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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)

### **(1) LETTER OF INVESTMENT INTENT; AND** **(2) PROPOSED ISSUE OF SHARES UNDER GENERAL MANDATE**

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

#### **POTENTIAL ACQUISITION**

The board of directors (the “**Board**”) of Dongwu Cement International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Dongwu Technology Investment Co., Ltd. (“**Dongwu Technology**”, a wholly-owned subsidiary of the Company) entered into a non-legally binding (except for the terms on exclusivity and confidentiality) letter of investment intent (“**Letter of Investment Intent**”) with the existing shareholders of Shanghai Biofit Environmental Technology Co., Ltd. (“**Shanghai Biofit**”, a company incorporated in the PRC with limited liability) 31 October 2014. In accordance with the Letter of Investment Intent, Dongwu Technology intends to acquire 100% equity interest in Shanghai Biofit (the “**Potential Acquisition**”). The consideration for the Potential Acquisition will be financed in part or in whole by the proceeds from the Proposed Shares Issue (as defined below) of the Company.

Shanghai Biofit, with a tier-3 professional contractor qualification for environmental engineering, is principally engaged in organic wastewater treatment, sludge treatment and disposal, comprehensive treatment of urban organic waste and other integrated environment services. The Board believes that the acquisition of Shanghai Biofit, if materialize, will generate synergy with the existing operations and diversify business income streams of the Group. To the best knowledge and belief of the Directors of the Company, as at the date of this announcement, Shanghai Biofit and its existing shareholders are third parties independent of the Company and its connected persons.

## PROPOSED SHARES ISSUE

At the Board meeting, it was resolved to approve the proposed issue of new shares under general mandate to potential investors (“**Proposed Shares Issue**”).

Completion of the Proposed Shares Issue is subject to market conditions and investors’ interest. The Company currently intends to use the proceeds from the Proposed Shares Issue for payment of the consideration of the Potential Acquisition in whole or in part and for general working capital purpose.

The Board considers that the Proposed Shares Issue can not only broaden the shareholders’ base of the Company but it also represents a good opportunity to raise additional funds for the Company.

**As (1) the Letter of Investment Intent is non-legally binding (except for the terms on exclusivity and confidentiality) and the terms of the Potential Acquisition are subject to further negotiation; and (2) no binding agreement in relation to the Proposed Shares Issue has been entered into as at the date of this announcement, the Potential Acquisition and the Proposed Shares Issue may or may not materialize.**

The Company will comply with further compliance requirement under the Listing Rules should the Potential Acquisition be materialized and/or the subscription agreement be signed.

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

Hong Kong, 31 October 2014

*As at the date of this announcement, the Board comprises 2 executive Directors, namely Ms. Xie Yingxia and Mr. Jin Chungen, 2 non-executive Directors, namely Mr. Tseung Hok Ming and Mr. Yang Bin and 3 independent non-executive Directors, namely Mr. Cao Guoqi, Mr. Cao Kuangyu and Mr. Lee Ho Yiu Thomas.*