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SHANGHAI ALLIED CEMENT LIMITED
上海聯合水泥股份有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1060)

FURTHER DELAY IN DESPATCH OF CIRCULAR

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by further extending the despatch date of the circular to no later than 30th June, 2008.

Reference is made to the announcement of Shanghai Allied Cement Limited (the “Company”) dated 18th September, 2007 (the “Announcement”) in relation to the conditional sale and purchase of the entire issued capital of Redstone Gold Limited, loan to Redstone Gold Limited, conditional placing of new shares and proposed grant of specific mandate to issue new shares and the announcement dated 9th October 2007 (the “Delay Announcement”) in relation to the delay in despatch of circular. Unless otherwise indicated, terms defined in the Announcement and the Delay Announcement have the same meanings when used in this announcement.

DELAY IN DESPATCH OF CIRCULAR

As stated in the Delay Announcement, a circular (the “Circular”) containing, amongst other things, details of the terms of the Agreement, the loan facility of HK\$50,000,000 made by the Company to Redstone, the conditional placing of new Shares, a technical report on the six gold mines operated by the Subsidiary from an independent internationally renowned technical adviser appointed by the Purchaser in accordance with Chapter 18 of the Listing Rules, and a notice to convene a special general meeting to approve the Agreement, the proposal for the

* *For identification purpose only*

grant of specific mandate to issue new Shares to satisfy the allotment and issue of the Consideration Shares and the Placing Shares, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. As stated in the Delay Announcement, the despatch date of the Circular has been extended to 29th February, 2008.

Since the publication of the Delay Announcement, the Company has engaged an independent internationally renowned minerals industry consultancy firm as technical advisor (the “Technical Advisor”) on 1 November 2007 to prepare the technical report to be included in the Circular. The Technical Advisor has reviewed preliminary information regarding the Target Mines as provided by Redstone since its appointment. Nonetheless, various project data and reports of the Target Mines including the geological report, the project feasibility report, and the project production plan and capital budget will have to be obtained from Redstone before the Technical Advisor can start with its investigation in respect of the Target Mines. As advised by Redstone, these various project data and reports are expected to be completed by the end of March 2008. Furthermore, a site visit to the Target Mines has been scheduled to be made by the Technical Advisor upon receipt of the various project data and reports.

Further, the Technical Advisor has indicated that it will take them at least a minimum of one month for the preparation of the technical report upon receipt of the project data and reports from Redstone.

The Company has also engaged an accountant to prepare the financial information (including the accountant’s report on the Redstone Group and the pro forma financial statement of the Group) to be included in the Circular. The accountant has already made a visit to the Target Mines and they are in the progress of gathering further relevant data from Redstone for the preparation of the Circular. The financial information to be included in the Circular is expected to be finalized in May 2008.

In this regard, it is expected to take a further three months to prepare the technical report in respect of the Target Mines and the financial information (including the accountant’s report on the Redstone Group and the pro forma financial statement of the Group) to be included in the Circular. A further one month will be required to finalize the information in the technical report and all the financial information in the Circular.

In light of the above, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by further extending the despatch date of the Circular to no later than 30th June, 2008.

As the Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

DIRECTORS

As at the date of this announcement, the Directors are:–

Executive Directors:

Mr. Ng Qing Hai (*President and Chief Executive Officer*), Dato' Wong Peng Chong (*Vice-President*), and Mr. Kong Muk Yin

Non-Executive Director:

Ms. Chong Sok Un

Independent Non-Executive Directors

Mr. Chen Ching, Mr. Jin Hui Zhi and Mr. Li Chak Hung

On behalf of the Board
Shanghai Allied Cement Limited
Dato' Wong Peng Chong
Vice President

Hong Kong, 27th February, 2008