



Asia Cement (China) Holdings Corporation **Record of Annual General Meeting in 2018**

Preface: The 2018 annual general meeting (the “AGM”) of Asia Cement (China) Holdings Corporation was held in Hong Kong on 8 May 2018. On 8 May 2018, the total number of the Company’s issued shares was 1,566,851,000, being the total number of shares entitling the holders to attend and vote for or against the resolutions at the AGM. There were no shareholders who were materially interested in any of the resolutions, and therefore none of the shareholders were required under the Listing Rules to abstain from voting in respect of the resolutions at the AGM. 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 4 April 2018 (thereafter revised on 3 May 2018) were duly passed.

The AGM 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 8 May 2018 at 3:00 pm. 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, INED. Also attended the meeting were: Mr. Lee Kao-chao, INED, Mr. Wang Wei, INED, Dr. Wang Kuo-ming, 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 meeting was 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 2017, the forecast and outlook for 2018 to the shareholders and guests attending the meetings.

Speech of Dr. Wu Chung-lih:

- In 2017, the Group produced 24.17 million tonnes of clinker, down by 0.5% from that of the previous year, and 29.13 million tonnes of cement (including slag powder). Total sales volume dropped by 2.2% year-on-year to 30.20 million tonnes. The Group’s cement price increased by RMB52 per tonne from that of the previous year to RMB245 (excluding tax).

- The Group's revenue for 2017 amounted to approximately RMB7.82 billion, up by 23% year-on-year, with gross profit and net operating profit amounting to approximately RMB1.91 billion and RMB1.24 billion respectively, representing year-on-year increases of 53% and 119% respectively. The gross profit margin and net operating profit margin were 24.4% and 15.8% respectively, representing year-on-year increases of 4.7 percentage points and 6.9 percentage points respectively. Earnings per share were RMB0.384, significantly up by 352%.
- The industry overview for the first quarter of 2018 is as follows: IMF had raised its forecast for China's economic growth in 2018 from 6.5% in January to 6.6%. China's GDP growth rate in the first quarter was 6.8%, which was in line with the third and fourth quarters of 2017.
- From January to March, the growth rate of fixed assets investment was 7.5%, the growth was declining, while infrastructure investment grew by 13%. It is expected that it will be in the range of 14%-15% for the whole year.
- From January to March, the output of cement was 376 million tonnes, a decrease of 4.5% year-on-year, which was a large decrease. Among which, there was a significant drop of 15.6% year-on-year in March.
- From January to March, the national cement price increased significantly year-on-year, and the price fell from RMB422/tonne in January to RMB399/tonne in March, which was still at a historical high. However, the raw material costs were high which made the price advantage diluted.
- The country's economic growth is stable but still with concerns. The demand is relatively stable and the growth rate of investment is expected to be accurately accelerating with enhanced efficiency. Industry-related policies will be gradually deepened and the growth momentum will become better.
- Demand is supported with slower pick up. The restart in Southern region is faster than that in the north. The prices in the Yangtze River Delta and the Pearl River Delta region are clearly rising. Through the supply side, it will control the production capacity, strengthen regional market operations, and maintain stable prices.
- In the second quarter, various regions have planned to suspend kiln to control production. Prices are on an upward trend, and profits have challenged historical highs. In the first half of the year, the industry's overall efficiency has been significantly increased, and the overall outlook for the whole year is positive.

- With off-peak season production, the market is consolidated. The Company will continue to reduce costs and increase profitability, and put forth its efforts in innovation and upgrade.

The resolutions approved at the Company's AGM in 2018:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the independent auditors for the year ended 31 December 2017.
2. To approve and declare a final dividend for the year ended 31 December 2017.
3. To re-elect directors and to authorize the Board to determine their remuneration.
 - (i) To re-elect Mr. CHANG Tsai-hsiung as an executive Director;
 - (ii) To re-elect Dr. WU Chung-lih as an executive Director;
 - (iii) To re-elect Ms. WU Ling-ling as an executive Director;
 - (iv) To re-elect Mr. TSIM Tak-lung Dominic as an independent non-executive Director;
 - (v) 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, allot and deal with additional shares of the Company not exceeding 20% of the total number of issued shares of the Company as at the date of passing of this resolution.
6. To give a general mandate to the Directors to repurchase shares of the Company not exceeding 10% of the total number of issued shares of the Company.
7. To extend the general mandate granted to the Directors to issue, allot and deal with additional shares in the capital of the Company by the aggregate number of the shares repurchased by the Company pursuant to the mandate by resolution no. 6.