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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and investors that the Group is expected to record losses for the six months ended 30 June 2008 compared to a profit recorded by the Group for the corresponding period ended 30 June 2007 mainly attributed to the increased finance cost and production cost, particularly the price of coal.

Shareholders and investors should exercise caution when dealing in the securities of the Company.

This announcement is made by Shanghai Allied Cement Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company (together with its subsidiaries, the “Group”) wishes to inform the shareholders of the Company and investors that the Group is expected to record losses for the six months ended 30 June 2008 compared to a profit recorded by the Group for the corresponding period ended 30 June 2007 mainly attributed to the increased finance cost and production cost, particularly the price of coal.

* For identification purpose only

This profit warning announcement is only based on the management accounts of the Company, which have not been confirmed or audited by the Company's auditors. Investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2008 which is expected to be released in the second half of September 2008.

By Order of the Board
Shanghai Allied Cement Limited
Dato' Wong Peng Chong
Vice-President

Hong Kong, 3rd September 2008

As at the date of this announcement, Mr. Ng Qing Hai (President and Chief Executive Officer), Dato' Wong Peng Chong (Vice President) and Mr. Kong Muk Yin, being the Executive Directors; Ms. Chong Sok Un, being the Non-Executive Director; and Mr. Chen Ching, Mr. Jin Hui Zhi and Mr. Li Chak Hung being the Independent Non-Executive Directors.