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Asia Cement (China) Holdings Corporation

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

On 8 January 2010, Nanchang Yadong entered into the Agreement with Fangda Special Steel whereby Nanchang Yadong agreed to purchase slag from Fangda Special Steel for a term commencing from 1 January 2010 and ending on 31 December 2010.

As Fangda Special Steel is a connected person of the Company, the Transactions constitute continuing connected transactions of the Company. Since the applicable ratios are, on an annual basis more than 0.1% but less than 2.5%, the Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE AGREEMENT

Date

8 January 2010

Parties

1. Nanchang Yadong, the purchaser
2. Fangda Special Steel, the seller

Duration

1 January 2010 to 31 December 2010

Transaction Nature

Purchases of slag by Nanchang Yadong from Fangda Special Steel.

Terms

Pursuant to the Agreement, Nanchang Yadong agreed to purchase 35,000 to 42,000 tonnes of slag per month from Fangda Special Steel. The terms were negotiated on the arm's length basis by Nanchang Yadong and Fangda Special Steel and on normal commercial terms in ordinary course of business of each party. The unit purchase price of slag under the Agreement will be determined comparable to the prevailing market price of slag per unit with 5% discount, which is no less favourable than that available to the Group from independent third parties suppliers. The Transactions will be settled by way of cash on a monthly basis.

Historical Transactions and Cap Amount

Nanchang Yadong has purchased slag from Fangda Special Steel since 1 January 2007. The aggregate purchases of slag by Nanchang Yadong from Fangda Special Steel for the financial year ended 31 December 2008 ("FY2008") and 11 months ended 30 November 2009 amounted to approximately RMB16,732,423 and RMB20,477,263 respectively. The historical cap in FY2008 and for the year ending 31 December 2009 ("FY 2009") was RMB20,217,600 and RMB25,000,000 respectively.

Annual Cap

The annual cap of the Transactions for the year ending 31 December 2010 ("FY 2010") will be approximately RMB31,000,000.

Basis for Annual Cap

The basis of annual cap is determined by reference to (i) the amounts of the relevant transactions between Nanchang Yadong and Fangda Special Steel in previous year; (ii) Nanchang Yadong's projected growth in its purchases of slag from Fangda Special Steel and (iii) the prevailing market price of slag.

The increase in annual cap amount for FY 2010 as compared to FY 2009 is mainly attributable to the expected increase of approximately 62% and 11% in price of slag from an average price of RMB37/ton in FY2008 and RMB54/ton in the period for the first 11 months in 2009 to approximately RMB60/ton in 2010 as there is the shortage in supply of slag in the market this year. Further, with the continued strong infrastructure investment in China, the Directors and the management expects an increase in the amount of slag to purchase due to the growth trend of the demand of Portland blast-furnace slag cement ("P.S cement") which mainly applied in infrastructure projects, given slag is one of major raw materials in the production of P.S cement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The reason for and the benefit to the Company in entering into the Agreement is that it allows the Group to secure a stable and consistent supply of slag for its cement plants at a reasonable price.

The Board (including the independent non-executive Directors) believes that the Transactions are on normal commercial terms and their terms and the annual cap referred to above are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Nanchang Yadong, an indirect non wholly-owned subsidiary of the Company, is owned as to 50% by Jiangxi Yadong, as to 25% by Oriental Holding and as to 25% by Fangda Special Steel. As Fangda Special Steel is a substantial shareholder of Nanchang Yadong, Fangda Special Steel is a connected person of the Company and the Transactions constitute continuing connected transactions of the Company under the Listing Rules.

Since the applicable percentage ratios are, on an annual basis, more than 0.1% but less than 2.5%, the Transactions are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is an investment holding company. The principal activities of its subsidiaries are manufacture and sale of cement, concrete and related products.

The principal activity of Nanchang Yadong is manufacture and sale of cement products.

The principal activity of Fangda Special Steel is production and sale of steel.

DEFINITIONS

“Agreement”	the slag purchase agreement dated 8 January 2010 entered into between Nanchang Yadong and Fangda Special Steel in relation to the Transactions
“Board”	the board of Directors
“Company”	Asia Cement (China) Holdings Corporation, a company incorporated in the Cayman Islands with limited liability, the share of which are listed on the Stock Exchange
“Directors”	the directors of the Company

“Fangda Special Steel”	Fangda Special Steel Technology Co., Ltd (formerly known as Nanchang Changli Iron & Steel Co., Ltd), whose A shares are listed on the Shanghai Stock Exchange. Fangda Special Steel holds a 25% equity interest in Nanchang Yadong
“Group”	the Company and its subsidiaries
“Jiangxi Yadong”	Jiangxi Ya Dong Cement Corporation Ltd, a Sino-foreign equity joint venture established in the PRC and a non wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Nanchang Yadong”	Nanchang Yadong Cement Co., Ltd, a Sino-foreign equity joint venture established in the PRC, which is owned as to 50% by Jiangxi Yadong, 25% by Oriental Holding and the remaining 25% by Fangda Special Steel
“Oriental Holding”	Oriental Holding Co., Ltd, a wholly-owned foreign enterprise established in the PRC and a non wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the purchase of slag by Nanchang Yadong from Fangda Special Steel as contemplated under the Agreement

By order of the Board
Asia Cement (China) Holdings Corporation
Mr. Hsu, Shu-tong
Chairman

Hong Kong, 14 January 2010

As at the date of this announcement, the executive Directors are Mr. CHANG Tsai-hsiung, Madam CHIANG SHAO Ruey-huey, Mr. CHANG Chen-kuen, Mr. LIN Seng-chang and Dr. WU Chung-lih, the non-executive Director and Chairman is Mr. HSU Shu-tong, the independent non-executive Directors are Mr. LIU Zhen-tao, Mr. LEI Qian-zhi, Mr. TSIM Tak-lung Dominic and Dr. WONG Ying-ho Kennedy.