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## **Asia Cement (China) Holdings Corporation**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 743)**

### **CONTINUING CONNECTED TRANSACTIONS SALE OF CEMENT TO ASIA CEMENT CORPORATION**

The Board is pleased to announce that on 30 April 2015, Jiangxi Yadong, a subsidiary of the Company, entered into the Sale and Purchase Agreement with Asia Cement Corporation pursuant to which Jiangxi Yadong has agreed to sell and Asia Cement Corporation has agreed to buy ordinary Portland cement in bulk.

As at the date of this announcement, Asia Cement Corporation holds approximately 73% of the entire issued share capital of the Company and thus is a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions under the Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions contemplated under the Sale and Purchase Agreement, on an annual basis, is less than 5%, the Sale and Purchase Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent shareholders' approval requirements.

#### **INTRODUCTION**

The board of directors (the “**Board**”) of Asia Cement (China) Holdings Corporation, (the “**Company**”) is pleased to announce that on 30 April 2015, Jiangxi Yadong Cement Co., Ltd. (“**Jiangxi Yadong**”), a subsidiary of the Company, entered into the Sale and Purchase Agreement with Asia Cement Corporation (the “**Buyer**”) pursuant to which Jiangxi Yadong has agreed to sell and Asia Cement Corporation has agreed to buy ordinary Portland cement in bulk.

## **MAJOR TERMS OF THE SALE AND PURCHASE AGREEMENT**

### **Date:**

30 April 2015

### **Parties:**

Seller: Jiangxi Yadong

Buyer: Asia Cement Corporation

### **Term:**

The Sale and Purchase Agreement shall come into effect on and from 30 April 2015, and shall be valid until 31 December 2015.

### **Quantity of cement to be supplied and delivery schedule:**

Jiangxi Yadong shall supply to Asia Cement Corporation 360,000 metric tonnes to 440,000 metric tonnes of cement for the period from 1 May 2015 to 31 December 2015.

### **Price and Payment Term:**

Pursuant to the Sale and Purchase Agreement, Jiangxi Yadong has agreed to sell and Asia Cement Corporation has agreed to buy ordinary Portland cement at the actual transaction unit price per metric tonnes which is equivalent to the Buyer's selling price to its customers after deducting US\$1 (representing the Buyer's operating charge) but in any event within the range of US\$45 to US\$47 metric ton (after deduction of the Buyer's operating charge), for loading at the Taizhou Port, Jiangsu Province, the People's Republic of China (the "**PRC**").

Such unit price was determined by the parties at arm's length with reference to and based on the market price of ordinary Portland cement.

Asia Cement Corporation shall make full payment within 7 working days of receipt of invoice after completion of loading against the bill of lading date.

### **ANNUAL CAPS**

It is expected that the sale of cement under the Sale and Purchase Agreement for the period from 1 January 2015 to 31 December 2015 (the "**Annual Caps**") will not be more than US\$20,680,000. The Annual Caps are calculated based on the maximum quantity of cement to be purchased by Asia Cement Corporation (440,000 metric tonnes from the period of 1 May 2015 to 31 December 2015) and the maximum unit price (US\$47 per metric tonne) under the Sale and Purchase Agreement.

## **INFORMATION ON JIANGXI YADONG AND ASIA CEMENT CORPORATION**

Jiangxi Yadong is a company established in the PRC with limited liability. The Company holds 94.99% equity interest in Jiangxi Yadong and thus, Jiangxi Yadong is a subsidiary of the Company. Jiangxi Yadong is principally engaged in manufacturing and sales of cement products, clinker, blast-furnace slag powder and related products.

Asia Cement Corporation is a company incorporated in Taiwan with limited liability under the company law of Taiwan with its shares listed on the Taiwan Stock Exchange. Asia Cement Corporation is principally engaged in the production and sales of cement, concrete and related products through self-built of production line and diversified investment.

The principal activity of the Company is investment holding. The Group's principal business activities are manufacture and sales of cement, concrete and related products. There were no significant changes in the nature of the Group's principal activities during the year.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

The directors of the Company (the “**Directors**”) decided to supply cement to Asia Cement Corporation as they consider Asia Cement Corporation as a valuable purchaser of the Group in light of the latter's wealth of experience in exporting cement in Taiwan – its total export in cement in 2014 reached approximately 2.1 million tons – and its loyal and stable client base.

As the Group's principal business is the manufacture and sale of cement, the Directors believe that supplying cement through its subsidiary to Asia Cement Corporation will allow the Group to receive a steady, reliable and relatively large income.

Further, in light of the considerable cement export price at the moment, the Directors are of the view that selling cement to overseas markets in the off-season at such fair export price will not only effectively alleviate the pressure on the Group's stock of cement but will also enable the Group to gain a satisfactory profit.

Having considered the above reasons and taking into account that the selling prices of the cement and the terms under the Sale and Purchase Agreement are determined with reference to the market price and the Company's previous similar transactions with other independent third parties, the Board (including the independent non-executive Directors) is of the view that the Sale and Purchase Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company; the transactions contemplated thereunder have been negotiated on an arm's length basis; and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Asia Cement Corporation holds approximately 73% of the entire issued share capital of the Company and thus is a connected person of the Company as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Accordingly, the transactions under the Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the transactions contemplated under the Sale and Purchase Agreement, on an annual basis, is less than 5%, the Sale and Purchase Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent shareholders’ approval requirements.

Save for Mr. Hsu, Shu-tong, Mr. Hsu, Shu-ping, Mr. Chang, Tsai-hsiung and Mr. Chang Chen-kuen who also serve as board members of Asia Cement Corporation, all of the Directors have confirmed that none of them has any material interest in the Sale and Purchase Agreement; and therefore no Director (except Mr. Hsu, Shu-tong, Mr. Hsu, Shu-ping, Mr. Chang, Tsai-hsiung and Mr. Chang Chen-kuen) is required to abstain from voting at the meeting of the Board to approve the Sale and Purchase Agreement.

By Order of the Board  
**Asia Cement (China) Holdings Corporation**  
**Mr. HSU, Shu-tong**  
*Chairman*

Hong Kong, 30 April 2015

*As at the date of this announcement, the executive Directors are Mr. HSU Shu-ping, Mr. CHANG Tsai-hsiung, Dr. WU Chung-lih, Madam CHIANG SHAO Ruey-huey, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang and the non-executive Director and Chairman is Mr. HSU Shu-tong, the independent non-executive Directors are Mr. TSIM Tak-lung Dominic, Dr. WONG Ying-ho Kennedy, Mr. WANG Wei and Mr. LEE Kao-chao.*