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If you have sold or transferred all your shares in Allied Cement Holdings Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)****MAJOR TRANSACTIONS****PURCHASES OF EQUIPMENT AND MACHINERIES**

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DEFINITIONS

In this circular, the following expressions have the meanings correspondingly ascribed below unless the context otherwise requires:

“AII-Shanghai”	AII-Shanghai Inc., a company incorporated in the British Virgin Islands with limited liability and whose issued share capital is indirectly held as to 83.33% by the Company
“Allied Wangchao”	Shandong Allied Wangchao Cement Limited (山東聯合王晁水泥有限公司), a company incorporated in the PRC with limited liability and whose entire equity interest is indirectly wholly-owned by the Company, which carries out the Group’s operations in Shandong province
“Announcement”	the announcement of the Company dated 3rd October, 2012 in respect of, inter alia, the Purchase Agreement I, Purchase Agreement II and Purchase Agreement III
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Main Board (Stock Code: 56 and Warrant Code: 1183), is a substantial shareholder of the Company through its interests in TACI
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Autobest Holdings”	Autobest Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company holding 75% shareholding interest in the Company, which is a direct wholly-owned subsidiary of TACI
“Bailonggang Project”	the development project of new cement production facilities at Bailonggang (白龍港), Pudong, Shanghai, the PRC
“Board”	the board of directors of the Company
“Chengdu Leejun”	成都利君實業股份有限公司 (Chengdu Leejun Industrial Co., Ltd.*), a company incorporated in the PRC and an Independent Third Party
“Company”	Allied Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board
“connected person(s)”	having the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Cooperation Agreement”	《關於建設「白龍港項目」合作協議》 (Bailonggang Project Construction Cooperation Agreement*) dated 13th February, 2012 entered into between Shanghai Building Material and Shanghai SAC with respect to the development of Bailonggang Project
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	person(s) or company(ies) which is(are) not connected person(s) of the Company and its connected persons
“JV Announcement”	the announcement of the Company dated 15th February, 2012 in respect of, among other things, the entering into of the Cooperation Agreement and the JV Principle Agreement for the Bailonggang Project
“JV Circular”	the circular of the Company dated 16th March, 2012 in respect of, among other things, the entering into of the Cooperation Agreement and the JV Principle Agreement for the Bailonggang Project
“JV Company”	a joint venture company to be established as a limited liability company in the PRC by Shanghai Building Material and Shanghai SAC
“JV Principle Agreement”	《關於設立合資公司(原則)協議》 (Principle Agreement for the Establishment of the JV Company*) dated 13th February, 2012 entered into between Shanghai Building Material and Shanghai SAC setting out the principle and principal terms of the JV Company
“Latest Practicable Date”	12th November, 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loesche Shanghai”	萊歇研磨機械製造(上海)有限公司 (Loesche (Shanghai) Co., Ltd.*), a company incorporated in the PRC and an Independent Third Party

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“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange
“Major Purchase Agreements”	the Purchase Agreement II and Purchase Agreement III
“Major Transactions”	the Purchase II and Purchase III
“Notice”	《關於企業政策性搬遷或處置收入有關企業所得稅處理問題的通知》 (“Notice on Relevant Issues Concerning the Enterprise Income Tax on Income from Enterprise Policy-based Relocation or Disposal”*) by the State Administration of Taxation
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China, for the purpose of this circular only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China
“PRC Administrative Announcement”	《企業政策性搬遷所得稅管理辦法》的公告 (Announcement of “Administrative Measures on Income Tax of Enterprises from Policy-based Relocation”*) by the State Administration of Taxation
“Premises Vacation”	the vacation of the Shanghai plant of the Group in Xuhui District (徐滙區), Shanghai as part of city planning and to facilitate the organization of the World Expo 2010 in Shanghai, and for which site relocation compensation agreement was entered into between Shanghai SAC and the Shanghai government authority for land resumption on 27th November, 2009
“Prospectus”	the prospectus of the Company dated 30th December, 2011
“Purchase I”	the purchase of certain equipment and machineries by Shanghai SAC pursuant to the Purchase Agreement I
“Purchase II”	the purchase of certain equipment and machineries by Shanghai SAC pursuant to the Purchase Agreement II
“Purchase III”	the purchase of certain equipment and machineries by Shanghai SAC pursuant to the Purchase Agreement III

DEFINITIONS

“Purchase Agreement I”	the purchase agreement dated 28th September, 2012 (as amended and supplemented by a supplemental agreement signed on 28th September, 2012 by the same parties) entered into between Shanghai SAC as purchaser and Chengdu Leejun as supplier pursuant to which Shanghai SAC has agreed to purchase certain equipment and machineries from Chengdu Leejun
“Purchase Agreement II”	the purchase agreement dated 28th September, 2012 (as amended and supplemented by a supplemental agreement signed on 28th September, 2012 by the same parties) entered into between Shanghai SAC as purchaser and Loesche Shanghai as supplier pursuant to which Shanghai SAC has agreed to purchase certain equipment and machineries from Loesche Shanghai
“Purchase Agreement III”	the purchase agreement dated 28th September, 2012 (as amended and supplemented by a supplemental agreement signed on 28th September, 2012 by the same parties) entered into between Shanghai SAC as purchaser and Sinoma Technology as supplier pursuant to which Shanghai SAC has agreed to purchase certain equipment and machineries from Sinoma Technology
“Purchase Agreements”	the Purchase Agreement I, Purchase Agreement II and Purchase Agreement III
“Purchases”	the Purchase I, Purchase II and Purchase III
“RMB”	Renminbi, the lawful currency of the PRC
“SAC Holdings”	Shanghai Allied Cement Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Splendid Link
“SAC Intellectual”	SAC Intellectual Properties Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Splendid Link
“SAC Investments”	SAC Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shandong SAC”	Shandong Shanghai Allied Cement Co., Ltd. (山東上聯水泥發展有限公司), a company incorporated in the PRC with limited liability and whose entire equity interest is indirectly wholly-owned by the Company, which carries out the Group’s operations in Shandong province
“Shanghai Building Material”	上海建築材料(集團)總公司 (Shanghai Building Material (Group) General Company*), a state-owned enterprise holding 40% equity interest in Shanghai SAC
“Shanghai SAC”	上海聯合水泥有限公司 (Shanghai Allied Cement Co., Ltd.*), a company incorporated in the PRC with limited liability and whose equity interest is held as to 60% by AII-Shanghai and as to 40% by Shanghai Building Material
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sinoma Technology”	中材裝備集團有限公司 (Sinoma Technology & Equipment Group Co. Ltd.*), a company incorporated in the PRC and an Independent Third Party
“Splendid Link”	Splendid Link Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunwealth Holdings”	Sunwealth Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of TACI
“TACI”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (Stock Code: 28) and indirectly owns 75% shareholding interest in the Company
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

* for identification purpose only

For the purpose of this circular, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.81. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Ng Qing Hai (*Managing Director*)

Li Chi Kong

Yu Zhong

Independent Non-Executive Directors:

Chan Sze Chung

Cheng Kin Chung

Doris Yang Yan Tung

Registered Office:

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

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business:*

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Wanchai

Hong Kong

15th November, 2012

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

PURCHASES OF EQUIPMENT AND MACHINERIES

INTRODUCTION

On 3rd October, 2012, the Company announced that Shanghai SAC, whose equity interest is held as to 60% by AII-Shanghai whose issued share capital is in turn indirectly held as to 83.33% by the Company, has on 28th September, 2012 entered into the Purchase Agreement I, Purchase Agreement II and Purchase Agreement III for the purchases of certain equipment and machineries under the Purchase I, Purchase II and Purchase III at the consideration of RMB42.00 million (equivalent to approximately HK\$51.85 million), RMB103.00 million (equivalent to approximately HK\$127.16 million) and RMB235.00 million (equivalent to approximately HK\$290.12 million) respectively.

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As stated in the Announcement, the Purchase I constitutes a discloseable transaction of the Company, while each of the Purchase II and Purchase III constitutes a major transaction for the Company and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Major Transactions, and as the Company has obtained a written Shareholder's approval of the Major Transactions from Autobest Holdings, which from the date of the Purchase Agreements to the Latest Practicable Date, directly holds 495,000,000 Shares, representing 75% of the entire issued share capital of the Company, pursuant to Rule 14.44 of the Listing Rules, the Company is not required to convene a general meeting for approving the Major Transactions.

The purpose of this circular is to provide you with, among other things, further details of the Major Transactions and such other information as required pursuant to the Listing Rules.

MAJOR TRANSACTIONS

Purchase Agreement II

1. Date and parties

Date : 28th September, 2012

Purchaser : Shanghai SAC

Supplier : Loesche Shanghai

As at the Latest Practicable Date, based on the information and confirmation provided by Loesche Shanghai, and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Loesche Shanghai and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

2. Equipment and machineries to be purchased

Pursuant to the Purchase Agreement II, Shanghai SAC has agreed to purchase three sets of the cement vertical mill from Loesche Shanghai, which are used for the grinding of cement.

3. Conditions precedent

The Purchase Agreement II shall become effective upon (i) Loesche Shanghai having received 16% of the total consideration, being the first payment; and (ii) the Company having complied with the relevant requirements of the Listing Rules and obtained approval from the Shareholder in respect of the Purchase Agreement II.

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4. *Consideration*

The total consideration under the Purchase Agreement II shall be RMB103.00 million (equivalent to approximately HK\$127.16 million), and has been or shall be paid by Shanghai SAC in cash according to the following schedule:

- (i) 16% of the total consideration, being RMB16.48 million (equivalent to approximately HK\$20.35 million), has been paid on 29th September, 2012;
- (ii) 14% of the total consideration, being RMB14.42 million (equivalent to approximately HK\$17.80 million), shall be paid upon Shanghai SAC giving notification to Loesche Shanghai for commencement of the manufacture of the mills;
- (iii) 30% of the total consideration, being RMB30.90 million (equivalent to approximately HK\$38.15 million), shall be paid within the fourth month after the commencement of the manufacture of the mills; and
- (iv) 40% of the total consideration, being RMB41.20 million (equivalent to approximately HK\$50.86 million), shall be paid after the completion of the manufacture of the mills, and inspection and acceptance on the same by Shanghai SAC.

At the time of the last payment of the total consideration, Loesche Shanghai shall provide a bank guarantee in the amount of 10% of the total consideration of the Purchase Agreement II as product warranty. The warranty period shall expire on the earlier of the twelfth month after the confirmation on inspection and acceptance of the mills or the eighteenth month after the delivery of the mills by Loesche Shanghai.

Shanghai SAC will only give notification to Loesche Shanghai for commencement of the manufacture of the mills under the Purchase Agreement II after ascertaining the receipt of the relevant approvals of the Bailonggang Project from the relevant government authorities. The total consideration of Purchase Agreement II may be adjusted after the Bailonggang Project is approved. Shanghai SAC and Loesche Shanghai may adjust the total consideration of the Purchase Agreement II with reference to the price obtained through bidding or comparison of quotation. The adjusted consideration is expected to reflect the prevailing market price of equipment and machineries of similar functions and capabilities available on the market at the time after the Bailonggang Project is approved with discount (if any) agreed with the supplier on arm's length negotiation. If the adjustment to the total consideration is material, the Company will re-comply with the reporting, announcement, circular and Shareholders' approval requirements in accordance with Chapter 14 of the Listing Rules.

The total consideration under the Purchase Agreement II was arrived at after arm's length negotiations between Shanghai SAC and Loesche Shanghai on normal commercial terms with reference to the then market price of a cement vertical mill of similar functions and capabilities available on the market at the time of entering into of the Purchase Agreement II and on a

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discount of 25% on the market price, subject to adjustment as mentioned above. The Board believes that the participation as an equipment supplier to the Group in the Bailonggang Project may provide that supplier with opportunities to develop potential business arrangements with other cement companies in the PRC, and may potentially strengthen its market presence and increase its market share in the PRC, therefore the terms and conditions of the Purchase II (including the discount) are fair and reasonable. The Board would like to draw the attention of the Shareholders to the fact that if the total consideration of the Purchase Agreement II is adjusted in the manner set out above, Shanghai SAC may or may not be able to obtain any discount or the same level of discount on the Purchase II.

5. *Delivery terms*

Pursuant to the Purchase Agreement II, the manufacture of the cement vertical mills by Loesche Shanghai will commence after the receipt of one month's prior written notification from Shanghai SAC and the delivery of the three sets of the cement vertical mill by Loesche Shanghai shall take place within ten months after its commencement of manufacture.

Purchase Agreement III

1. *Date and parties*

Date : 28th September, 2012

Purchaser : Shanghai SAC

Supplier : Sinoma Technology

As at the Latest Practicable Date, based on the information and confirmation provided by Sinoma Technology, and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Sinoma Technology and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

2. *Equipment and machineries to be purchased*

Pursuant to the Purchase Agreement III, Shanghai SAC has agreed to purchase certain equipment and machineries from Sinoma Technology, which include two sets of each of the preheater, cooler, rotary kiln, coal vertical mill, kiln inlet collector, kiln head collector, coal mill collector, cement mill collector and clinker conveyer, as well as one set of each of the limestone piling machine, limestone taking machine, steel structure and sludge treatment equipment, which are used for, inter alia, calcination, cooling and transporting of clinker, collection of dust and powder, processing of limestone and sludge treatment.

3. *Conditions precedent*

The Purchase Agreement III shall become effective upon (i) Sinoma Technology having received 19% of the total consideration, being the first payment; and (ii) the Company having complied with the relevant requirements of the Listing Rules and obtained approval from the Shareholder in respect of the Purchase Agreement III.

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4. *Consideration*

The total consideration under the Purchase Agreement III shall be RMB235.00 million (equivalent to approximately HK\$290.12 million), and has been or shall be paid by Shanghai SAC in cash according to the following schedule:

- (i) 19% of the total consideration, being RMB44.65 million (equivalent to approximately HK\$55.12 million), has been paid on 8th October, 2012;
- (ii) 11% of the total consideration, being RMB25.85 million (equivalent to approximately HK\$31.91 million), shall be paid within one week after Shanghai SAC giving notification to Sinoma Technology for commencement of the manufacture of the equipment and machineries;
- (iii) 30% of the total consideration, being RMB70.50 million (equivalent to approximately HK\$87.04 million) shall be paid within ten days after the on-site receipt of the base part of the equipment and machineries;
- (iv) 30% of the total consideration, being RMB70.50 million (equivalent to approximately HK\$87.04 million), shall be paid before the delivery of the last batch of the equipment and machineries; and
- (v) 10% of the total consideration as product warranty, being RMB23.50 million (equivalent to approximately HK\$29.01 million), shall be paid within ten days after one year of production of the Bailonggang Project or eighteen months after the delivery of the equipment and machineries.

Shanghai SAC will only give notification to Sinoma Technology for commencement of the manufacture of the equipment and machineries under the Purchase Agreement III after ascertaining the receipt of the relevant approvals of the Bailonggang Project from the relevant government authorities. The total consideration of the Purchase Agreement III may be adjusted after the Bailonggang Project is approved. Shanghai SAC and Sinoma Technology may adjust the total consideration of the Purchase Agreement III with reference to the price obtained through bidding or comparison of quotation. The adjusted consideration is expected to reflect the prevailing market price of equipment and machineries of similar functions and capabilities available on the market at the time after the Bailonggang Project is approved with discount (if any) agreed with the supplier on arm's length negotiation. If the adjustment to the total consideration is material, the Company will re-comply with the reporting, announcement, circular and Shareholders' approval requirements in accordance with Chapter 14 of the Listing Rules.

The total consideration under the Purchase Agreement III was arrived at after arm's length negotiations between Shanghai SAC and Sinoma Technology on normal commercial terms with reference to the then market price of equipment and machineries of similar functions and capabilities available on the market at the time of entering into of the Purchase Agreement III.

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5. *Delivery terms*

Pursuant to the Purchase Agreement III, the manufacture of the equipment and machineries by Sinoma Technology will commence after the receipt of one month's prior written notification from Shanghai SAC and the delivery of all of the equipment and machineries by Sinoma Technology shall take place within six to eight months after its commencement of manufacture.

TERMINATION EVENTS OF THE MAJOR PURCHASE AGREEMENTS

Pursuant to the respective Major Purchase Agreements, in the event that the Bailonggang Project cannot proceed due to disapproval from the relevant government authorities or any event of force majeure, or parties to the respective Major Purchase Agreements fail to agree on further terms on the transaction such as final price or specification of the equipment and delivery time of the equipment and machineries, Shanghai SAC or each of the respective supplier of the Major Purchase Agreements is entitled to terminate the transaction pursuant to the respective Major Purchase Agreements without liabilities, and after termination, the suppliers shall refund the full amount of the deposit received (after deducting any tax-related expenses borne by the suppliers (if necessary)) to Shanghai SAC pursuant to the respective Major Purchase Agreements.

SOURCE OF FUNDING

The Major Transactions will be funded through internal resources of the Group (which mainly include the bank balances and cash reserves maintained by the Group as well as proceeds from the maturity of financial assets of the Group).

As at the Latest Practicable Date, Shanghai SAC has settled the respective first payments of the total consideration in an aggregate amount of RMB68.27 million (equivalent to approximately HK\$84.28 million) under the Purchase Agreements by using its bank balance and cash, and held financial assets with outstanding principal amounts of RMB393.00 million (equivalent to approximately HK\$485.19 million), the proceeds from which can be utilised to fund the commitments under the Purchase Agreements. These financial assets will become mature during the period ranging from February 2013 to July 2013 and are grouped into "financial assets designated as at fair value through profit or loss" or "other structured deposits" under the Group's consolidated financial statements according to the terms of the financial assets.

FINANCIAL EFFECTS OF THE MAJOR TRANSACTIONS

As the Major Transactions will be funded through internal resources of the Group, the Group's non-current assets are expected to increase by the amount of the total consideration of equipment and machineries under the Major Transactions while the Group's current assets will decrease by the same amount upon the completion of the Major Transactions. The total assets, net asset value and liabilities of the Group are expected to remain unchanged.

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The Major Transactions are not expected to result in any immediate impact to the earnings of the Group. However, the Group's financial income may be reduced because of its existing financial assets not having rolled over after their maturity in order to satisfy the capital commitment of the Group in respect of the Major Transactions.

Save as described above, the Major Transactions are not expected to have any material impact on the earnings, assets and liabilities of the Group.

As described in the section headed "Reasons for and Benefits of the Purchases" in this circular, Shanghai SAC may transfer, by way of disposal or otherwise, the assets purchased under the Purchase Agreements at cost or novate the rights and obligations of the Purchase Agreements at cost to the JV Company in accordance with the relevant PRC rules and regulations, or subject to the relevant PRC rules and regulations, may transfer such assets at cost by way of contribution in kind to satisfy its proportion of the registered capital of the JV Company after the JV Company is established. Since the aforesaid arrangements are expected to be based on cost, the total assets, net asset value and liabilities of the Group are expected to remain unchanged.

SELECTION OF SUPPLIERS

The Group selects its suppliers of equipment based on, inter alia, their reputation, track record, product price and technical advancement. After conducting market research and investigation on suppliers of equipment and machineries by Shanghai SAC, each of Loesche Shanghai and Sinoma Technology, the respective suppliers of the Major Purchase Agreements, are considered to be amongst the top-tier of equipment suppliers for the cement industry in the PRC which provides first-class products. Loesche Shanghai is a branch company of a multinational company originating in Germany providing advanced products, whose products are offered in a very competitive price on the market. On the other hand, Sinoma Technology can provide the Group with a whole value chain of cement equipment manufacturing services including equipment design, procurement and manufacturing, assembling, installing and testing services, which offers the Group customised equipment in a cost-effective manner. Certain cement production equipment and machineries of the Group located in Shandong province are also provided by Sinoma Technology. Moreover, after negotiations with potential suppliers, each of Loesche Shanghai and Sinoma Technology is able to offer Shanghai SAC more favourable conditions of cooperation and contract terms, thus Shanghai SAC decided to engage them in the provision of the equipment and machineries pursuant to the respective Major Purchase Agreements. For further information regarding Loesche Shanghai and Sinoma Technology, please refer to the paragraph headed "Information relating to Loesche Shanghai and Sinoma Technology" in this circular.

CHANGE OF THE NATIONAL TAX POLICY

Originally, pursuant to the Notice by the State Administration of Taxation, the policy-based relocation compensation fund granted to an enterprise is subject to tax after deducting the cost of replacement assets (including the new fixed assets and land use rights in the same or similar nature and functions as or to the one before the relocation, which are purchased or constructed by using the compensation fund).

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However, with the introduction of the PRC Administrative Announcement by the State Administration of Taxation which came into effect on 1st October, 2012, the cost of replacement assets is not deductible in calculating the taxable income of an enterprise, and the PRC Administrative Announcement is applicable to an enterprise since its effective date unless the enterprise has completed the relocation and conducted the tax treatment in accordance with the Notice before the effective year of the PRC Administrative Announcement. Therefore, comparing the treatment of the cost of replacement assets only, the enterprise will be subject to heavier tax as a result of higher taxable income under the change of the National tax policy.

As Shanghai SAC conducted the Purchases before 1st October, 2012, whether Shanghai SAC could enjoy the tax concessions pursuant to the Notice is, according to the advice of the Company's PRC legal advisers, subject to the interpretation and operation of the exemption condition set out above in the PRC Administrative Announcement which involves a degree of uncertainty and requires further direction or operational guidelines from the relevant tax government authorities. Therefore, the Board would like to draw to the attention of Shareholders that Shanghai SAC may or may not be able to enjoy the tax concessions under the Notice.

REASONS FOR AND BENEFITS OF THE PURCHASES

As disclosed in the JV Announcement and the JV Circular, the JV Company is to be established to operate and manage the Bailonggang Project. As at the Latest Practicable Date, the establishment of the JV Company and the Bailonggang Project were under the preparation progress and the approval process of the relevant government authorities, and as such, the JV Company is not in place to purchase the assets for the Bailonggang Project for the time being.

The management of the Group by reference to the current market value of those machineries believes that the market values of such machineries are now at a reasonable level. Further, in order to shorten the period for preparation of the factory, the entering into of the Purchase Agreements (including the Purchase Agreement I and the Major Purchase Agreements) will benefit in enabling an earlier production date for the Bailonggang Project.

In addition, in order for Shanghai SAC to potentially enjoy the tax concessions on the use of compensation funds granted under the Premises Vacation prior to the change of the National tax policy which came into effect on 1st October, 2012, the Company has agreed to procure Shanghai SAC to conduct the Purchases prior to the formation of the JV Company. The equipment and machineries under the Purchase Agreements were purchased for future use in the Bailonggang Project and the Company does not intend to retain such equipment and machineries for its own use. After the JV Company is established, Shanghai SAC may transfer, by way of disposal or otherwise, the assets purchased under the Purchase Agreements at cost or novate the rights and obligations of the Purchase Agreements at cost to the JV Company in accordance with the relevant PRC rules and regulations, or subject to the relevant PRC rules and regulations, may transfer such assets at cost by way of contribution in kind to satisfy its proportion of the registered capital of the JV Company, and which may constitute notifiable transaction(s) of the Company and the Company will comply with the relevant requirements of

LETTER FROM THE BOARD

the Listing Rules, if required. Subject to the actual approval progress of the relevant government authorities regarding the Bailonggang Project and the formation of the JV Company, it is currently expected that the assets purchased under the Purchase Agreements may be transferred, by way of disposal or otherwise, to the JV Company in the third quarter of 2013 after the Bailonggang Project is approved. As advised by the Company's PRC legal advisers, in the event that the assets purchased under the Purchase Agreements are transferred by the Group to the JV Company as contribution in kind, the subject assets shall be transferrable, free from encumbrances, measurable in monetary terms on fair valuation basis and necessary for the production of the JV Company, and shall only constitute up to 70% of the registered capital of the JV Company. Save for the above, the PRC legal advisers are not aware of any legal restrictions for the transfer of these assets, by way of disposal or otherwise, from the Group to the JV Company.

As each of the respective Purchase Agreements provides an exit to the Company to terminate the respective Purchase Agreements without incurring any liabilities if the approval for Bailonggang Project cannot be obtained from the relevant governmental authorities, the Company considers that the entering into of the Purchase Agreements could speed up the process of the construction and development of Bailonggang Project and on the other hand provides flexibility to the Company without incurring any liabilities if the Bailonggang Project is not able to proceed.

In view of the above, the Directors are of the view that the terms of the respective Purchase Agreements are on normal commercial terms and the Purchases are fair and reasonable, and in the interests of the Company and the Shareholders taken as a whole.

STATUS ABOUT THE BAILONGGANG PROJECT AND THE JV COMPANY

Following the Premises Vacation, a replacement site at Bailonggang, Pudong, Shanghai was proposed by the local government after various discussions with other relevant government authorities for construction of a new plant at the periphery of Shanghai Sewage Treatment Plant.

On 13th February, 2012, Shanghai SAC entered into the Cooperation Agreement and the JV Principle Agreement with Shanghai Building Material for the purpose of setting up the JV Company to operate and manage the Bailonggang Project, details of which have been set out in the JV Circular.

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Set forth below are the update on the approval progress of the principal approvals required to be obtained from the relevant government authorities to commence the Bailonggang Project and the expected time of receipt which is subject to, inter alia, the progress by the relevant government authorities:

<u>Approvals</u>	<u>Government Authorities</u>	<u>Obtained/Expected time of receipt</u>
Approval on the Environment Assessment Report (環境評估報告)	Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部)	Obtained
Approval on the Regulatory Plan (控制性詳細規劃)	Shanghai Municipal Bureau of Planning and Land Resources (上海市規劃和國土資源管理局)	Obtained
Site Selection Advice (項目選址意見書)	Shanghai Municipal Bureau of Planning and Land Resources (上海市規劃和國土資源管理局)	Obtained
Pre-approval Advice on the Use of Land (用地預審意見)	Shanghai Municipal Bureau of Planning and Land Resources (上海市規劃和國土資源管理局)	Obtained
Pre-approval Advice on the Use of Land (用地預審意見)	Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)	Fourth quarter of 2012
Approval on Project Application Report (項目申請報告)	Shanghai Municipal Development & Reform Commission (上海市發展和改革委員會)	Fourth quarter of 2012
Approval on Project Registering Report (項目申報報告)	National Development & Reform Commission (國家發展和改革委員會)	Fourth quarter of 2012

Note: The above list includes principal approvals for the Bailonggang Project only. Additional approvals may be required according to the actual situation of the Bailonggang Project.

LETTER FROM THE BOARD

INFORMATION RELATING TO THE GROUP

The Company and Shanghai SAC

The Company is a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange.

Shanghai SAC, whose equity interest is held as to 60% by AII-Shanghai whose issued share capital is in turn indirectly held as to 83.33% by the Company.

The Company is an investment holding company. The Group is engaged principally in the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services with operations in Shandong province and Shanghai in the PRC.

INFORMATION RELATING TO LOESCHE SHANGHAI AND SINOMA TECHNOLOGY

Loesche Shanghai

Loesche Shanghai is a company incorporated in the PRC with limited liability which is a branch company of Loesche, a multinational company originated from Germany. Loesche Shanghai is principally engaged in the manufacturing, sales and after-sales services of grinding machine.

Sinoma Technology

Sinoma Technology is a company incorporated in the PRC with limited liability which is a group company of China National Materials Group Co., Ltd., a state-owned enterprise. Sinoma Technology is principally engaged in the research, technique development, processing, manufacturing and supply of high-technology system and equipment for iron and steel, metallurgy, mining, electricity, coal, chemical, environmental protection and other industries.

LISTING RULES IMPLICATIONS

As disclosed in the Announcement, Shanghai SAC as purchaser entered into the respective Purchase Agreements with Chengdu Leejun, Loesche Shanghai and Sinoma Technology as suppliers on 28th September, 2012 for the purchases of certain equipment and machineries under the Purchase I, Purchase II and Purchase III respectively. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Chengdu Leejun, Loesche Shanghai and Sinoma Technology are parties independent of each other.

Each of the equipment and machineries procured under the respective Purchases are to fulfill the requirements of the production plans for the Bailonggang Project and are distinct, individual and can operate independently, such equipment and machineries will not be considered as forming part of one asset. The suppliers under the respective Purchase

LETTER FROM THE BOARD

Agreements are parties independent of each other, and negotiations and conclusions of the terms of the respective Purchase Agreements between the Group and the relevant suppliers were conducted separately and on an arm's length basis. There is no long term purchase contract or obligation between the Group and each of the suppliers and the Purchase Agreements are not inter-conditional on each other. In view of the above, the Company considers that the equipment and machineries purchased under the Purchase Agreements do not form part of one asset under Rule 14.23(3) of the Listing Rules.

As the applicable Percentage Ratio for the Purchase I is more than 5% but less than 25%, the Purchase I constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On the other hand, as the applicable Percentage Ratios for each of the Purchase II and Purchase III are more than 25% but less than 100%, each of the Purchase II and Purchase III constitutes a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and are therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Major Transactions may be obtained by written Shareholder's approval without the need of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Major Transactions; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of the Shareholders who together hold more than 50% in nominal value of the entire issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Major Transactions.

As at the Latest Practicable Date, Autobest Holdings directly holds 495,000,000 Shares, representing 75% of the entire issued share capital of the Company. To the best knowledge, information and belief of the Directors, each of Autobest Holdings and its associates (as defined in the Listing Rules) does not have any interest in the Major Transactions other than as a Shareholder (where applicable). No Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Major Transactions.

As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Major Transactions, and as the Company has obtained a written Shareholder's approval of the Major Transactions from Autobest Holdings on 28th September, 2012, pursuant to Rule 14.44 of the Listing Rules, the Company is not required to convene a general meeting for approving the Major Transactions.

RECOMMENDATION

The Major Transactions are on normal commercial terms and fair and reasonable, it is in the interests of the Company and the Shareholders as a whole. Given that Shareholders' approval is required for the Major Transactions, the Company has obtained a written approval

LETTER FROM THE BOARD

from Autobest Holdings representing 75% of the total voting rights of the Company under recommendation from the Directors. The Directors also recommend to other Shareholders to vote in favour of the Major Transactions should a general meeting be required to hold.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP INCORPORATED BY REFERENCE

The financial information of the Group (i) for the six months ended 30th June, 2012 has been disclosed on pages 5 to 26 of the interim report of the Company for the six months ended 30th June, 2012; (ii) for the year ended 31st December, 2011, including the notes thereto, has been disclosed on pages 47 to 115 of the annual report of the Company for the year ended 31st December, 2011; and (iii) for the two years ended 31st December, 2009 and 2010 have been published in “Accountants’ Report of the Company” set out in Appendix I to the Prospectus. All of the abovementioned interim report, annual report and Prospectus are available on the Company’s website at www.alliedcement.com.hk and the website of the Stock Exchange at www.hkexnews.hk.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30th September, 2012, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$111.7 million comprising secured bank loans of approximately HK\$29.5 million, unsecured bank loans of approximately HK\$80.4 million and unsecured borrowings of approximately HK\$1.8 million from non-controlling interests. The secured bank loans were secured by charges over the Group’s property, plant and equipment with carrying value of HK\$88.3 million together with prepaid lease payments on land use rights with carrying value of HK\$6.7 million.

In addition, there were contingent liabilities arising from litigation regarding proceedings relating to a former limestone excavation services provider of the Group. The construction and material supply costs and compensation claimed by the former services provider amounted to approximately HK\$8.6 million, out of which a total of approximately HK\$4.5 million were recognised as trade and other payables as at 30th September, 2012 in relation to the claim. Further particulars are set out in the section headed “Litigation” in Appendix II to this circular.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30th September, 2012.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any outstanding debt securities, mortgages, charges, debenture or other loan capital or bank overdrafts, loans or other similar indebtedness or hire purchase commitments, liabilities under acceptances or acceptances credits or any guarantees or other material contingent liabilities at the close of business on 30th September, 2012.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that after taking into account the capital requirement of the Major Transactions and the Group’s internal resources, cash flow from operations, advance from non-controlling interests and the available banking facilities, the Group will have sufficient working capital for its present requirements and for the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The financial performance and profits of the Group for the six months ended 30th June, 2012 showed a significant decrease as compared to the same period of last year. Despite the increase in sales volume during the six months ended 30th June, 2012, revenue decreased due to a decline in selling prices. As compared with the first half of 2011, the overall market selling prices of cement products have significantly declined in the same period of 2012. Inevitably, the average selling prices of cement products from the Group's manufacture and sales operations in Shandong province have also been impacted. The details were disclosed in the Company's announcement dated 22nd June, 2012 and the Company's interim report for the six months ended 30th June, 2012.

As at the Latest Practicable Date, save as disclosed above, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2011, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

The Group will continue to focus on the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services with operations in Shandong province and Shanghai in the PRC.

As compared with the first half of 2011, the overall market selling prices of cement products have significantly declined in the same period of 2012. Inevitably, the average selling prices of cement products from the Group's manufacture and sales operations in Shandong province have also been impacted. Despite the increase in sales volume during the first half of 2012, revenue of the Group decreased due to a decline in selling prices.

However, as urbanisation in the PRC still has a long way to go, and the construction of government-subsidised housing units has just started, along with the implementation of major national policies such as the development of Western China, the vitalisation of Central China, the South-North Water Transfer Project, the construction of high-speed rail, the development of water conservancy and the development of energy conservation and environmental protection, the construction of infrastructure in the PRC is expected to at least maintain a certain scale and it is highly unlikely that fixed asset investment will see a significant decline.

Following the above premises, market demand for cement is expected to maintain a steady growth after the notable slowdown in the first half of the year. In addition, the recent decisions for the mainland government to promote the growth of investment, to fine tune the economy and to attach more importance to stabilise economic growth are good reasons for re-creating the market demand for cement.

In view of the growing demand for cement in the PRC, the Group is optimistic about the growth prospects of cement manufacturing and trading in the PRC. Also, the Group is continuing to spend its best efforts in driving the Bailonggang Project.

As mentioned under the section headed “Reasons for and Benefits of the Purchases” in the Letter from the Board of this circular, the management of the Group by reference to the current market value of those machineries believes that the market values of such machineries are now at a reasonable level. Further, in order to shorten the period for preparation of the factory, the entering into of the Purchase Agreements (including the Purchase Agreement I and the Major Purchase Agreements) will benefit in enabling an earlier production date for the Bailonggang Project.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTEREST

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Ng Qing Hai is a non-executive director of TACI, which is interested in 75% of the entire issued share capital of the Company through Autobest Holdings. Therefore, TACI is deemed to be interested in the 495,000,000 Shares which Autobest Holdings is interested for the purpose of SFO; and
- (b) Mr. Li Chi Kong is an executive director of APL, which is interested in approximately 46.85% of the entire issued share capital of TACI through its direct and indirect wholly-owned subsidiaries, namely Fine Class Holdings Limited and China Elite Holdings Limited. Therefore, APL is also deemed to be interested in the 495,000,000 Shares which TACI is interested for the purpose of SFO, representing 75% shareholding interest in the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors (not being the Independent Non-Executive Directors) or their respective associates (as defined in the Listing Rules) was considered to have interests in any competing businesses of the Group pursuant to the Listing Rules.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31st December, 2011 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

6. LITIGATION

A former limestone excavation service provider (the "Former Contractor") initiated legal proceedings against Allied Wangchao and Shandong SAC, both wholly-owned subsidiaries of the Company, in November 2009 at Zaozhuang City Intermediate People's Court (棗莊市中級人民法院) for the failure of Allied Wangchao to settle service fees in respect of infrastructure at Langshan, Taierzhuang (台兒莊狼山礦區) and supply of limestone excavated from Langshan quarry in accordance with the contract entered into between Allied Wangchao and the Former Contractor on 6th September, 2004. Under this legal proceeding, the Former Contractor claimed for outstanding service fees for infrastructure of approximately RMB2.7 million and for excavation and supply of minerals of approximately RMB4.3 million, totaling approximately RMB7.0 million. In addition, the Former Contractor further claimed for damages of RMB1.4 million for alleged breach of contract. Allied Wangchao and Shandong SAC counterclaimed against the Former Contractor for the damages of approximately RMB2.8 million as compensation for the monetary losses caused by the Former Contractor's failure to provide Allied Wangchao the relevant invoices for claiming value added tax refund in the same year. On 5th July, 2010, the Zaozhuang City Intermediate People's Court (棗莊市中級人民法院) handed down a judgment in favour of the Former Contractor concluding that Allied Wangchao and Shandong SAC shall pay the Former Contractor a total sum of approximately RMB8.4 million. The Group appealed to a higher court and on 10th December, 2010, the Shandong Province High People's Court (山東省高級人民法院) set aside the judgment of the Zaozhuang City Intermediate People's Court (棗莊市中級人民法院) and remitted the case for re-trial. Three hearings have been conducted for re-trial for the period from 7th March, 2011 to 24th September, 2012. As at the Latest Practicable Date, the re-trial judgment was pending. The delivery of the retrial judgment is subject to the progress of the re-trial and further directions to be given by Zaozhuang City Intermediate People's Court (棗莊市中級人民法院).

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date and which are, or may be, material to the Group:

- (a) an agreement dated 20th December, 2010 entered into between Shanghai SAC and Allied Wangchao in relation to the sale of equipment, stock accessories and materials from Shanghai SAC to Allied Wangchao due to relocation of Shanghai SAC's plant at considerations of RMB5,164,300, RMB1,735,059.26 and RMB200,000 respectively, totaling RMB7,099,359.26;
- (b) a sale and purchase agreement dated 31st December, 2010 between SAC Investments and Splendid Link for the transfer of one share in SAC Intellectual from SAC Investments to Splendid Link at the consideration of US\$1;
- (c) an assignment of loan by way of deed dated 31st December, 2010 between SAC Investments and Splendid Link in relation to the assignment of a loan in the amount of HK\$2,192.2 owing from SAC Intellectual to SAC Investments at the consideration of HK\$2,192.2;
- (d) a sale and purchase agreement dated 31st December, 2010 between Sunwealth Holdings and Splendid Link for the transfer of 10,000,000 shares in SAC Holdings from Sunwealth Holdings to Splendid Link at the consideration of HK\$50,027,000;
- (e) a deed of reorganisation dated 20th December, 2011 entered into between the Company, Sunwealth Holdings and TACI, pursuant to which Sunwealth Holdings agreed to sell the one share in Splendid Link and the shareholder's loan in the total amount of HK\$227,305,017.43 owed by Splendid Link and its subsidiary, namely SAC Holdings, to the Company in consideration of the Company's allotting and issuing 494,999,999 Shares of HK\$0.01 each credited as fully paid at an issue price of HK\$1.00 per Share to Sunwealth Holdings or as it may direct (the "Deed of Reorganisation");
- (f) pursuant to terms and conditions of the Deed of Reorganisation, a deed of loan assignment dated 20th December, 2011 entered into between the Company, Sunwealth Holdings, Splendid Link and SAC Holdings in relation to the assignment of a loan in the amount of HK\$227,305,017.43 due from Splendid Link and SAC Holdings to Sunwealth Holdings;
- (g) a deed of non-competition dated 20th December, 2011 entered into between the Company and TACI;

- (h) a deed of indemnity dated 20th December, 2011 given by Autobest Holdings and TACI in favour of the Company;
- (i) the underwriting agreement dated 29th December, 2011 entered into, among others, the Company, the Executive Directors, Autobest Holdings, TACI and the underwriter with respect to the share offer of the Company, as referred in the Prospectus;
- (j) the Cooperation Agreement;
- (k) the JV Principle Agreement;
- (l) the Purchase Agreement I;
- (m) the Purchase Agreement II; and
- (n) the Purchase Agreement III.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Zhong Lun W&D Law Firm	Legal adviser to the Company as to the PRC laws

The letter, report and/or opinion from the above expert are given as of the date of this circular for incorporation in this circular. The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, report and/or opinion, as the case may be, and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, Zhong Lun W&D Law Firm:

- (a) did not have any direct or indirect interest in any assets which have since 31st December, 2011 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. GENERAL

- (a) The registered office of the Company is situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The head office and principal place of business of the Company is at 9th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.
- (b) The branch share registrar of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Ms. Wong Ka Hang, who is an associate of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Messrs. P. C. Woo & Co. at 12th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong during normal business hours on any business day from the date of this circular up to 14 days thereafter:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (c) the consent letter from Zhong Lun W&D Law Firm referred to in the paragraph headed "Expert and Consent" in this appendix; and
- (d) this circular.