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Asia Cement (China) Holdings Corporation

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

FRAMEWORK AGREEMENT FOR POSSIBLE ACQUISITION

The Board is pleased to announce that on 3 April, 2014 (after trading hours), Sichuan Yadong Cement Co., Ltd (“**Sichuan Yadong**”), a non wholly-owned subsidiary of Asia Cement (China) Holdings Corporation (the “**Company**”), and the existing shareholders of Sichuan Lanfeng Cement Co., Ltd entered into the Framework Agreement, pursuant to which Sichuan Yadong intended to acquire 100% equity interest in Sichuan Lanfeng Cement Co., Ltd.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 3 April, 2014 (after trading hours), Sichuan Yadong, a non wholly-owned subsidiary of the Company, entered into a framework agreement (the “**Framework Agreement**”) with the existing shareholders (the “**Potential Sellers**”) of Sichuan Lanfeng Cement Co., Ltd (四川蘭豐水泥有限公司) (“**Sichuan Lanfeng**”), pursuant to which the Sellers intended to sell and Sichuan Yadong intended to acquire their entire equity interest (the “**Possible Acquisition**”) in Sichuan Lanfeng and thus indirectly the entire equity interest in Sichuan Lanfeng’s wholly-owned subsidiary, Sichuan Lanfeng Building Materials Co., Ltd (四川蘭豐建材有限公司) (the “**Target Companies**”).

FRAMEWORK AGREEMENT

Date:

3 April 2014

Parties:

- (i) Sichuan Yadong; and
- (ii) the Potential Sellers, who, to the best knowledge of the directors of the Company having made all reasonable enquiries, are independent third parties of the Company.

Information on the Target Companies

The Target Companies principally engage in the business of manufacture and sale of cement, concrete and related products in Sichuan in the People's Republic of China ("PRC"). The Target Companies operate a cement plant located in Pengzhou City, Sichuan which comprises two new dry process clinker production lines with total annual cement production capacity of 5 million tons.

TERMS OF THE FRAMEWORK AGREEMENT

The key terms of the Framework Agreement in relation to the Possible Acquisition (which is subject to the entering into of a formal sale and purchase agreement and a handover agreement (the "Formal Documentations") by the Parties) are as follows:–

1. The Potential Sellers agreed to transfer their entire equity interest in the Target Companies to Sichuan Yadong. After the transfer of the equity interest from the Potential Sellers, Sichuan Yadong will hold 100% equity interest in the Target Companies.
2. Sichuan Yadong and the Potential Sellers agreed to appoint a third party accounting firm to carry out asset valuation of the Target Companies, by reference to which the consideration for 100% equity interest in the Target Companies will be negotiated by the Parties.
3. The Parties agreed that the consideration for 100% equity interest in the Target Companies will be calculated based on the following formula:

Consideration = [(the total of non-current assets and prepayments to be converted to non-current assets (i.e. Renminbi 2.005 billion)) x 100% + (current assets as at 30 April 2014 + retained profits for the first 4 months in the year of 2014 – total liabilities as at 30 April 2014) x 100%] of the Target Companies

4. Sichuan Yadong agreed to pay a deposit of RMB200,000,000 to the Potential Sellers on the following day after the signing of the Framework Agreement. Payment of consideration for the Possible Acquisition (deducting the deposit) will be made subject to the signing of a formal sale and purchase agreement and the satisfaction of certain conditions stipulated in the Framework Agreement.
5. The Parties agreed that the new board members, supervisors and senior management of Sichuan Lanfeng to be appointed after the Potential Acquisition will be nominated by Sichuan Yadong.
6. The Parties agreed to further negotiate on terms of the Formal Documentations and expected to sign the formal sale and purchase agreement before 16 April 2014 and the handover agreement before 31 May 2014.

The Board believes that entering into the Framework Agreement to acquire the entire equity interest of the Target Companies, which actively participate in the cement and related products business in Sichuan Province of PRC, would help to speed up the development and expansion of the Company's cement business and enhance its competitiveness and market share in the cement sector in PRC. The Board also believes that the entering into the Framework Agreement is in the best interests of the Company and its shareholders as a whole.

The terms of the Framework Agreement are legally binding on the Potential Sellers and Sichuan Yadong and the Possible Acquisition is subject to the execution of the Formal Documentations. To ensure the Possible Acquisition is in the interests of the Company and its shareholders, the Board would consider the terms of the Possible Acquisition carefully, including the amount of consideration with reference to the cost and valuation amount of the Target Companies. **Although the Parties expect to sign and execute the Formal Documentations before end of May 2014, it is still possible that the Formal Documentations will not be entered into and the Possible Acquisition will not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.**

The entering into of the Formal Documentations, if materializes, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Should the Possible Acquisition proceed, a further announcement will be made by the Company in compliance with the Listing Rules.

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

Hong Kong, 3 April 2014

As at the date hereof, the Board comprises six executive directors, namely Mr. CHANG Tsai-hsiung (Vice Chairman); Dr. WU Chung-lih (Chief Executive Officer); Madam CHIANG SHAO Ruey-huey; Mr. CHANG Chen-kuen; Mr. LIN Seng-chang and Mr. HSU Shu-ping; one non-executive director, namely Mr. HSU Shu-tong (Chairman); and four independent non-executive directors, namely Mr. LIU Zhen-tao; Mr. LEI Qian-zhi; Mr. TSIM Tak-lung Dominic and Dr. WONG Ying-ho Kennedy.