

Contact: Phoebe Leung / Christine Chan / Vivian Cheung / Alfred Kwan
Tel : 28016239 (93393206 / 61739039 / 94430789 / 54078249)

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ASIA CEMENT (CHINA) AIMS TO BECOME CHENGDU'S CEMENT MARKET LEADER THROUGH A PROPOSED ACQUISITION

Asia Cement (China) Holdings Corporation (“Asia Cement (China)” or the “Company”, stock code: 743) together with its subsidiaries (the “Group”) announced its proposed acquisition of the entire equity interest in Sichuan Lanfeng Cement Co., Ltd. (“Sichuan Lanfeng”) for RMB1,000 million in order to further consolidate the Group's market position in the Sichuan region and enhance its overall market planning and competitiveness.

Sichuan Lanfeng is principally engaged in the business of manufacture and sale of cement, concrete and related products in Sichuan. Sichuan Lanfeng has two new dry process clinker production lines in Pengzhou City, Sichuan with annual production capacity of 5 million tons, and an 18 MW pure low temperature residue heat power generation system, as well as a dry mixed mortar production line with annual production capacity of 1.5 million tons.

Sichuan Yadong Cement Co., Ltd (“Sichuan Yadong”), a non wholly-owned subsidiary of Asia Cement (China), and Sichuan Lanfeng signed the formal sale and purchase agreement today and are expected to sign a handover agreement before the end of next month.

“Sichuan Yadong currently has three cement production lines with annual production of 2 million tonnes each, and annual cement production of 6 million tonnes. After the successful acquisition of Sichuan Lanfeng, the annual cement production of Sichuan Yadong will reach 11 million tonnes, which will enable it to achieve the largest market share in Chengdu City,” said Dr. Wu Chung-lih, Chief Executive Officer of Asia Cement (China).

“2014 is the year where China begins the deepening of its reforms. Various policy reforms will gradually be implemented, which will become a new driving force of the economy. On the front of cement industry reform, we will timely adjust our strategy according to market changes, and strive to increase sales volume in existing markets. The acquisition of Sichuan Lanfeng signifies a further

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step of Asia Cement (China) in the expansion of its existing scale of operation and efficiency,” Mr. Hsu Shu-tong, Chairman of Asia Cement (China) remarked.

Asia Cement (China) currently has a total of 13 dry-process cement production lines with an annual cement production of 30 million tonnes. After the completion of the acquisition of Sichuan Lanfeng, the production capacity will increase to 35 million tonnes. The Group plans to achieve the target of 40 million tonnes and 50 million tonnes of annual production capacity in 2015 and 2016 respectively.

About Asia Cement (China) Holdings Corporation

Asia Cement (China) is one of the major leading cement producers in the Central and downstream Yangtze River region and southwestern region, with major markets in Jiangxi, Hubei, Sichuan, and Yangzhou. It has also extended its market reach to Shanghai, Zhejiang, Fujian and Hunan. The Company’s vertical integration spans from the excavation of principal raw materials, to production, sale and distribution of clinker and different types of cement and RMC products through a well-established road and riverway transportation network to its principal markets. The Company’s shares became listed on the main board of the Stock Exchange of Hong Kong Limited on 20 May 2008.

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