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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)

**BUSINESS UPDATE**  
**AND**  
**MEMORANDUM OF UNDERSTANDING**  
**IN RELATION TO A PROPOSED ACQUISITION**

This announcement is made by Dongwu Cement International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide update on the business development of the Group to the shareholders (the “**Shareholders**”) and potential investors of the Company.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) recently had a discussion on business planning of the Group and formulating its business strategies for the coming years. It considers that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its revenue source by investing in businesses with growth potential and broaden its source of income. The Board has commenced looking into possible acquisitions of the licensed corporation(s) to carry out financial services and investment businesses and the property development and property investment businesses.

In line with the Group’s strategy to diversify its existing businesses, the Board is pleased to announce that on 5 June 2017 (after trading hours), the Company (being the buyer) entered into a non-legally binding memorandum of understanding with third parties (being the sellers) independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) in relation to a possible acquisition (the “**Proposed Acquisition**”) of the entire issued share capital of a corporation (the “**Target**”), which is licensed to carry out Type 1 (Dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The consideration is expected to be the aggregate of HK\$16,000,000 (subject to adjustments determined by the net asset value of the Target as at the date of completion of the Proposed Acquisition).

The Board is of the view that the Proposed Acquisition will provide a prime opportunity for the Group to enter into financial services industry, being a new business segment to the Group, which is expected to further enhance the profitability of the Group and it is in the interests of the Group and the Shareholders as a whole.

The Proposed Acquisition may or may not proceed and no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. The Proposed Acquisition, if materializes, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company. The Company will make further announcement(s) in respect of the Proposed Acquisition as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 5 June 2017

*As at the date this announcement, the Board comprises Ms. Xie Yingxia, Mr. Ling Chao, Mr. Peng Cheng, Mr. Wong Hin Shek and Mr. Wang Jun 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.*