

CHINA ADVANCED CONSTRUCTION MATERIALS GROUP, INC

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 1, 2010 (February 24, 2010)**

**CHINA ADVANCED CONSTRUCTION MATERIALS
GROUP, INC.**

(Exact name of Registrant as specified in charter)

Delaware

(State or other jurisdiction of incorporation)

333-141568

(Commission File Number)

20-8468508

(IRS Employer Identification No.)

1515 Broadway, 11th Floor

New York, NY 10036

(Address of principal executive offices)

Registrant's telephone number, including area code: +86 **(10) 82525361**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act(17CFR230.425)
 - Soliciting material pursuant to Rule14a-12 under the Exchange Act (17CFR240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On February 24, 2010, China Advanced Construction Materials Group, Inc. (the “Company”) entered into an underwriting agreement (the “Underwriting Agreement”) with Roth Capital Partners, LLC (the “Underwriter”), related to a public offering of 2,000,000 shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), at a price of \$4.60 per share, less a 6% underwriting commission. Under the terms of the Underwriting Agreement, the Company has granted the Underwriter an option, exercisable for 30 days, to purchase up to an additional 300,000 shares of Common Stock to cover over-allotments, if any. The offering is being made pursuant to the Company’s effective registration statement on Form S-3, as amended and supplemented (Registration Statement No. 333-164048), filed with the Securities and Exchange Commission. The Underwriting Agreement is filed as Exhibit 1.1 to this Current Report and the description of the material terms of the Underwriting Agreement is qualified in its entirety by reference to such exhibit.

Item 8.01. Other Events.

On March 1, 2010, the Company closed an offering of 2,000,000 shares of its Common Stock, at a price of \$4.60 per share, less a 6% underwriting commission, pursuant to the terms of the Underwriting Agreement as disclosed in Item 1.01 above. The Company received net proceeds of approximately \$8.4 million from the offering, after deducting underwriting discounts and estimated offering expenses.

A copy of the opinion of Pillsbury Winthrop Shaw Pittman LLP with respect to the legality of the issuance and sale of the shares of Common Stock issued in the offering is filed herewith as Exhibit 5.1 to this Current Report.

On March 1, 2010, the Company issued a press release announcing that it had closed the public offering described in Item 1.01 of this Current Report. The Company’s press release is filed as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

No. Description

1.1	Underwriting Agreement dated December 17, 2009
5.1	Opinion of Pillsbury Winthrop Shaw Pittman LLP
99.1	Press Release dated March 1, 2010

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

China Advanced Construction Materials Group, Inc.

Date: March 1, 2010

By: /s/ Jeremy Goodwin

Name: Jeremy Goodwin

Title: President

2,000,000 Shares

CHINA ADVANCED CONSTRUCTION MATERIALS GROUP, INC.

Common Stock

UNDERWRITING AGREEMENT

February 24, 2010

Roth Capital Partners, LLC
24 Corporate Plaza
Newport Beach, CA 92660

Ladies and Gentlemen:

China Advanced Construction Materials Group, Inc., a Delaware corporation (the “Company”), proposes, subject to the terms and conditions stated herein, to issue and sell to Roth Capital Partners, LLC (the “Underwriter”) an aggregate of 2,000,000 authorized but unissued shares (the “Underwritten Shares”) of Common Stock, par value \$0.001 per share (the “Common Stock”), of the Company. The Company has granted the Underwriter the option to purchase an aggregate of up to 300,000 additional shares of Common Stock (the “Additional Shares”) as may be necessary to cover over-allotments made in connection with the offering. The Underwritten Shares and the Additional Shares are collectively referred to as the “Shares.”

The Company and the Underwriter hereby confirm their agreement as follows:

I. *Registration Statement and Prospectus* . The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) a registration statement on Form S-3 (File No. 333-164048) under the Securities Act of 1933, as amended (the “Securities Act”) and the rules and regulations (the “Rules and Regulations”) of the Commission thereunder, such amendments to such registration statement (including post effective amendments) as may have been required to the date of this Agreement and a preliminary prospectus supplement or “red herring” pursuant to Rule 424(b) under the Securities Act. Such registration statement, as amended (including any post effective amendments) has been declared effective by the Commission. Such registration statement, including amendments thereto (including post effective amendments thereto) at such time, the exhibits and any schedules thereto at such time, the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act at such time and the documents and information otherwise deemed to be a part thereof or included therein by Rule 430B under the Securities Act or otherwise pursuant to the Rules and Regulations at such time, is herein called the “Registration Statement.” If the Company has filed or files an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term Registration Statement shall include such Rule 462 Registration Statement.

The Company is filing with the Commission pursuant to Rule 424 under the Securities Act a final prospectus supplement relating to the Shares to a form of prospectus included in the Registration Statement. Such prospectus in the form in which it appears in the Registration Statement is hereinafter called the “Base Prospectus,” and such final prospectus supplement as filed, along with the Base Prospectus, is hereinafter called the “Final Prospectus.” Such Final Prospectus and any preliminary prospectus supplement or “red herring,” in the form in which they shall be filed with the Commission pursuant to Rule 424(b) under the Securities Act (including the Base Prospectus as so supplemented) is hereinafter called a “Prospectus.” Any reference herein to the Base Prospectus, the Final Prospectus or a Prospectus shall be deemed to include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act as of the date of such Prospectus.

For purposes of this Agreement, all references to the Registration Statement, the Rule 462 Registration Statement, the Base Prospectus, the Final Prospectus, a Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Interactive Data Electronic Applications system and all information incorporated by reference therein. All references in this Agreement to financial statements and schedules and other information which is “described,” “contained,” “included,” or “stated” in the Registration Statement, the Rule 462 Registration Statement, the Base Prospectus, the Final Prospectus or the Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements, pro forma financial information and schedules and other information which is incorporated by reference in or otherwise deemed by the Rules and Regulations to be a part of or included in the Registration Statement, the Rule 462 Registration Statement, the Base Prospectus or a Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Rule 462 Registration Statement, the Base Prospectus, the Final Prospectus or the Prospectus shall be deemed to mean and include the subsequent filing of any document under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that is deemed to be incorporated therein by reference therein or otherwise deemed by the Rules and Regulations to be a part thereof.

2. Representations and Warranties of the Company Regarding the Offering.

(a) The Company represents and warrants to, and agrees with, the Underwriter, as of the date hereof and as of the Closing Date (as defined in Section 5(c) below), except as otherwise indicated, as follows:

(i) At each time of effectiveness, at the date hereof and at the Closing Date, the Registration Statement and any post-effective amendment thereto complied or will comply in all material respects with the requirements of the Securities Act and the Rules and Regulations and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Base Prospectus, the Prospectus most recently filed with the Commission, including any preliminary prospectus supplement deemed to be a part thereof, and the Final Prospectus (the “Time of Sale Disclosure Package”) as of such time on the date hereof and at the Closing Date, any roadshow or investor presentations delivered to and approved by the Underwriter for use in connection with the marketing of the offering of the Shares (the “Marketing Materials”) as of the time of their use and at the Closing Date, and the Final Prospectus, as amended or supplemented, as of its date, at the time of filing pursuant to Rule 424(b) under the Securities Act and at the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences shall not apply to statements in or omissions from the Registration Statement or any Prospectus in reliance upon, and in conformity with, written information furnished to the Company by the Underwriter specifically for use in the preparation thereof, which written information is described in Section 8(f). The Registration Statement (including each document incorporated by reference therein) contains all exhibits and schedules required to be filed by the Securities Act or the Rules and Regulations. No order preventing or suspending the effectiveness or use of the Registration Statement or any Prospectus is in effect and no proceedings for such purpose have been instituted or are pending, or, to the knowledge of the Company, are contemplated or threatened by the Commission.

(ii) The documents incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package and any Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and, to the extent then applicable, the Sarbanes-Oxley Act, including in each case, the rules and regulations thereunder, were filed on a timely basis with the Commission and none of such documents, when they were filed (or, if amendments to such documents were filed, when such amendments were filed), contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Any further documents so filed and incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act, and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) The Company certifications required by Rules 13a-14 and 15d-14 under the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act that are contained in the documents incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package and any Prospectus complied with such laws and the rules and regulations thereunder.

(iv) The Company has not distributed any prospectus or other offering material in connection with the offering and sale of the Shares other than the Time of Sale Disclosure Package and the Marketing Materials. The Company has not made and will not make any offer relating to the Shares that would constitute an “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act, or that would otherwise constitute a “free writing prospectus,” as defined in Rule 405 under the Securities Act, required to be filed with the Commission.

(v) The financial statements of the Company, together with the related notes, included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, applicable laws and regulations in jurisdictions where the Company and its subsidiaries are incorporated, including the People's Republic of China (the "PRC"), and fairly present the financial condition of the Company as of the dates indicated and the results of operations and changes in cash flows for the periods therein specified in conformity with generally accepted accounting principles consistently applied throughout the periods involved; and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein. No other financial statements, pro forma financial information or schedules are required under the Securities Act to be included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus. To the Company's knowledge, (A) Moore Stephens Wurth Frazer and Torbet, LLP, which has expressed its opinion with respect to the annual financial statements and schedules for the fiscal years ended June 30, 2009 and 2008 filed as a part of the Registration Statement and included in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus, is an independent public accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations and (B) Frazer Frost, LLP, the Company's current auditor, is an independent public accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations.

(vi) The Company had a reasonable basis for, and made in good faith, each "forward-looking statement" (within the meaning of Section 27A of the Act or Section 21E of the Exchange Act) contained or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, and each "forward-looking statement" contained in the Marketing Materials.

(vii) All statistical or market-related data included or incorporated by reference in the Registration Statement, the Time of Sale Disclosure Package or the Final Prospectus, or included in the Marketing Materials, are based on or derived from sources that the Company reasonably believes to be reliable and accurate, and the Company has obtained the written consent to the use of such data from such sources, to the extent required.

(viii) The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is included or approved for inclusion on the NASDAQ Global Market. There is no action pending by the Company or, to the Company's knowledge, the NASDAQ Global Market to delist the Common Shares from the NASDAQ Global Market, nor has the Company received any notification that the NASDAQ Global Market is contemplating terminating such listing. When issued, the Shares will be listed on the NASDAQ Global Market.

(ix) The Company has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(x) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the net proceeds thereof, will not be an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended.

(xi) The Company was at the time of filing the Registration Statement, and at the date hereof, remains eligible to use Form S-3 under the Securities Act. The Company shall not issue any of its securities pursuant to the Registration Statement in a manner that would affect the eligibility of the Company to use Form S-3 under the Securities Act with respect to the Shares.

(b) Any certificate signed by any officer of the Company and delivered to the Underwriter or to the Underwriter’s counsel shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

3. Representations and Warranties Regarding the Company.

(a) The Company represents and warrants to and agrees with, the Underwriter as follows:

(i) Each of the Company and its subsidiaries has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation. Each of the Company and its subsidiaries has the corporate power and authority to own its properties and conduct its business as currently being carried on and as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, and is duly qualified to do business as a foreign corporation in good standing in each jurisdiction in which it owns or leases real property or in which the conduct of its business makes such qualification necessary and in which the failure to so qualify would have or is reasonably likely to result in a material adverse effect upon the business, prospects, properties, operations, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, taken as a whole, or in its ability to perform its obligations under this Agreement (“Material Adverse Effect”).

(ii) The Company has the power and authority to enter into this Agreement and to authorize, issue and sell the Shares as contemplated by this Agreement. This Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid, legal and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity.

(iii) The execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated will not (A) result in a breach or violation of any of the terms and provisions of, or constitute a default under, any law, rule or regulation to which the Company or any subsidiary is subject, or by which any property or asset of the Company or any subsidiary is bound or affected, (B) conflict with, result in any violation or breach of, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, lease, credit facility, debt, note, bond, mortgage, indenture or other instrument (the “Contracts”) or obligation or other understanding to which the Company or any subsidiary is a party of by which any property or asset of the Company or any subsidiary is bound or affected, except to the extent that such conflict, default, termination, amendment, acceleration or cancellation right is not reasonably likely to result in a Material Adverse Effect, or (C) result in a breach or violation of any of the terms and provisions of, or constitute a default under, the Company’s charter or by-laws.

(iv) Neither the Company nor any of its subsidiaries is in violation, breach or default under its certificate of incorporation, by-laws or other equivalent organizational or governing documents.

(v) All consents, approvals, orders, authorizations and filings required on the part of the Company and its subsidiaries in connection with the execution, delivery or performance of this Agreement have been obtained or made, other than such consents, approvals, orders and authorizations the failure of which to make or obtain is not reasonably likely to result in a Material Adverse Effect.

(vi) All of the issued and outstanding shares of capital stock of the Company are duly authorized and validly issued, fully paid and nonassessable, and have been issued in compliance with all applicable securities laws, and conform to the description thereof in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus. Except for the issuances of options or restricted stock in the ordinary course of business, since the respective dates as of which information is provided in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, the Company has not entered into or granted any convertible or exchangeable securities, options, warrants, agreements, contracts or other rights in existence to purchase or acquire from the Company any shares of the capital stock of the Company. The Shares, when issued, will be duly authorized and validly issued, fully paid and nonassessable, will be issued in compliance with all applicable securities laws, and will be free of preemptive, registration or similar rights.

(vii) The Company and its subsidiaries have implemented and maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), and such controls and procedures are effective to ensure that (A) all material information required to be disclosed by the Company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and (B) all such information is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(viii) The Company and its subsidiaries have implemented and maintain a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, without limitation, that (A) transactions are executed in accordance with management's general or specific authorizations, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (C) access to assets is permitted only in accordance with management's general or specific authorization, and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(ix) Each of the Company and its subsidiaries has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof. Each of the Company and its subsidiaries has paid all taxes (as hereinafter defined) shown as due on such returns that were filed and has paid all taxes imposed on or assessed against the Company or such respective subsidiary. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriter, (A) no issues have been raised (and are currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company or its subsidiaries, and (B) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company or its subsidiaries. The term “taxes” mean all federal, state, local, foreign, and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments, or charges of any kind whatever, together with any interest and any penalties, additions to tax, or additional amounts with respect thereto. The term “returns” means all returns, declarations, reports, statements, and other documents required to be filed in respect to taxes.

(x) Since the respective dates as of which information is given in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, (A) neither the Company nor any of its subsidiaries has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business, (B) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock; (C) there has not been any change in the capital stock of the Company or any of its subsidiaries (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or the issuance of restricted stock awards or restricted stock units under the Company’s existing stock awards plan, or any new grants thereof in the ordinary course of business), (D) there has not been any material change in the Company’s long-term or short-term debt, and (E) there has not been the occurrence of a Material Adverse Effect.

(xi) There is not pending or, to the knowledge of the Company, threatened, any action, suit or proceeding to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or its subsidiaries is the subject before or by any court or governmental agency, authority or body, or any arbitrator or mediator, which is reasonably likely to result in a Material Adverse Effect.

(xii) The Company and each of its subsidiaries holds, and is in compliance with, all franchises, grants, authorizations, licenses, permits, easements, consents, certificates and orders (“Permits”) of any governmental or self-regulatory agency, authority or body required for the conduct of its business, and all such Permits are in full force and effect, in each case except where the failure to hold, or comply with, any of them is not reasonably likely to result in a Material Adverse Effect.

(xiii) The Company and its subsidiaries have good and marketable title to all property (whether real or personal) described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus as being owned by them that are material to the business of the Company, in each case free and clear of all liens, claims, security interests, other encumbrances or defects, except those that are not reasonably likely to result in a Material Adverse Effect. The property held under lease or pursuant to land use rights by the Company and its subsidiaries, is held by them under valid, subsisting and enforceable leases or land use rights, as the case may be, with only such exceptions with respect to any particular lease as do not interfere in any material respect with the conduct of the business of the Company and its subsidiaries.

(xiv) The Company and each of its subsidiaries owns or possesses or has valid right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights (“Intellectual Property”) necessary for the conduct of the business of the Company and its subsidiaries as currently carried on and as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus. To the knowledge of the Company, no action or use by the Company or any of its subsidiaries will involve or give rise to any infringement of, or license or similar fees for, any Intellectual Property of others, except where such action, use, license or fee is not reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice alleging any such infringement or fee.

(xv) The Company and each of its subsidiaries has complied with, is not in violation of, and has not received any notice of violation relating to any law, rule or regulation relating to the conduct of its business, or the ownership or operation of its property and assets, including, without limitation, (A) the Currency and Foreign Transactions Reporting Act of 1970, as amended, or any money laundering laws, rules or regulations, (B) any laws, rules or regulations related to health, safety or the environment, including those relating to the regulation of hazardous substances, (C) the Sarbanes-Oxley Act and the rules and regulations of the Commission thereunder, (D) the Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder, and (E) the Employment Retirement Income Security Act of 1974 and the rules and regulations thereunder, in each case except where the failure to be in compliance is not reasonably likely to result in a Material Adverse Effect.

(xvi) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, employee, representative, agent or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering of the Shares contemplated hereby, or lend, contribute or otherwise make available such proceeds to any person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(xvii) The Company and each of its subsidiaries carries, or is covered by, insurance in such amounts and covering such risks as is adequate for the conduct of its business and the value of its properties and as is customary for companies engaged in similar businesses in similar industries in the PRC.

(xviii) Each of the Company and its subsidiaries has complied in all material respects with all applicable employment and labor laws with respect to its employees. No labor dispute with the employees of the Company or any of its subsidiaries and no disputes with any principal supplier, manufacturer, customer or contractor of the Company or any of their employees, exists or, to the knowledge of the Company, is imminent that is reasonably likely to result in a Material Adverse Effect.

(xix) Neither the Company, its subsidiaries nor, to its knowledge, any other party is in violation, breach or default of any Contract that is reasonably likely to result in a Material Adverse Effect.

(xx) No supplier, customer, distributor or sales agent of the Company or its subsidiaries, has notified the Company or its subsidiaries, that it intends to discontinue or decrease the rate of business done with the Company or its subsidiaries, except where such decrease is not reasonably likely to result in a Material Adverse Effect.

(xxi) There are no claims, payments, issuances, arrangements or understandings for services in the nature of a finder's, consulting or origination fee with respect to the introduction of the Company to the Underwriter or the sale of the Shares hereunder or any other arrangements, agreements, understandings, payments or issuances with respect to the Company that may affect the Underwriter's compensation, as determined by FINRA.

(xxii) The Company has not made any direct or indirect payments (in cash, securities or otherwise) to (A) any person, as a finder's fee, investing fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who provided capital to the Company, (B) any FINRA member, or (C) any person or entity that has any direct or indirect affiliation or association with any FINRA member within the 12 month period prior to the date on which the Registration Statement was filed with the Commission (" Filing Date ") or thereafter.

(xxiii) None of the net proceeds of the offering will be paid by the Company to any participating FINRA member or any affiliate or associate of any participating FINRA member, except as specifically authorized herein.

(xxiv) To the Company's knowledge, no (A) officer or director of the Company or its subsidiaries, (B) owner of 5% or more of the Company's unregistered securities or that of its subsidiaries or (C) owner of any amount of the Company's unregistered securities acquired within the 180 day period prior to the Filing Date, has any direct or indirect affiliation or association with any FINRA member. The Company will advise the Underwriter and its counsel if it becomes aware that any officer, director or stockholder of the Company or its subsidiaries is or becomes an affiliate or associated person of a FINRA member participating in the offering.

(xxv) Other than the Underwriter, no person has the right to act as an underwriter or as a financial advisor to the Company in connection with the transactions contemplated hereby.

4. Representations and Warranties of the Company Regarding the PRC.

(a) The Company represents and warrants to, and agrees with, the Underwriter, as of the date hereof and as of the Closing Date, as follows:

(i) The Company owns all of the issued and outstanding capital stock of Xin Ao Construction Materials, Inc., a British Virgin Islands corporation ("BVI-ACM"), which in turn owns 100% of the outstanding capital stock of Beijing Ao Hang Construction Materials Technology Co., Ltd., a company incorporated under the laws of the PRC ("China-ACMH"). On November 28, 2007, China-ACMH entered into a series of contractual agreements with Beijing Xin Ao Concrete Co., Ltd., a company incorporated under the laws of the PRC ("Xin Ao"), and its two shareholders, in which China-ACMH effectively took over management of the business activities of Xin Ao and has the right to appoint all executives and senior management and the members of the board of directors of Xin Ao. China-ACMH and Xin Ao are collectively referred to hereinafter as the "PRC Entities."

(ii) The description of the corporate structure of the Company and the various contracts between the Company and any of the PRC Entities or shareholders of the PRC Entities, as the case may be (each a "Corporate Structure Contract" and collectively, the "Corporate Structure Contracts"), as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, is true and accurate in all material respects and nothing has been omitted from such description which would make it misleading in any material respect. There is no other agreement, contract or other document relating to the corporate structure or the operation of the Company, its subsidiaries and the PRC Entities which has not been previously disclosed or made available to the Underwriter and, to the extent material to the Company, disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus. Except for BVI-ACM and the PRC Entities, the Company does not presently own, control or have, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, branch offices or other entity.

(iii) (A) each Corporate Structure Contract has been duly authorized, executed and delivered by the parties thereto and constitutes a valid and legally binding obligation of the parties thereto, enforceable in accordance with its terms; (B) except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, no consent, approval, authorization, or order of, or filing or registration with, any person (including any governmental agency or body or any court) is required for the performance of the obligations under any Corporate Structure Contract by the parties thereto; and (C) each Corporate Structure Contract is in full force and effect and none of the parties thereto is in breach or default in the performance of any of the terms or provisions of such Corporate Structure Contract. There is no legal or governmental proceeding, inquiry or investigation pending against the Company, its subsidiaries, the PRC Entities or shareholders of the PRC Entities in any jurisdiction challenging the validity of any of the Corporate Structure Contracts and, to the knowledge of the Company, no such proceeding, inquiry or investigation is threatened or contemplated in any jurisdiction.

(iv) Except for the Corporate Structure Contracts, there are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any equity interest in the PRC Entities, and there is no security interest, mortgage, pledge, lien, encumbrance, claim or any third party right, the exercise of which may lead to the change of shareholdings or the amount of the registered capital of the PRC Entities.

(v) Xin Ao is engaged in the production of advanced construction materials for large scale commercial, residential and infrastructure developments. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, Xin Ao has obtained all Permits from the competent government authorities for carrying out its business, and all such Permits are currently valid and in full force and effect.

(vi) Each of the PRC Entities has duly entered into a lease contract with respect to the office premises and the concrete plants that it uses and occupies. Each of the PRC Entities is in compliance with such leases and holds valid leasehold interests in such properties, free of any liens, encumbrances, security interests or claims of any party. All technical service agreements, technical and preferred procurement agreements to which a PRC Entity is a party has been duly entered into by such PRC Entity and constitutes a valid and binding obligation of such PRC Entity. The execution and performance of such technical service agreements and technical and preferred procurement agreements by a PRC Entity do not violate the business license, articles of association, Permits and other corporate documents of such PRC Entity.

(vii) All consents, approvals, authorizations or licenses requisite under the laws of the PRC for the due and proper establishment and operation of the PRC Entities have been duly obtained from the relevant PRC governmental authorities and are in full force and effect. The Company has no reason to believe that any governmental body, court, agency or official in the PRC is considering modifying, suspending, revoking or not renewing any such consents, approvals, authorizations or licenses. Each of the PRC Entities is in compliance with the provisions of all such consents, approvals, authorizations or licenses and conducts its business in accordance with, and is not in violation of, any laws and regulations of the PRC to which it is subject or by which it is bound, in all material respects.

(viii) No dispute between any of the PRC Entities, BVI-ACM or the Company exists or, to the knowledge of the Company, is imminent that is reasonably likely to result in a Material Adverse Effect.

(ix) Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, all filings and registrations with the PRC governmental authorities required in respect of each of the PRC Entities and its respective capital structure and operations, including without limitation, the registration with local divisions of the Ministry of Commerce, the State Administration of Foreign Exchange and tax bureau have been duly completed in accordance with the relevant PRC rules and regulations and neither of the PRC Entities has received any letter or notice from any relevant PRC government authority notifying it of revocation of any licenses or qualifications issued to it by any PRC government authority for non-compliance with the terms thereof or with applicable PRC laws, or the lack of compliance or remedial actions in respect of the activities carried out by each of the PRC Entities.

(x) Each of the PRC Entities has been duly established, is validly existing as a company in good standing under the laws of the PRC, has the corporate power and authority to own, lease and operate its property and to conduct its business as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, singly or in the aggregate, have a Material Adverse Effect. Each PRC Entity has applied for and obtained all requisite business licenses, clearance and permits required under PRC law as necessary for the conduct of its businesses, and each PRC Entity has complied in all material respects with all PRC Laws in connection with foreign exchange, including without limitation, carrying out all relevant filings, registrations and applications for relevant permits with the PRC State Administration of Foreign Exchange and any other relevant authorities, and all such permits are validly subsisting and as to business licenses, clearances and permits subject to periodic renewal, the Company has no knowledge of any reasons related to each of the PRC Entities for which such requisite renewals will not be granted by the relevant PRC governmental authorities. The registered capital of each PRC Entity has been fully paid up in accordance with the schedule of payment stipulated in its respective articles of association, approval document, certificate of approval and legal person business license (hereinafter referred to as the “Establishment Documents”) and in compliance with PRC laws and regulations, and there is no outstanding capital contribution commitment for any PRC Entity. With respect to any increase of registered capital, the relevant PRC Entity has duly filed the application documents with the competent PRC government authorities for approval. The Establishment Documents of the PRC Entities have been duly approved in accordance with the laws of the PRC and are valid and enforceable. The business scope specified in the Establishment Documents of each PRC Entity complies with the requirements of all relevant PRC laws and regulations. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, none of the PRC Entities is carrying out or has carried out any business activities that are beyond its business scope or the scope of the Permits. The outstanding equity interests of each PRC Entity is owned of record by the respective entities or individuals identified as the registered holders thereof in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus and there are no outstanding commitments made by the Company or its subsidiaries or by Xin Ao to sell any equity interest in any of the PRC Entities.

(xi) With regard to employment and staff or labor, except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus and except to the extent that the failure to comply would not have a Material Adverse Effect, each of the PRC Entities are in compliance with all applicable PRC laws and regulations, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits or pensions.

(xii) To the best knowledge of the Company, all agreements to which each of the PRC Entities is a party are valid, enforceable and free of defaults on the part of all parties thereto.

(xiii) Each of the PRC Entities is not currently prohibited, directly or indirectly, from paying any dividends to the Company (or the Company's subsidiary that holds the outstanding equity interests of China-ACMH). Each of the PRC Entities is not prohibited, directly or indirectly, from making any other distribution on such PRC Entity's equity capital, from repaying to the Company any loans or advances to such PRC Entity from the Company or any of the Company's subsidiaries.

(xiv) The choice of the laws of the State of New York as the governing law of this Agreement is a valid choice of law under the laws of the PRC and will be honored by the courts in the PRC.

(xv) None of the PRC Entities nor any of their properties, assets or revenues are entitled to any right of immunity on the grounds of sovereignty from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any court, from services of process, from attachment prior to or in aid of execution of judgment, or from any other legal process or proceeding for the giving of any relief or for the enforcement of any judgment.

(xvi) It is not necessary that this Agreement, the Registration Statement, the Time of Sale Disclosure Package, the Prospectus or any other document be filed or recorded with any governmental agency, court or other authority in the PRC.

(xvii) No transaction, stamp, capital or other issuance, registration, transaction, transfer or withholding taxes or duties are payable in the PRC by or on behalf of the Underwriter to any PRC taxing authority in connection with (A) the issuance, sale and delivery of the Shares by the Company and the delivery of the Shares to or for the account of the Underwriter, (B) the purchase from the Company and the initial sale and delivery by the Underwriter of the Shares to purchasers thereof, or (C) the execution and delivery of this Agreement.

(xviii) Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, the Company has taken all necessary steps to comply with, and to ensure compliance by all of the Company's direct or indirect shareholders and option holders who are PRC residents with, any applicable rules and regulations of the PRC, including the regulations issued by the State Administration of Foreign Exchange of the PRC (the "SAFE Rules and Regulations"), including, without limitation, requiring each shareholder or option holder who is a PRC resident and directly or indirectly owns or controls the Company to complete any registration and other procedures required under applicable SAFE Rules and Regulations.

(xix) The Company is aware of, and has been advised as to, the content of the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors jointly promulgated on August 8, 2006, as revised on June 22, 2009, by the PRC Ministry of Commerce, the PRC State Assets Supervision and Administration Commission, the PRC State Administration of Taxation, the PRC State Administration of Industry and Commerce, the China Securities Regulatory Commission (“CSRC”) and the PRC State Administration of Foreign Exchange of the PRC (the “M&A Rules”), in particular the relevant provisions thereof that purport to require offshore special purpose vehicles controlled directly or indirectly by PRC-incorporated companies or PRC residents and established for the purpose of obtaining a stock exchange listing outside of the PRC to obtain the approval of the CSRC prior to the listing and trading of their securities on any stock exchange located outside of the PRC. The Company has received legal advice specifically with respect to the M&A Rules from its PRC counsel and the Company understands such legal advice. In addition, the Company has communicated such legal advice in full to each of its directors that signed the Registration Statement and each such director has confirmed that he or she understands such legal advice.

(xx) The issuance and sale of the Shares, the listing and trading of the Shares on the NASDAQ Global Market and the consummation of the transactions contemplated by this Agreement, the Registration Statement, the Time of Sale Disclosure Package and the Prospectus are not as of the date hereof and will not be on the Closing Date, affected by the M&A Rules or any official clarifications, guidance, interpretations or implementation rules in connection with or related to the M&A Rules, including the guidance and notices issued by the CSRC on September 8 and September 21, 2006 (together with the M&A Rules, the “M&A Rules and Related Clarifications”).

(xxi) The Company has taken all necessary steps to ensure compliance by each of its shareholders, option holders, directors, officers and employees that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen with any applicable rules and regulations of the relevant PRC government agencies (including but not limited to the PRC Ministry of Commerce, the PRC National Development and Reform Commission and the PRC State Administration of Foreign Exchange) relating to overseas investment by PRC residents and citizens (the “PRC Overseas Investment and Listing Regulations”), including, requesting each shareholder, option holder, director, officer, employee and participant that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen to complete any registration and other procedures required under applicable PRC Overseas Investment and Listing Regulations.

(xxii) As of the date hereof, the M&A Rules and Related Clarifications do not require the Company to obtain the approval of the CSRC prior to the issuance and sale of the Shares, the listing and trading of the Shares on the NASDAQ Global Market, or the consummation of the transactions contemplated by this Agreement, the Registration Statement, the Time of Sale Disclosure Package or the Prospectus. No governmental approval of any governmental agency in the PRC is required for the consummation of the transactions contemplated by this Agreement, the Registration Statement, the Time of Sale Disclosure Package or the Prospectus.

(xxiii) Each of the PRC Entities is in compliance with all requirements under all applicable PRC laws and regulations to qualify for its exemptions from enterprise income tax or other income tax benefits (the “Tax Benefits”) as described in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, and the actual operations and business activities of each such PRC Entity are sufficient to meet the qualifications for the Tax Benefits. No submissions made to any PRC government authority in connection with obtaining the Tax Benefits contained any misstatement or omission that would, to the knowledge of the Company, have affected the granting of the Tax Benefits. No PRC Entity has received notice of any deficiency in its respective applications for the Tax Benefits, and the Company is not aware of any reason why such PRC Entity might not qualify for, or be in compliance with the requirements for, the Tax Benefits.

(xxiv) To the knowledge of the Company, all local and national PRC governmental tax holidays, exemptions, waivers, financial subsidies, and other local and national PRC tax relief, concessions and preferential treatment enjoyed by any PRC Entity as described in the Registration Statement, the Time of Disclosure Package and the Prospectus are valid, binding and enforceable and do not violate any laws, regulations, rules, orders, decrees, guidelines, judicial interpretations, notices or other legislation of the PRC.

(xxv) The Underwriter shall not be deemed to be resident, domiciled, carrying on business or subject to taxation in the PRC solely by reason of its execution, delivery, performance or enforcement of, or the consummation of any transaction contemplated by, this Agreement, the Registration Statement, the Time of Sale Disclosure Package or the Prospectus.

(xxvi) To the knowledge of the Company, all descriptions in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus of PRC laws or regulations and contracts, documents and matters governed by or under PRC law are accurate in all material respects. The statements in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus under the headings “Risk Factors,” “Properties,” “Management’s Discussion and Analysis or Plan of Operation – PRC Taxation,” and “Business” insofar as such statements constitute summaries of the laws or regulations of the PRC or documents governed by PRC law as of the date hereof, fairly present the information called for with respect to such legal matters and documents and fairly summarize matters referred to therein.

(xxvii) The application of the net proceeds from the Offering, as contemplated by the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, will not (A) contravene any provision of applicable PRC law, rule or regulation or the articles of association or any other constituent documents of any of the PRC Entities or (B) contravene the terms or provisions of, or constitute a default under, (1) any mortgage, loan agreement, lease or other agreement binding upon any of the PRC Entities, (2) any mortgage, loan agreement, lease or other agreement governed by PRC law by which the Company or any of the PRC Entities are bound or to which any of the properties or assets of any of the PRC Entities are subject or (3) any judgment, order or decree of any governmental body, agency or court in the PRC.

(xxviii) The contribution to the PRC Entities of the proceeds from the sale of the Shares, subject however to customary and ordinary administrative approvals under the existing laws and regulations of the PRC, and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions contemplated thereby does not result in any violation of the provisions of the articles of association or any other constituent documents of the PRC Entities or any applicable laws and regulations of the PRC, including without limitation the New M&A Rules, of any governmental agency having jurisdiction over each of the PRC Entities or any of its properties.

(xxix) Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, each of the PRC Entities is not in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety and no material expenditures are or will be required in order to comply with any such existing statute, law or regulation.

5. Purchase, Sale and Delivery of Shares.

(a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Underwritten Shares to the Underwriter, and the Underwriter agrees to purchase the Underwritten Shares. The purchase price for each Underwritten Share shall be \$4.60 per share (the “Per Share Price”). The Company will pay the Underwriter, on each Closing Date, an amount equal to 6% of the gross proceeds received by the Company from the sale of the Underwritten Shares and the Additional Shares, as applicable, as an underwriting discount (the “Underwriter’s Fee”).

(b) The Company hereby grants to the Underwriter the option to purchase some or all of the Additional Shares and, upon the basis of the warranties and representations and subject to the terms and conditions herein set forth, the Underwriter shall have the right to purchase all or any portion of the Additional Shares at the Per Share Price as may be necessary to cover over-allotments made in connection with the transactions contemplated hereby. This option may be exercised by the Underwriter at any time on or before the thirtieth day following the date hereof, by written notice to the Company (the “Option Notice”). The Option Notice shall set forth the aggregate number of Additional Shares as to which the option is being exercised, and the date and time when the Additional Shares are to be delivered (such date and time being herein referred to as the “Option Closing Date”); *provided, however*, that the Option Closing Date shall not be earlier than the Closing Date (as defined below) nor earlier than the first business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised unless the Company and the Underwriter otherwise agree. Payment of the purchase price for and delivery of the Additional Shares shall be made at the Option Closing Date in the same manner and at the same office as the payment for the Underwritten Shares as set forth in subparagraph (c) below.

- (c) The Underwritten Shares will be delivered by the Company to the

Underwriter against payment of the purchase price therefor by wire transfer of same day funds payable to the order of the Company at the offices of Roth Capital Partners, LLC, 24 Corporate Plaza, Newport Beach, CA 92660 or such other location as may be mutually acceptable, at 6:00 a.m. PST, on the third (or if the Underwritten Shares are priced, as contemplated by Rule 15c6-1(c) under the Exchange Act, after 4:30 p.m. Eastern time, the fourth) full business day following the date hereof, or at such other time and date as the Underwriter and the Company determine pursuant to Rule 15c6-1(a) under the Exchange Act, or, in the case of the Additional Shares, at such date and time set forth in the Option Notice. The time and date of delivery of the Underwritten Shares or the Additional Shares, as applicable, is referred to herein as the “Closing Date.” Certificates representing the Shares, in definitive form and in such denominations and registered in such names as the Underwriter may request upon at least two business days’ prior notice to the Company, will be made available for checking and packaging not later than 10:30 a.m. PDT on the business day next preceding the Closing Date at the above addresses, or such other location as may be mutually acceptable, and shall be delivered to or upon the prior written instruction of the Underwriter on the business day preceding the Closing Date to be held in escrow pending release on such Closing Date.

6. Covenants.

- (a) The Company covenants and agrees with the Underwriter as follows:

(i) During the period beginning on the date hereof and ending on the later of the Closing Date or such date as determined by the Underwriter the Prospectus is no longer required by law to be delivered in connection with sales by an underwriter or dealer (the “Prospectus Delivery Period”), prior to amending or supplementing the Registration Statement, including any Rule 462 Registration Statement, the Time of Sale Disclosure Package or the Prospectus, the Company shall furnish to the Underwriter for review and comment a copy of each such proposed amendment or supplement, and the Company shall not file any such proposed amendment or supplement to which the Underwriter reasonably objects.

(ii) From the date of this Agreement until the end of the Prospectus Delivery Period, the Company shall promptly advise the Underwriter in writing (A) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission, (B) of the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to the Time of Sale Disclosure Package or the Prospectus, (C) of the time and date that any post-effective amendment to the Registration Statement becomes effective and (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending its use or the use of the Time of Sale Disclosure Package, or of any proceedings to remove, suspend or terminate from listing or quotation the Common Stock from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time during the Prospectus Delivery Period, the Company will use its reasonable efforts to obtain the lifting of such order at the earliest possible moment. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430A and 430B, as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under Rule 424(b) or Rule 433 were received in a timely manner by the Commission (without reliance on Rule 424(b)(8) or 164(b) of the Securities Act).

(iii) (A) During the Prospectus Delivery Period, the Company will comply with all requirements imposed upon it by the Securities Act, as now and hereafter amended, and by the Rules and Regulations, as from time to time in force, and by the Exchange Act, as now and hereafter amended, so far as necessary to permit the continuance of sales of or dealings in the Shares as contemplated by the provisions hereof, the Time of Sale Disclosure Package, the Registration Statement and the Prospectus. If during such period any event occurs the result of which the Prospectus (or if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary or appropriate in the opinion of the Company or its counsel or the Underwriter or its counsel to amend the Registration Statement or supplement the Prospectus (or if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) to comply with the Securities Act or to file under the Exchange Act any document that would be deemed to be incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, the Company will promptly notify the Underwriter, allow the Underwriter a chance to provide comments on such amendment, Prospectus supplement or document, and will amend the Registration Statement or supplement the Prospectus (or if the Prospectus is not yet available to prospective purchasers, the Time of Sale Disclosure Package) or file such document (at the expense of the Company) so as to correct such statement or omission or effect such compliance.

(B) The Company shall take or cause to be taken all necessary action to qualify the Shares for sale under the securities laws of such jurisdictions as the Underwriter reasonably designates and to continue such qualifications in effect so long as required for the distribution of the Shares, except that the Company shall not be required in connection therewith to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified, to execute a general consent to service of process in any state or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise subject.

(iv) The Company will furnish to the Underwriter and counsel for the Underwriter copies of the Registration Statement, each Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Underwriter may from time to time reasonably request.

(v) The Company will make generally available to its security holders as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement (which need not be audited) covering a 12-month period that shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Rules and Regulations.

(vi) The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay or cause to be paid (A) all expenses (including transfer taxes allocated to the respective transferees) incurred in connection with the delivery to the Underwriter of the Shares, (B) all expenses and fees (including, without limitation, fees and expenses of the Company's counsel) in connection with the preparation, printing, filing, delivery, and shipping of the Registration Statement (including the financial statements therein and all amendments, schedules, and exhibits thereto), the Shares, the Time of Sale Disclosure Package, the Prospectus, and any amendment thereof or supplement thereto, (C) all filing fees and reasonable fees and disbursements of the Underwriter's counsel incurred in connection with the qualification of the Shares for offering and sale by the Underwriter or by dealers under the securities or blue sky laws of the states and other jurisdictions that the Underwriter shall designate, (D) the fees and expenses of any transfer agent or registrar, (E) the filing fees incident to any required review and approval by FINRA of the terms of the sale of the Shares, (F) the reasonable fees and disbursements of the Underwriter's counsel, (G) listing fees, if any and (H) all other costs and expenses incident to the performance of its obligations hereunder (including but not limited to the "road show" expenses incurred by the Company's management) that are not otherwise specifically provided for herein. If this Agreement is terminated by the Underwriter in accordance with the provisions of Section 7 or Section 10, the Company will reimburse the Underwriter for all out-of-pocket disbursements (including, but not limited to, reasonable fees and disbursements of counsel, travel expenses, postage, facsimile and telephone charges) incurred by the Underwriter in connection with its investigation, preparing to market and marketing the Shares or in contemplation of performing its obligations hereunder. Notwithstanding anything contained herein to the contrary, (i) the Company shall not be responsible for any single expense in excess of \$5,000 without its prior written approval and (ii) the maximum amount payable by the Company for Underwriter's counsel fees, disbursements and other out-of-pocket expenses pursuant to this Section 6(a)(vi) shall be \$100,000.

(vii) The Company intends to apply the net proceeds from the sale of the Shares to be sold by it hereunder for the purposes set forth in the Time of Sale Disclosure Package and in the Final Prospectus.

(viii) The Company has not taken and will not take, directly or indirectly, during the Prospectus Delivery Period, any action designed to or which might reasonably be expected to cause or result in, or that has constituted, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(ix) The Company represents and agrees that it has not made and will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus," as defined in Rule 433 under the Securities Act, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405 under the Securities Act.

(x) The Company hereby agrees that, without the prior written consent of the Underwriter, it will not, during the period ending 90 days after the date hereof (“Lock-Up Period”), (A) offer, pledge, issue, sell, contract to sell, purchase, contract to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock; or (B) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; or (C) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock. The restrictions contained in the preceding sentence shall not apply to (1) the Shares to be sold hereunder, (2) the issuance of Common Stock upon the exercise of options or warrants disclosed as outstanding in the Registration Statement (excluding exhibits thereto) or the Prospectus, or (3) the issuance of employee stock options not exercisable during the Lock-Up Period and the grant of restricted stock awards or restricted stock units pursuant to equity incentive plans described in the Registration Statement (excluding exhibits thereto) and the Prospectus. Notwithstanding the foregoing, if (x) the Company issues an earnings release or material news, or a material event relating to the Company occurs, during the last 17 days of the Lock-Up Period, or (y) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this clause shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless the Underwriter waives such extension in writing.

(xi) The contribution to the PRC Entities of the proceeds from the sale of the Shares, subject however to customary and ordinary administrative approvals under the existing laws and regulations of the PRC, and the compliance by the Company with all of the provisions of the Underwriting Agreement and the consummation of the transactions contemplated thereby will not result in any violation of the provisions of the articles of association, business license or any other constituent documents of the PRC Subsidiary or any applicable laws and regulations of the PRC, including without limitation the New M&A Rules, of any governmental agency having jurisdiction over the PRC Subsidiary or any of its properties.

7. Conditions of the Underwriter’s Obligations. The obligations of the Underwriter hereunder to purchase the Shares are subject to the accuracy, as of the date hereof and at each Closing Date (as if made at each Closing Date), of and compliance with all representations, warranties and agreements of the Company contained herein, the performance by the Company of its obligations hereunder and the following additional conditions:

(a) If filing of the Prospectus, or any amendment or supplement thereto is required under the Securities Act or the Rules and Regulations, the Company shall have filed the Prospectus (or such amendment or supplement) with the Commission in the manner and within the time period so required (without reliance on Rule 424(b)(8) under the Securities Act); the Registration Statement shall remain effective; no stop order suspending the effectiveness of the Registration Statement or any part thereof, any Rule 462 Registration Statement, or any amendment thereof, nor suspending or preventing the use of the Time of Sale Disclosure Package or the Prospectus shall have been issued; no proceedings for the issuance of such an order shall have been initiated or threatened; any request of the Commission or the Underwriter for additional information (to be included in the Registration Statement, the Time of Sale Disclosure Package, the Prospectus, or otherwise) shall have been complied with to the Underwriter’s satisfaction.

(b) FINRA shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) The Shares shall be qualified for listing on the NASDAQ Global Market.

(d) The Underwriter shall not have reasonably determined, and advised the Company, that the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, or any amendment thereof or supplement thereto, contains an untrue statement of fact which, in the Underwriter's reasonable opinion, is material, or omits to state a fact which, in the Underwriter's reasonable opinion, is material and is required to be stated therein or necessary to make the statements therein not misleading.

(e) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded any of the Company's securities by any "nationally recognized statistical organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(f) On the Closing Date, there shall have been furnished to the Underwriter the opinion and the negative assurances of Pillsbury Winthrop Shaw Pittman LLP, the Company's counsel, dated the Closing Date and addressed to the Underwriter, in form and substance reasonably satisfactory to the Underwriter, substantially in the form set forth on **Schedule I**.

(g) On the Closing Date, there shall have been furnished to the Underwriter the opinion and the negative assurances of the Company's China counsel, dated the Closing Date and addressed to the Company and provided to the Underwriter for review, in form and substance reasonably satisfactory to the Underwriter, substantially in the form set forth on **Schedule I I**.

(h) The Underwriter shall have received a letter from Frazer Frost, LLP, on the date hereof and on the Closing Date addressed to the Underwriter, confirming it is an independent public accountant within the meaning of the Securities Act and is in compliance with the applicable requirements relating to the qualifications of accountants under Rule 2-01 of Regulation S-X of the Commission, and confirming, as of the date of each such letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Time of Sale Disclosure Package, as of a date not prior to the date hereof or more than five days prior to the date of such letter), the conclusions and findings of said firm with respect to the financial information and other matters required by the Underwriter.

(i) On the Closing Date, there shall have been furnished to the Underwriter a certificate, dated the Closing Date and addressed to the Underwriter, signed by the chief executive officer and the chief financial officer of the Company, in their capacity as officers of the Company, to the effect that:

(i) The representations and warranties of the Company in this Agreement that are qualified by materiality or by reference to any Material Adverse Effect are true and correct in all respects, and all other representations and warranties of the Company in this Agreement are true and correct in all material respects, as if made at and as of the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) No stop order or other order (A) suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof, (B) suspending the qualification of the Shares for offering or sale, or (C) suspending or preventing the use of the Time of Sale Disclosure Package or the Prospectus, has been issued, and no proceeding for that purpose has been instituted or, to their knowledge, is contemplated by the Commission or any state or regulatory body; and

(iii) There has been no occurrence or discovery by the Underwriter of any event resulting or reasonably likely to result in a Material Adverse Effect during the period from and after the date of this Agreement and prior to the Closing Date.

(j) On or before the date hereof, the Underwriter shall have received duly executed “lock-up” agreements, in substantially the form set forth on **Schedule III**, with those persons set forth on **Schedule I V**.

(k) The Company shall have furnished to the Underwriter and its counsel such additional documents, certificates and evidence as the Underwriter or its counsel may have reasonably requested.

If any condition specified in this Section 7 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriter by notice to the Company at any time at or prior to the Closing Date and such termination shall be without liability of any party to any other party, except that Section 6(a)(vi), Section 8 and Section 9 shall survive any such termination and remain in full force and effect.

8. *Indemnification and Contribution .*

(a) The Company agrees to indemnify, defend and hold harmless the Underwriter, its respective affiliates, directors and officers and employees, and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities to which the Underwriter or such person may become subject, under the Securities Act or otherwise (including in settlement of any litigation if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including the information deemed to be a part of the Registration Statement at the time of effectiveness and at any subsequent time pursuant to Rules 430A and 430B of the Rules and Regulations, or any amendment thereto (including any documents filed under the Exchange Act and deemed to be incorporated by reference into the Registration Statement), or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) an untrue statement or alleged untrue statement of a material fact contained in the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto (including any documents filed under the Exchange Act and deemed to be incorporated by reference into the Registration Statement or Prospectus), or the Marketing Materials, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or in any other materials used in connection with the offering of the Shares, (iii) in whole or in part, any inaccuracy in the representations and warranties of the Company contained herein, or (iv) in whole or in part, any failure of the Company to perform its obligations hereunder or under law, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by it in connection with evaluating, investigating or defending against such loss, claim, damage, liability or action; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by the Underwriter specifically for use in the preparation thereof, which written information is described in Section 8(f).

(b) The Underwriter will indemnify, defend and hold harmless the Company, its affiliates, directors, officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Time of Sale Disclosure Package, the Prospectus, or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Underwriter specifically for use in the preparation thereof, which written information is described in Section 8(f), and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending against any such loss, claim, damage, liability or action.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have to any indemnified party except to the extent such indemnifying party has been materially prejudiced by such failure. In case any such action shall be brought against any indemnified party, and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of the indemnifying party's election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof; *provided, however*, that if (i) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (ii) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party), or (iii) the indemnifying party has not in fact employed counsel reasonably satisfactory to the indemnified party to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, the indemnified party shall have the right to employ a single counsel (in addition to any local counsel) to represent it in any claim in respect of which indemnity may be sought under subsection (a) or (b) of this Section 8, in which event the reasonable fees and expenses of such separate counsel shall be borne by the indemnifying party or parties and reimbursed to the indemnified party as incurred.

The indemnifying party under this Section 8 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is a party or could be named and indemnity was or would be sought hereunder by such indemnified party, unless such settlement, compromise or consent (x) includes an unconditional release of such indemnified party from all liability for claims that are the subject matter of such action, suit or proceeding and (y) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriter on the other hand from the offering and sale of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriter on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter on the other hand shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriter, in each case as set forth in the table on the cover page of the Final Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter and the parties' relevant intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriter agree that it would not be just and equitable if contributions pursuant to this subsection (d) were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this subsection (d). The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim that is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount of the Underwriter's Fee actually received by the Underwriter pursuant to this Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability that the Company may otherwise have and the benefits of such obligations shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act; and the obligations of the Underwriter under this Section 8 shall be in addition to any liability that the Underwriter may otherwise have and the benefits of such obligations shall extend, upon the same terms and conditions, to the Company, and its officers, directors and each person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act.

(f) For purposes of this Agreement, the Underwriter confirms, and the Company acknowledges, that there is no information concerning the Underwriter furnished in writing to the Company by the Underwriter specifically for preparation of or inclusion in the Registration Statement, the Time of Sale Disclosure Package, or the Prospectus, other than the statements set forth in the last paragraph on the cover page of the Prospectus and the statements set forth in the "Underwriting" section of the Prospectus and Time of Sale Disclosure Package, only insofar as such statements relate to the amount of selling concession and re-allowance or to over-allotment and related activities that may be undertaken by the Underwriter.

9. Representations and Agreements to Survive Delivery . All representations, warranties, and agreements of the Company herein or in certificates delivered pursuant hereto, including, but not limited to, the agreements of the Underwriter and the Company contained in Section 6(a)(vi) and Section 8 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter or any controlling person thereof, or the Company or any of its officers, directors, or controlling persons, and shall survive delivery of, and payment for, the Shares to and by the Underwriter hereunder.

10. Termination of this Agreement .

(a) The Underwriter shall have the right to terminate this Agreement by giving notice to the Company as hereinafter specified at any time at or prior to the Closing Date, if in the discretion of the Underwriter (i) there has occurred any material adverse change in the securities markets or any event, act or occurrence that has materially disrupted, or in the opinion of the Underwriter, will in the future materially disrupt, the securities markets or there shall be such a material adverse change in general financial, political or economic conditions or the effect of international conditions on the financial markets in the United States is such as to make it, in the judgment of the Underwriter, inadvisable or impracticable to market the Shares or enforce contracts for the sale of the Shares, (ii) trading in the Common Stock shall have been suspended by the Commission or the NASDAQ Global Market or trading in securities generally on NASDAQ, New York Stock Exchange or NYSE Amex shall have been suspended, (iii) minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required, on NASDAQ, New York Stock Exchange or NYSE Amex, by such exchange or by order of the Commission or any other governmental authority having jurisdiction, (iv) a banking moratorium shall have been declared by federal or state or the PRC authorities, (v) there shall have occurred any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States or the PRC, any declaration by the United States or the PRC of a national emergency or war, any substantial change or development involving a prospective substantial change in United States or the PRC or other international political, financial or economic conditions or any other calamity or crisis, (vi) the Company suffers any loss by strike, fire, flood, earthquake, accident or other calamity, whether or not covered by insurance, or (vii) in the judgment of the Underwriter, there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change in the assets, properties, condition, financial or otherwise, or in the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as a whole, whether or not arising in the ordinary course of business. Any such termination shall be without liability of any party to any other party except that the provisions of Section 6(a)(vi), and Section 8 hereof shall at all times be effective and shall survive such termination.

(b) If the Underwriter elects to terminate this Agreement as provided in this Section, the Company shall be notified promptly by the Underwriter by telephone, confirmed by letter.

11. Notices . Except as otherwise provided herein, all communications hereunder shall be in writing and, if to the Underwriter, shall be mailed, delivered or telecopied to Roth Capital Partners, LLC, 24 Corporate Plaza, Newport Beach, CA 92660, telecopy number: (949) 720-7227, Attention: Managing Director; and if to the Company, shall be mailed, delivered or telecopied to it at Room 1708, Yingu Plaza, No. 9 of N. 4th Ring Rd West, Haidian District, Beijing, China, 100080, telecopy number: (86) 10-8252-5345, Attention: Mr. Xianfu Han; or in each case to such other address as the person to be notified may have requested in writing. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

12. Persons Entitled to Benefit of Agreement . This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and the controlling persons, officers and directors referred to in Section 8. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable remedy or claim under or in respect of this Agreement or any provision herein contained. The term “successors and assigns” as herein used shall not include any purchaser, as such purchaser, of any of the Shares from the Underwriter.

13. Absence of Fiduciary Relationship . The Company acknowledges and agrees that: (a) the Underwriter has been retained solely to act as underwriter in connection with the sale of the Shares and that no fiduciary, advisory or agency relationship between the Company and the Underwriter has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Underwriter has advised or is advising the Company on other matters; (b) the price and other terms of the Shares set forth in this Agreement were established by the Company following discussions and arms-length negotiations with the Underwriter and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (c) it has been advised that the Underwriter and its respective affiliates are engaged in a broad range of transactions that may involve interests that differ from those of the Company and that the Underwriter does not have any obligation to disclose such interest and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; (d) it has been advised that the Underwriter is acting, in respect of the transactions contemplated by this Agreement, solely for the benefit of the Underwriter, and not on behalf of the Company.

14. Amendments and Waivers . No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The failure of a party to exercise any right or remedy shall not be deemed to or otherwise constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver be deemed or constitute a continuing waiver unless otherwise expressly provided.

15. Partial Unenforceability . The invalidity or unenforceability of any section, paragraph, clause or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph, clause or provision.

16. Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. Submission to Jurisdiction . The Company irrevocably (a) submits to the jurisdiction of any court of the State of New York for the purpose of any suit, action, or other proceeding arising out of this Agreement, or any of the agreements or transactions contemplated by this Agreement, the Registration Statement and the Prospectus (each, a “Proceeding”), (b) agrees that all claims in respect of any Proceeding may be heard and determined in any such court, (c) waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein, (d) agrees not to commence any Proceeding other than in such courts, and (e) waives, to the fullest extent permitted by law, any claim that such Proceeding is brought in an inconvenient forum. Prior to the Closing Date, the Company shall irrevocably designate an agent reasonably acceptable to the Underwriter upon whom process against the Company may be served. EACH OF THE COMPANY (ON BEHALF OF ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ON BEHALF OF ITS RESPECTIVE EQUITY HOLDERS AND CREDITORS) HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED UPON, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE REGISTRATION STATEMENT, AND THE PROSPECTUS.

18. Judgment Currency . If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder into any currency other than United States dollars, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be the rate at which in accordance with normal banking procedures the relevant party or parties could purchase United States dollars with such other currency in The City of New York on the business day preceding that on which final judgment is given. The obligation of each party hereto with respect to any sum due from it to any other party hereto or any person controlling any such other party shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day following receipt by such other party or controlling person of any sum in such other currency, and only to the extent that such other party or controlling person may in accordance with normal banking procedures purchase United States dollars with such other currency. If the United States dollars so purchased are less than the sum originally due to such other party or controlling person hereunder, the first-mentioned party agrees as a separate obligation and notwithstanding any such judgment, to indemnify such other party or controlling person against such loss. If the United States dollars so purchased are greater than the sum originally due to such other party or controlling person hereunder, such other party or controlling person agrees to pay to the first-mentioned party an amount equal to the excess of the United States dollars so purchased over the sum originally due to such other party or controlling person hereunder.

19. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission and electronic mail attaching a portable document file (.pdf)) in one or more counterparts and, if executed and delivered in more than one counterpart, the executed counterparts shall each be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

[Remainder of page intentionally left blank]

Please sign and return to the Company the enclosed duplicates of this letter whereupon this letter will become a binding agreement between the Company and the Underwriter in accordance with its terms.

Very truly yours,

CHINA ADVANCED CONSTRUCTION MATERIALS
GROUP, INC.

By: /s/ Xianfu Han

Name: Xianfu Han
Title: Chairman and Chief Executive Officer

Confirmed as of the date first above-mentioned by the Underwriter.

ROTH CAPITAL PARTNERS, LLC

By: /s/ Aaron M. Gurewitz

Name: Aaron M. Gurewitz
Title: Head of Equity Capital Markets

SCHEDULE I

Company Counsel Opinions

March 1, 2010

Roth Capital Partners, LLC
24 Corporate Plaza
Newport Beach, CA 92660

Ladies and Gentlemen:

We have acted as counsel for China Advanced Construction Materials Group, Inc., a Delaware corporation (the “*Company*”), in connection with your purchase from the Company pursuant to the Underwriting Agreement dated February 24, 2010 between you and the Company (the “*Agreement*”) of 2,000,000 shares (the “*Shares*”) of the common stock, par value \$0.001 per share, of the Company (the “*Common Stock*”). This letter is delivered to you at the request of the Company pursuant to Section 7(f) of the Agreement. Capitalized terms used and not otherwise defined in this letter have the meanings given to them in the Agreement.

We have reviewed (a) the Agreement, (b) the Registration Statement on Form S-3 (File No. 333-164048) (the “*Registration Statement*”) filed by the Company to register the Shares with the Securities and Exchange Commission (the “*Commission*”) under the Securities Act of 1933 (the “*Securities Act*”), including the Prospectus dated January 11, 2010 contained therein (the “*Base Prospectus*”), which incorporates or is deemed to incorporate by reference the Incorporated Documents referred to below, (c) the Base Prospectus, as supplemented by the Prospectus Supplement dated February 23, 2010 relating to the offer and sale of the Shares (as so supplemented, the “*Final Prospectus*”) filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, which also incorporates or is deemed to incorporate by reference the Incorporated Documents, and (e) the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2009 (the “*Annual Report*”), the Company’s Quarterly **Reports** on Form 10-Q for the **quarters** ended September 30, 2009 and **December 31, 2009** (the “*Quarterly Reports*”), and the Company’s Current Reports on Form 8-K filed with the Commission on August 3, 2009, August 17, 2009, October 9, 2009, January 7, 2010, January 22, 2010, January 29, **2010**, and **February 8, 2010** (collectively, the “*Current Reports*”), and the description of the Common Stock contained in the Company’s Registration Statement on Form 8-A filed on October 30, 2009 (collectively, together with the Annual Report, the Quarterly **Reports**, and the Current Reports, the “*Incorporated Documents*”) in each case filed by the Company with the Commission under the Securities Exchange Act of 1934 (the “*Exchange Act*”). We also have reviewed such other agreements, documents, records, certificates and materials, and have satisfied ourselves as to such other matters, as we have considered relevant or necessary for purposes of this letter.

In such review, we have assumed the accuracy and completeness of all agreements, documents, records, certificates and other materials submitted to us, the conformity with the originals of all such materials submitted to us as copies (whether or not certified and including facsimiles), the authenticity of the originals of such materials and all materials submitted to us as originals, the genuineness of all signatures and the legal capacity of all natural persons. In delivering the opinions contained in this letter, we have relied, without independent verification, as to factual matters, on certificates and other written or oral statements of governmental and other public officials and of officers and other representatives of the Company and its subsidiaries, on representations made by the Company in the Agreement and on statements in the Registration Statement, the Final Prospectus, and the Incorporated Documents. The opinions set forth in paragraph 1 below as to the Company's valid existence and good standing are based solely on certificates and statements of governmental and other public officials and of officers and other representatives of the Company.

On the basis of the assumptions and subject to the qualifications and limitations set forth herein, we are of the opinion that:

1. The Company is validly existing as a corporation and in good standing under the General Corporation Law of the State of Delaware and has the corporate power to own and lease the properties it purports to own and lease, to conduct the business in which it is engaged as described in the Final Prospectus and the Incorporated Documents and to execute and deliver, and to perform its obligations under, the Agreement, including to issue and deliver the Shares thereunder.
2. The Agreement has been duly authorized, executed and delivered by the Company.
3. The Shares have been duly authorized and, upon issuance and delivery thereof and payment therefor pursuant to the Agreement, will be validly issued, fully paid and nonassessable.
4. The issuance of the Shares will not be subject to any preemptive or similar rights of any securityholder of the Company under (i) the General Corporation Law of the State of Delaware, (ii) the Certificate of Incorporation or the By-laws of the Company or (iii) to our knowledge, granted by the Company in any currently effective written agreement to which the Company is a party.
5. The statements set forth under the caption "Description of Capital Stock" in the Final Prospectus, to the extent that such statements purport to constitute summaries of the terms of the Common Stock, are accurate in all material respects.
6. The Registration Statement has been declared effective under the Securities Act and, to our knowledge, no stop order with respect thereto has been issued, and no proceedings therefor are pending or threatened, under Section 8 of the Securities Act. The Final Prospectus has been filed by the Company with the Commission pursuant to and in accordance with Rule 424(b) under the Securities Act within the time period required by Rule 424(b).

7. Neither the execution and delivery by the Company, nor the performance by the Company of its obligations under, the Agreement, including the issuance and delivery of the Shares, will (a) violate or result in a breach of or constitute a default under ~~the~~ the Certificate of Incorporation or the By-laws of the Company, ~~or~~ any of the other agreements and instruments filed under Exhibit 10 to the Annual Report, (b) violate the federal law of the United States of America, the General Corporation Law of the State of Delaware, or the law of the State of New York that in our experience is normally applicable to transactions of the type contemplated by the Agreement, but without our having made any special investigation with respect to any other law, and other than any federal or state securities or “blue sky” laws or the antifraud laws of any jurisdiction, as to which we express no opinion (the “*Applicable Law*”) or (c) to our knowledge, violate any authorization, consent, approval, license of, or any exemption from, or any registration or filing with, or any report or notice to, any executive, legislative, judicial, administrative or regulatory body (each, a “*Governmental Approval*”), or any order, decision, judgment, injunction or decree of, any such body, in each case that may be applicable under the Applicable Law to the Company or any person or entity that directly, or indirectly through one or more intermediaries, is controlled by the Company (a “*Subsidiary*”). We also express no opinion as to the interpretation of any agreements or instruments specified in clause (a) above that would arise from the application or effect of the laws of any jurisdiction other than the Applicable Law.
8. No Governmental Approval under the Applicable Law is required to be obtained or made by the Company for the execution and delivery by the Company, or the performance by the Company of its obligations under, the Agreement, including the issuance and delivery of the Shares by the Company thereunder, other than such as have been obtained under the Securities Act.
9. The Company is not, and immediately after giving effect to the offering and sale of the Shares and the receipt by the Company of payment for the Shares will not be, required to register as an “investment company” within the meaning of the Investment Company Act of 1940.
10. Except as described in the Registration Statement, the Final Prospectus or the Incorporated Documents, to our knowledge, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in any securities registered pursuant to the Registration Statement or pursuant to any other registration statement filed by the Company under the Securities Act.
11. The statements contained in the Registration Statement under Item 15 thereof, to the extent that such statements purport to constitute summaries of law or the terms of the agreements or documents referred to therein, are accurate in all material respects.

With respect to paragraphs 1, 2, and 3 above, we have assumed that (a) the Company is duly incorporated under the General Corporation Law of the State of Delaware and (b) the issuance and delivery of the Shares by the Company do not and will not require (i) any Governmental Approval (other than any such Governmental Approval that is the subject of paragraph 8 above) or (ii) violate or conflict with, result in a breach of, or constitute a default under, (A) any agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any of its properties may be bound (other than any such agreement or instrument that is the subject of paragraph 7 above), (B) any Governmental Approval that may be applicable to the Company or any Subsidiary or any of its properties (other than any such Governmental Approval that is the subject of paragraph 7 above), (C) any order, decision, judgment, injunction or decree of any executive, legislative, judicial, administrative or regulatory body that may be applicable to the Company or any Subsidiary or any of its properties (other than any such order, decision, judgment, injunction or decree that is the subject of paragraph 7 above).

Whenever we qualify a statement in this letter with the words “to our knowledge,” it indicates that in the course of our representation of the Company in connection with the transaction contemplated by the Agreement, no information that would give us current actual knowledge of the inaccuracy of such statement has come to the attention of the lawyers in this firm who have rendered legal services in connection with the transaction contemplated by the Agreement. We have not made any independent investigation to determine the accuracy of such statement, except as expressly described herein.

In the course of the preparation by the Company of the Registration Statement and the Final Prospectus, we had conferences with certain officers and other representatives of the Company, representatives of the Company’s Peoples’ Republic of China (“**PRC**”) and British Virgin Islands (“**BVI**”) counsel, with Frazer Frost, LLP, the Company’s independent registered public accounting firm whose predecessor, Moore Stephens Wurth Frazer and Torbet, LLP, audited certain of the financial statements incorporated by reference in the Registration Statement and the Final Prospectus and with your representatives and counsel, during which the contents of the Registration Statement and the Final Prospectus were discussed. We reviewed drafts of the Incorporated Documents prior to the time they were filed by the Company with the Commission pursuant to the Exchange Act. Based on our review of the Registration Statement, the Final Prospectus and the Incorporated Documents and our discussions in the conferences as described above:

- (a) each of the Incorporated Documents, at the time such Incorporated Document was filed with the Commission pursuant to the Exchange Act, appeared on its face to be appropriately responsive in all material respects, to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder;
- (b) each of the Registration Statement at the most recent time it was filed by the Company with the Commission under the Securities Act, and the Final Prospectus, at the time each was filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act, appeared on its face to be appropriately responsive, in all material respects, to the requirements of the Securities Act and the rules and regulations of the Commission thereunder; and
- (c) although we have not independently verified the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement or the Final Prospectus and take no responsibility therefor (except to the extent that such statements relate to us or as set forth in paragraph 5 above), no facts have come to our attention that cause us to believe that:

- (i) the Registration Statement (including the information deemed to be a part of the Registration Statement pursuant to Rule 430B(f) under the Securities Act), at the most recent effective date of the part of the Registration Statement relating to the Shares determined pursuant to Rule 430B(f)(2) under the Securities Act and when read together with such of the Incorporated Documents that were then incorporated by reference therein, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;
- (ii) the Time of Sale Disclosure Package (as defined below), at the Time of Sale (as defined below) and when read together with such of the Incorporated Documents that were incorporated by reference therein at the Time of Sale, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (iii) the Final Prospectus, at its issue date or the date hereof and when read together with the Incorporated Documents, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or
- (iv) (A) any legal or governmental actions, suits or proceedings are pending that are required to be described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus or the Incorporated Documents and are not described therein or (B) except as described in the Registration Statement, the Time of Sale Disclosure Package and the Final Prospectus or the Incorporated Documents, no such proceedings have been threatened in writing against the Company or any of its subsidiaries or with respect to its or their properties.

Notwithstanding the foregoing, we express no advice or belief in clause (a), (b) or (c) above as to the financial statements, financial schedules and other financial, statistical and accounting information contained or incorporated by reference in or omitted from the Registration Statement or the Prospectus or as to matters covered by the law of the PRC or the BVI. In addition, in passing on each of the Incorporated Documents in clause (a) above and the Registration Statement and the Final Prospectus in clause (b) above, we necessarily assume the correctness and completeness of the statements made by the Company therein and in connection with the preparation by the Company thereof. For purposes of this paragraph, (A) the term "Time of Sale Disclosure Package" means the Final Prospectus and (B) the term "Time of Sale" means [8:00 p.m.], New York City time, on the date of the Agreement.

The opinions set forth in this letter are limited to the federal law of the United States of America, the General Corporation Law of the State of Delaware, and the law of the State of New York, in each case as in effect on the date hereof.

This letter is delivered only to you solely for your benefit in connection with the transaction contemplated by the Agreement and may not be used or relied on by you for any other purpose, or furnished or quoted to or used or relied on by any other person or entity (including by any person or entity that acquires any of the Shares from you) for any purpose, without our prior written consent.

Very truly yours,

SCHEDULE II

China Opinions

March 1, 2010

Ladies and Gentlemen,

We are qualified lawyers of the People's Republic of China (the "**PRC**") and are qualified to issue professional legal opinions on the laws and regulations of the PRC.

We are acting as PRC counsel to China Advanced Construction Materials Group, Inc. (the "**Company**"), a company incorporated under the laws of the State of Delaware.

This opinion is issued and delivered pursuant to Section 7(g) of the Underwriting Agreement dated February 24, 2010 between the Company and Roth Capital Partners, LLC (the "**Underwriting Agreement**").

Capitalized terms used herein but not otherwise defined herein shall have the same meanings ascribed to them in the Underwriting Agreement. The term "**Knowledge**" as used in this opinion shall mean the actual knowledge of the attorneys who have been directly involved in representing the Company after due and reasonable inquiry.

This opinion is rendered on the basis of the PRC laws effective as at the date hereof. We do not purport to be experts on, nor do we purport to be generally familiar with, or qualified to express legal opinions based on, any laws other than the PRC laws. Accordingly, we express no legal opinions herein based upon any laws other than the PRC laws.

In so acting, we have examined the originals or copies certified or otherwise identified to our satisfaction as true copies of originals, of documents provided to us by the Company and such other documents, corporate records, certificates issued by governmental authorities in the PRC and officers of the Company and other instruments as we have deemed necessary for the purposes of rendering this opinion.

For the purpose of providing this opinion, we have assumed:

- (a) the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with original documents of those documents submitted to us as copies;
- (b) the accuracy and completeness of all factual statements in the documents provided to us. Where important facts were not independently established to us, we have relied upon certificates issued by governmental agencies and representatives of the Company with proper authority, and also upon representations, oral or written, made by the Company and the PRC Entities.

Although we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, we have no reason to believe, that (a) when it became effective, any part of the Registration Statement (other than the financial statements and related schedules therein, as to which we express no opinion) describing or summarizing the PRC laws and regulations or documents, agreements or proceedings governed by the PRC laws and regulations contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein not misleading; (b) as of the date of the Underwriting Agreement and the date hereof, any part of the Time of Sale Disclosure Package (other than the financial statements and related schedules therein, as to which we express no opinion) describing or summarizing PRC laws and regulations or documents, agreements or proceedings governed by the PRC laws and regulations contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein not misleading; or (c) at the time the Prospectus was filed with the Commission or at the date hereof, any part of the Prospectus (other than the financial statements and related schedules therein, as to which we express no opinion) describing or summarizing PRC laws and regulations or documents, agreements or proceedings governed by the PRC laws and regulations contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein not misleading.

Based on the foregoing examinations and assumptions and our review of the relevant documents, we are of the opinion that:

1. China-ACMH has been duly organized and is validly existing as a wholly foreign owned enterprise with limited liability under the PRC laws and regulations; China-ACMH's business license is in full force and effect; China-ACMH has been duly qualified as a foreign invested enterprise; 100% of the equity interests of China-ACMH is owned by BVI-ACM, and to our Knowledge, such equity interests are free and clear of all liens, encumbrances, equities or claims; and the articles of association, the business license and other constituent documents of China-ACMH comply with the requirements of applicable PRC laws and regulations and are in full force and effect.
2. Xin Ao has been duly organized and is validly existing as a limited liability company under the PRC laws and regulations; Xin Ao's business license is in full force and effect; 60% of the equity interests of Xin Ao is owned by Han Xianfu and 40% of the equity interests of Xin Ao is owned by Weili He, and to our Knowledge, except for the Corporate Structure Contracts, such equity interests are free and clear of all liens, encumbrances, equities or claims; and the articles of association, the business license and other constituent documents of Xin Ao comply with the requirements of applicable PRC laws and regulations and are in full force and effect.
3. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, each of the PRC Entities has full corporate right, power and authority and has all necessary governmental authorizations of and from, and has made all necessary declarations and filings with, all governmental agencies to own, lease, license and use its properties, assets and conduct its business, and such governmental authorizations contain no materially burdensome restrictions or conditions; to our Knowledge, none of the PRC Entities has any reason to believe that any regulatory body is considering modifying, suspending, revoking or not renewing any such governmental authorizations; and each of the PRC Entities is in compliance in all material respects with the provisions of all such governmental authorizations and conducts its business in all material respects in accordance with any PRC laws and regulations to which it is subject or by which it is bound.

4. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, none of the PRC Entities has taken any action nor have any steps been taken or legal or administrative proceedings been commenced or threatened for the winding up, dissolution or liquidation of any of the PRC Entities or for the suspension, withdrawal, revocation or cancellation of any of their respective business license.

5. The ownership structure of the PRC Entities does not violate any prohibitory provisions of the applicable PRC laws and regulations and the transactions conducted in the PRC involving the PRC Entities relating to the establishment of such ownership structure, in each case, did not and do not violate any explicit provisions of the applicable PRC laws and regulations.

6. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, each of the PRC Entities owns or otherwise has the legal right to use, or can acquire on reasonable terms, the intellectual property (“**Intellectual Property**”) as currently used or as currently contemplated to be used by the PRC Entities.

7. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, to our Knowledge, none of the PRC Entities is infringing, misappropriating or violating any intellectual property right of any third party in the PRC; no Intellectual Property is subject to any outstanding decree, order, injunction, judgment or ruling restricting the use of such Intellectual Property in the PRC that would impair the validity or enforceability of such Intellectual Property; and none of the Company or any of the PRC Entities has received any notice of any claim of infringement or conflict with any such rights of others.

8. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, there are no legal, arbitration or governmental proceedings in progress or pending or, to our Knowledge, threatened, in the PRC to which the Company, or any PRC Entity is a party or of which any property of any PRC Entity is subject.

9. On August 8, 2006, six PRC regulatory agencies, namely, the PRC Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (“**CSRC**”), and the State Administration of Foreign Exchange, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “**New M&A Rule**”), which became effective on September 8, 2006. The New M&A Rule purports, among other things to require offshore special purpose vehicles, or SPVs, formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled directly or indirectly by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, pursuant to the New M&A Rule and other PRC laws and regulations, the CSRC, in its official website, promulgated relevant guidance with respect to the issues of listing and trading of domestic enterprises’ securities on overseas stock exchanges, including a list of application materials with respect to the listing on overseas stock exchanges by SPVs. Based on our understanding of current PRC laws and regulations, we believe that CSRC approval is not required in respect of this Offering.

10. Except as set forth in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, the current beneficial owners of the Company who are PRC residents, have registered with the applicable local office of the SAFE in accordance with the SAFE's Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents to Engage in Financing and Inbound Investment via Overseas Special Purpose Vehicles, issued on October 21, 2005.

11. As a matter of PRC laws and regulations, none of the PRC Entities or their properties, assets or revenues has any right of immunity, on any grounds, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief with respect to their respective obligations, liabilities or any other matter under or arising out of or in connection with the transactions contemplated by the Underwriting Agreement.

12. The sale of the Shares and the compliance by the Company with all of the provisions of the Underwriting Agreement and the consummation of the transactions contemplated thereby do not result in any violation of the provisions of the articles of association, business license or any other constituent documents of any of the PRC Entities or any applicable statute or any order, rule or regulation, including without limitation the New M&A Rule, of any governmental agency having jurisdiction over any of the PRC Entities or any of its properties. No governmental authorization of any governmental agency in the PRC is required for the consummation of the transactions contemplated by the Underwriting Agreement, other than those already obtained. It is not necessary that this Agreement, the Registration Statement, the Time of Sale Disclosure Package, the Prospectus or any other document be filed or recorded with any governmental agency, court or other authority in the PRC.

13. All local and national PRC governmental tax holidays, exemptions, waivers, financial subsidies, and other local and national PRC tax relief, concessions and preferential treatment enjoyed by any PRC Entity as described in the Registration Statement, the Time of Disclosure Package and the Prospectus are valid, binding and enforceable and do not violate any laws, regulations, rules, orders, decrees, guidelines, judicial interpretations, notices or other legislation of the PRC.

14. The entry into, and performance or enforcement of the Underwriting Agreement in accordance with its terms will not subject the Underwriter to any requirement to be licensed or otherwise qualified to do business in the PRC, nor will the Underwriter be deemed to be resident, domiciled, carrying on business or subject to taxation through an establishment or place in the PRC or in breach of any laws or regulations in the PRC by reason of entry into, performance or enforcement of the Underwriting Agreement or any transaction contemplated by the Registration Statement, the Time of Sale Disclosure Package or the Prospectus.

15. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by the Underwriter to the government of the PRC or to any political subdivision or taxing authority thereof or therein in connection with the execution and delivery of the Underwriting Agreement, the sale and delivery by the Company of the Shares to or for the account of the Underwriter, the sale and delivery outside the PRC by the Underwriter of the Shares to the purchasers thereof in the manner contemplated in the Underwriting Agreement, or the consummation of any other transaction contemplated in the Underwriting Agreement.

This opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be looked at as a whole and no part should be extracted and referred to independently.

Yours faithfully,

Broad & Bright

SCHEDULE III

Lock-Up Agreement

February 23, 2010

Roth Capital Partners, LLC
24 Corporate Plaza
Newport Beach, California 92660

Ladies and Gentlemen:

The undersigned understands that Roth Capital Partners, LLC (the “Underwriter”) proposes to enter into an Underwriting Agreement (the “Underwriting Agreement”) with China Advanced Construction Materials Group, Inc., a Delaware corporation (the “Company”) providing for the public offering (the “Public Offering”) by the Underwriter of shares of the Company’s common stock, \$0.001 par value per share (the “Common Stock”).

To induce the Underwriter to continue its efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Underwriter, it will not, during the period commencing on the date hereof and ending 90 days after the date of the final prospectus supplement relating to the Public Offering (the “Prospectus”) (the “Lock-Up Period”), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions, or (b) transfers of shares of Common Stock or any security convertible into Common Stock as a bona fide gift, by will or intestacy or to a family member or trust for the benefit of a family member; *provided* that in the case of any transfer or distribution pursuant to clause (b), (i) each donee or distributee shall sign and deliver a lock-up letter substantially in the form of this letter and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the Lock-up Period. In addition, the undersigned agrees that, without the prior written consent of the Underwriter, it will not, during the period commencing on the date hereof and ending 90 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the undersigned’s shares of Common Stock except in compliance with the foregoing restrictions.

If (i) the Company issues an earnings release or material news, or a material event relating to the Company occurs, during the last 17 days of the Lock-Up Period, or (ii) prior to the expiration of the Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the Lock-Up Period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless the Underwriter waives such extension.

No provision in this agreement shall be deemed to restrict or prohibit the exercise or exchange by the undersigned of any option or warrant to acquire shares of Common Stock, or securities exchangeable or exercisable for or convertible into Common Stock, *provided that* the undersigned does not transfer the Common Stock acquired on such exercise or exchange during the Lock-Up Period, unless otherwise permitted pursuant to the terms of this agreement. In addition, no provision herein shall be deemed to restrict or prohibit the entry into or modification of a so-called "10b5-1" plan at any time (other than the entry into or modification of such a plan in such a manner as to cause the sale of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock within the Lock-Up Period).

The undersigned understands that the Company and the Underwriter are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

The undersigned understands that, if the Underwriting Agreement is not executed by March 1, 2010, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder, the undersigned shall be released from all obligations under this letter agreement.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriter.

[Remainder of page intentionally left blank – signature page follows]

Very truly yours,

(Name)

(Address)

SCHEDULE IV

Parties to Lock-Up Agreement

All directors and officers of the Company



February 24, 2010

China Advanced Construction Materials Group, Inc.
Yingu Plaza, 9 Beisihuanxi Road, Suite 1708
Haidian District, Beijing 100080
People's Republic of China

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We are acting as counsel for China Advanced Construction Materials Group, Inc., a Delaware corporation (the "**Company**"), in connection with the registration of the offer, issuance and sale by the Company of 2,000,000 shares of common stock, par value \$0.001 per share (the "**Shares**"), pursuant to the Form S-3 Registration Statement (Registration No. 333-164048) (the "**Registration Statement**") filed by the Company with the Securities and Exchange Commission (the "**Commission**") under the Securities Act of 1933, as amended (the "**Securities Act**"), and declared effective by the Commission on January 11, 2010, and the final prospectus supplement relating to the Shares, dated February 23, 2010, filed with the Commission under Rule 424(b)(5) of the Securities Act (the "**Prospectus Supplement**"). The Shares are to be sold pursuant to an Underwriting Agreement, dated February 24, 2010 (the "**Underwriting Agreement**"), by and between the Company and Roth Capital Partners, LLC (the "**Underwriter**"). The Underwriting Agreement also grants the Underwriter an option to purchase an additional 300,000 shares of the Company's common stock to cover over-allotments, if any.

In rendering our opinion set forth below, we have examined and relied upon the Registration Statement and related Prospectus therein, the Prospectus Supplement and we have reviewed the corporate proceedings of the Company with respect to the authorization of the issuance of the Shares. We have also examined and relied upon originals or copies of such agreements, instruments, corporate records, certificates and other documents as we have deemed necessary or appropriate as a basis for the opinions hereinafter expressed. In our examination, we have assumed the genuineness of all signatures, the conformity to the originals of all documents reviewed by us as copies, the authenticity and completeness of all original documents reviewed by us in original or copy form, and the legal competence of each individual executing any document.

Based upon the foregoing, we are of the opinion that the Shares, when issued and sold as contemplated in the Registration Statement, and upon payment and delivery in accordance with the terms and conditions of the Underwriting Agreement, will be validly issued, fully paid and non-assessable.

This opinion is limited to matters governed by the Delaware General Corporation Law (including the statutory provisions and reported judicial decisions interpreting such law).

China Advanced Construction Materials Group, Inc.

February 24, 2010

Page 2

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Company's Current Report on Form 8-K filed on or about March 1, 2010, and to the use of our name under the caption "Legal Matters" in the Prospectus Supplement constituting a part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Pillsbury Winthrop Shaw Pittman LLP

CHINA ACM ANNOUNCES CLOSING OF COMMON STOCK PUBLIC OFFERING

Beijing, China, March 1, 2010 – **China Advanced Construction Materials Group, Inc. (NASDAQ GM: CADC)** (“China ACM” or the “Company”), a leading provider of ready-mix concrete in China, today announced the closing of its public offering of 2 million registered shares of common stock (“shares”) at a price of \$4.60 per share. As part of the offering, the Company granted the underwriter a 30 day option to purchase an additional 300,000 shares at the public offering price of \$4.60 per share to cover over-allotments. The gross proceeds of the offering was \$9.2 million before the over allotment. The Company intends to use the net proceeds to purchase 2 additional portable concrete mixing plants with the remainder intended for working capital purposes.

The shares were sold under the Company's previously filed shelf registration statement, which was declared effective by the U.S. Securities and Exchange Commission (“SEC”) on January 11, 2010. The Company has filed certain documents with the SEC, including the Registration Statement on Form S-3 that included the base prospectus, which was filed on December 28, 2009 and declared effective by the SEC on January 11, 2010, a prospectus supplement that was originally distributed on February 22, 2010 and filed on March 1, 2010, the final prospectus supplement, which was filed on February 24, 2010, and a Current Report on Form 8-K, with related exhibits, which was filed on March 1, 2010. An electronic copy of such documents is available on the web site of the SEC at <http://www.sec.gov>.

Roth Capital Partners, LLC (“Roth”) acted as the sole manager for the offering. Copies of the final prospectus and accompanying final prospectus supplement may also be obtained from Roth at 24 Corporate Plaza Drive, Newport Beach, CA 92660, or by calling 800-678-9147 or emailing rothecm@roth.com.

Mr. Xianfu Han, Chairman and Chief Executive Officer of China ACM, stated, “This financing has positioned China ACM to capture more contracts, especially in the high-speed railway expansion program, to enhance our growth and build shareholder value. We welcome our new institutional shareholders and our pleased to see our shareholder base broaden.”

Jeremy Goodwin, President, CFO and Director, commented, “With the addition of the 2 new portable plants and increased working capital, we will be positioned for continued growth. There is increasing demand for our high performance, durable, environmentally friendly concrete. As one of ten nationally certified concrete companies with the Certificate of China Environmental Protection Concrete, we can produce our proprietary concrete with our waste-recycling technology throughout the country while progressing the government’s environmental mandate.”

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About China ACM

China ACM, founded in 2002 and based in Beijing, China, is a leading producer of advanced construction materials for large scale infrastructure, commercial and residential developments. The Company is primarily focused on producing and supplying a wide range of advanced ready-mix concrete materials for highly technical, large scale, and environmental construction projects. The Company also aims to develop and produce new and innovative energy efficient and environmentally conscious construction materials.

China ACM provides materials and services through its five ready-mix concrete plant network covering the Beijing metropolitan area. China ACM owns one plant and leases four plants in Beijing and has technical services and preferred procurement agreements with five other independently-owned plants across China. The company presently owns 12 portable plants deployed in 10 provinces across China. China ACM is ISO 9001 (product quality), ISO 14001 (environmental safety), and ISO 18001 (employment environment safety) certified. Additional information about the company is available at www.china-acm.com.

This press release contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including changes from anticipated levels of sales, future national or regional economic and competitive and regulatory conditions, changes in relationships with customers, access to capital, difficulties in developing and marketing new products, marketing existing products, customer acceptance of existing and new products, and other factors. Additional Information regarding risks can be found in the Company's Annual Report on Form 10K and in the Company's recent report on Form 8K filed with the SEC. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this press release.

Contact:

Kevin Theiss
Grayling
646-284-9409
kevin.theiss@grayling.com
