



Asia Cement (China) Holdings Corporation Record of Annual General Meeting in 2014

Preface: The 2014 annual general meeting (“AGM”) and an extraordinary general meeting (“EGM”) of Asia Cement (China) Holdings Corporation were held in Hong Kong on 16 April 2014. On 16 April 2014, the total number of the Company’s shares in issue was 1,556,250,000. After consideration by the meetings, more than 50% of the votes were cast in favour of each of the resolutions by way of poll. As such, all the resolutions set out in the notice of EGM and in the notice of AGM published on 14 March 2014 and 17 March 2014 respectively were duly passed.

The AGM of Asia Cement (China) Holdings Corporation was held at Room 1 & 2, 10/F, United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on 16 April 2014 at 11:00 a.m. The EGM was held immediately after the AGM. Sitting at the head table were Mr. Hsu Shu-tong, Chairman, Mr. Chang Tsai-hsiung, Vice Chairman, and Mr. Tsim Tak-lung Dominic, Independent Non-Executive Director. Also attended the meetings were: Dr. Wong Ying-ho Kennedy, Independent Director, Mr Hsu Shu-ping, Director, Dr. Wu Chung-lih, Director and Chief Executive Officer, Mr. Chang Chen-kuen, Director, Mr. Lin Seng-chang and Madam Chiang Shao Ruey-huey. Ms Doris Wu, representative of Asia Cement Corporation, being a shareholder of the Company, was also present at the meetings. The meetings were chaired by Chairman Hsu. Before shareholders considered each of the resolutions put forth at the respective meetings, Chief Executive Officer Wu Chung-lih presented the Company’s operating results in 2013 and forecast and outlook for 2014 to the shareholders and guests attending the meetings.

Speech of Dr. Wu Chung-lih:

- ✘ Asia Cement (China) achieved outstanding operating results in 2013; in particular, its profit after tax in December exceeded RMB200 million, which was a record high for profits achieved by the Group in a single month. Profit after tax for the entire year reached RMB846 million; after-tax profit margin surged from 6% in 2012 to 12% in 2013. Earnings per share rose by 108% year-on-year to RMB0.529. Return on equity for the same period rose from 5% to 9%.
- ✘ With respect to ranking by clinker production capacity, Asia Cement (China) moved up one spot from 2012 to No. 12 in 2013.

- ✘ During the Chinese new year in 2014, cement inventory surged rapidly within a short period of time. However, due to a positive market outlook, except for the central and downstream regions of the Yangtze River where prices experienced relatively sharp decline, prices in Wuhan and Chengdu remained stable. Market price rose significantly when compared with the same period in 2013.
- ✘ It is expected that 65 million tonnes of new clinker production capacity will be unleashed in the market between the second and fourth quarters of 2014. However, 42 million tonnes of obsolete capacity is targeted to be eliminated, while the implementation of new environmental standards will force small to medium cement plants to phase out. As such, industry supply will only increase slightly or even decrease. Measures to maintain stable growth are expected to continue in the second quarter. Fixed asset investment will increase, while execution of infrastructure investments and urbanization will continue.
- ✘ Improved weather conditions since the second quarter of 2014, together with the effect of the government's measures to maintain stable growth, demand will rise and help push up prices gradually. It is expected that starting from the third quarter, effect of the government's policy to address over-capacity will be felt, and prices are expected to stabilise at high levels. The fourth quarter is the traditional peak season. It is expected that both quantity and price will rise, while the production and sales of the market will flourish. The overall market outlook is promising.

The resolutions approved at the Company's annual general meeting in 2014:

1. To receive and adopt the audited financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2013.
2. To approve and declare a final dividend for the year ended 31 December 2013.
3. (i) To re-elect Mr. HSU Shu-tong as Director;
(ii) to re-elect Mr. WU Chung-lih as Director;
(iii) to re-elect Mr. TSIM Tak-lung Dominic as Director;
(iv) to re-elect Mr. WONG Ying-ho Kennedy as Director;
(v) to re-elect Mr. HSU Shu-ping; and as Director;
(vi) to authorize the Board to determine their remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as the Auditors and to authorise the Board to fix their remuneration.
5. To give a general mandate to the Directors to issue and dispose of Shares not exceeding 20% of the existing issued share capital of the Company.
6. To give a general mandate to the Directors to repurchase Shares not exceeding 10% of the existing issued share capital of the Company.

7. To add the nominal amount of repurchased shares to the general mandate given to the Directors to allot shares.

The resolution approved at the Company's 2014 extraordinary general meeting:

1. To approve the amendment of the Pre-IPO share option scheme.