

Notice of AGM & Proposals in Relation to Hong Kong
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West China Cement Limited
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West China Cement Limited ("WCC" or the "Company")

NOTICE OF AGM AND PROPOSALS IN RELATION TO HONG KONG LISTING AND CONDITIONAL AIM DELISTING

5 March 2010

West China Cement Limited announce the posting today to holders of its ordinary shares ("Shareholders") of a circular setting out details of the Company's proposed listing (the "HKEx Listing") on the main board of the Stock Exchange of Hong Kong Limited ("HKEx") and containing notice of the Company's annual general meeting ("AGM") to be held on 31 March 2010.

At the AGM, Shareholders' approval will be sought, inter alia, to approve the Company's normal business of the AGM as well as specific resolutions in relation to the proposed HKEx Listing, including resolutions (the "Resolutions") to sub-divide the Company's ordinary shares (the "Sub-division"), to adopt new articles of association, to adopt a new share option scheme and to cancel the admission of the Company's shares to trading on AIM (the "De-Listing"). The Resolutions are conditional on the HKEx Listing taking place. The Directors expect the HKEx Listing and the De-Listing to take place between on or around 24 May 2010.

The De-Listing and HKEx Listing expected dates are the earliest expected dates and are subject to change. The timing of the De-Listing is contingent on the HKEx Listing. In the event that these dates are revised, the Company will make an appropriate announcement and the final dates will be confirmed not less than ten clear business days in advance of the relevant date.

Background to and reasons for the HKEx Listing and the Delisting

On 10 February 2010 the Company announced that it had applied for the shares of the Company to

be listed on the main board of the HKEx.

Since its admission to AIM in December 2006, the Company has grown significantly, both in terms of assets and profitability, becoming one of the largest companies from the People's Republic of China ("PRC") on AIM. The Directors believe that, whilst AIM has served the Company and its Shareholders well in this initial growth period, the Company will now be better served by listing its shares on a larger and more liquid stock market which can better accommodate the Company's next stage of growth. Having considered various options, the Directors believe that the HKEx will be the most suitable choice of stock exchange for the Company to pursue this next stage of growth.

The HKEx has, over the past decade, become the primary destination for PRC companies wishing to maintain an international listing and it is now one of the world's largest and fastest growing stock markets. Due to its proximity and cultural similarity to China, the HKEx provides an equity capital market infrastructure for PRC companies in a world class regulatory environment. The Directors also believe that the HKEx provides a market and investor base with a closer understanding of the growth dynamics of the PRC economy and cement sector, and is therefore better suited to the Company. Currently, eight of the largest PRC cement companies are listed on the HKEx (Anhui Conch Cement Company Limited, China National Building Material Company Limited, China National Materials Company Limited, China Shanshui Cement Group Limited, China Resources Cement Holdings Limited, Asia Cement (China) Holdings Corporation, BBMG Corporation and TCC International Holdings Limited) and this grouping provides a strong valuation benchmark for the Company and an international investor base with a strong perspective on the market valuations of cement companies in the PRC.

The Directors believe that the HKEx, as a main board market with a significant proportion of PRC issuers and Asian investors, provides a larger trading platform for the shares of the Company. The Directors believe that this will be a significant factor in increasing liquidity in the Company's shares and that this should be reflected in the medium to long term market valuation of the Company. The Directors have made no decision as to whether it will seek to raise additional capital at the time of the HKEx Listing.

The Directors recognise that the AIM market has provided the Company with an excellent stock market platform for the last three years of its growth, and that the Company and its Shareholders have benefited greatly from listing on AIM. However, the Directors believe that the HKEx will be able to provide a stronger platform for this growth going forward, and that it is in the best interests of the Shareholders for their shares to be solely listed on the HKEx.

The Directors have considered this move very carefully and are of the opinion that a dual-listing with AIM is likely to result in a division of liquidity between the two markets, which may partly negate the benefit of joining a main board market. A dual-listing would entail extra legal and audit fees as well as management time as the Company would have to comply with two sets of regulatory and disclosure requirements. The Directors do not believe that the benefits of a dual listing would outweigh the extra costs.

Listing of the Ordinary Shares on the main board of HKEx is subject to, amongst other things, the approval of the listing sub-committee of the board of directors of the HKEx (the "Listing Committee") and, subject to this approval, it is expected that the HKEx Listing will occur on or around 24 May 2010. The De-Listing is conditional on shareholder approval and on the HKEx Listing. If these conditions are met, it is proposed that the De-Listing will be effective on the first day of dealing in the Ordinary Shares on the HKEx. The expected dates of De-Listing and HKEx Listing are subject to change. The timing of the De-Listing is contingent on the HKEx Listing. In the event that these dates are revised, the Company will make appropriate announcement and the final dates will be confirmed not less than ten clear business days in advance of the relevant date.

The proposed De-Listing and its effect on Shareholders and the Company

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the proposed De-Listing. The Company will inform the London Stock Exchange and the market of the precise proposed date for De-Listing at least ten clear business days in advance of the date. The De-Listing is conditional upon:

- (a) the approval of a resolution approving the De-Listing (the "De-Listing Resolution") by Shareholders holding not less than 75 per cent. of votes cast in accordance with the AIM Rules; and
- (b) the commencement of trading of the Ordinary Shares on the HKEx within three months of the approval of the De-Listing Resolution.

Subject to the requisite shareholder approval being received and approval of the HKEx Listing by the Listing Committee, the HKEx Listing and De-Listing are expected to be effective on or around 24 May 2010. In the event that HKEx Listing does not occur within three months of the approval of the De-Listing Resolution and the Directors still believe that it is in the best interests of the Company to list its shares on the HKEx and to de-list from AIM, the Company will seek a further shareholders' resolution in the same form as the De-Listing Resolution to approve the cancellation of admission to trading on AIM of the Ordinary Shares conditional on commencement of trading of the Ordinary Shares on the HKEx. The Company will announce a definitive date for the HKEx Listing and the De-Listing as soon as such dates are confirmed (and, in any event, no later than ten clear business days prior to the De-Listing becoming effective).

Following the De-Listing, the Company will cease to have a nominated adviser and AIM stockbroker and it will no longer be required to comply with the AIM Rules or with the corporate governance requirements applicable to AIM companies.

Following the HKEx Listing, the Company will be bound by the rules of the HKEx and the Hong Kong Code on Corporate Governance Practices. Following the HKEx Listing, the Company will have three independent non-executive directors and will have an audit committee comprising solely independent non-executive directors and a remuneration committee comprising two independent non-executive directors and an executive director. Following the HKEx Listing, the Company will also set up a nomination committee comprising two independent non-executive

directors and an executive director.

Transactions in Ordinary Shares following the Delisting

Following the HKEx Listing and the De-Listing, all Shareholders will retain the same number of Ordinary Shares (as adjusted pursuant to subject to the Sub-division). It is expected that the De-Listing will take place between on or around 24 May 2010 and will, in effect, be simultaneous with the commencement of trading of the Ordinary Shares on the HKEx.

The Directors understand that some Shareholders may not be familiar with share trading on the HKEx, and so the Company has made informal arrangements with a number of London retail stockbrokers who will be able to support Shareholders in the trading of their Ordinary Shares on the HKEx. Subject to steps being taken by Shareholders (if necessary) to lodge their shares with a Hong Kong stockbroker, nominee or custodian, the Ordinary Shares will be able to be traded on the HKEx from the first day of trading. The Company will send a letter to each Shareholder closer to the date of HKEx Listing which will set out the options open to Shareholders to allow them to trade their shares on the HKEx.

Changes to the composition of the Board

Prior to the HKEx Listing, it is intended that changes will be made to the composition of the Board.

The HKEx Listing provides a move to a main board market with a strong understanding of the China growth story. Given the market's unique dynamics, the board believes that that the Company will be better served with a local Hong Kong and PRC board composed of professionals with a strong knowledge of the PRC business environment and the Hong Kong capital markets. Therefore, subject to and following the approval of the application for the HKEx Listing by the HKEx Listing Authority, it is intended that Robert Robertson, non-executive chairman, and Brett Miller, non-executive director, will step down as directors and that three independent non-executive directors will be appointed. The directors will have a strong background and understanding of the HKEx regulations and corporate governance procedures.

Sub-divisionThe Company is proposing, conditional on HKEx listing and subject to the passing of the necessary resolution at the AGM, to sub-divide each existing authorised issued and unissued ordinary share of £0.10 each in the capital of the Company into 100 new ordinary shares of £0.001 each. Following the Sub-division, the authorised and issued share capital of the Company will comprise 6,486,213,300 ordinary shares of £0.001 each. It is intended that the resulting lower nominal value and increased number of shares will encourage greater liquidity in the Company's shares. Any options held over Ordinary Shares will be adjusted in such manner as the board may determine to reflect the Sub-division pursuant to the terms of the Company's existing option scheme.

Adoption of New ArticlesThe Company is proposing, subject to the passing of the necessary resolution at the AGM and conditional on the HKEx Listing, to adopt new articles of association to

reflect the requirements of the HKEx that will take effect following and conditional on HKEx Listing. A copy of the proposed new articles can be reviewed at www.westchinacement.com.

Adoption of New Share Option Scheme In order to comply with the HKEx Rules, it is intended that, subject to the passing of the necessary resolution at the AGM and conditional on the HKEx Listing, the Company's employees will be entitled to participate in a new share option scheme and the new share option scheme will replace the Company's existing option scheme.

For further information please contact:

West China Cement Limited

Anthony Schindler

Tel: +44 7710 1789 28

Anthony.schindler@wcc_uk.com

NCB Stockbrokers Ltd

Christopher Caldwell

Tel: + 44 20 7071 5200

Christopher.caldwell@ncb.ie

Citigate Dewe Rogerson Asia

Pui Shan Lee

Tel: +86 21 6340 4186

ps.lee@citigate.com.cn

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