

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**DISCLOSEABLE TRANSACTION IN RELATION
TO DISPOSAL OF 62.26% EQUITY INTEREST IN A SUBSIDIARY**

Reference is made to the announcement of Dongwu Cement International Limited (the “**Company**”) dated 16 December 2019 (the “**Announcement**”) in relation to the disposal of 62.26% equity interest in a subsidiary which constituted a discloseable transaction of the Company. Unless the context requires otherwise, all the terms defined in the Announcement shall have the same meanings when used herein.

The Company wishes to provide additional information regarding the financial effect of the Disposal. It is anticipated that the Group will record a net loss of approximately RMB12.75 million upon the completion of the Disposal, which represents the difference between (i) the total consideration of the Disposal, being RMB22 million; and (ii) the unaudited net asset value of the Target Company and its subsidiaries as at 31 October 2019, being approximately RMB34.75 million. The final financial effect of the Disposal will be subject to the value of assets and liabilities of the Target Company and its subsidiaries at completion of the Disposal and therefore, may vary from the current estimation. The Target Company recorded total losses of approximately RMB3,658,000 and RMB20,134,000 million after taxation and extraordinary items during the year ended 31 December 2017 and the ten months ended 31 October 2019, respectively. Since the Target Company and its subsidiaries is loss making, it is expected the Group’s results of operations will improve after the completion of the Disposal. As disclosed in the paragraph headed “Reasons for and Benefits of the Disposal and Use of Proceeds” in the Announcement, the Board is of the view that the Target Company has not obtained substantial progress, and is no longer in line with the Company’s future development plans. The Board would like to reiterate its view that the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save as disclosed above, all information and content set out in the Announcement remain unchanged.

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

Hong Kong, 18 December 2019

As at the date of this announcement, the Board comprises Ms. Xie Yingxia, Mr. Ling Chao, Mr. Chan Ka Wing, Mr. Wang Jun and Mr. Liu Dong 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.