
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 Allied Cement Holdings Limited (the “Company”), 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 the transfer was effected for transmission to the purchaser or the transferee.

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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 SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 19 January 2015 is set out on pages 11 to 12 of this circular.

A form of proxy for use at the extraordinary general meeting of the Company is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof if you so wish.

31 December 2014

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DEFINITIONS

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

| | |
|----------------------------|--|
| “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 |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “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)” | director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held on 19 January 2015 to approve the Share Subdivision |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |

DEFINITIONS

| | |
|---------------------------|--|
| “Latest Practicable Date” | 29 December 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “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)” | holder(s) of Share(s) 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. |

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Subdivision, Change in Board Lot Size and the associated trading arrangement:

2015

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

Time and date 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” in the “Letter from the Board” contained in this circular.

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 Shares 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) opens 9:00 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

EXPECTED TIMETABLE

2015

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates
and new share certificates) commences 9:00 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 Shares 9:00 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) closes. 4:00 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 Shares 4:00 p.m. on Wednesday,
25 February

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

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Huang Yu (*Chairman*)

Mr. Ng Qing Hai (*Managing Director*)

Mr. Deng Jinguang

Independent non-executive Directors:

Mr. Chan Sze Chung

Mr. Zhang Ruibin

Mr. Li Shujie

Registered office:

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

9/F, Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

31 December 2014

To the Shareholders,

Dear Sir/Madam,

**PROPOSED SUBDIVISION OF SHARES
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 19 December 2014 in relation to the Share Subdivision and Change in Board Lot Size.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information regarding the Share Subdivision, the Change in Board Lot Size and to give you the notice of the EGM in order to enable you to make an informed decision on whether to vote for or against the resolution relating to the Share Subdivision at the EGM.

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 Latest Practicable Date, 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 990,000,000 Shares have been issued and are fully paid or credited as fully paid. The Company has no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the Latest Practicable Date. Assuming no further Shares will be issued or repurchased between the Latest Practicable Date 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 par value 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.

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.

The Share Subdivision will become effective following the fulfillment of the above conditions.

LETTER FROM THE BOARD

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, between 9:00 a.m. to 4:30 p.m. on any Business Day during the period from Tuesday, 20 January 2015 to Monday, 2 March 2015 (both days inclusive), submit share certificates for the existing Shares in yellow colour to the Company's branch share registrar 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.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on which listing or permission to deal in is being or is proposed to be sought on other stock exchanges.

LETTER FROM THE BOARD

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, 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\$2.88 per Share (equivalent to HK\$0.576 per Subdivided Share) as at the Latest Practicable Date, the value of each board lot of 6,000 Subdivided Shares, assuming the Share Subdivision had already become effective, would be HK\$3,456.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Subdivided Shares, the Company has appointed First Shanghai Securities Limited to stand in the market to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Subdivided Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Subdivided Shares from Tuesday, 3 February 2015 to Wednesday, 25 February 2015 (both days inclusive). Holders of odd lots of the Subdivided Shares who wish to take advantage of this facility either to dispose of their odd lots of the Subdivided Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Ho Kar Loong, Kenneth of First Shanghai Securities Limited at Rooms 2505-2510, Wing On House, 71 Des Voeux Road Central, Hong Kong at telephone number (852) 2532 1926 during office hours of this period.

Holders of odd lots of the Subdivided Shares should note that successful matching of the sale and purchase of odd lots of the Subdivided Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

LETTER FROM THE BOARD

REASONS FOR 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\$2.88 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value per board lot of 3,000 existing Shares is HK\$8,640. The estimated market value per new board lot of 6,000 Subdivided Shares will theoretically be reduced to HK\$3,456 immediately upon the Share Subdivision becoming effective. The Board is of the view that the increase in number of Shares via the Share Subdivision, which can lower the trading price of the Shares and reduce the value of each board lot, will improve the trading liquidity of the Subdivided Shares and attract more investors and broaden the Shareholders' base of the Company. Should the Company not conduct the Share Subdivision or opt for a different basis of share subdivision (e.g. one existing share into two subdivided shares), it would not achieve the same level of Share price reduction (and therefore appeal to investors) as in the case of the Share Subdivision. 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 value for each board lot at a reasonable level which may improve the trading liquidity of the Subdivided Shares but will not be less than HK\$2,000. 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.

EGM

The notice convening the EGM, at which an ordinary resolution will be proposed to consider, and if thought fit, to approve the proposed Share Subdivision, is set out on pages 11 and 12 of this circular. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Share Subdivision which is different from that of the other Shareholders. As such, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the poll results of the EGM.

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 purposes 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, 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.

RECOMMENDATION

The Board considers the Share Subdivision is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders should vote in favour of the ordinary resolution set out in the notice of EGM.

Yours faithfully,
For and on behalf of the Board
Allied Cement Holdings Limited
Huang Yu
Chairman

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Allied Cement Holdings Limited (the “**Company**”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10:00 a.m. on Monday, 19 January 2015, for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subdivided Shares (as hereinafter defined) in issue and to be issued, with effect from the next business day following the day on which this resolution is passed by the shareholders of Allied Cement Holdings Limited (the “**Company**”), each share in the authorised share capital of the Company (including issued and unissued shares of par value of HK\$0.01 each) (each a “**Share**” and collectively, the “**Shares**”) be subdivided into five (5) shares of par value of HK\$0.002 each (each a “**Subdivided Share**” and collectively, the “**Subdivided Shares**”) (the “**Share Subdivision**”) so that the authorised share capital of the Company will become HK\$200,000,000 divided into 100,000,000,000 Subdivided Shares of par value of HK\$0.002 each immediately following the Share Subdivision becoming effective, and such Subdivided Share(s) shall rank *pari passu* in all respects with each other, have the rights and privileges and be subject to the restrictions in respect of shares contained in the articles of association of the Company, and any one of the directors of the Company be and is hereby authorised to do all such acts, deeds and things and to effect all necessary actions as he or she may consider necessary, desirable or expedient in order to effect, implement and complete any and all of the matters set out in this ordinary resolution.”

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

Hong Kong, 31 December 2014

NOTICE OF EGM

Registered office:

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business in Hong Kong:

9/F, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the above meeting (the “**Meeting**”) is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
2. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instruments printed thereon. Completion and return of the form of proxy will not preclude you from attending the Meeting and voting in person if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
4. Where there are joint holders of any Shares, any one of such joint holders may vote at the Meeting either personally or by proxy in respect of such Shares as if he or she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Shares.
5. As at the date hereof, the board of directors of the Company comprises three executive directors, namely Mr. Huang Yu (*Chairman*), Mr. Ng Qing Hai (*Managing Director*) and Mr. Deng Jinguang and three independent non-executive directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Li Shujie.
6. The resolution set out in this notice of the Meeting will be taken by poll pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.