



Asia Cement (China) Holdings Corporation
亞洲水泥（中國）控股公司

2010 Annual General Meeting Record

Asia Cement (China) (hereinafter the Company) held its 2010 Annual General Meeting in Hong Kong on 7 May 2010. A total of casted votes reached 1,227,717,721, accounting for 79% of total issued capital shares 1,556,250,000 which indicated the shareholders pay close attention to the latest development and shows their support.

Headtable: HSU, Shu-tong, Chairman, CHANG, Tsai-hsiung, Chief Executive Officer, and TSIM, Tak-lung Dominic, Independent non-executive Director

Summary of the speech of Chang Tsai-hsiung, CEO

- ✘ Production: Asia Cement (China) performed well on production in 2009. Production of cement and clinker reached 13.98 million tonnes and 9.92 million tonnes respectively, representing a growth of 38% and 47%.
- ✘ Sales Volume: Sales volume of cement and clinker recorded a new high, totaling 14.37 million tonnes, representing an increase of 42%. Cement sales of Hubei amounted to 4.49 million tonnes, representing a market share of 7% out of the total consumption of 66 million tones in the Hubei province. Cement sales in Sichuan region, Jiangxi region and Yangzhou reached 4.17 million tonnes, 2.83 million tonnes and 1.44 million tonnes respectively, representing a market share of 4%, 5% and 28% in the respective province.
- ✘ Business Overview: In 2009, the Company recorded revenue of RMB4.2 billion. Gross profit was RMB1.2 billion, while the gross profit margin was 28%. Net profit amounted to over RMB 600 million. Net profit margin reached 14%.
- ✘ Production Ranking: In 2009, the Company ranked 16th in clinker production and 13th in cement production in China.
- ✘ Prospects: The Company planned to have 11 rotary kilns, each with a daily clinker production capacity of 4,200 tonnes, 2 rotary kilns, each with a daily clinker production capacity of 6,000 tonnes and 1 rotary kiln with a daily clinker production capacity of 3,000 tonnes by 2014. And the total rated production capacity of clinker will be 20.20

million tonnes at that time, the actual production, however, will reach 23.85 million tonnes, a 19% over rated capacity.

- ✘ Government Policies: The government is dedicated to further restraining the capacity expansion in certain over-supply area and eliminating the backward capacity of 500 million tonnes as well as implementing “building materials to the countryside” policy.
- ✘ Development Strategies: In order to improve the competitive advantages, the Company will increase the sales in current regions, decrease the transportation cost through leveraging the convenience of water transportation of Yangtze River, reduce production cost effectively through utilizing the production waste, enlarge the sources of coal procurement, develop the power-saving and low-carbon emission technologies and collaborate with regional governments on the subject of sludge treatment etc., In addition, the Company will enhance the production capacity through organic growth and merger and acquisition. The Company will also develop downstream cement products and to increase sales volume in the rural area, working along with the “building materials to rural area” program.

Discuss process

Resolution passed on 2010 AGM:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company and the auditor of the Company for the year ended 31 December 2009
2. To approve and declare a final dividend policy for the year ended 31 December 2009
3. To re-elect retiring Directors and to authorize the board of Directors to determine their remuneration
4. To re-appoint Deloitte Touche Tohmatsu as the Company’s Auditor and to authorize the Board to fix its remuneration
5. To give a general mandate to the Board 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 Board to repurchase shares not exceeding 10% of the existing issued share capital of the Company
7. To add the nominal amount of repurchased shares pursuant to Resolution No. 6 to the general mandate given to the Board to allot shares pursuant to Resolution No. 5