



Asia Cement (China) Holdings Corporation

Record of Annual General Meeting in 2023

Preface:

The 2023 annual general meeting (the “AGM”) of Asia Cement (China) Holdings Corporation was held in Taipei on 9 June 2023. On that day, 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 consideration by [shareholders at] 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 set out in the notice of AGM published on 25 April 2023 were duly passed.

The 2023 AGM of Asia Cement (China) Holdings Corporation was held at the conference room on 39/F., Taipei Metro Tower, No. 207 Tun Hwa South Road, Section 2, Taipei, Taiwan on 9 June 2023 at 3:00 pm. Mr. Hsu Shu-tong, Chairman, Mr. Hsu Shu-ping, Vice Chairman, Mr. Chen Ruey-long, Executive Director, Mr. Lee Kun-yen, Executive Director, Mr. Lin Seng-chang, Executive Director, Ms. Wu Ling-ling, Executive Director, Mr. Lee Kao-chao, INED, Dr. Wang Kuo-ming, INED, attended the meeting in Taipei in person. Mr. Chang Chen-kuen, Executive Director and Chief Executive Officer, Mr. Tsim Tak-lung Dominic, INED, and Mr. Wang Wei, INED, attended the meeting via video conference from Jiangxi, Hong Kong and Beijing respectively. The meeting was chaired by Chairman Mr. Hsu Shu-tong. Chief Executive Officer Mr. Chang Chen-kuen gave a presentation on the Company’s operating results in 2022 and an analysis on the outlook for 2023 to the shareholders and guests attending the meeting prior to shareholders’ consideration of all the resolutions.

Report by Chief Executive Officer:

- In 2022, the Group produced 23.632 million tonnes of clinker, which was 3% lower than that in 2021; sales of cement was 24.037 million tonnes, a decrease of 12% from 2021. Due to the surge in coal price, the cost of cement production rose from RMB259 to RMB285 per tonne, an increase of 10%. Due to a 15% decrease in the price of cement per tonne, the profit in 2022 decreased significantly when compared with that of 2021.
- In terms of revenue, despite the impact of the epidemic, the Group’s revenue in 2022 neared RMB10 billion, but decreased by 18% when compared with that of 2021. The gross

operating profit decreased by 65%, gross profit margin decreased to 13.4%, net operating profit exceeded RMB500 million, with net operating profit margin reaching 5.5%. The net profit after tax was RMB424 million, while net profit margin (after tax) amounted to 4.4%. Earnings per share decreased from RMB1.129 in 2021 to RMB0.268.

- The industry overview for the first quarter of 2023 is as follows:
 - ✓ The overall cement demand showed signs of weak recovery in the first quarter of 2023. Coal price was still at a relatively high level, while the price of cement decreased significantly, resulting in a sharp decline in industry profits.
 - ✓ Industry players recorded year-on-year decrease in net profits.
- The sales volume of cement and clinker of the Group in the southeast and southwest regions in the first quarter increased year-on-year. The Group will strengthen its core market share by maintaining stability of its existing sales distribution channel. At the same time, the Group will actively explore new markets, quickly modify its existing crushing equipment to enhance productivity, and increase sales volume and profitability.
- Key industry related events:
 - ✓ The Political Bureau of the Central Committee held a meeting: to restore and expand demand, support robust housing demand and demand for improved housing conditions, and assist enterprises in recovery.
 - ✓ The maturing of combined transport by rail and sea will reshape the pattern of competition in the cement industry, and leading enterprises will benefit from such.
- The cement market outlook for 2023: the production capacity structure and the relationship between supply and demand have been further optimized, and green, intelligent, and industrial chain advantages will give new impetus to enterprise development.
- The Group's development strategies:
 - ✓ Strengthen main business: optimize the layout of production lines and expand Asia Cement (China)'s market coverage; build and expand the production capacity of advanced construction aggregate business to create new profit centers; build green intelligent low-carbon factories to enhance competitiveness.
 - ✓ Expand new business: accelerate the progress of implementation of cement kiln co-processing project; develop new energy power generation, save energy, reduce consumption and increase efficiency; invest in Wuhan Changya Shipping Company to take advantage of the transportation channel.
- In the future, the Group will strive to enhance its core competitiveness and maintain stable profitability.

The resolutions approved at the Company's AGM in 2023:

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 auditor for the year ended 31 December 2022.
2. To approve and declare a final dividend for the year ended 31 December 2022 of RMB0.16 per share.
3. To consider and approve, each as a separate resolution, the following resolutions:
 - (a) To re-elect Mr. LIN Seng-chang as an executive Director;
 - (b) To re-elect Mr. WANG Wei as an independent nonexecutive Director;
 - (c) To re-elect Mr. LEE Kao-chao as an independent non-executive Director;
 - (d) To elect Mr. CHEN Ruey-long as an executive Director;
 - (e) To authorise the board of Directors of the Company to determine the Directors' 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 as at the date of passing of this resolution.
7. To extend the general mandate granted to the Directors to allot, issue and deal with additional shares in the share capital of the Company by the addition to the aggregate number of shares repurchased by the Company under the authority granted pursuant to resolution No. 6.
8. To approve the proposed amendments to the existing memorandum of association and articles of association and to adopt the second amended and restated memorandum of association and articles of association of the Company in substitution for and to the exclusion of the existing memorandum of association and articles of association of the Company.