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ALLIED CEMENT HOLDINGS LIMITED **聯合水泥控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by Allied Cement Holdings Limited (the “Company”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In the Company’s profit warning announcement dated 22nd June, 2012 and the interim report for the six months ended 30th June, 2012, it was disclosed that the Company and its subsidiaries (collectively the “Group”) recorded a significant decrease in profit for the six months ended 30th June, 2012 as compared to that for the same period of 2011. The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the factors, as disclosed in such announcement and interim report, causing profit reduction in the first half have continued to exist in the second half of 2012. With the overall market selling prices of cement products having significantly declined in 2012 as compared with 2011, the average selling prices of cement products from the Group’s manufacture and sales operations in Shandong province were impacted. Moreover, it is expected that the provision for doubtful debts would increase as a result of the uncertainty in the recoverability of certain trade receivables relating to the Group’s Shanghai operations. Therefore, it is estimated that the financial performance and profits of the Group for the year ended 31st December, 2012 will show a significant decrease as compared to that for the year ended 31st December, 2011.

As announced on 3rd October, 2012, the Group may potentially enjoy a tax concession on the use of compensation funds granted under the vacation of the Shanghai plant of the Group (details of which were set out in the announcement and circular of the Company dated 3rd October, 2012 and 15th November, 2012 respectively). The management attempts its best endeavour to apply to the relevant tax authority for the potential tax concession, and the outcome is yet to be advised. Such tax benefit, if successfully applied for and depending on the tax authority’s decision and its timing, may or may not have a positive impact in the profit for the year ended 31st December, 2012 or the years after. No account has been taken of any such positive impact in the present profit estimation for 2012. The management will update the Shareholders once advice is received from the relevant tax authority.

The information contained in this announcement is only based on the Board's preliminary assessment in accordance with the unaudited consolidated management accounts of the Group and other information currently available to the Company and is not based on any financial data or information that has been audited or reviewed by the Company's auditor. Details of the financial data to be disclosed in the Company's annual report for the year ended 31st December, 2012 shall prevail.

In the meantime, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Allied Cement Holdings Limited
Li Chi Kong
Executive Director

Hong Kong, 10th January, 2013

As at the date of this announcement, the Board comprises Mr. Ng Qing Hai (Managing Director), Mr. Li Chi Kong and Mr. Yu Zhong being the Executive Directors; and Mr. Chan Sze Chung, Mr. Cheng Kin Chung and Ms. Doris Yang Yan Tung being the Independent Non-Executive Directors.