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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)

INSIDE INFORMATION AND POSITIVE PROFIT ALERT

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 December 2017, and information currently available to the Board, there is an increase of approximately 60% in the Group’s revenue from its continuing operations for the year ended 31 December 2017 compared with 2016 from approximately RMB223 million to approximately RMB357 million. Such increase is primarily due to an increase in both sales volume and price of cement products resulting from overall performance of stable volumes and rising price in national cement industry in the People’s Republic of China. Accordingly, the Group’s gross profit from its continuing operations for the year ended 31 December 2017 compared with 2016 increase from approximately RMB15 million to approximately RMB68 million.

Besides, it is expected that there will be a significant increase in profit from its continuing operations for the year ended 31 December 2017 compared with 2016 from approximately RMB3 million to approximately RMB29 million, the increase in profit was resulted from the increase in revenue and gross profit as described above, net of the increase in administrative expenses, which was mainly attributable to the increase in staff costs, legal and professional expenses and rental expenses, and increase in income tax expense due to the profit recognised for the year ended 31 December 2017.

The Company is in the process of preparing the consolidated annual results of the Group for the year ended 31 December 2017. The information contained in this announcement is based on the preliminary review by the management of the Company of the unaudited consolidated management accounts of the Group and information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the auditor of the Company. Shareholders and potential investors of the Company are advised to read this announcement carefully with the announcement of the annual results of the Group for the year ended 31 December 2017 which is expected to be released in March 2018.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 March 2018

As at the date this announcement, the Board comprises Ms. Xie Yingxia, Mr. Ling Chao, Mr. Peng Cheng, Mr. Chan Ka Wing 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.