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西部水泥

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

PROFIT WARNING

This announcement is made by West China Cement Limited (the “Company” and, together with its subsidiaries, the “Group”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited management accounts of the Group up until 31 May 2016, and the progress of operations in the month of June 2016, the Company expects to record a net loss for the six months ended 30 June 2016 as compared to the corresponding period of 2015 due to the following factors:

1. As a result of the fall in the value of the RMB against the USD in the month of May 2016, as at 31 May 2016, the Group has recorded an unaudited foreign exchange loss of RMB34.8 million, mainly arising from the foreign exchange translation from USD to RMB of the 2019 Senior Notes issued by the Company in September 2014. This is compared with a foreign exchange gain of the Group of RMB0.5 million for the six months ended 30 June 2015; and
2. Although cement average selling prices have not deteriorated significantly during 2016, they have remained at a low level. As a result, revenue of the Group for the five months ended 31 May 2016 was RMB1,297.4 million. This is compared with the revenue of the Group of RMB1,690.8 million for the six months ended 30 June 2015.

The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited management accounts of the Group up until 31 May 2016, which have not been reviewed or audited by the Company's auditors and are subject to possible adjustments arising from further review.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

By Order of the Board
West China Cement Limited
Zhang Jimin
Chairman

Hong Kong, 12 July 2016

As at the date of this announcement, the executive Directors are Mr. Zhang Jimin and Dr. Ma Weiping, the non-executive Directors are Mr. Ma Zhaoyang, Ms. Liu Yan and Mr. Qin Hongji and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Wong Kun Kau and Mr. Tam King Ching, Kenny.