BLUE Application Form will be sent to such persons. Applications on BLUE Application Forms will not be accepted from Overseas TA Shareholders with registered addresses in Canada, Germany, Japan, Malaysia, the Philippines and the US or persons who are acting for the benefit of Overseas TA Shareholders with registered addresses in Canada, Germany, Japan, Malaysia, the Philippines and the US.

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EMPLOYEE PREFERENTIAL OFFERING

Up to 1,485,000 Employee Reserved Shares, representing approximately 0.90% of the Offer Shares available under the Share Offer and approximately 0.23% of the enlarged issued share capital of our Company upon completion of the Share Offer, which are not subject to reallocation to the Placing as described in the paragraph headed “Reallocation of the Offer Shares between the Public Offer and the Placing” in this section, are available for subscription by the Eligible Employee on a preferential basis. The 1,485,000 Employee Reserved Shares available for application by Eligible Employee on **PINK** Application Form will be allocated to such applicants on a pro-rata basis in proportion (as nearly as possible without involving fraction of a board lot) to the level of valid applications received from Eligible Employee, or balloted if there are insufficient Employee Reserved Shares available to **PINK** Application Form applicants. If balloting is conducted, the Eligible Employee may be allocated more Employee Reserved Shares than others who have applied for the same number of Employee Reserved Shares. The allocation of Employee Reserved Shares to Eligible Employee will in any event be made on an equitable basis and will not be based on seniority or length of service of the Eligible Employee. No favour will be given to the Eligible Employee who apply for a large number of Employee Reserved Shares. Any application made on a **PINK** Application Form for more than 1,485,000 Employee Reserved Shares will be rejected. Allocation of Public Offer Shares under the Employee Preferential Offering will be based on the allocation guidelines contained in Practice Note 20 to the Listing Rules.

In addition to any application for Employee Reserved Shares on a **PINK** Application Form, Eligible Employee will be entitled to apply for the Public Offer Shares on a **WHITE** or **YELLOW** Application Form.

As at the Latest Practicable Date, there was one (1) Eligible Employee.

In case not all the 1,485,000 Employee Reserved Shares are subscribed for by the Eligible Employee, the undersubscribed Employee Reserved Shares will be available as Public Offer Shares for subscription by the public under the Public Offer.

THE PLACING

Pursuant to the Placing, our Company is offering 133,650,000 Shares for subscription, representing 81% of the total number of Offer Shares available under the Share Offer and approximately 20.25% of the enlarged issued share capital of our Company upon completion of the Share Offer, for Subscription by way of Placing by the Underwriter on behalf of the Company in Hong Kong with professional, institutional and/or other investors at the Offer Price.

Allocation

It is expected that the Underwriter or selling agents nominated by it on behalf of our Company will conditionally place the Placing Shares at the Offer Price with professional, institutional and/or other investors in Hong Kong.

The Placing is subject to the same conditions stated in the paragraph headed “Conditions of the Share Offer” of this section. The total number of Placing Shares to be allotted and issued pursuant to the Placing may change as a result of any reallocation of unsubscribed Shares originally included in the Public Offer as described in the paragraph headed “Reallocation of the Offer Shares between the Public Offer and the Placing” in this section.

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Allocation of Placing Shares to investors pursuant to the Placing will be based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the Listing. Such allocation is generally intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base for the benefit of us and our Shareholders taken as a whole.

The Sole Bookrunner and the Sole Lead Manager may require any investor who has been offered Placing Shares under the Placing to provide sufficient information to the Sole Bookrunner and Sole Lead Manager so as to allow it to ensure that such investor is excluded from any applications for the Public Offer Shares under the Public Offer.

REALLOCATION OF THE OFFER SHARES BETWEEN THE PUBLIC OFFER AND THE PLACING

The allocation of the Public Offer Shares between (a) the Public Offer; and (b) the Preferential Offering is subject to adjustment. In the event there remains any Reserved Shares under the Preferential Offering not taken up by the Qualifying TA Shareholders after satisfying in full all the excess applications for the Reserved Shares from Qualifying TA Shareholders on a fair and reasonable basis, the remaining Reserved Shares will be reallocated to the Public Offer. Subject as mentioned below, no Reserved Shares will be reallocated from the Preferential Offering to the Placing.

In the event there remains any Employee Reserved Shares after satisfying in full all the excess application from the Eligible Employee, on a fair and reasonable basis, the remaining Employee Reserved Shares will be reallocated to the Public Offer. Subject as mentioned below, no Employee Reserved Shares will be reallocated from the Employee Preferential Offering to the Placing.

If the Public Offer Shares are not fully subscribed for, the Sole Bookrunner and the Sole Lead Manager has the authority (but not an obligation) to reallocate all or any of the unsubscribed Public Offer Shares originally included in the Public Offer to the Placing in such proportions as it deems appropriate. The Sole Bookrunner and the Sole Lead Manager may also, in respect of the Public Offer (including the Preferential Offering and the Employee Preferential Offering), give preference to topping up odd lots to whole board lots and/or reallocate odd lots of Public Offer Shares to the Placing at its absolute discretion. The number of Placing Shares available under the Placing will be correspondingly increased as a result of reallocation (if any) so described.

If the number of Shares validly applied for under the Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Shares available for subscription under the Public Offer, our Shares will be reallocated to the Public Offer from the Placing so that the total number of our Shares available under the Public Offer will be increased to 49,500,000 Shares (in the case of (i)), 66,000,000 Shares (in the case of (ii)) and 82,500,000 Shares (in the case of (iii)), respectively, representing 30%, 40% and 50%, respectively, of the total number of Shares available under the Share Offer. In addition, the Sole Bookrunner and Sole Lead Manager has the discretion to reallocate our Shares offered in the Placing to the Public Offer as it deems appropriate to satisfy valid applications under the Public Offer.