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Asia Cement (China) Holdings Corporation

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

ANNOUNCEMENT OF DISCLOSEABLE TRANSACTION

On 14 August 2013, Asia Cement (China) Holdings Corporation (the “Company”), Far Eastern Polytex (Holding) Limited (“FEPHL”) and FEDS Development Ltd. (“FEDSD”) entered into the Investment Agreement, whereby the Parties agreed to invest in the Joint Venture Company for the purpose of developing the Land in Putong, Shanghai, PRC. The Investment Agreement is duly approved by the Board on 14 August 2013. Since the contribution by the Company exceeds 5% under the ratio tests defined under Rule 14.07(1) of the Listing Rules but less than 25%, the Investment Agreement is subject to reporting and announcement requirements under Rule 14.33 of the Listing Rules.

THE INVESTMENT AGREEMENT

Date

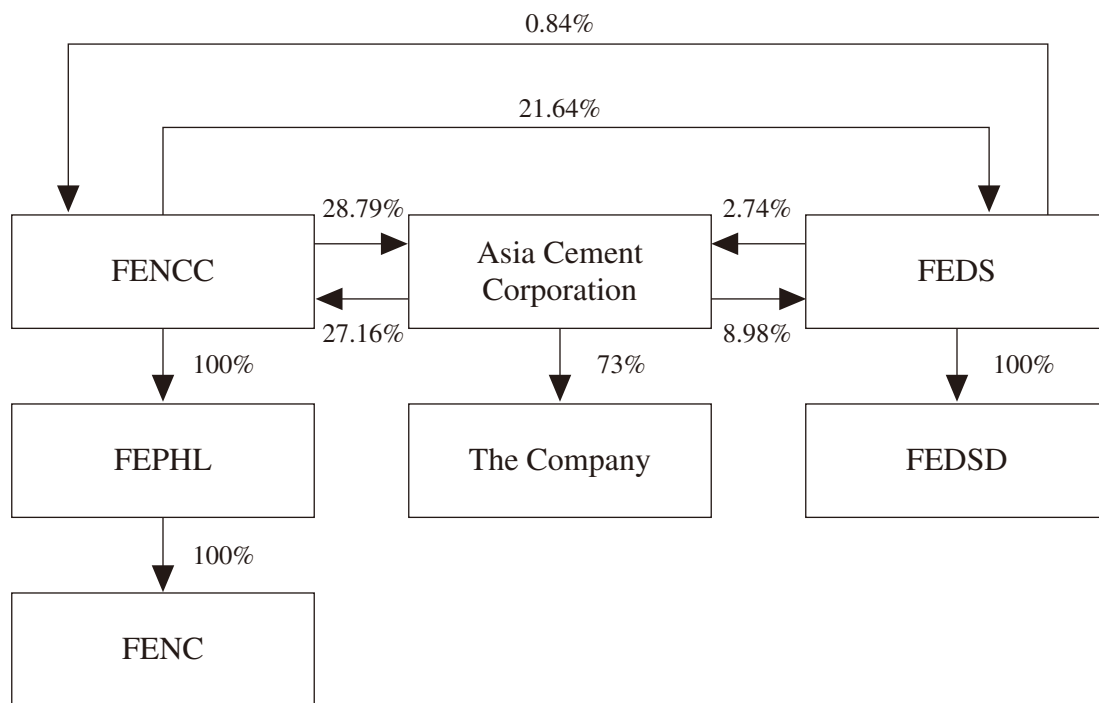
14 August 2013

Parties

1. The Company
2. FEPHL
3. FEDSD

The principal business activities of the Parties are investment holding.

Below is an abbreviated group structure chart setting forth the relationship of the Parties:



FEPHL is a limited liability company incorporated in Bermuda. As shown in the graph above, FENCC owns the entire equity interests in FEPHL. FENCC only owns 28.79% of equity interests in Asia Cement Corporation and does not exercise control over the Board composition of Asia Cement Corporation. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, FEPHL and its ultimate beneficial owners are not a connected person of the Company according to the Listing Rules.

FEDSD is a limited liability company incorporated in BVI. As shown in the graph above, FEDS owns the entire equity interests in FEDSD. FEDS only owns 2.74% of equity interests in Asia Cement Corporation and does not exercise control over the Board composition of Asia Cement Corporation. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, FEDSD and its ultimate beneficial owners are not a connected person of the Company according to the Listing Rules.

The Land

Lot number: A09B-02
 Area: 6100.4 square meters
 Term of land use rights: 50 years from 19 July 2013 to 18 July 2063

FENC obtained the land use rights of the Land in consideration of RMB978,000,000 on 9 May 2013 according to a land use right transfer agreement with SHGTJ. FENC has fully paid the said consideration on 21 June 2013.

Building

The Building to be constructed on the Land will have a construction area of 24,400 square meters (above the ground) and 10,680 square meters (underground), with relevant height restriction of 60 meters. The construction of the Building will be financed by the Joint Venture Company.

Details of Investment

The aggregate investment amount is RMB1,400,000,000. If the Company needs to inject further capital into the Joint Venture Company, the Company will seek applicable consents (if any) and make further announcements (if any) pursuant to the Listing Rules from time to time.

The Parties shall contribute the investment amounts into the Joint Venture Company in the proportion of 40%, 40% and 20% by way of shareholders' loan or equity. The respective investment amounts of the parties are shown below:

FEPHL:	RMB560,000,000
The Company:	RMB560,000,000
FEDSD:	RMB280,000,000

The terms (including the investment amount) of the Investment Agreement were determined after arm's length negotiations among the Parties.

Timetable of the Contribution into the Joint Venture Company

The Parties shall inject capital to the Joint Venture Company in accordance with the following timetable, under which the proportion of their respective equity interests in the Joint Venture Company shall eventually correspond with the proportion of their respective investment amounts as stated above.

1. Incorporation stage

FENC shall be responsible for the incorporation of the Joint Venture Company. The registered capital shall be RMB6,000,000, payable by FENC. Upon capital verification and incorporation, FENCC shall disclose to Taiwan Investment Commission for such capital contribution in PRC.

2. First stage of capital contribution

FENCC shall apply to Taiwan Investment Commission for capital contribution of RMB494,000,000 into the Joint Venture Company during the above disclosure. After procuring a permit from Taiwan Investment Commission, the Joint Venture Company shall apply to the relevant PRC authorities for an increase of its registered capital to RMB500,000,000. FENC shall be responsible for the capital contribution at this stage.

3. Second stage of capital contribution

After the Joint Venture Company has procured a construction permit in respect of the Building, Asia Cement Corporation and FEDS shall apply to Taiwan Investment Commission in respect of their capital contributions to the Joint Venture Company in the amounts of RMB500,000,000 and RMB250,000,000. After (i) procuring a permit from Taiwan Investment Commission and (ii) the construction progress of the Building attains 25%, the Joint Venture Company shall apply to the relevant PRC authorities for an increase of its registered capital to RMB1,250,000,000. Upon the completion of their capital contributions, the Company (or its subsidiary nominated by the Company), FENC and FEDSD shall own the equity interests in the Joint Venture Company in the proportion of 40%, 40% and 20% as stated above.

REASONS AND BENEFITS OF THE INVESTMENT AGREEMENT

The Land is situated at the Pudong area in Shanghai, PRC, and is recognized by Shanghai government as a focused development area. As a result of the investment, the Company will have its own office in the long run rather than paying rent to third parties. The Board is of the view that the terms of the Investment Agreement are fair and reasonable and in the interests of the shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in relation to the Investment Agreement exceeds 5% but is less than 25%, the contribution by the Company under the Investment Agreement constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements pursuant to Rule 14.33 of the Listing Rules.

DEFINITION

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Asia Cement Corporation”	Asia Cement Corporation, a company incorporated in Taiwan with limited liability under the company law of Taiwan with its shares listed on Taiwan Stock Exchange;
“Board”	the board of Directors;
“Building”	the building to be constructed on the Land by the Joint Venture Company;
“BVI”	the British Virgin Islands;
“Company”	Asia Cement (China) Holdings Corporation, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 743), the non-wholly owned subsidiary of Asia Cement Corporation;

“connected person”	has the meaning ascribed to this term under the Listing Rules;
“Directors”	directors of the Company from time to time;
“FEDS”	Far Eastern Department Stores Ltd., a company incorporated in Taiwan with limited liability under the company law of Taiwan with its shares listed on the Taiwan Stock Exchange;
“FEDSD”	FEDS Development Ltd, a limited liability company incorporated in BVI, the wholly-owned subsidiary of FEDS;
“FENC”	Far Eastern New Century (China) Investment Limited, a company incorporated under the laws of PRC, the wholly-owned subsidiary of FEPHL;
“FENCC”	Far Eastern New Century Corporation, a company incorporated in Taiwan with limited liability under the company law of Taiwan with its shares listed on the Taiwan Stock Exchange;
“FEPHL”	Far Eastern Polytex (Holding) Limited, a limited liability company incorporated in Bermuda, the wholly-owned subsidiary of FENCC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Investment Agreement”	an investment agreement dated 14 August 2013 entered into among the parties regarding the investment to the Joint Venture Company;
“Joint Venture Company”	Yuan Ding Enterprise (Shanghai) Limited, a limited liability company to be incorporated under the laws of PRC;
“Land”	the land and all the rights attached thereto with lot number A09B-02 in Putong, Shanghai, PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Parties”	FEPHL, the Company and FEDSD;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholder(s)”	holder(s) of the share(s) of HK\$0.1 each in the share capital of the Company;
“SHGTJ”	Shanghai Gui Tu Ju, the urban planning and state-owned land management bureau of Shanghai, PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taiwan Investment Commission”	the Investment Commission of the Ministry of Economic Affairs of Taiwan;
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation; and
“%”	Percent

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

Hong Kong, 14 August 2013

As at the date of this announcement, the executive Directors are Mr. CHANG Tsai-hsiung, Dr. WU Chung-lih, Madam CHIANG SHAO Ruey-huey, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang, 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.