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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). At a meeting of the board (the “**Board**”) of directors (the “**Directors**”) of Allied Cement Holdings Limited (the “**Company**”) held on 22 July 2016, the Board has resolved to grant to certain eligible participants (the “**Grantees**”), subject to acceptance by such Grantees, a total of 148,500,000 share options (the “**Share Options**”, each a “**Share Option**”) to subscribe for a total number of 148,500,000 ordinary shares of HK\$0.002 each of the Company (the “**Shares**”, each a “**Share**”) in the share capital of the Company under the share option scheme of the Company adopted on 28 April 2011. Details of the Share Options granted are as follows:

Date of grant	:	22 July 2016 (the “ Date of Grant ”)
Exercise price of the Share Options granted	:	Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$0.68 per Share, which represents the highest of: (a) the closing price of HK\$0.68 per Share as stated in the Stock Exchange’s daily quotation sheets on the Date of Grant; (b) the average closing price of HK\$0.678 per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Date of Grant; and (c) the nominal value of the Share.
Total number of Share Options granted	:	148,500,000
Closing price of the Shares on the Date of Grant	:	HK\$0.68

- Validity period and vesting conditions of the Share Options
- : (1) 123,800,000 Options are valid from 22 July 2016 to 21 July 2020 and shall be vested in four tranches in accordance with the following vesting dates:
- (i) 25% of the Share Options shall be exercisable from 22 July 2016 to 21 July 2017
 - (ii) 50% of the Share Options shall be exercisable from 22 July 2017 to 21 July 2018 (less the number of Share Options having been exercised in the previous period)
 - (iii) 75% of the Share Options shall be exercisable from 22 July 2018 to 21 July 2019 (less the number of Share Options having been exercised in previous periods)
 - (iv) 100% of the Share Options shall be exercisable from 22 July 2019 to 21 July 2020 (less the number of Share Options having been exercised in previous periods)
- (2) 24,700,000 Options are valid from 22 July 2016 to 21 July 2021 and shall be vested in four tranches in accordance with the following vesting dates:
- (i) 25% of the Share Options shall be exercisable from 22 July 2017 to 21 July 2018
 - (ii) 50% of the Share Options shall be exercisable from 22 July 2018 to 21 July 2019 (less the number of Share Options having been exercised in the previous period)
 - (iii) 75% of the Share Options shall be exercisable from 22 July 2019 to 21 July 2020 (less the number of Share Options having been exercised in previous periods)
 - (iv) 100% of the Share Options shall be exercisable from 22 July 2020 to 21 July 2021 (less the number of Share Options having been exercised in previous periods)

Out of the 148,500,000 Share Options granted, 28,000,000 Share Options were granted to the directors of the Company with details as follows:

Name of Grantee	Position held with the Company	Number of Share Options granted
Ng Qing Hai	Managing director	5,000,000
Zhang Yi	Executive director	20,000,000
Chan Sze Chung	Independent non-executive director	1,000,000
Zhang Ruibin	Independent non-executive director	1,000,000
Zhang Junxi Jack	Independent non-executive director	<u>1,000,000</u>
		<u>28,000,000</u>
Other Employees		<u>120,500,000</u>
Total		<u>148,500,000</u>

The grant of Share Options to each of the Directors (and their respective associates, if any) of the Company had been approved by the independent non-executive directors of the Company on 22 July 2016 and each of the relevant independent non-executive directors had abstained from voting on the resolution relating to the Share Options granted to himself and his respective associates as defined in the Listing Rules.

Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them.

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

Hong Kong, 22 July 2016

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. Zhang Yi and three independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack.