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嘉新水泥（中國）控股股份有限公司*
Chia Hsin Cement Greater China Holding Corporation

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 0699.HK)

TERMINATION OF TRANSACTION

The Board announces that the Acquisition Agreement entered into between the Company and CHPL dated 12 September 2006 in relation to the acquisition by the Company of the entire issued share capital of Yonica (BVI) has been terminated.

Reference is made to the announcement of the Company dated 18 September 2006 and the circular of the Company dated 10 October 2006 (the “**Circular**”) regarding the Acquisition. Save as otherwise provided, terms used herein shall have the same meanings as the terms defined in the Circular.

The Board announces that the Acquisition Agreement entered into between the Company and CHPL dated 12 September 2006 in relation to acquisition by the Company of the entire issued share capital of Yonica (BVI) has been terminated.

Pursuant to the terms of the Acquisition Agreement, completion of the Acquisition Agreement is subject to the fulfilment of a number of conditions. As several of the conditions have not been satisfied by the Long Stop Date, 30 June 2007, the Acquisition Agreement has been terminated and ceases to be of any effect. Neither party is entitled to claim the other for any losses, damages and expenses as a result of the termination.

The Directors consider that the termination of the Acquisition Agreement will not have any material adverse impact on the Group’s financial position and operation.

By order of the Board of
Chia Hsin Cement Greater China Holding Corporation
WANG Chien Kuo, Robert
Chairman

Hong Kong, 3 July 2007

As at the date of this announcement, Mr. WANG Chien Kuo, Robert, Mr. LAN Jen Kuei, Konrad, Mr. CHANG Kang Lung, Jason and Ms. WANG Li Shin, Elizabeth are the executive Directors, Mr. CHANG An Ping, Nelson and Mr. FU Ching Chuan are the non-executive Directors and Mr. Davin A. MACKENZIE, Mr. ZHUGE Pei Zhi and Mr. WU Chun Ming are the independent non-executive Directors.

This statement is made by the orders of the board of directors of the Company. The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* For identification purpose only