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Asia Cement (China) Holdings Corporation
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 743)

**FRAMEWORK AGREEMENT
IN RESPECT OF THE PROPOSED ACQUISITION**

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

The Board announces that on 6 May 2010, Hubei Yadong, a non wholly-owned subsidiary of the Company, entered into the legally-binding Framework Agreement with the Potential Sellers and the Target Company in relation to the Proposed Acquisition which is subject to the execution of the Formal Documentations. **As the Formal Documentations in respect of the Proposed Acquisition may or may not be entered into, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Documentations, if it materializes, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Proposed Acquisition proceed, a further announcement will be made by the Company in compliance with the Listing Rules.

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

MAJOR TERMS OF THE FRAMEWORK AGREEMENT

The Board is pleased to announce that on 6 May 2010, Hubei Yadong, a non wholly-owned subsidiary of the Company, entered into the legally-binding Framework Agreement with the Potential Sellers and the Target Company in relation to the proposed acquisition of 70% equity interest in Wuhan Xinlingyun Cement Co., Ltd* (武漢鑫凌雲水泥有限公司).

The major terms of the Framework Agreement are as follows:

Date	:	6 May 2010
Parties	:	
(1) Potential Sellers	:	30 individuals (including Mr. Cheng) together holding 100% equity interest of the Target Company
(2) Purchaser	:	Hubei Yadong
(3) Target Company	:	Wuhan Xinlingyun Cement Co., Ltd* (武漢鑫凌雲水泥有限公司)
Validity	:	From 6 May 2010 to 9 October 2010, renewable by mutual agreement between the Potential Sellers and the Purchaser before the expiry of the Framework Agreement.
Possible consideration	:	The possible consideration for the Proposed Acquisition is RMB236.6 million, which is payable by installments and subject to further negotiation between the parties. The amount stated above is adjustable by 70% of any change in the net asset value of the Target Company during the period from 31 October 2009 to the date of registration of the change in equity holding of the Target Company with the relevant branch of the Administration for Industry and Commerce in the PRC following completion of the Proposed Acquisition.
Deposit	:	The Purchaser (or its authorised person) shall pay a deposit of RMB20 million (“Deposit”) to a designated bank account within 10 business days from the date of the Framework Agreement. If the Potential Sellers and the Purchaser proceed to enter into the Formal Documentations, the Potential Sellers shall refund the Deposit to the Purchaser within 5 business days upon receipt of the first installment of the possible consideration mentioned above.
Due diligence	:	The Purchaser will conduct a due diligence exercise against the Potential Sellers and the Target Company upon the execution of the Framework Agreement and a confidentiality agreement with the Target Company.
Pre-acquisition restructuring	:	Upon receipt of the Deposit, the Potential Sellers shall simplify the current shareholding structure of the Target Company to the effect that the Target Company will be owned 100% by Mr. Cheng and two other shareholders.

Formal Documentations : Subject to satisfactory due diligence results and mutual agreement on all terms of the Proposed Acquisition, the parties aim to execute the Formal Documentations by 30 June 2010.

Governing law : The laws and regulations of the PRC.

REASONS FOR THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition of the plant with a clinker production line located in Wuhan City, Hubei will accelerate the Company's capacity expansion plan in the Central Yangtze River Region and enable the Company to increase its market shares in Wuhan cement market.

INFORMATION ON THE PARTIES TO THE PROPOSED ACQUISITION AND THE COMPANY

The Potential Sellers are PRC individuals who together hold 100% equity interest in the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Potential Sellers are independent third parties being independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Purchaser is a non wholly-owned subsidiary of the Company whose principal activities are manufacture and sale of cement products, clinker, blast-furnace slag powder and related products.

The Target Company is a company established in the PRC whose principal activities are manufacture and sales of cement, concrete and related products in Wuhan in the PRC.

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

GENERAL

The terms of the Framework Agreement are legally binding on the Potential Sellers, the Purchaser and the Target Company and the Proposed Acquisition is subject to the execution of the Formal Documentations. To ensure the Proposed Acquisition is in the interests of the Company and its Shareholders, the Board would consider the terms of the Proposed Acquisition carefully, including the amount of consideration with reference to the cost and valuation amount of the Target Company. **As the Formal Documentations in respect of the Proposed Acquisition may or may not be entered into, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Documentation, if it materializes, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Proposed Acquisition proceed, a further announcement will be made by the Company in compliance with the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Asia Cement (China) Holdings Corporation
“Directors”	the directors of the Company
“Formal Documentations”	the joint venture agreement and other transactional documents relating to the Proposed Acquisition, including the equity transfer agreement, articles of association of the Target Company, the ancillary services agreement and other related agreements
“Framework Agreement”	the framework agreement entered into between the Potential Sellers, the Purchaser and the Target Company on 6 May 2010
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cheng”	Cheng Zhi Qiang* (程志強), a PRC resident and one of the Potential Sellers
“Potential Sellers”	30 individuals (including Mr. Cheng) together holding 100% equity interest of the Target Company
“PRC”	the People’s Republic of China
“Proposed Acquisition”	the proposed acquisition of 70% equity interest in the Target Company which is subject to the terms of the Framework Agreement and the Formal Documentations
“Purchaser” or “Hubei Yadong”	Hubei Yadong Cement Co., Ltd* (湖北亞東水泥有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wuhan Xinlingyun Cement Co., Ltd* (武漢鑫凌雲水泥有限公司)

* For identification purpose only.

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

Hong Kong, 6 May 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.