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## **DONGWU CEMENT INTERNATIONAL LIMITED**

### **東吳水泥國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 695)

### **PROFIT WARNING**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of Dongwu Cement International Limited (the “**Company**”) hereby informs the shareholders and potential investors of the Company that, based on the Board’s preliminary review of the unaudited management accounts of the Company and its subsidiaries (collectively, the “**Group**”) for the period from 1 January 2012 to 30 June 2012 and the information currently available, it is expected that the Group may record a loss for the six months ended 30 June 2012.

As disclosed in the Company’s prospectus dated 1 June 2012 (the “**Prospectus**”), due to the slowdown in the growth of the fixed asset investment in China, it was expected that the market demand for cement in China in 2012 would decrease, resulting in a decrease in the selling prices of the Group’s cement products. It was also stated in the Prospectus that the Group’s gross profit margin and net profit for the year ending 31 December 2012 were expected to be significantly and adversely affected. Nevertheless, based on the Board’s preliminary review of the Group’s unaudited management accounts for the six months ended 30 June 2012, it is expected that the Group’s principal business would still record a net profit. However, taking into consideration that the listing fee with respect to the Company’s listing on The Stock Exchange of Hong Kong Limited was recorded in the Company’s profit and loss account for the period ended 30 June 2012, the management of the Company expects that the Group may record a loss for the six months ended 30 June 2012.

As the Group is still finalizing its unaudited consolidated results for the six months ended 30 June 2012, the information contained in this announcement is only a preliminary assessment by the Board with reference to the information currently available including the Group’s unaudited management accounts for the six months ended 30 June 2012 which have not been audited or

reviewed by the Company's auditors and is subject to possible adjustments upon further review. The shareholders and investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2012 which will be published no later than 31 August 2012.

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

By order of the Board  
**Dongwu Cement International Limited**  
**Xie Yingxia**  
*Chairman*

Hong Kong, 31 July 2012

*As at the date of this announcement, the Board comprises Ms. Xie Yingxia, Mr. Jin Chungen and Mr. Yang Bin as executive Directors, Mr. Tseung Hok Ming as non-executive Director and Mr. Cao Guoqi, Mr. Cao Kuangyu and Mr. Lee Ho Yiu Thomas as independent non-executive Directors.*