



Asia Cement (China) Holdings Corporation

Record of Annual General Meeting in 2015

Preface: The 2015 annual general meeting (the “AGM”) of Asia Cement (China) Holdings Corporation was held in Hong Kong on 20th May 2015. On 20th May 2015, the total number of the Company’s issued shares was 1,566,851,000. After the consideration by the meeting, 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 17th April 2015 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 20th May 2015 at 2:30 p.m. 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 meeting were: Mr. Li Kao-chao, INED, Mr. Wong Wei, INED, Dr. Wong Ying-ho Kennedy, INED, Dr. Wu Chung-lih, Director and Chief Executive Officer, Mr. Chang Chen-kuen, Director, Mr. Lin Seng-chang, Director and Madam Chiang Shao Ruey-huey, Director. Ms. Doris Wu, representative of Asia Cement Corporation, being a shareholder of the Company, was also present at the meeting. The meeting were chaired by Chairman Hsu. Before shareholders considered each of the resolutions put forth at the meeting, Chief Executive Officer Dr. Wu Chung-lih presented the Company’s operating results in 2014, the forecast and outlook for 2015 to the shareholders and guests attending the meeting.

Speech of Dr. Wu Chung-lih:

- The Company’s output of clinker in 2014 rose 28% year-on-year to 23.9 million tonnes. The output of cement reached 30 million tonnes, rose 12% as compared to the same of 2013. Sales volume of cement in 2014 increased 10% to 28.3 million tonnes. The operating profit margin rose 4% to 23%. Net profit margin rose 8% to 14%. Due to effect of decreasing cement price in 2014 and some other factors, after tax profit margin

declined to 10%. Affected by a bad debt, the profit after tax recorded RMB 813 million. Earning per share dropped 4% year-on-year to RMB0.507, while return on equity for 2014 declined from 9% to 8%.

- In the first quarter of 2015, the cement price was the lowest in recent seven years and the growth rate of production was the slowest in the past decade, the cement enterprises had suffered from negative growth.
- The demand of cement in 2015 is weak and the price of the second quarter continues its sluggish trend. But with confirmation of commencement of various infrastructure projects in the second half of the year, the constructions successively begin, and the benefit will be increased progressively.
- It is expected that starting from the third quarter of 2015, the demand will increase rapidly. The enterprises holding each other's shares, the coordination among each other will boost sales volume and market price. The market efficiency will reach its peak in the fourth quarter and may achieve a boom same as one in the fourth quarter of 2013, and last to year 2016.
- In May 2015, there were times that the Company tried to raise the price but failed due to the high inventory level among large cement enterprises. It is expected by the end of May to June, the price may rise progressively.
- On 7th May 2015, China Cement Association announced 2015 listed cement companies' ranking. The evaluation was based on four criteria: the sales volume of cement, profit amount, assets and the market capitalisation. The ranking of Asia Cement (China) has moved up one rank when compared with last year, ranking 11 this year.

The resolutions approved at the Company's AGM in 2015:

1. To receive and adopt the audited financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2014.
2. To approve and declare a final dividend for the year ended 31 December 2014.
3. (i) To re-elect Mr. CHANG Tsai-hsiung;
(ii) To re-elect Madam, CHIANG SHAO Ruey-huey;
(iii) To re-elect Mr. CHANG Chen-kuen;
(iv) To re-elect Mr. LIN Seng-chang;

- (v) To re-elect Mr. WANG Wei;
 - (vi) To re-elect Mr. LEE Kao-chao; and
 - (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.