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WEST CHINA CEMENT LIMITED
中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

ANNOUNCEMENT

**PROPOSED ISSUE OF SECOND TRANCHE OF THE SHORT-TERM NOTES
IN THE PRC BY YAObAI SPECIAL CEMENT GROUP CO., LTD.,
AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

**PROPOSED ISSUE OF SECOND TRANCHE OF THE SHORT-TERM NOTES BY
YAObAI**

Reference is made to the announcements (the “**Announcements**”) of West China Cement Limited (the “**Company**”) dated 10 March 2016 and 15 March 2016 in relation to the proposed issuance and completion of the first tranche of the Short-term Notes by Yaobai, an indirect wholly-owned subsidiary of the Company incorporated in the PRC. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that, Yaobai proposes to issue second tranche of the Short-term Notes with a principal amount of RMB400,000,000 to investors in the national inter-bank market in the PRC on or about 3 March 2017.

In connection with the proposed issue of second tranche of the Short-term Notes, Yaobai has published, among other things, an offering circular in the PRC to provide investors with certain information concerning the terms and conditions of the Short-term Notes, credit rating reports and the financial information of Yaobai and its subsidiaries for the three years ended 31 December 2013, 2014 and 2015, and the nine months ended 30 September 2016 on the websites of China Money (www.chinamoney.com.cn) and Shanghai Clearing (www.shclearing.com) on 1 March 2017.

Shareholders and prospective investors are cautioned not to unduly rely on such information and are reminded to exercise caution when dealing in the Shares.

As the proposed issue of the second tranche of the Short-term Notes may or may not materialize. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that, Yaobai proposes to issue second tranche of the Short-term Notes with a principal amount of RMB400,000,000 to investors in the national inter-bank market in the PRC on or about 3 March 2017.

Particulars of the Short-term Notes are as follows:

Issuer:	Yaobai
Aggregate maximum amount of the Short-term Notes:	RMB1,200,000,000
Principal amount of the second tranche of the Short-term Notes:	RMB400,000,000
Date of issue of the second tranche of the Short-term Notes:	On or about 3 March 2017
Maturity:	Term of one year
Interest rate:	To be determined according to the prevailing market conditions at the time of issue based on the results of book building and investors' interest. Interest will be payable annually
Target:	Investors in the national inter-bank market in the PRC and will not be extended to the general public
Underwriter/Bookrunner:	Agricultural Bank of China Limited
Credit rating:	As assessed by China Lianhe Credit Rating Co., Ltd. (聯合資信評估有限公司), the Short-term Notes have been given A-1 rating and the issuer of the Short-term Notes have also been given AA rating
Use of proceeds:	The proceeds from the issue of the Short-term Notes will be used for repayment of part of the bank loans and for general working capital of the Group

Given that the issue of the second tranche of the Short-term Notes will provide the Company with more financial flexibility, the Directors (including the independent non-executive Directors) consider that the issue of the second tranche of the Short-term Notes is in the interest of the Company and its Shareholders as a whole.

Shareholders and prospective investors are cautioned not to unduly rely on such information and are reminded to exercise caution when dealing in the Shares.

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GENERAL

The Group is principally engaged in the production and sale of cement in the PRC.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of directors of the Company;
“Company”	West China Cement Limited, a company incorporated in Jersey with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Short-term Notes”	one year short-term notes of RMB1,200,000,000 in principal amount proposed to be issued by Yaobai;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“Yaobai”

堯柏特種水泥集團有限公司 (Yaobai Special Cement Group Co, Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company.

By Order of the Board
West China Cement Limited
Zhang Jimin
Chairman

Hong Kong, 1 March 2017

As at the date of this announcement, the executive Directors are Mr. Zhang Jimin and Dr. Ma Weiping, the non-executive Directors are Mr. Ma Zhaoyang, Ms. Liu Yan and Mr. Qin Hongji and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Wong Kun Kau and Mr. Tam King Ching, Kenny.

* *For identification purpose only.*