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ALLIED CEMENT HOLDINGS LIMITED

聯合水泥控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

PROPOSED SHARE SUBDIVISION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company be subdivided into five (5) Subdivided Shares of par value of HK\$0.002 each. The Share Subdivision will become effective upon fulfilment of the conditions set out under the section headed “Conditions of the Share Subdivision” below.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size for trading on the Stock Exchange from 3,000 Shares to 6,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the proposed Share Subdivision. A circular containing, among other things, further details about the Share Subdivision and Change in Board Lot Size together with the notice of EGM, will be despatched to the Shareholders on or before 31 December 2014.

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company be subdivided into five (5) Subdivided Shares of par value of HK\$0.002 each.

Effect of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Shares of HK\$0.01 each, of which 660,000,000 Shares have been issued and are fully paid or credited as fully paid. Taking into account the 330,000,000 Shares to be issued pursuant to the open offer of the Company (details of which are set out in the prospectus of the Company dated 1 December 2014) and assuming no further Shares will be issued or repurchased between the date of this announcement and the date of EGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$200,000,000 divided into 100,000,000,000 Subdivided Shares of HK\$0.002 each, of which 4,950,000,000 Subdivided Shares will be in issue which are fully paid or credited as fully paid following the Share Subdivision becoming effective.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon the following:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Subdivision; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares in issue.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the day following the passing of the ordinary resolution as specified therein, which is expected to be 20 January 2015.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Tuesday, 20 January 2015, Shareholders may, during the period from Tuesday, 20 January 2015 to Monday, 2 March 2015 (both days inclusive) between 9:00 a.m. to 4:30 p.m. on any Business Day, submit share certificates for the existing Shares in yellow colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new certificates of the Subdivided Shares in blue colour. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Subdivided Shares at any time but are not accepted for trading, settlement and registration upon completion of the Share Subdivision.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 3,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 3,000 Shares to 6,000 Subdivided Shares after and conditional upon the Share Subdivision becoming effective.

Based on the closing price of HK\$3.06 per Share (equivalent to HK\$0.612 per Subdivided Share) as at the date of this announcement, the value of each board lot of 6,000 Subdivided Shares, assuming the Share Subdivision had already become effective, would be HK\$3,672.

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Subdivided Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders which shall also contain, inter alia, details of the Share Subdivision and the Change in Board Lot Size.

REASONS FOR THE SHARE SUBDIVISION AND THE CHANGE IN BOARD LOT SIZE

The Share Subdivision will result in a downward adjustment to the trading price of the Shares. Based on the closing price of HK\$3.06 per Share as quoted on the Stock Exchange on the date of this announcement, the market value per board lot of 3,000 existing Shares is HK\$9,180. The estimated market value per new board lot of 6,000 Subdivided Shares will theoretically be reduced to HK\$3,672 immediately upon the Share Subdivision becoming effective. The Board believes that the Share Subdivision will decrease the trading spread of the Subdivided Shares and value of each board lot and thereby will improve the trading liquidity of the Subdivided Shares and attract more investors and broaden the shareholder base of the Company. Accordingly, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level. In view of the above, the Board considers that the Share Subdivision and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Subdivision and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision, Change in Board Lot Size and the associated trading arrangement is set out as follows:

2014

Despatch of the circular (including the notice of EGM)
and the form of proxy for the EGM. Wednesday, 31 December

2015

Latest time for lodging the form of proxy
for the EGM 10:00 a.m. on Saturday, 17 January

Expected date and time of EGM 10:00 a.m. on Monday, 19 January

Publication of announcement of
the poll results of the EGM. Monday, 19 January

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.

Effective date of the Share Subdivision. Tuesday, 20 January

First day of free exchange of existing share certificates
for new share certificates for the Subdivided Shares Tuesday, 20 January

Dealing in Subdivided Share commences 9:00 a.m. on Tuesday,
20 January

Original counter for trading in Shares in board
lots of 3,000 Shares temporarily closes 9:00 a.m. on Tuesday,
20 January

Temporary counter for trading in Subdivided Shares
in board lots of 15,000 Subdivided Shares
(in the form of existing share certificates) opens9:00 a.m. on Tuesday,
20 January

Original counter for trading in Subdivided Shares
in board lots of 6,000 Subdivided Shares
(in the form of new share certificates) re-opens.9:00 a.m. on Tuesday,
3 February

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and
new share certificates) commences9:00 a.m. on Tuesday,
3 February

Designated broker starts to stand in the market to
provide matching services for the sale and purchase
of odd lots of the Subdivided Shares9:00 a.m. on Tuesday,
3 February

Temporary counter for trading in Subdivided Shares
in board lots of 15,000 Subdivided Shares
(in the form of existing share certificates) closes4:00 p.m. on Wednesday,
25 February

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and
new share certificates) ends.4:00 p.m. on Wednesday,
25 February

Designated broker ceases to stand in the market to
provide matching services for the sale and purchase
of odd lots of the Subdivided Shares4:00 p.m. on Wednesday,
25 February

Last day for free exchange of existing share certificates
for new share certificates for the Subdivided SharesMonday, 2 March

Note: All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the proposed Share Subdivision. A circular containing, among other things, further details about the Share Subdivision and the Change in Board Lot Size and the notice of the EGM, will be despatched to the Shareholders on or before 31 December 2014.

DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, or Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 3,000 Shares to 6,000 Subdivided Shares
“Company”	Allied Cement Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the proposed Share Subdivision
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being HK\$0.01 each prior to completion of the Share Subdivision
“Share Subdivision”	the proposed subdivision of every issued and unissued Share of par value of HK\$0.01 each into five (5) Subdivided Shares of par value of HK\$0.002 each

“Shareholder(s)”	holders of the Shares or Subdivided Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	Share(s) of par value of HK\$0.002 each in the share capital of the Company upon completion of the Share Subdivision
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Allied Cement Holdings Limited
Huang Yu
Chairman

Hong Kong, 19 December 2014

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Huang Yu (Chairman), Mr. Ng Qing Hai (Managing Director) and Mr. Deng Jin Guang and three independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Li Shujie.