



Asia Cement (China) Holdings Corporation Record of Annual General Meeting and Extraordinary General Meeting in 2016

Preface: The 2016 annual general meeting (the “AGM”) and extraordinary general meeting (the “EGM”) of Asia Cement (China) Holdings Corporation was held in Hong Kong on 24 May 2016. On 24 May 2016, the total number of the Company’s issued shares was 1,566,851,000. After the consideration by the AGM, more than 50% of the votes were cast in favour of each of the resolutions by way of poll. As such, all the resolutions and notice of AGM published on 20 April 2016 were duly passed. As at the date of the EGM, a total of 1,566,851,000 shares were in issue. As disclosed in the circular dated 5 May 2016, Asia Cement Corporation, the controlling shareholder of the Company, and its respective close associates, holding an aggregate of 1,136,074,000 shares, representing approximately 73% of the total issued share capital of the Company as at the date of the EGM, were required to abstain and did abstain from voting on the resolution at the EGM. Accordingly, the total number of shares entitling the independent shareholders to attend and vote for or against the resolution at the EGM was 430,777,000 shares. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed at the EGM as ordinary resolution of the Company.

The AGM and the EGM of Asia Cement (China) Holdings Corporation were held at Room 1 & 2, 10/F, United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on 24 May 2016 at 2:30 pm and 3:00 pm respectively. Sitting at the head table were Mr. Hsu Shu-tong, Chairman, Mr. Hsu Shu-ping, Vice Chairman, Mr. Chang Tsai-hsiung, Executive Director, and Mr. Tsim Tak-lung Dominic, Independent Non-Executive Director (“INED”). Also attended the meetings were: Dr. Wang Kuo-ming, INED, Mr. Wong Wei, INED, Dr. Wu Chung-lih, Executive Director and Chief Executive Officer, Mr. Chang Chen-kuen, Executive Director, Mr. Lin Seng-chang, Executive Director and Ms. Wu Ling-ling, Executive Director. The meetings were chaired by Chairman Hsu. Before shareholders considered each of the resolutions put forth at the meetings, Chief Executive Officer Dr. Wu Chung-lih presented the Company’s operating results in 2015, the forecast and outlook for 2016 to the shareholders and guests attending the meetings.

Speech of Dr. Wu Chung-lih:

- 2015 was a "tsunami" year for cement industry. The industry had maintained a positive sales growth since 1991. After 25 years of positive growth, a 5% negative recession was witnessed. Industry profit fell 58% year-on-year, the number of loss-making enterprises accounted for more than 35%; Conch Cement, being a role model in the industry, also reported a decline of 31% in profit.
- Asia Cement (China) reported a loss of nearly RMB300 million. Compared with over 800 million profits after tax each in 2013 and 2014, this was the first time of the Company to report loss since its listing in Hong Kong in 2008.
- Data from the past three years shows that Asia Cement (China) had made good progress in "controllable" factors such as production, sales and management cost. The loss was mainly due to "uncontrollable" price and exchange loss.
- Industry overview from the first quarter of 2016 to present: 1. the overall environment remains punishing, leading enterprises such as Conch, CNBM, Sinoma and China Resources reported negative growth in profit for the first quarter. Nonetheless, the effectiveness of stable growth policy is emerging, the momentum has been improved. 2. The demand has got some support; price shows a steady rebound in most of the regions, where Yangtze River region showed a more significant rebound. 3. Through the control of supply to maximise production capacity, strengthening small regional operation to ensure the price will not further drop and bottoming up. 4. It is expected that the market development this year will show a stability during the low season, while a slight rebound will be experienced in peak season.
- In 2016, it is expected the industry to perform "squat and leap" development. Asia Cement (China) still has a long way to go, but we are confident, with the guidance of Chairman and directors, Asia Cement (China) will face the market with full sprint, continue lower cost and achieve desirable performance in order to increase profit for the Company and reward shareholders for their support.

The resolutions approved at the Company's AGM in 2016:

1. To receive and adopt the audited financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2015.
2. To approve and declare a final dividend for the year ended 31 December 2015.
3. To re-elect directors and to authorize the Board to determine their remuneration.
 - (i) To re-elect Mr. HSU Shu-tong;

- (ii) To re-elect Mr. HSU Shu-ping;
 - (iii) To re-elect Dr. WU Chung-lih;
 - (iv) To re-elect Mr. TSIM Tak-lung Dominic;
 - (v) To re-elect Dr. WANG Kuo-ming;
 - (vi) To re-elect Ms. WU Ling-ling;
 - (vii) 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, conditional upon passing of Resolution 5 and 6 above, the nominal amount of repurchased shares to the general mandate given to the Directors to allot shares.
 8. To approve and adopt the Amended and Restated Operational Procedures for Making Advances to Third Parties.
 9. To approve and adopt the Amended and Restated Operational Procedures for Acquisition and Disposal of Assets.

The resolution approved at the EGM:

1. To approve, confirm and ratify the 2016 Sales and Purchase Agreements as supplemented and revised by the Addendum and all the transactions contemplated thereunder and the Revised Annual Cap.