PRESS RELEASE

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ASIA CEMENT (CHINA) POSTED ANNUAL REVENUE OF RMB6.68 BILLION

Asia Cement (China) Holdings Corporation ("Asia Cement (China)" or the "Company", stock code: 743) together with its subsidiaries (the "Group") reported a consolidated revenue and profit attributable to owners of the Company of RMB6,684,149,000 (2011: RMB8,206,833,000) and RMB395,123,000 (2011: RMB1,340,836,000) for the year ended 31 December 2012 (the "Year") respectively. Basic earnings per share for the Year were RMB0.25 (2011: RMB0.86). The adjustment in earnings performance was mainly attributable to economic slowdown in China and lower selling price as a result of overcapacity in the cement industry.

The Board of the Company recommends the payment of a final dividend of RMB0.10 per share for the year ended 31 December 2012 (2011: RMB0.17), representing a payout ratio of 40%.

During the year under review, the Group's 11 kilns were in full operation, producing 17,773,000 tonnes of clinker and 24,845,000 tonnes of cement (including slag powder). The Group's clinker production volume for the year rose by 3% year-on-year and ranked the 13th in China. The Group's total sales volume during the year under review amounted to 24,752,000 tonnes, including 22,708,000 tonnes of cement, as well as 1,173,000 tonnes of clinker and 871,000 tonnes of slag powder. The total sales volume increased by 3% from that of the previous year. The Group's overall operating rate and capacity utilization rate reached almost 90% and 120% respectively, which were far ahead of its peers.

Among the Group's major regional markets, the Nanchang-Jiujiang region of Jiangxi reported a sales volume of 3.8 million tonnes, accounting for 31% of market share; Wuhan of Hubei reported a sales volume of 5 million tonnes and a market share of 27%; Chengdu of Sichuan reported a sales volume of 4.9 million tonnes and a market share of 21%; and Yangzhou of Jiangsu reported a sales volume of 2 million tonnes and a market share of 30%.

However, new production capacity unleashed in the Group's operating areas in the mid and downstream regions of Yangtze River and Sichuan region. Moreover, decline in product price as a result of price competition had significantly trimmed the industry profits when compared to that of 2011. Nevertheless, the Group increased its production volume through improved production process and better management. The gross profit and profit margin were maintained at satisfactory level when compared with other industry players, amounting to RMB1,121,968,000 and 17% respectively.

The Group will speed up the construction of Jiangxi Yadong No. 5 and No. 6 new dry process rotary kilns, which are expected to be completed and commence operation in 2013. By then, the Group's annual production capacity will reach 30,000,000 tonnes. The Group will also step up merger and acquisition activities, in order to achieve the target annual production capacity of 50,000,000 tonnes so as to become one of the top 10 cement producers. The Group also plans to enter Northern China and other potential markets such as Western China, and will push ahead with the construction plan of Hebei Yadong No. 1 and No. 2 kilns, and Hubei Yadong No. 3 kiln and Huanggang Yadong No. 2 kiln, in order to tap into the northern and western markets and extend the influence of the Group beyond the middle and lower reaches of the Yangtze River. The Group also plans to build grinding stations / transfer stations along the Yangtze River. Such stations will be built in close proximity to markets to reduce transportation costs, and expand sales coverage to increase profits.

“2013 is the year where China’s new leadership begins. Besides reinforcing various economic measures, the new government will also actively carry out more reforms after it came to power. In December 2012, the Central Economic Work Conference proposed to adjust macroeconomic measures to promote sustainable and healthy development of the economy; strengthen agricultural development; actively and steadily push ahead with urbanization, as well as strive to improve the quality of urbanization. As such, more resources will be allocated to fixed asset investment, affordable housing construction and transport infrastructure construction. Small and medium-sized cities and rural areas will have vast potential for development. These provide strong support for cement demand,” said Mr. Hsu Shu-tong, Chairman of Asia Cement (China).

On the other hand, the Ministry of Industry required each province and city to report the plan for eliminating obsolete cement capacity in 2013. It is expected that the amount to be eliminated will exceed 200 million tonnes, which may partly help relieve the problem of overcapacity. Besides elimination of obsolete capacity, the government will actively push ahead with energy saving and emission reduction as well as structural adjustment, and promote mergers and acquisitions of large-scale enterprises, which are all beneficial to the long-term development of the cement industry.

About Asia Cement (China) Holdings Corporation

Asia Cement (China) Holdings Corporation is one of the leading integrated cement producers in the Central Yangtze River region (which includes the provinces of Jiangxi and Hubei) and a major integrated cement producer in Sichuan Province. The Group’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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