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西部水泥

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)

POSITIVE PROFIT ALERT

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 and the latest adjustments proposed during the review, the Group expects to record a substantial increase in its net profit for the six months ended 30 June 2021 as compared to the corresponding period of 2020. Such increase in the expected net profit is mainly attributable to the following proposed adjustments. Firstly, there were net foreign exchange gains mainly relating to the translation of the Group’s other long term payable from USD to Meticaís (MZN), the official currency of Mozambique, and the translation of the intercompany balances between the subsidiaries with different functional currencies of approximately RMB347.3 million for the first half of 2021 (2020: losses of RMB18.7 million primarily due to the translation of senior notes from USD to RMB). Secondly, the Group disposed of 20% interests in Yaobai Environmental Technology Engineering Co., Ltd and thus recognised a gain on disposal of approximately RMB79.3 million for the six months ended 30 June 2021 (2020: Nil).

The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited management accounts of the Group for the six months ended 30 June 2021, which have not yet been reviewed or audited by the Company’s auditors and are subject to possible adjustments arising from further review.

Shareholders and investors are advised to carefully read the interim results announcement of the Company for the six months ended 30 June 2021, which is expected to be published in August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

Hong Kong, 24 August 2021

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, Mr. Shi Guanglei and Mr. Fan Changhong and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Zhu Dong and Mr. Tam King Ching, Kenny.