

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Cement (China) Holdings Corporation, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Asia Cement (China) Holdings Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

NON-EXEMPT CONNECTED TRANSACTION EXTENSION OF SCHEME PERIOD OF PRE-IPO SHARE OPTION SCHEME AND NOTICE OF EGM

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A notice convening the EGM of Asia Cement (China) Holdings Corporation to be held at Room 1 & 2, 10/F, United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 16 April 2014 at 11:00 a.m. is set out on pages 29 to 30 of this circular.

A proxy form for use at the EGM is enclosed with the notice of the EGM. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) as soon as possible and in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

14 March 2014

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Amended Pre-IPO Share Option Scheme”	the draft share option scheme substantially in the same form and content as the Scheme, amended in accordance with the Amendment, and subject to Independent Shareholders’ approval in the manners provided herein
“Amendment”	the amendment of the terms of the Pre-IPO Share Option Scheme, pursuant to which the expiry date of the Scheme Period will be amended from 6 years to 7 years after the Grant Date
“Articles”	the articles of association of the Company as amended from time to time
“Asia Cement”	Asia Cement Corporation (亞洲水泥股份有限公司), a company incorporated on 21 March 1957 in Taiwan with limited liability under the Taiwan Company Law with its shares listed on the Taiwan Stock Exchange. Asia Cement is the controlling shareholder of the Company
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Chairman”	Mr. HSU, Shu-tong
“Company”	Asia Cement (China) Holdings Corporation, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“control”	means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be concerned and held for considering and approving the Amendment

DEFINITIONS

“Grant Date”	the date of grant of the Options, being 17 April 2008
“Grantee(s)” or “Option Holder(s)”	the person(s) who were granted Share Options pursuant to the Pre-IPO Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board, comprising Mr. LIU, Zhen-tao, Mr. TSIM, Tak-lung Dominic and Dr. WONG, Ying-ho Kennedy, being all the independent non-executive Directors, which has been formed to make recommendation to the Independent Shareholders in respect of the Pre-IPO Share Option Scheme
“Independent Financial Adviser” or “GF Capital”	GF Capital (Hong Kong) Limited, a corporation licensed under the SFO to carry on type 6 regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Amendment
“Independent Shareholders”	the shareholders of the Company who are not required to abstain from voting at the extraordinary general meeting under the Listing Rules
“Interested Directors”	the Directors, as at the Latest Practicable Date, who hold Outstanding Options, and are deemed to have material interest in the Amendment
“Latest Practicable Date”	11 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing”	listing of the Company on the main board of the Stock Exchange
“Listing Date”	20 May 2008
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange

DEFINITIONS

“New Scheme”	the share option scheme approved and adopted by the Shareholders’ resolutions on 27 April 2008 under Chapter 17 of the Listing Rules
“Option(s)” or “Share Option(s)”	the options that have been granted under the Scheme
“Outstanding Option(s)”	the Options that have not been exercised by the Grantee
“PRC”	the People’s Republic of China
“Pre-IPO Share Option Scheme” or “Scheme”	the share option scheme approved by the resolutions in writing of all the Shareholders passed on 13 December 2007 which terms have been set out in the Prospectus
“Prospectus”	the prospectus issued by the Company in relation to its Listing dated 5 May 2008
“Relevant Period”	the period since the Grant Date until the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Scheme Period”	the period during which the Options may be exercised
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.



Asia Cement (China) Holdings Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

Executive Directors:

Mr. CHANG, Tsai-hsiung (*Vice Chairman*)
Dr. WU, Chung-lih (*Chief Executive Officer*)
Madam CHIANG SHAO, Ruey-huey
Mr. CHANG, Chen-kuen
Mr. LIN, Seng-chang
Mr. HSU, Shu-ping

Non-executive Director:

Mr. HSU, Shu-tong (*Chairman*)

Independent Non-executive Directors:

Mr. LIU, Zhen-tao
Mr. LEI, Qian-zhi
Mr. TSIM, Tak-lung Dominic
Dr. WONG, Ying-ho Kennedy

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place

of Business in the PRC:

No. 6 Yadong Avenue
Ma-Tou Town, Ruichang City
Jiangxi Province, PRC

Principal Place

of Business in Hong Kong:

Portion of Unit B
11th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong

14 March 2014

To the Shareholders

Dear Sir or Madam,

NON-EXEMPT CONNECTED TRANSACTION EXTENSION OF SCHEME PERIOD OF PRE-IPO SHARE OPTION SCHEME

INTRODUCTION

As disclosed in the Company's Prospectus, the Pre-IPO Share Option Scheme granted the Options of the Company to the employees, directors and consultants of the Group and any persons whom the Company has considered to have contributed or contributes to the Group. The principal terms of the Pre-IPO Share Option Scheme which

LETTER FROM THE BOARD

were approved by the resolutions in writing of all the Shareholders passed on 13 December 2007 were disclosed in the Prospectus.

The period during which the Options may be exercised commenced on the Grant Date, April 17, 2008 and shall expire on the last day of the 6 year period after the Grant Date i.e. April 17, 2014 (the “**Scheme Period**”). As of the Latest Practicable Date, as there are 11,578,000 Outstanding Options pursuant to the Pre-IPO Share Option Scheme, the Board intends to amend the terms of the Pre-IPO Share Option Scheme so that the Scheme Period shall extend for one more year i.e. April 17, 2015 (the “**Amendment**”). Other than the Amendment, there are no other terms of the Scheme which would be changed. The Board has no intention to, and will not seek further extension of the Scheme Period, by any amendment to the Scheme or otherwise.

Some of the Option Holders under the Pre-IPO Share Option Scheme are Directors and therefore shall be treated as connected persons of the Company. The Amendment and any exercise of Options by the Interested Directors constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at an extraordinary general meeting which will be held at the same time as the AGM. The Amendment is also subject to the granting of, and permission to deal in, the 11,578,000 Shares that may be issued upon exercise of all Options by the Stock Exchange. An application has been made to the Stock Exchange for the granting of, and permission to deal in, the 11,578,000 Shares that may be issued upon exercise of all Options.

The purpose of this circular is to provide you with the relevant information in respect of the Amendment to the Pre-IPO Share Option Scheme and to seek your approval of the resolutions relating to these matters at the EGM.

DETAILS OF THE PROPOSED AMENDMENT TO PRE-IPO SHARE OPTION SCHEME

The Scheme Period

Historically, the date on which an offer of the Scheme was made to the Grantee was April 17, 2008. The period during which the Option may be exercised commenced on Grant Date, April 17, 2008 and shall expire in any event not later than the last day of the 6 year period after the Grant Date i.e. April 17, 2014. No further Options have been granted after the Listing Date but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in all respects. Options granted under the Pre-IPO Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the Listing Date.

LETTER FROM THE BOARD

Outstanding Option

As at the Latest Practicable Date, 11,578,000 Options were granted under the Scheme, and no such Options have yet been exercised. The Options granted under the Scheme are exercisable at HK\$4.2075 per Share.

Vesting Period

The Option Holders may exercise Options pursuant to the following schedules of vesting period and percentage:

(i) *The employee of the Group*

Period that the Share Options can be exercised after the Grant Date	Maximum accumulated percentage of share options exercisable
Attaining 2 years	30%
Attaining 3 years	60%
Attaining 4 years	80%
Attaining 5 years	100%

(ii) *The Director of the Group*

Period that the Share Options can be exercised after the Grant Date	Maximum accumulated percentage of share options exercisable
Attaining 1 year	33.3%
Attaining 2 years	66.6%
Attaining 3 years	100%

(iii) *A grantee who is neither the employee nor the Director of the Group may exercise the Share Options after 6 months from the date on which the Share Options are granted to him.*

LETTER FROM THE BOARD

Details of the Outstanding Options, as at the Latest Practicable Date under the Pre-IPO Share Option Scheme are as follows:

Name	Grant Date	Outstanding Options at 1 January 2013	Granted during the year	Options exercised during the year	Option lapsed on expiry	Options cancelled upon termination of employment	Outstanding Option at the Latest Practicable Date
Directors							
Mr. Chang, Tsai-hsiung	17 April 2008	1,500,000	-	-	-	-	1,500,000
Mr. Wu Chung-lih	17 April 2008	400,000	-	-	-	-	400,000
Madam Chiang Shao, Ruey-huey	17 April 2008	400,000	-	-	-	-	400,000
Mr. Hsu, Shu-tong	17 April 2008	3,000,000	-	-	-	-	3,000,000
Mr. Chang, Chen-kuen	17 April 2008	400,000	-	-	-	-	400,000
Mr. Lin, Seng-chang	17 April 2008	400,000	-	-	-	-	400,000
Other employees	17 April 2008	5,478,000	-	-	-	-	5,478,000
		11,578,000	-	-	-	-	11,578,000

Outstanding options

The table below demonstrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon the exercise of the Share Options under the Pre-IPO Share Options Scheme in full:

	As at the Latest Practicable Date		Upon exercise of the Options in full	
	Number of Shares	%	Number of Shares	%
Asia Cement Corporation	1,136,074,000	73.00	1,136,074,000	72.46
Directors	300,000	0.02	6,400,000	0.41
Grantees (excluding Directors currently holding Shares and Options under the Pre-IPO Share Options Scheme)	-	-	5,478,000	0.35
Public Shareholders	419,876,000	26.98	419,876,000	26.78
	1,556,250,000	100.00	1,567,828,000	100.00

LETTER FROM THE BOARD

Under the Pre-IPO Share Option Scheme, a total number of ordinary shares to be issued by the Company upon the exercise of all of the Options by the Grantees shall be 11,578,000 Shares, representing approximately 0.74% of the issued share capital of the Company as at the Latest Practicable date.

Other than the Pre-IPO Share Option Scheme, the Shareholders approved and adopted a share option scheme on 27 April 2008 in accordance with Chapter 17 of the Listing Rules (the “**New Scheme**”). For details, please refer to “D. Share Option Scheme” of Appendix VI to the Company’s Prospectus. As at the date of this circular, no option has been granted or agreed to be granted under the New Scheme. Other than the aforesaid, the Company has not adopted other share option schemes. In addition, the Company has no other outstanding convertible securities issued.

Alternation of the Scheme

The Pre-IPO Share Option Scheme provides that the Scheme shall not be materially altered unless prior approval has been obtained from the Shareholders. No such alterations shall operate to affect adversely the terms of the issue of any Options granted or agreed to be granted prior to such alterations except with the consent of the Shareholders for the time being of the Company for a variation of the rights attached to the Shares.

Any alterations to the provisions of the Pre-IPO Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the Pre-IPO Share Option Scheme.

Since the Board forms the view that the Amendment is of a material nature and it changes the terms of the Options, it shall be approved by the Shareholders in general meeting in accordance with the terms of the Scheme in addition to the requirements under Chapter 14A of the Listing Rules. Accordingly, subject to the Independent Shareholders’ approval to be sought hereunder, the Amendment would comply with the original terms of the Scheme.

The Directors confirm that other than the Grantees who are Directors and whose details are disclosed above, the rest of the Grantees under the Pre-IPO Share Option Scheme are not a connected person of the Company. The Directors have agreed not to exercise any Options to the extent that the public float of the Company will as a result of such exercise be less than the minimum requirements under the Listing Rules.

Information about the Company and the Interested Directors

The principal activity of the Company is investment holding. The Group’s principal business activities are manufacture and sales of cement, concrete and related products. There were no significant changes in the nature of the Group’s principal activities during the year.

LETTER FROM THE BOARD

Details of the Interested Directors as at the Latest Practicable Date are set out as follows:

Mr. HSU, Shu-tong (徐旭東), aged 72, is the chairman of the Group. Mr. HSU's principal responsibilities involve formulating the overall business strategy of the Group in China. Mr. HSU is also the chairman and CEO of Far Eastern Group, one of the largest and most diversified conglomerates based in Taiwan. It comprises 241 companies extending into China with operations in countries including Canada, Hong Kong, Singapore, Malaysia, Thailand and Vietnam. Far Eastern Group has a workforce of 57,000, and in 2012, it has total assets of US\$66.8 billion and annual revenues of US\$21.9 billion. The Group has nine public companies, which are leaders in their respective fields including Petrochemicals & Energy; Textile & Polyester Fiber; Cement/Building Material; Sea/Land Transportation; Financial Services; Construction; Telecommunications; Retail/Department Stores and Hotels. Family Foundations encourage social responsibilities and include the establishment of Taiwan's leading technical institute, private university, and hospital. Mr. HSU is also the chairman of Far Eastern New Century Corporation, U-Ming Marine Transport Corporation, Far Eastern Department Stores Ltd., Oriental Union Chemical Corporation, Far Eastone Telecommunications Co. Ltd. and Asia Cement Corporation, the vice chairman of Far Eastern International Bank and a director of Everest Textile Co. Ltd., which are listed in Taiwan.

Outside Far Eastern Group, Mr. HSU's professional and other affiliations in prominent organizations include: Director of MasterCard Asia/Pacific Regional Advisory Board, Prudential/Asia Pacific Fund, Chung-Hua Institution for Economic Research, the Straits Exchange Foundation, Chiang Ching-kuo Foundation for International Scholarly Exchange; Member of Asia Business Council, Trustee Member of University of Notre Dame, Asian Cultural Council; Board Member of National Cultural & Arts Foundation, Chairman of Sino-American Asian Cultural Foundation, former President of International Textile Manufacturers Federation (ITMF), former Co-Chair of Nature Conservancy Asia Pacific Council, and former Consultant to Chinese Taipei Olympic Committee.

Mr. HSU graduated from the University of Notre Dame, IN (BA, MA) with post-graduate studies in economics at Columbia University, NY in the US. Since 2002 he holds an honorary doctorate of management from National Chiao Tung University in Taiwan.

Mr. CHANG, Tsai-hsiung (張才雄), aged 90, is an executive Director and the vice chairman of the Group. Mr. CHANG's primary responsibilities include formulating and implementing the overall business strategies as well as planning and overseeing the entire operation of the Group in the PRC. Mr. CHANG is also an executive director of Asia Cement Corporation, a company listed in Taiwan. Mr. CHANG joined Asia Cement Group in 1963 and joined the Group in October 1997. Mr. CHANG has more than 40 years of experience in the cement industry in both Taiwan and the PRC.

LETTER FROM THE BOARD

Dr. WU, Chung-lih (吳中立), aged 64, is an executive Director, the chief executive officer, the chief administrative officer and the compliance officer of the Group. Ever since Dr. WU has been promoted to the position of CEO on September 1, 2011, he becomes responsible for all the top management work, including the previous duty of general administrative affairs. Dr. WU is also an independent non-executive director of Arima Optoelectronic Corporation which is a company listed in Taiwan. Dr. WU has extensive work experience in Taiwan and the United States. He was a senior official of the Taiwan central government for the period from 1989 to 2000, and had been a teaching and research fellow in various universities in Taiwan and the United States for 15 years, specializing in the areas of health economics, econometrics, public finance, economics of education and analysis of economic policy. Dr. WU joined the Eastern Multimedia Group in May 2000 and served as the chief executive officer and the president of Eastern Multimedia Company from June 2001 to February 2005. Dr. WU joined the Group in August 2005 and he holds a PhD degree in economics from the State University of New York at Albany.

Madam CHIANG SHAO, Ruey-huey (邵瑞蕙), aged 66, is an executive Director and the chief financial officer of the Group. Madam SHAO has more than 40 years experience of financial management, planning and information system management in the cement industry. Madam SHAO is also a director of China Hi-Ment Corporation and a supervisor of U-Ming Marine Transport Corporation, all of which are listed in Taiwan. Madam SHAO joined Asia Cement Group in 1970 and joined the Group in October 1997. Madam SHAO graduated from the Soochow University in Taiwan in 1970 with a bachelor degree in accountancy.

Mr. CHANG, Chen-kuen (張振崑), aged 66, is an executive Director, the deputy chief executive officer and the chief technical officer of the Group. Mr. CHANG is responsible for the production technology and research and development activities of the Group. Mr. CHANG has more than 46 years of experience of engineering and management in the cement industry. Mr. CHANG is also a director of Asia Cement Corporation, a company listed in Taiwan. Mr. CHANG joined Asia Cement Group in 1968 and joined the Group in December 1997. Mr. CHANG graduated from Taipei Technical Institute majoring in mechanical engineering.

Mr. LIN, Seng-chang (林昇章), aged 70, is an executive Director, the deputy chief executive officer and the chief marketing officer of the Group. Mr. LIN is primarily responsible for formulating and implementing the sales and marketing strategies of the Group as well as overseeing its sales and marketing activities. Mr. LIN has more than 50 years of experience of sales and management in the cement industry. Mr. LIN joined Asia Cement Group in 1962 and joined the Group in October 1999. Mr. LIN graduated from National Taipei College of Business in October 1962.

LETTER FROM THE BOARD

REASONS AND ADVANTAGES OF THE AMENDMENT

The reason for the Grantees not exercising the Options during the Relevant Period is that most of the Grantees are Taiwanese and mainland Chinese who have been stationing in the Company's subsidiaries in the PRC, hence the Grantees would require more time to arrange for necessary funding and set up the banking and/or securities accounts, for the purpose of exercising the Options. Besides, the Board has noted that the Share price of the Company was below the exercise price of the Option for a considerable period of time, before it has shown a recovery in recent months. Therefore, the Board intends to extend the Option Period, pursuant to which the Grantees would have sufficient time to re-allocate their financial resources and implement necessary arrangement to exercise the Options. As of the date of this circular, the Company has not received any indication from the Grantees to exercise the Options if the Scheme Period is extended for one more year.

The advantage of the Amendment over any grant of new share options under the New Scheme is that the exercise price of the Options can be maintained at HK\$4.2075, instead of a higher price under the New Scheme. As a result, the Grantees who have been working for and contributing to the Group during the Scheme Period may enjoy the premium as reward when exercising the Options. Such advantage may not be available if options are granted under the New Scheme. Besides, when compared with any grant of new share options under the New Scheme, the Amendment will not expose the existing Shareholders to a risk of further dilution if more Shares could be granted under the New Scheme.

As the Board considers that it is legitimate for the Grantees to be rewarded with the incentive under the Option as illustrated above, and that the Amendment will continue to create incentives for the employees, directors and consultants of the Group to promote the growth of the Group and to retain such high-calibre Directors and employees by cultivating the sense of solidarity of these persons to the Group. Therefore, the Amendment are in the interest of the Group and the Shareholders as a whole.

EGM

Ordinary resolutions will be proposed at an extraordinary general meeting which will be held at the same time as the annual general meeting to approve and adopt the Amendment. Set forth on pages 29 to 30 in this Circular is a notice convening the extraordinary general meeting at which, among other things, resolutions will be proposed to approve the Amendment.

Any connected person with material interest in the Amendment, and any Shareholder with a material interest in the Amendment and its associates will not vote in respect of the relevant resolutions at the extraordinary general meeting. Mr. Chang, Tsai-hsiung, Madam Chiang Shao Ruey-huey and Mr. Chang, Chen-kuen are the Directors and connected persons of the Company, who hold 0.008%, 0.010% and 0.002% of share capital in the Company, and are accordingly required to abstain from voting at the extraordinary general meeting.

LETTER FROM THE BOARD

Given that Interested Directors are connected persons with material interests in the transactions contemplated under the Amendment, the Interested Directors and their associates have abstained from voting in respect of the resolutions passed by the Board approving the Amendment and the transactions contemplated thereunder on 14 March 2014.

As at 31 December 2013, Asia Cement beneficially owns approximately 68.19% of the equity interests in the Company and accordingly Asia Cement is a substantial shareholder and a connected person of the Company. Despite of the above, the Board considers that Asia Cement is an Independent Shareholder since it does not have a material interest in the Amendment under Listing Rules 2.16 for the following reasons:

1. Asia Cement is not a party to the transactions contemplated under the Pre-IPO Share Option Scheme, being the exercise of the Options. The Option Holders and the Company itself are the only parties to such transactions;
2. Although some of the Interested Directors are the board member of Asia Cement, Asia Cement is not an associate to the Interested Directors nor the party to the connected transactions;
3. There are in total 13 directors in the board of Asia Cement. As a prudent measure, the Interested Directors who also serve as a board member of Asia Cement namely, Mr. Hsu, Shu-tong, Mr. Chang, Tsai-hsiung and Mr. Chang, Chen-kuen shall abstain from voting in such board meeting in respect of the voting in relation to the resolutions concerning the Amendment and therefore the Interested Directors do not control and are not entitled to exercise control over the voting rights in respect of the Shares through Asia Cement; and
4. The exercise of options under the Scheme does not confer upon Asia Cement a benefit not available to other Shareholders. Instead, the exercise of the Options under the Scheme will dilute the equity interests of Asia Cement in the Company similar to other Shareholders.

Therefore, the board considers that Asia Cement is not required to abstain from voting in respect of the resolution to be proposed at the extraordinary general meeting.

Save for the above, no other Shareholders are required to abstain from voting in respect of the resolution to be proposed at the extraordinary general meeting.

VOTING BY POLL

The forthcoming extraordinary general meeting will be held by voting of Shareholders pursuant to Rule 13.39(4) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to:

- (a) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders;
- (b) the letter from the Independent Financial Adviser set out pages 16 to 22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and
- (c) additional information set out in the appendix to this circular.

Based on the relevant information disclosed herein, the Directors are of the view that it would be in the interests of the Group and the Shareholders to make the Amendment to the Pre-IPO Share Option Scheme.

As mentioned above, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Amendment.

Having considered the Amendment and the Pre-IPO Share Option Scheme, and having considered the advice given by the Independent Financial Adviser in relation thereto and the principal factors and reasons taken into consideration by them in arriving at their advice, the Independent Board Committee considers that the Amendment are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the extraordinary general meeting to approve the Amendment.

Yours faithfully,
For and on behalf of the Board
HSU, Shu-tong
Chairman



Asia Cement (China) Holdings Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

14 March 2014

To the Independent Shareholders

Dear Sir or Madam,

NON-EXEMPT CONNECTED TRANSACTION EXTENSION OF SCHEME PERIOD OF PRE-IPO SHARE OPTION SCHEME

We refer to the circular of the Company dated 14 March 2014 (the “**Circular**”) to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you in relation to the Amendment to the Pre-IPO Share Option Scheme and the transactions contemplated thereunder; whether such Amendment is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and how to vote on the resolutions regarding the Amendment.

Your attention is drawn to:

- (a) the letter from the Board set out on pages 4 to 13 of this circular which contains its recommendation to the Independent Shareholders;
- (b) the letter from the Independent Financial Adviser set out pages 16 to 22 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders; and
- (c) additional information set out in the appendix to this circular.

Having considered the advice from GF Capital, we are of the view that the Amendments to the Pre-IPO Share Option Scheme and the respective transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Amendments and the respective transactions contemplated thereunder to be presented at the extraordinary general meeting.

Yours faithfully,
Independent Board Committee
**LIU, Zhen-tao, TSIM, Tak-lung Dominic and
WONG, Ying-ho Kennedy**
Independent Non-Executive Directors

LETTER FROM GF CAPITAL

The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser which has been prepared for inclusion in this circular.



29-30/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

14 March 2014

*To the Independent Board Committee and the
Independent Shareholders*

Dear Sirs,

NON-EXEMPT CONNECTED TRANSACTION EXTENSION OF SCHEME PERIOD OF PRE-IPO SHARE OPTION SCHEME

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed amendment of the term of the Pre-IPO Share Option Scheme, details of which are set out in the letter from the Board of this circular to the Shareholders dated 14 March 2014 (the “**Circular**”). Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

According to the Pre-IPO Share Option Scheme, a total of 11,578,000 share options have been granted to the Grantees on the Grant Date (being 17 April 2008) and shall expire on the last day of the 6 year period after the Grant Date (being 17 April 2014). As stated in the Letter from the Board, some of the Option Holders under the Pre-IPO Share Option Scheme are Directors and therefore shall be treated as connected persons of the Company. The Amendment and any exercise of Options by the Interested Directors constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders at the EGM which will be held at the same time as the AGM.

Any Shareholder with a material interest in the Amendment and its associates will not vote in respect of the relevant resolutions at the EGM. Given that Interested Directors are connected persons with material interests in the transactions contemplated under the Amendment, the Interested Directors have abstained from voting in respect of the resolutions passed by the Board approving the Amendment and the transactions contemplated thereunder on 14 March 2014. As at the Latest Practicable Date, Mr. Chang Tsai-hsiung, Madam Chiang Shao, Ruey-huey and Mr. Chang, Chen-kuen are currently

LETTER FROM GF CAPITAL

interested in 0.008%, 0.010% and 0.002% issued share capital of the Company. Apart from the above and so far as the Board is aware, no other Shareholders are required to abstain from voting in respect of the resolutions to approve the Amendment.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising the independent non-executive Directors, namely Mr. Liu, Zhen-tao, Mr. Tsim, Tak-lung Dominic and Dr. Wong, Ying-ho Kennedy, has been established to advise the Independent Shareholders in respect of the Amendment.

We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Amendment is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information, statements, opinions and representations provided to us by the Company, its representatives, its management (the “**Management**”) and the Directors for which they are solely and wholly responsible and we have assumed that all such information, statements, opinions and representations contained or referred to in the Circular were true, accurate and complete at the time they were made and continue to be true, accurate and complete as at the date of the Circular.

We have assumed that all statements of belief, opinion and intention made by the Company, its representatives, the Management and the Directors as set out in the Circular were reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular. The Directors confirmed that they have provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of such information and the information contained in the Circular to provide a reasonable basis of our opinion.

Our review and analyses were based upon the information and facts contained or referred to in the Circular, the information provided by the Company and the relevant public information, including, among others, the Prospectus, the list of Grantees under the Pre-IPO Share Options Scheme, the interim report of the Company for the six months ended 30 June 2013 (the “**2013 Interim Report**”) and the annual report of the Company for the year ended 31 December 2012. We consider that we have reviewed sufficient information to reach a reasonably informed view to justify our reliance on the accuracy of the information contained in the Circular as aforesaid and to provide reasonable grounds for our advice. In addition, we have no reason to doubt the truth, accuracy and/or completeness of the information and representations as provided to us by the Directors. We, however, have not conducted any independent in-depth investigation into the business, affairs, financial position or prospects of the Group nor we have carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Amendment, we have considered the following principal factors and reasons:

1. Information of the Group

The principal activity of the Company is investment holding. The Group's principal business activities are manufacture and sales of cement, concrete and related products. There were no significant changes in the nature of the Group's principal activities during the year. The Company has been listed on the Main Board of the Stock Exchange since 20 May 2008.

2. Details of the Amendment

As disclosed in the Prospectus, the Company has granted the Options to the employees, directors and consultants of the Group and any persons whom the Company has considered to have contributed or contributes to the Group pursuant to the Pre-IPO Share Option Scheme. The principal terms of the Pre-IPO Share Option Scheme which were approved by the resolutions in writing of all the Shareholders passed on 13 December 2007 were disclosed in the Prospectus. The aim of the Pre-IPO Share Option Scheme was to promote the growth of the Group and to recruit and retain high-calibre employees and to cultivate the sense of solidarity of the Grantees to the Group.

Key terms of the Pre-IPO Share Option Scheme and the Amendment

Pursuant to the Pre-IPO Share Option Scheme, the Company has granted a total of 11,578,000 Options to the Grantees on 17 April 2008 to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated thereunder. The Grantees could exercise the Options by subscribing for one Share for each unit of Option granted. The total number of Shares to be issued by the Company upon the exercise of all of the Options shall be 11,578,000 Shares.

The Options are exercisable at HK\$4.2075 per share and, as stated in the Prospectus, the exercise price was determined at 85% of the final offer price (being HK\$4.95) in the initial public offer of the Company. The period during which the Option may be exercised commenced on the Grant Date (being 17 April, 2008) and shall expire in any event not later than the last day of the 6 year period after the Grant Date (being 17 April 2014). No further Options have been granted after the Listing Date but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in all respects. Options granted under the Pre-IPO Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the Listing Date. As stated in the Letter from the Board, the Board currently intends to amend the terms of the Pre-IPO Share Option Scheme so that the Scheme Period shall extend for one more year, i.e. 17 April 2015. Other than such amendment, there

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are no other terms of Scheme which would be changed. The Board has no intention to, and will not seek further extension of the Scheme Period, by any amendment to the Scheme or otherwise. As at the Latest Practicable Date and according to the vesting schedule as stipulated in the Letter from the Board, we noted that all the Options have been fully vested and the Grantees may exercise all the Options that they are currently holding.

Details of the Options

At the Latest Practicable Date, 11,578,000 share options were granted under the Pre-IPO Share Option Scheme, and no such share options have yet been exercised.

Details of the outstanding Shares Options as at the Latest Practicable Date are set out as follows:

Name	Date of Grant	Date of Lapse	Options granted as at the Grant Date	Granted during the Relevant Period	Options exercised during the Relevant Period	Options cancelled upon termination of employment during the Relevant Period	Options outstanding at the Latest Practicable Date
Directors							
Mr. Chang, Tsai-hsiung	17 April 2008	17 April 2014	1,500,000	0	0	0	1,500,000
Madam Chiang Shao, Ruey-huey	17 April 2008	17 April 2014	400,000	0	0	0	400,000
Mr. Hsu, Shu-tong	17 April 2008	17 April 2014	3,000,000	0	0	0	3,000,000
Mr. Chang, Chen-kuen	17 April 2008	17 April 2014	400,000	0	0	0	400,000
Mr. Lin, Seng-chang	17 April 2008	17 April 2014	400,000	0	0	0	400,000
Mr. Wu Chung-lih	17 April 2008	17 April 2014	400,000	0	0	0	400,000
Other employees	17 April 2008	17 April 2014	5,478,000	0	0	0	5,478,000
Total			11,578,000	0	0	0	11,578,000

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Based on our review of the latest list of Grantees under the Pre-IPO Share Option Scheme and our discussion with the Management, we understand that (i) no further new Options was granted under the Pre-IPO Share Option Scheme during the Relevant Period; (ii) no Options was exercised by the Grantees during the Relevant Period; and (iii) no Option was cancelled due to termination of employment during the Relevant Period. We noted that the Grantees under the Pre-IPO Share Option Scheme have no change during the Relevant Period and, as confirmed with the Directors that all the Grantees are still regarded as eligible persons under the Scheme as at the Latest Practicable Date.

3. Reasons for and benefits of the Amendment

As stated in the Letter from the Board, the Board considers that the advantage of the Amendment over any grant of new share options under the New Scheme is that the exercise price of the Options can be maintained at HK\$4.2075, instead of a higher price under the New Scheme. As a result, the Grantees who have been working for and contributing to the Group during the Scheme Period may enjoy the premium as reward when exercising the Options. Such advantage may not be available if options are granted under the New Scheme. Besides, when compared with any grant of new share options under the New Scheme, the Amendment will not expose the existing Shareholders to a risk of further dilution if more Shares could be granted under the New Scheme.

The Board considers that it is legitimate for the Grantees to be rewarded with the incentive under the Option as illustrated above, and that the Amendment will continue to create incentives for the employees, directors and consultants of the Group to promote the growth of the Group and to retain such high-calibre Directors and employees by cultivating the sense of solidarity of these persons to the Group. Therefore, the Amendment is in the interest of the Group and the Shareholders as a whole.

We are of the view that pre-IPO share options scheme is a common measure for a newly-listed company to incentivise its valuable key management and employees. The Amendment could extend the exercisable period and we considered that it could continue to provide incentive to the Grantees for their continuing services and contribution to the Group's performance. Such arrangement could motivate the Grantees, who are all currently Directors, senior management or other employees of the Group. We have reviewed the particulars in the latest list of Grantees as compared to the list during the commencement of the Pre-IPO Share Option Scheme and noted that the Grantees have been employed in the Group during the Relevant Period as the directors, senior management or other employees of the Group. There is no change in the particulars of the Grantees due to termination of employment, including for example, voluntary resignation, dismissal or retirement. In such regard, we considered that the Pre-IPO Share Options Scheme is still an appropriate measure to continue to provide incentives for the Grantees, who have contributed to the Group during the Relevant Period.

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Under the share option scheme of the Company adopted and approved by the Shareholders on 27 April 2008 in accordance with Chapter 17 of the Listing Rules (the “**New Scheme**”) the Company could grant new share options to the Grantees after the lapse of the Options. Nevertheless, we considered that the Amendment could motivate the Grantees as it is beneficial to the Grantees by offering flexibility in terms of an extended Scheme Period which would otherwise be expiring on 17 April of 2014.

As at the Latest Practicable Date, no option has been granted or agreed to be granted under the New Scheme. As confirmed with the Management, the Board has no intention to grant new share options under the New Scheme in the near future. We are of the view that Pre-IPO Share Options Scheme and the New Scheme are two various incentive measures in terms of, among others, the exercise price and the vesting schedule. The New Scheme which has a potentially higher exercise price and a newly-started vesting schedule should be regarded as a long term incentive program, while the Amendment should be deemed as a short term incentive measure to motivate the Grantees with immediate effect.

The table below demonstrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon the exercise of the share options under the Pre-IPO Share Options Scheme in full:

	As at the Latest Practicable Date		Upon exercise of the Options in full	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Asia Cement Corporation	1,136,074,000	73.00	1,136,074,000	72.46
Directors	300,000	0.02	6,400,000	0.41
Grantees (<i>excluding Directors currently holding Shares and Options under the Pre-IPO Share Options Scheme</i>)	-	-	5,478,000	0.35
Public Shareholders	419,876,000	26.98	419,876,000	26.78
	<u>1,556,250,000</u>	<u>100.00</u>	<u>1,567,828,000</u>	<u>100.00</u>

Under the Pre-IPO Share Option Scheme, the total number of Shares to be issued by the Company upon the exercise of all of the Options by the Grantees shall be 11,578,000 Shares, representing approximately 0.74% of the issued share capital of the Company as at the Latest Practicable date. Since the original date of lapse for all the Options under the Pre-IPO Share Option Scheme shall be 17 April 2014 and given the current Share prices is in a premium of approximately 38.8% over the exercise price under the Scheme as at the Latest Practicable Date, the Directors expected that the Grantees would probably exercise the Options should the proposed Amendment not be implemented. Assuming full exercise of the Options, the shareholding interests of the existing public Shareholders in the Company would be diluted by approximately 0.20%.

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We understand that upon exercise of the Options, the Grantees could subscribe for one Share at the exercise price of HK\$4.2075 for each unit of Option. Assuming all of the outstanding Options amounting to 11,578,000 units were exercised in full, a total of approximately HK\$48.71 million could be raised as additional funding to the Company. Based on our discussion with the Management, we understand that the Group has no short term financing requirement and the absence of potential proceeds from subscription by the Grantees has no adverse impact to the business operation and financial position of the Group. We have also reviewed the 2013 Interim Report and noted that the Group's cash position have improved as at 30 June 2013 as compared to the year end of 2012. Such improvement was evidenced by the increase in bank and cash balance from approximately RMB1,620 million as at 31 December 2012 to approximately RMB1,884 million as at 30 June 2013, representing a growth of approximately 16.3% during period.

Based on the above, and in particular, having considered that (i) the Amendment is an appropriate approach to maintain the incentive to the Grantees for their continuing services and contribution to the Company's performance; and (ii) Pre-IPO Share Options Scheme is still an appropriate measure to continue to create incentives for the Grantees, who have contributed to the Group during the Relevant Period and have been working for the Group since Listing, we are of the view that the proposed Amendment is on normal commercial term, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors as discussed above, we consider that the Amendment, though not in the ordinary and usual course of business of the Company, is on normal commercial term and in the interests of the Company and the Shareholders as a whole, and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we also advise, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Amendment.

Yours faithfully,
For and on behalf of
GF Capital (Hong Kong) Limited
Brian Lee
Deputy Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2013, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying Shares of the Company

Name of Director	Number of ordinary shares			% of the Company's issued Shares
	Personal interests	Equity derivatives (Note 1)	Total interests	
Mr. Chang, Tsai-hsiung	120,000	1,500,000	1,620,000	0.10%
Mr. Wu, Chung-lih	–	400,000	400,000	0.03%
Madam Chiang Shao, Ruey-huey	150,000	400,000	550,000	0.04%
Mr. Hsu, Shu-tong	–	3,000,000	3,000,000	0.19%
Mr. Chang, Chen-kuen	30,000	400,000	430,000	0.03%
Mr. Lin, Seng-chang	–	400,000	400,000	0.03%

Note:

- This represented interests in Option granted to Directors under the Pre-IPO Share Option Scheme to subscribe for Shares of the Company.

Long positions in Shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Type of interest			Total no. of shares in the associated corporation	% of shareholding in the associated corporation
		Personal	Through spouse	Corporate		
Mr. Chang, Tsai-hsiung	Asia Cement Corporation	450,344	59,684	-	510,028	0.02%
	Oriental Industrial Holdings Pte., Ltd ("Oriental Industrial")	2,000	-	-	2,000	0.0004%
Madam Chiang Shao, Ruey-huey	Asia Cement	75,109	2,395	-	77,504	0.002%
	Oriental Industrial	1,000	-	-	1,000	0.0002%
Mr. Hsu, Shu-tong	Asia Cement	22,821,897	7,965,032	-	30,786,929	0.93%
	Asia Cement (Singapore) Private Limited ("Asia Cement Singapore")	2	-	-	2	0.00002%
	Oriental Industrial	4,000	-	-	4,000	0.0007%
Mr. Chang, Chen-kuen	Asia Cement	11,645	5,253	-	16,898	0.0005%
Mr. Lin, Seng-chang	Asia Cement	7,257	467	-	7,724	0.0002%

Save as disclosed above, as at 31 December 2013, none of the Directors and chief executives of the Company and their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interest in Shares and Underlying Shares

As at 31 December 2013 and to the best knowledge of the Directors and chief executives of the Company, persons (other than Directors or chief executives of the Company) who had an interest or short position, in the Shares and underlying

Shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in Shares

Substantial Shareholders

Name	Capacity	Number of Shares	Approximate percentage of holding
Asia Cement (Note 1)	Beneficial owner and interest by attribution	1,136,074,000	73.00%

Note:

1. Asia Cement beneficially owns approximately 68.19% interest of the Company. Asia Cement Singapore holds approximately 4.10% interest in the Company, which is approximately 99.96% owned by Asia Cement. Asia Cement is deemed to be interested in approximately 4.10% interest of the Company by virtue of its corporate interest in Asia Cement Singapore. Further, Falcon Investments Private Limited holds approximately 0.71% interest in the Company and is owned as to 100% by U-Ming Marine Transport (Singapore) Private Limited, which is in turn owned as to 99.99% by U-Ming Marine Transport Corporation. U-Ming Marine Transport Corporation is owned as to 38.66% by Asia Cement. Asia Cement is deemed to be interested in approximately 0.71% interest of the Company under the SFO.

Save as disclosed above, as at 31 December 2013, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who also had interests or short positions on the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS

No significant contract, to which the Company, its holding company, its controlling shareholder, fellow subsidiaries or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the executive Directors entered into a service contract with the Company for a term of three years commencing on 27 April 2011, which may be terminated in accordance with the provisions of the service contract after the first year of service of the Director by either party giving to the other not less than three months' prior notice in writing.

As at the Latest Practicable Date, the Company has issued an appointment letter to each of the non-executive Directors for a term of three years commencing on 27 April 2011, which may be terminated in accordance with the provisions thereof after the first year of service of the Director by either party giving to the other not less than one month's prior notice in writing.

As at the Latest Practicable Date, the Company has issued an appointment letter to each of the independent non-executive Directors for a term of three years commencing on 27 April 2011, which may be terminated in accordance with the provisions thereof by either party giving to the other not less than two months' prior notice in writing.

As at the Latest Practicable Date, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Group within one year without payment of compensation, other than normal statutory compensation.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors or their respective associates had interests in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors:

- (i) had any interest in any assets which have been since 31 December 2013 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; or
- (ii) was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Company were made up.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its opinion or advice, which is contained in this circular:

Name	Qualification
GF Capital	A licensed corporation to carry out type 6 (advising on corporate finance) of the regulated activity under the SFO

As at the Latest Practicable Date, GF Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and references to its name and advice or opinion in the form and context in which they respectively appear.

9. INTERESTS OF EXPERT

As at the Latest Practicable Date, GF Capital:

- (a) did not have any shareholding in or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Company were made up.

10. MISCELLANEOUS

The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

- (a) The branch share registrar of the Company in Hong Kong is at Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014).
- (b) The company secretary of the Company is LO, Wai-kit.

- (c) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of Brandt Chan & Partners in association with SNR Denton HK LLP at Suite 3201, Jardine House, 1 Connaught Road, Central, Hong Kong, up to and including the date of the EGM:

- (a) copies of the service agreements of the Directors referred to in page 26 of this circular;
- (b) copies of the Amended Pre-IPO Share Option Scheme;
- (c) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 22 of this circular; and
- (e) the written consent referred to in paragraph 8 of this appendix.



Asia Cement (China) Holdings Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Asia Cement (China) Holdings Corporation (the “Company”) will be held at Room 1 & 2, 10/F, United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 16 April 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the Amendment of the Pre-IPO Share Option Scheme (as defined in the circular of the Company dated 14 March 2014 (the “Circular”)) be and is hereby approved;
- (b) any one or more of the directors of the Company be and are hereby authorized to exercise the powers of the Company to give effect to the Amendment (as defined in the Circular), and that he/she/they, be and are hereby authorized to take such actions, do such things, which in their opinion may be necessary, desirable or expedient for the purpose of giving effect to and/or implementing the transactions contemplated in this resolution; and
- (c) any one or more of the directors of the Company be and is/are hereby authorized to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Amendment (as defined in the Circular) and the transactions contemplated thereunder.”

By order of the Board
Asia Cement (China) Holdings Corporation
Mr. Hsu, Shu-tong
Chairman

Hong Kong, 14 March 2014

Notes:

1. All resolution (except for procedural and administrative matters) at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. A form of proxy for use at the EGM is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 9 April 2014 to Wednesday, 16 April 2014, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant shares certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on Tuesday, 8 April 2014.