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CONCH

**CONCH INTERNATIONAL
HOLDINGS (HK) LIMITED**
海螺國際控股(香港)有限公司
(Incorporated in Hong Kong
with limited liability)

CONCH

**ANHUI CONCH CEMENT
COMPANY LIMITED**
安徽海螺水泥股份有限公司
(A joint stock limited company incorporated
in the People's Republic of China)
(Stock Code: 914)



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)

West China Cement Limited
US\$400 MILLION 6.50%
SENIOR NOTES DUE 2019
(Stock Code: 5800)

JOINT ANNOUNCEMENT

- (1) MAJOR AND CONNECTED TRANSACTION OF WEST CHINA CEMENT IN RELATION TO THE ACQUISITION OF TARGET COMPANIES
- (2) DISCLOSEABLE TRANSACTION OF CONCH CEMENT IN RELATION TO THE DISPOSAL OF TARGET COMPANIES AND ACQUISITION OF SHARES IN WEST CHINA CEMENT
- (3) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS BY OPTIMA CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR FOR ALL THE ISSUED SECURITIES IN WEST CHINA CEMENT (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT AND THOSE HELD BY PERSONS WHO AGREED TO EXECUTE LETTERS OF UNDERTAKING)
- (4) PROPOSED GRANT OF SPECIFIC MANDATE OF WEST CHINA CEMENT TO ALLOT AND ISSUE THE CONSIDERATION SHARES
- (5) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES OF WEST CHINA CEMENT AND
- (6) RESUMPTION OF TRADING IN THE SHARES OF WEST CHINA CEMENT

Financial adviser to the Offeror and Conch Cement

Financial adviser to West China Cement


Optima Capital Limited

NOMURA
Nomura International (Hong Kong) Limited

THE TRANSACTION

The West China Cement Board and the Conch Cement Board are pleased to jointly announce that on 27 November 2015, Grand Winner, West China Cement and Conch Cement entered into an Acquisition Agreement, pursuant to which Grand Winner has conditionally agreed to acquire or procure its wholly-owned subsidiary to acquire, and Conch Cement has conditionally agreed to sell, the entire equity interests in each of (i) Baoji FHS at the consideration of HK\$1,465,434,792, (ii) Baoji JLH at the consideration of HK\$698,575,918, (iii) Qianxian Cement at the consideration of HK\$1,314,287,866, and (iv) Qianyang Cement at the consideration of HK\$1,115,584,024, the aggregate consideration of the Target Companies being HK\$4,593,882,600 shall be satisfied by the issue of 3,402,876,000 Consideration Shares by West China Cement at the Issue Price of HK\$1.35 per Consideration Share.

Upon the Acquisition Completion and taking into account the 1,147,565,970 Shares held by Conch International as at the date of this joint announcement, the Offeror and parties acting in concert with it will be interested in an aggregate of 4,550,441,970 Shares, representing approximately 51.57% (assuming no outstanding Share Options having been exercised), approximately 51.00% (assuming all in-the-money Share Options based on the Share Offer Price having been exercised) and approximately 50.97% (assuming all the outstanding Share Options having been exercised) of the enlarged issued share capital of West China Cement. West China Cement will become an indirect non-wholly owned subsidiary of Conch Cement, and Asia Gain will cease to be the controlling shareholder of West China Cement.

The Consideration Shares will be issued by West China Cement under the Specific Mandate. An application will be made by West China Cement to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

For West China Cement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but all are less than 100% for West China Cement, the Transaction constitutes a major transaction of West China Cement under Chapter 14 of the Listing Rules.

As of the date of this joint announcement, Conch International, a wholly-owned subsidiary of Conch Cement, is a substantial shareholder of West China Cement. Accordingly, Conch Cement and Conch International are connected persons of West China Cement pursuant to Rule 14A.07 of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for West China Cement and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

For Conch Cement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction and the acquisition of the Consideration Shares in West China Cement together with the Offers, on a standalone basis or when aggregated with the previous subscription and acquisition of Shares, exceeds 5% but all are less than 25% for Conch Cement, the Transaction and the Offers together constitutes a discloseable transaction of Conch Cement under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 1,147,565,970 Shares, representing approximately 21.17% of the total issued share capital of West China Cement. Upon the Acquisition Completion, the Offeror and parties acting in concert with it will be interested in 4,550,441,970 Shares, representing approximately 51.57% (assuming no outstanding Share Options having been exercised), approximately 51.00% (assuming all in-the-money Share Options based on the Share Offer Price having been exercised) and approximately 50.97% (assuming all the outstanding Share Options having been exercised) of the enlarged issued share capital of West China Cement. Subject to the Acquisition Completion, the Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make mandatory unconditional cash offers for all the issued securities of West China Cement which are not already owned or agreed to be acquired by it and parties acting in concert with it.

The Offers, which comprise the Share Offer and the Option Offer, will be unconditional in all respects when made.

Subject to the Acquisition Completion, Optima Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offers on the following basis:

The Share Offer

For each Offer Share HK\$1.69 in cash

The Share Offer Price of HK\$1.69 per Offer Share is the same as the subscription price of 903,467,970 Shares allotted and issued to Conch International on 26 June 2015 (as disclosed in the announcements of West China Cement dated 18 June 2015 and 26 June 2015). Pursuant to Rule 26.3 of the Takeovers Code, the Share Offer Price is the highest price paid by the Offeror and parties acting in concert with it for the Shares of West China Cement within 6 months prior to the commencement of the offer period (as defined in the Takeovers Code).

The Option Offer

- (i) For cancellation of each Share Option with an exercise price of HK\$1.25 per Option Share HK\$0.44 in cash**
- (ii) For cancellation of each Share Option with an exercise price of HK\$0.91 per Option Share HK\$0.78 in cash**
- (iii) For cancellation of each Share Option with an exercise price of HK\$1.45 per Option Share HK\$0.24 in cash**
- (iv) For cancellation of each Share Option with an exercise price of HK\$3.41 per Option Share HK\$1.00 in cash for Share Options carrying rights to subscribe for 25,000 Shares**

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price will normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. Under the Option Offer, the Option Offer Price for each Share Option with an exercise price of HK\$1.25, HK\$0.91 or HK\$1.45 per Option Share represents the difference between the Share Offer Price and the exercise price of these Share Options.

For the Share Options granted by West China Cement on 23 March 2011 with an exercise price of HK\$3.41 per Option Share, as the exercise price is higher than the Share Offer Price, the “see through” price is therefore zero. Accordingly, the Option Offer with respect to these Share Options will be made at a nominal price of HK\$1.00 for Share Options carrying rights to subscribe for 25,000 Shares.

Optima Capital, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

GENERAL

West China Cement has established (i) the Listing Rules Independent Board Committee comprising two of its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, who are not interested in the Transaction, to advise the Independent Shareholders in respect of the Transaction; and (ii) the Takeovers Code Independent Board Committee comprising one of its non-executive directors, Mr. Ma Zhaoyang, and two of its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, none of whom has a direct or indirect interest in the Offers other than being a Shareholder or as holders of certain Share Options of West China Cement, to make recommendation to the Independent Shareholders and the Optionholders in respect of the Offers. West China Cement's other independent non-executive director, Mr. Wong Kun Kau, will not be a member of the Listing Rules Independent Board Committee or the Takeovers Code Independent Board Committee as he also serves as an independent non-executive director of Conch Cement. The other non-executive directors of West China Cement, Mr. Qin Hongji and Ms. Liu Yan, will not be members of the Takeovers Code Independent Board Committee as they are also employees of Conch Cement.

The Circular containing, among other things, (i) further details regarding the Transaction; (ii) financial and other information of the Target Companies; (iii) financial and other information of the West China Cement Group; (iv) pro forma financial information of the Enlarged Group; (v) the recommendation from the Listing Rules Independent Board Committee and the advice of the independent financial adviser on the Transaction; and (vi) notice of the EGM, will be despatched by West China Cement to its Shareholders as soon as possible in accordance with the Listing Rules. The Circular is expected to be despatched to its Shareholders on or before 18 December 2015.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offers and West China Cement is required to send to its Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of West China Cement, a letter of recommendation from the Takeovers Code Independent Board Committee to the Independent Shareholders regarding the Offers, a letter of advice from the independent financial adviser to the Takeovers Code Independent Board Committee, information as required under the Takeovers Code, together with any other information West China Cement considers to be relevant to enable its Shareholders to reach a properly informed decision on the Offers. It is the intention of the Offeror and the West China Cement Board that the offer document and the offeree board circular in respect of the Offers be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offers is subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offers is conditional upon the Acquisition Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form(s) of acceptance and transfer for the Share Offer and the form(s) of acceptance and cancellation for the Option Offer, to a date within 7 days upon the Acquisition Completion or 13 July 2016, whichever is the earlier. Further announcement(s) will be made by the Offeror and West China Cement on the timing of the despatch of the Composite Document.

RESUMPTION OF TRADING

At the request of West China Cement, trading in the Shares (stock code: 2233) and the senior notes of West China Cement (stock code: 5800) on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 November 2015 pending the publication of this joint announcement. West China Cement has applied to the Stock Exchange for the resumption of trading in its Shares and its senior notes on the Stock Exchange with effect from 9:00 a.m. on 30 November 2015.

Completion of the Transaction is subject to fulfilment of certain conditions and the Offers will only be made if the Acquisition Completion takes place. Accordingly, the Transaction may or may not be completed and the Offers may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of Conch Cement and West China Cement.

I. INTRODUCTION

The West China Cement Board and the Conch Cement Board are pleased to announce that on 27 November, 2015, Grand Winner, West China Cement and Conch Cement entered into an Acquisition Agreement, pursuant to which Grand Winner has conditionally agreed to acquire, or procure its wholly-owned subsidiary to acquire, and Conch Cement has conditionally agreed to sell, the entire equity interests in each of (i) Baoji FHS at the consideration of HK\$1,465,434,792, (ii) Baoji JLH at the consideration of HK\$698,575,918, (iii) Qianxian Cement at the consideration of HK\$1,314,287,866, and (iv) Qianyang Cement at the consideration of HK\$1,115,584,024, the aggregate consideration of the Target Companies being HK\$4,593,882,600, which shall be satisfied by the issue of 3,402,876,000 Consideration Shares by West China Cement at the Issue Price of HK\$1.35 per Consideration Share.

II. THE ACQUISITION AGREEMENT

Date

27 November 2015

Parties

- (i) Grand Winner, as the purchaser;
- (ii) West China Cement;
- (iii) Conch Cement, as the seller.

Grand Winner is an investment holding company and a direct wholly-owned subsidiary of West China Cement as at the date of this joint announcement.

West China Cement, the Shares of which are listed on the main board of the Stock Exchange (stock code: 2233), is principally engaged, together with its subsidiaries, in the production and sale of cement in the western part of the PRC.

Conch Cement is a leading PRC cement manufacturer and seller based in Anhui Province. Its H-shares are listed on the main board of the Stock Exchange (stock code: 914) and its A-shares are listed on the Shanghai Stock Exchange (stock code: 600585).

As at the date of this joint announcement, Conch International, a wholly-owned subsidiary of Conch Cement, holds 1,147,565,970 Shares, representing approximately 21.17% of the total issued share capital of West China Cement and is a substantial shareholder of West China Cement. Conch Cement is therefore a connected person of West China Cement pursuant to Rule 14A.07(1) of the Listing Rules.

To the best of the knowledge, information and belief of the Conch Cement Board having made reasonable enquiries, save as disclosed above, West China Cement and its current controlling shareholders are third parties independent of Conch Cement, its subsidiaries and their respective connected persons.

Assets to be acquired

Pursuant to the Acquisition Agreement, Grand Winner has conditionally agreed to acquire or procure its wholly-owned subsidiary to acquire, and Conch Cement has conditionally agreed to sell, the entire equity interests in each of the Target Companies.

The Target Companies consist of four PRC companies, all of which are principally engaged in the manufacture and sale of cement in Shaanxi Province of PRC.

Upon Acquisition Completion, the Target Companies will become wholly-owned subsidiaries of West China Cement.

Consideration

The Consideration for the Transaction shall be HK\$4,593,882,600, which has been agreed based on normal commercial terms after arm's length negotiation among Grand Winner, West China Cement and Conch Cement, having taking into account, among others, the financial performances and business prospects of the Target Companies.

The Consideration shall be satisfied by way of allotment and issue of 3,402,876,000 Consideration Shares, to be credited as fully-paid up at the Issue Price of HK\$1.35 per Consideration Share by West China Cement to Conch International or its wholly-owned subsidiary designated in writing by Conch Cement.

Conditions precedent

Acquisition Completion is subject to the following conditions being satisfied or waived:

- (i) the obtaining of written confirmations from the Stock Exchange (if applicable) and/or the SFC that they have no further comments on this joint announcement and on the transactions contemplated under the Acquisition Agreement; and the uploading of this joint announcement on the website of the Stock Exchange;
- (ii) no party to the Acquisition Agreement having received any indication from the Stock Exchange or the SFC, prior to the Acquisition Completion, that the completion and the terms of and the transactions contemplated under the Acquisition Agreement will lead to the listing of the Shares on the Stock Exchange to be withdrawn or to be objected to (including without limitation any declaration that the Shares will not be regarded as suitable for listing), whether or not conditions will or may be attached thereto;
- (iii) the passing by the Independent Shareholders of the relevant resolutions to approve the Acquisition Agreement and the transactions contemplated thereunder (including the issuance of the Consideration Shares) at the EGM, pursuant to the terms of West China Cement's constitutional documents and the requirements under the Listing Rules and the Takeovers Code;
- (iv) West China Cement having obtained all written waivers from the relevant creditors if the Acquisition Completion will lead to Conch Cement and/or Conch International becoming a controlling shareholder of West China Cement (or Mr. Zhang or Asia Gain ceasing to be a controlling shareholder of West China Cement) and any early-repayment obligation under any indebtedness (including notes) of the West China Cement Group has arisen as a result of such event;
- (v) the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Consideration Shares (and if any conditions are attached to such grant and permission, such conditions being reasonably acceptable to Conch Cement);
- (vi) all necessary approvals, consents and permits from the applicable PRC state-owned assets supervision authorities and commerce authorities in relation to the sale and purchase of the Target Companies (and other transactions contemplated under the Acquisition Agreement) shall have been obtained; and Conch Cement shall have completed all necessary offshore investment filing and registration procedures with the applicable PRC development and reform authorities, commerce authorities, and administration of foreign exchange authorities;
- (vii) the receipt of a PRC legal opinion by Conch Cement confirming that all necessary approvals, consents, permits or no-objection letters (including confirmation documents under any anti-trust related laws and regulations) from the applicable PRC state-owned assets supervision authorities and commerce authorities in relation to the sale and purchase of the Target Companies (and other transactions contemplated under the Acquisition Agreement) have been obtained;

- (viii) the receipt of a Jersey legal opinion by Conch Cement confirming that no approval, consent or permit is required to be obtained from any Jersey governmental authorities in relation to any transaction contemplated under the Acquisition Agreement in the form and content satisfactory to Conch Cement;
- (ix) the receipt of a PRC legal opinion by West China Cement (for itself and on behalf of Grand Winner) confirming that all necessary approvals, consents, permits or no-objection letters (including confirmation documents under any anti-trust related laws and regulations) from the applicable PRC state-owned assets supervision authorities and commerce authorities in relation to the sale and purchase of the Target Companies (and other transactions contemplated under the Acquisition Agreement) have been obtained in the form and content satisfactory to Grand Winner and West China Cement;
- (x) West China Cement is not being subjected to any liquidation, winding-up or similar proceedings in Jersey, Hong Kong or PRC;
- (xi) Conch Cement not being subjected to any liquidation, winding-up or similar proceedings in Hong Kong or PRC;
- (xii) Grand Winner not being subjected to any liquidation, winding-up or similar proceedings in Hong Kong or PRC;
- (xiii) all Target Companies not being subjected to any liquidation, winding-up or similar proceedings in Hong Kong or PRC;
- (xiv) no party to the Acquisition Agreement having received any indication from the Stock Exchange, prior to the Acquisition Completion, that the Acquisition Completion, any terms of the Acquisition Agreement or any other transactions contemplated under the Acquisition Agreement will be deemed a reverse takeover (as defined under the Listing Rules) by the Stock Exchange;
- (xv) no event or circumstance since the date of the Acquisition Agreement that has a material and adverse effect on West China Cement having occurred on or prior to the Completion Date and all representations and warranties given by West China Cement having remained true and accurate in all material respects and not misleading since the date of the Acquisition Agreement and until the Completion Date;
- (xvi) no event or circumstance since the date of the Acquisition Agreement that has a material and adverse effect on Conch Cement having occurred on or prior to the Completion Date and all representations and warranties given by Conch Cement having remained true and accurate in all material respects and not misleading since the date of the Acquisition Agreement and until the Completion Date;
- (xvii) directors of Conch Cement having approved the Acquisition Agreement and all transactions contemplated thereunder in accordance with its constitutional documents;

- (xviii) the shareholders of each of the Target Companies having approved the Acquisition Agreement and all transactions contemplated thereunder;
- (xix) West China Cement having obtained all Letters of Undertaking and delivered to Conch Cement in accordance with the terms of the Acquisition Agreement;
- (xx) on the basis that Mr. Zhang and Asia Gain will not be regarded by the Stock Exchange and the SFC as being required to abstain from voting as shareholder of West China Cement at the EGM in respect of the transactions contemplated under the Acquisition Agreement as a result of having signed a letter of guarantee, West China Cement to obtain and deliver to Conch Cement the letters of guarantee from Mr. Zhang and Asia Gain three (3) Business Days prior to the Completion Date; and
- (xxi) West China Cement having obtained all resignation letters from the resigning directors in accordance with the terms of the Acquisition Agreement and delivered to Conch Cement.

West China Cement (for itself and on behalf of Grand Winner) may waive conditions (ix), (xi), (xiii), and (xvi) above; and Conch Cement may waive conditions (vii), (viii), (x), (xii), (xv) and (xix) (only as to timing for such condition (xix)) above. As at the date of this joint announcement, conditions (xvii) and (xviii) have been satisfied, and all other conditions have not been satisfied or waived.

If any of the Conditions is not satisfied or waived at or before the Long Stop Date, the Agreement shall cease and determine and no party shall have any obligations and liabilities thereunder unless otherwise specified therein and no party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

Completion

Upon fulfillment and/or waiver, as applicable, of all the conditions precedents set out above, Acquisition Completion shall take place on the Completion Date.

Board of directors of West China Cement

Pursuant to the terms of the Acquisition Agreement, West China Cement shall, after the date of the Acquisition Agreement and subject to constitutional documents of and the best interest of West China Cement, the Listing Rules, the Takeovers Code, the laws of Jersey and the receipt of the consent of such nominees and in accordance with the current constitutional procedure of West China Cement (including but not limited to the approval of the nomination committee of West China Cement Board), procure the appointment of any Conch Cement nominated directors as directors of West China Cement, provided that the effective dates of such appointments shall be the later of (i) the Completion Date; and (ii) the earliest permitted date pursuant to the Takeovers Code if the offer document is not despatched prior to the Completion Date.

Upon the issuance of a written notice from Conch Cement at least seven (7) Business Days prior to the Completion Date to specify the resigning directors, at the Acquisition Completion, West China Cement shall procure the delivery of resignation letters in the agreed form set out in the Acquisition Agreement signed by each resigning director to

Conch Cement. The effective date of such resignation shall be the earliest permitted date under the Takeovers Code, the Listing Rules, the constitutional documents of and the laws and regulations applicable to West China Cement.

Letters of Undertaking

Pursuant to the Acquisition Agreement, West China Cement undertook the following:

- (i) in respect of Mr. Zhang and Asia Gain: to obtain the signed Letters of Undertaking no later than one day prior to the publication of this joint announcement and to deliver the signed Letters of Undertaking to Conch Cement within one Business Day following the publication of this joint announcement, to the effect that, commencing on the date of execution of such Letters of Undertaking and ending on the earlier of (x) the lapse of the Offers; and (y) closing date of the Offers (the “**Restricted Period**”), it/he will not, and will procure the companies controlled by each of it/him respectively not to, (a) purchase any Shares, unless having obtained prior written consent of Conch Cement and West China Cement; (b) sell or agree to sell any Shares held by such person or entity nor, for the avoidance of doubt, accept the Share Offer on any Shares held by such person or entity on the date of execution of the Letters of Undertaking or otherwise make any such Shares available for acceptance of the Share Offer; (c) accept the Option Offer on any Share Options held by such person or entity on the date of execution of the Letters of Undertaking which are not exercised during the Restricted Period or otherwise make any such Share Options available for acceptance of the Option Offer; and (d) accept the Share Offer on any Shares which have been issued to such person or entity during the Restricted Period following the exercise of any Share Options or otherwise make any such Shares available for acceptance of the Share Offer;
- (ii) in respect of Ms. Zhang Lili, the daughter of Mr. Zhang, Mr. Ma and Dr. Ma Weiping: to obtain the signed Letters of Undertaking no later than one day prior to the publication of this joint announcement and to deliver the signed Letters of Undertaking to Conch Cement within one Business Day following the publication of this joint announcement, to the effect that, during the Restricted Period, he/she will not, and will procure the companies controlled by each of him/her respectively not to, (a) sell or agree to sell any Shares held by such person or entity nor, for the avoidance of doubt, accept the Share Offer on any Shares held by such person or entity on the date of execution of the Letters of Undertaking or otherwise make any such Shares available for acceptance of the Share Offer; (b) accept the Option Offer on any Share Options held by such person or entity on the date of execution of the Letters of Undertaking which are not exercised during the Restricted Period or otherwise make any such Share Options available for acceptance of the Option Offer; and (c) accept the Share Offer on any Shares which have been issued to such person or entity during the Restricted Period following the exercise of any Share Options or otherwise make any such Shares available for acceptance of the Share Offer;
- (iii) in respect of those Optionholders listed in the Acquisition Agreement who in aggregate hold not less than 80% (after deduction of the number of Share Options held by Mr. Zhang, Mr. Ma and Dr. Ma Weiping) of all Share Options granted: to

deliver the signed Letters of Undertaking to Conch Cement no later than the earlier of: (i) 29 February 2016; and (ii) 3 Business Days prior to Completion Date to the effect that, during the Restricted Period, it/he/she will not, and will procure the companies controlled by each of it/him/her respectively not to, (a) sell or agree to sell any Shares held by such person or entity nor, for the avoidance of doubt, accept the Share Offer on any Shares held by such person or entity on the date of execution of the Letters of Undertaking or otherwise make any such Shares available for acceptance of the Share Offer; (b) accept the Option Offer on any Share Options held by such person or entity on the date of execution of the Letters of Undertaking which are not exercised during the Restricted Period or otherwise make any such Share Options available for acceptance of the Option Offer; and (c) accept the Share Offer on any Shares which have been issued to such person or entity during the Restricted Period following the exercise of any Share Options or otherwise make any such Shares available for acceptance of the Share Offer; and

- (iv) on the basis that Mr. Zhang and Asia Gain will not be regarded by the Stock Exchange and the SFC as being required to abstain from voting as a Shareholder of West China Cement at the EGM in respect of the transactions contemplated under the Acquisition Agreement as a result of having signed a letter of guarantee to Conch Cement to irrevocably and unconditionally guarantee the timely and continued performance of West China Cement's and Grand Winner's obligations and undertakings under the Acquisition Agreement and to undertake to compensate Conch Cement of any loss suffered by Conch Cement in connection with any breach of the Acquisition Agreement by West China Cement and Grand Winner, deliver the aforementioned letters of guarantee signed by Mr. Zhang and Asia Gain to Conch Cement three (3) Business Days prior to the Completion Date.

As at the date of this joint announcement, each of (i) Mr. Zhang; (ii) Asia Gain; (iii) Ms. Zhang Lili, the daughter of Mr. Zhang; (iv) Mr. Ma; and (v) Dr. Ma Weiping have already executed such Letters of Undertaking.

As at the date of this joint announcement, the Shares and Share Options directly or indirectly held by Mr. Zhang, Asia Gain, Ms. Zhang Lili, Mr. Ma and Dr. Ma Weiping are as follows:

Shareholder	Number of Shares held by it/him/her and companies controlled by it/him/her
Mr. Zhang and Asia Gain (<i>Note 1</i>)	1,756,469,900
Ms. Zhang Lili (<i>Note 2</i>)	229,072,000
Mr. Ma (<i>Note 3</i>)	221,587,950
Dr. Ma Weiping	<u>Nil</u>
Total	<u><u>2,207,129,850</u></u>

Notes:

1. Represents the 1,756,469,900 Shares owned by Asia Gain, a company beneficially and wholly-owned by Mr. Zhang.
2. Represents the 229,072,000 Shares owned by Central Glory Holdings Limited, a company beneficially and wholly-owned by Ms. Zhang Lili.
3. Represents the sum of the 213,679,950 Shares owned by Techno Faith Investments Limited and 7,908,000 Shares owned by Red Day Limited, both of which are wholly-owned by Mr. Ma Zhaoyang.

Optionholder	Number of Shares for which it/he/she is entitled to subscribe	Exercise price per Share (HK\$)
Mr. Zhang	3,700,000	0.91
	3,000,000	1.25
	3,400,000	1.45
Asia Gain	Nil	
Ms. Zhang Lili	Nil	
Mr. Ma	1,000,000	0.91
	487,500	1.25
	700,000	1.45
	75,000	3.41
Dr. Ma Weiping	1,000,000	0.91
	487,500	1.25
	<u>8,000,000</u>	1.45
Total	<u><u>21,850,000</u></u>	

Assuming the Letters of Undertaking as described in paragraph (iii) above are obtained, the number of Option Shares held by parties giving the Letters of Undertaking as described in paragraph (iii) above shall be not less than 65,800,000.

III. CONSIDERATION SHARES

The Consideration Shares will be issued at the Issue Price of HK\$1.35 per Share, which represents:

- (i) a discount of approximately 6.90% to the closing price of HK\$1.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 5.59% to the average closing price of HK\$1.43 per Share for the last five trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 6.25% to the average closing price of HK\$1.44 per Share for the last ten trading days up to and including the Last Trading Day.

When allotted and issued at Acquisition Completion, the Consideration Shares will represent approximately:

- (i) 62.77% of the existing issued share capital of West China Cement as at the date of this joint announcement; and
- (ii) 38.57% of the issued share capital of West China Cement as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares are to be issued by West China Cement pursuant to the Specific Mandate. West China Cement will seek the grant of the Specific Mandate from the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the Shares then in issue.

The Issue Price has been agreed based on normal commercial terms after arm's length negotiation among Grand Winner, West China Cement and Conch Cement after taking into account, among others, the prevailing market price of the Shares, the financial performance of the West China Cement Group and the current market conditions.

An application will be made to the Stock Exchange by West China Cement for the listing of, and permission to deal in, the Consideration Shares.

IV. INFORMATION ON THE TARGET COMPANIES AND WEST CHINA CEMENT

Information on the Target Companies

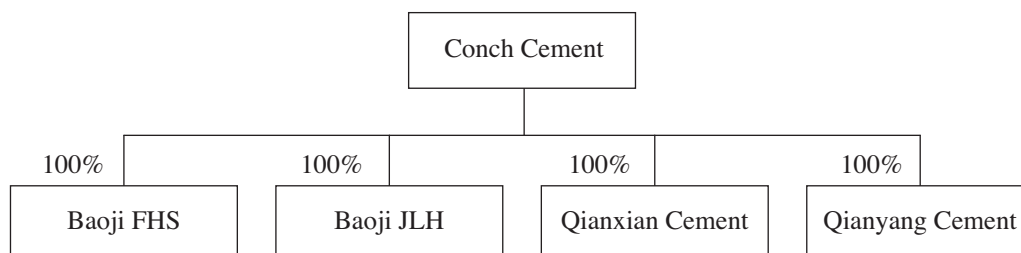
The Target Companies consist of four PRC companies, Baoji FHS, Baoji JLH, Qianxian Cement and Qianyang Cement. The table below sets forth the production capacity of the clinker production line, ancillary cement grinding system and the residual heat electricity generation unit of each of the Target Companies:

	Baoji FHS	Baoji JLH	Qianxian Cement	Qianyang Cement
Clinker production line (<i>tons per day</i>)	4,500	4,500	4,500	4,500
Ancillary cement grinding system (<i>tons per annum</i>)	3.8 million	2.2 million	2.2 million	2.2 million
Residual heat electricity generation unit	a 8MW unit	a 9MW unit	a 9MW unit	a 9MW unit

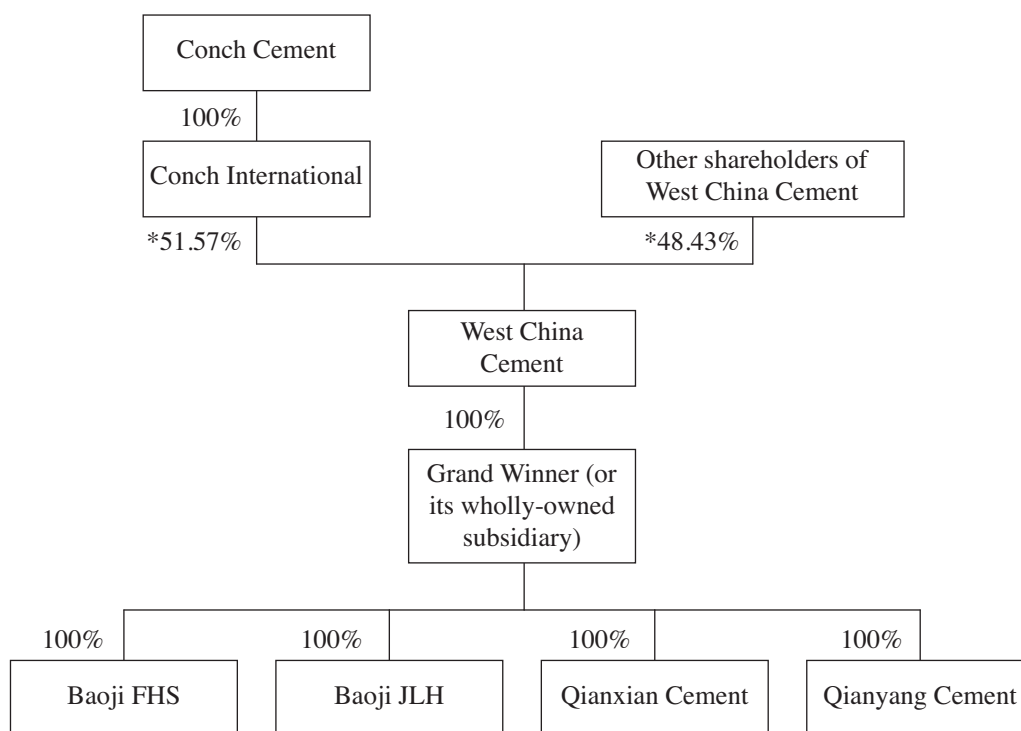
Set out below are the shareholding structure of the Target Companies, as at the date of this joint announcement and immediately after Acquisition Completion:

As at the date of this joint announcement

As at the date of this joint announcement, each of the Target Companies is wholly-owned by Conch Cement.



Immediately after Acquisition Completion



* Assuming that no other Shares are issued or repurchased before the Acquisition Completion.

Information on Baoji FHS

Baoji FHS is a domestic company established in the PRC in 2009, which is principally engaged in the manufacture and sale of cement in the Qishan County, Baoji City, Shaanxi Province of the PRC and is wholly owned by Conch Cement as at the date of this joint announcement. The current business license held by Baoji FHS is valid until 2019.

The unaudited financial figures prepared in accordance with the PRC accounting standards for Baoji FHS are as follows:

Financial items	For the six months ended/ As at 30 June 2015 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2014 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2013 <i>(in RMB'000)</i>
Total assets	990,330	977,260	1,099,210
Total liabilities	1,209,980	1,191,660	1,200,160
Net liabilities	(219,650)	(214,400)	(100,950)
Revenue	141,580	478,420	567,650
Net loss before tax	(6,090)	(8,250)	(211,520)
Net loss after tax	(5,250)	(80,450)	(154,630)
Net loss after tax and excluding extraordinary items	(6,370)	(83,960)	(149,800)

In October 2015, the registered capital of Baoji FHS was increased from RMB108,800,000 to RMB928,800,000 by virtue of the capitalization of shareholder loans in the aggregate amount of RMB820,000,000.

Information on Baoji JLH

Baoji JLH is a domestic company established in the PRC in 2008, which is principally engaged in the manufacture and sale of cement in the Xiangong Town, Chencang District, Baoji City, Shaanxi Province of the PRC and is wholly owned by Conch Cement as at the date of this joint announcement. The current business license held by Baoji JLH is valid until 2018.

The unaudited financial figures prepared in accordance with the PRC accounting standards for Baoji JLH are as follows:

Financial items	For the six months ended/ As at 30 June 2015 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2014 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2013 <i>(in RMB'000)</i>
Total assets	515,310	506,670	534,350
Total liabilities	478,960	474,120	508,570
Net assets	36,350	32,550	25,780
Revenue	114,590	279,770	300,730
Net profit before tax	4,940	8,020	32,710
Net profit after tax	3,800	6,780	27,760
Net profit after tax and excluding extraordinary items	5,380	6,510	23,650

In October 2015, the registered capital of Baoji JLH was increased from RMB112,376,000 to RMB372,376,000 by virtue of the capitalization of shareholder loans in the aggregate amount of RMB260,000,000.

Information on Qianxian Cement

Qianxian Cement is a domestic company established in the PRC in 2009, which is principally engaged in the manufacture and sale of cement in the Yangyu Town, Qian County, Xianyang City, Shaanxi Province of the PRC and is wholly owned by Conch Cement as at the date of this joint announcement. The current business license held by Qianxian Cement does not have an expiry date.

The unaudited financial figures prepared in accordance with the PRC accounting standards for Qianxian Cement are as follows:

Financial items	For the six months ended/ As at 30 June 2015 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2014 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2013 <i>(in RMB'000)</i>
Total assets	943,030	949,700	1,027,510
Total liabilities	735,700	744,670	803,960
Net assets	207,330	205,030	223,550
Revenue	106,900	311,690	191,970
Net profit before tax	2,780	20,740	30,090
Net profit after tax	2,300	17,480	25,550
Net profit after tax and excluding extraordinary items	1,590	17,360	25,490

In October 2015, the registered capital of Qianxian Cement was increased from RMB200,000,000 to RMB560,000,000 by virtue of the capitalization of shareholder loans in the aggregate amount of RMB360,000,000.

Information on Qianyang Cement

Qianyang Cement is a domestic company established in the PRC in 2009, which is principally engaged in the manufacture and sale of cement in the Shuigou Town, Qianyang County, Shaanxi Province of the PRC and is wholly owned by Conch Cement as at the date of this joint announcement. The current business license held by Qianyang Cement is valid until 2059.

The unaudited financial figures prepared in accordance with the PRC accounting standards for Qianyang Cement are as follows:

Financial items	For the six months ended/ As at 30 June 2015 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2014 <i>(in RMB'000)</i>	For the year ended/ As at 31 December 2013 <i>(in RMB'000)</i>
Total assets	856,070	851,700	909,940
Total liabilities	573,970	562,410	606,410
Net assets	282,100	289,290	303,530
Revenue	143,980	339,760	350,840
Net profit before tax	11,550	39,640	40,780
Net profit after tax	9,800	33,760	39,860
Net profit after tax and excluding extraordinary items	9,540	30,920	38,960

In October 2015, the registered capital of Qianyang Cement was increased from RMB270,000,000 to RMB490,000,000 by virtue of the capitalization of shareholder loans in the aggregate amount of RMB220,000,000.

The above unaudited financial information relating to the Target Companies constitutes a profit forecast but has not been reported on by the financial advisers and reporting accountants of West China Cement or Conch Cement under Rule 10 of the Takeovers Code. The financial information in relation to the Target Companies will be audited by the auditor of Conch Cement and will be presented in the accountant's report to be included in the Circular in connection with the Transaction. On the above basis, no such profit forecast report will be required to be included in the Circular.

West China Cement would like to draw to the attention of the Shareholders and potential investors that the above unaudited financial information relating to the Target Companies does not meet the standard required by Rule 10 of the Takeovers Code and is subject to audit by the reporting accountants of the Target Companies and therefore is subject to change. Shareholders and potential investors should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Transaction, the Offers and other transactions disclosed in this joint announcement and/or when dealing in the Shares.

Information on West China Cement

West China Cement, together with its subsidiaries, is principally engaged in the production and sale of cement in the western part of the PRC.

As of 30 June 2015, West China Cement's cement production capacity amounted to 27 million tonnes/year.

In September 2014, West China Cement issued US\$400 million 6.5% senior notes due September 2019, which are secured by pledges of stock in certain subsidiaries of West China Cement.

The table below sets out the financial entrustment undertaken by West China Cement:

<u>Name of Bank</u>	<u>Name of financial product</u>	<u>Amount (RMB million)</u>	<u>Estimated annualized return rate</u>	<u>Term</u>	<u>Period</u>
Xi'an Bank	Jinsilu Prudent Series (For Specific Corporations) Wealth Management-Wenlibao* (金絲路穩健系列(公司定向)理財產品 — 穩利寶)	250	5.1%	1 year	From 24 September 2015 to 23 September 2016
Agricultural Bank of China Pu Cheng branch	Anxin*Lingdong*75 days* (安心*靈動*75天)	100	4.6%	75 days	From 13 October 2015 to 28 December 2015
Xi'an Bank	Xinliying (For Specific Corporations) Series 2015 No.45* (鑫利盈(公司定向)2015第45期)	80	4.95%	71 days	From 16 October 2015 to 26 December 2015

Set out below are the financial information of West China Cement as extracted from its 2013 and 2014 annual reports and its 2015 interim report respectively:

	For the 6 months ended/As at 30 June 2015 (unaudited) RMB'000	For the year ended/As at 31 December 2014 (audited) RMB'000	For the year ended/As at 31 December 2013 (audited) RMB'000
Total assets	12,138,076	10,768,012	10,664,709
Total liabilities	5,930,896	5,751,513	5,579,451
Net assets	6,207,180	5,016,499	5,085,258
Revenue	1,690,841	3,883,385	4,167,843
Net profits before tax and extraordinary items	35,768	135,036	475,082
Net profits after tax and extraordinary items	3,166	39,490	382,270

V. REASONS FOR AND BENEFITS OF THE TRANSACTION

Reasons for and benefits of the Transaction for West China Cement

The directors of West China Cement (other than Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, the independent non-executive directors forming the Listing Rules Independent Board Committee who shall form their view after receiving the letter of advice from the independent financial adviser, Mr. Qin Hongji and Ms. Liu Yan, non-executive directors who are employees of Conch Cement, and Mr. Wong Kun Kau, an independent non-executive director who is also an independent non-executive director of Conch Cement) are of the view that the Target Companies, which are located in central Shaanxi, the PRC, will combine with West China Cement's cement production capacities in Southern and Central Shaanxi to further strengthen the West China Cement Group's cement production efficiency and technological advantages in Shaanxi Province in the PRC. Such consolidation will help to achieve the resolution of the fragmented nature of the supply side of Shaanxi cement industry, and will contribute to a more stable marketing and improvement to production capacity for that region, which in turn will benefit the West China Cement Group.

Accordingly, the directors of West China Cement (other than those listed in the preceding paragraph who have abstained from voting on the relevant board resolutions of West China Cement for the reasons set out above) consider that the terms of the Transaction under the Acquisition Agreement are fair and reasonable and in the interests of West China Cement and its Shareholders as a whole.

Reasons for and benefits of the Transaction for Conch Cement

The directors of Conch Cement are of the view that the consolidation of the Target Companies into West China Cement will achieve a synergy between Conch Cement and West China Cement in the manufacturing and sale of cement in Southern and Central Shaanxi Province. Moreover, upon the Acquisition Completion, the Target Companies will become wholly-owned subsidiaries of West China Cement. Conch Cement will become the controlling shareholder of West China Cement holding about 51.57% of its total issued share capital (assuming no outstanding Share Options having been exercised), and West China Cement will become a subsidiary of Conch Cement. Accordingly, the Target Companies will become indirect non-wholly owned subsidiaries of Conch Cement immediately after Acquisition Completion. The accounts of West China Cement Group including the Target Companies will be consolidated into the accounts of Conch Cement after the Acquisition Completion. Taking into consideration that various key audited financial indicators including total assets, net assets, revenue and net profits of the West China Cement Group for the financial year ended 31 December 2014 represent relatively insignificant percentage to those in the consolidated financial statements of the Conch Cement Group for the same period, the directors of Conch Cement are of the view that the Transaction would not cause significant impact to the consolidated accounts of the Conch Cement Group.

Upon the Acquisition Completion, Conch Cement intends to introduce advanced technology and management experience to West China Cement.

The Transaction will offer Conch Cement a valuable investment and business opportunity to improve its business efficiency, development strategies and competitive technological advantages in the Shaanxi Province and will enhance the Conch Cement Group's market share and profitability in Shaanxi Province and ultimately lead to the increase of the shareholders' value.

Based on the closing price per Share on the Last Trading Day and the unaudited net asset/liability value of the Target Companies and the West China Cement Group as at 30 June 2015, it is expected that there will not be any gain or loss arising from the Transaction to be recognised by the Conch Cement Group since the Target Companies will become wholly-owned subsidiaries of West China Cement, and West China Cement will become a subsidiary of Conch Cement after Acquisition Completion, where the accounts of West China Cement Group including the Target Companies will be consolidated into the accounts of Conch Cement. The aforesaid expected financial effect on the consolidated statement of profit or loss of the Conch Cement Group is for illustrative purpose only and is based on the latest financial information as at 30 June 2015 of West China Cement Group and the Target Companies. The actual financial effect on the consolidated statement of profit or loss of the Conch Cement Group is subject to changes in the respective fair value of the Consideration and the West China Cement Group (including the Target Companies) as at the Acquisition Completion.

The directors of Conch Cement consider that the terms of the Acquisition Agreement are on arm's length basis, on normal commercial terms, fair and reasonable, and the Transaction is in the interests of Conch Cement and its shareholders as a whole.

VI. EFFECTS OF THE TRANSACTION ON SHAREHOLDING STRUCTURE OF WEST CHINA CEMENT

The shareholding structure of West China Cement as at the date of this joint announcement and immediately after the issue of the Consideration Shares (assuming that no other Shares are issued or repurchased before the Acquisition Completion) is summarised as follows:

Shareholders	As at the date of this announcement		Immediately after the Acquisition Completion (assuming that no other Shares are issued or repurchased before Acquisition Completion)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
The Offeror and parties acting in concert with it				
Conch International (Note 2)	<u>1,147,565,970</u>	<u>21.2</u>	<u>4,550,441,970</u>	<u>51.6</u>
Sub-total	1,147,565,970	21.2	4,550,441,970	51.6
Asia Gain (Note 1)	1,756,469,900	32.4	1,756,469,900	19.9
Alliance Bernstein, L.P.	271,122,000	5.0	271,122,000	3.1
Central Glory Holdings Limited (Note 3)	229,072,000	4.2	229,072,000	2.6
Techno Faith Investments Limited (Note 4)	213,679,950	3.9	213,679,950	2.4
Red Day Limited (Note 4)	7,908,000	0.2	7,908,000	0.1
Public	<u>1,794,990,000</u>	<u>33.1</u>	<u>1,794,990,000</u>	<u>20.3</u>
Total	<u>5,420,807,820</u>	<u>100.0%</u>	<u>8,823,683,820</u>	<u>100.0%</u>

Notes:

- (1) Asia Gain is beneficially and wholly-owned by Mr. Zhang, an executive director of West China Cement.
- (2) Conch International is a wholly-owned subsidiary of Conch Cement.
- (3) Central Glory Holdings Limited is beneficially and wholly-owned by Ms. Zhang Lili, the daughter of Mr. Zhang.
- (4) Techno Faith Investments Limited and Red Day Limited are beneficially and wholly-owned by Mr. Ma Zhaoyang, a non-executive director of West China Cement.

VII. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 1,147,565,970 Shares, representing approximately 21.17% of the total issued share capital of West China Cement. Upon the Acquisition Completion, the Offeror and parties acting in concert with it will be interested in 4,550,441,970 Shares, representing approximately 51.57% (assuming no outstanding Share Options having been exercised), approximately 51.00% (assuming all in-the-money Share Options based on the Share Offer Price having been exercised) and approximately 50.97% (assuming all the outstanding Share Options having been exercised) of the enlarged issued share capital of West China Cement. Subject to the Acquisition Completion, the Offeror will

therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares which are not already owned or agreed to be acquired by it and parties acting in concert with it and under Rule 13.1 of the Takeovers Code to make an appropriate offer for the Share Options.

The Offers, which comprise the Share Offer and the Option Offer, will be unconditional in all respects when made.

As at the date of this joint announcement, West China Cement has 5,420,807,820 Shares in issue and outstanding Share Options conferring rights on the Optionholders to subscribe for (i) 5,350,000 Option Shares at HK\$3.41 per Option Share; (ii) 23,250,000 Option Shares at HK\$1.25 per Option Share; (iii) 46,400,000 Option Shares at HK\$0.91 per Option Share; and (iv) 29,100,000 Option Shares at HK\$1.45 per Option Share.

As at the date of this joint announcement, save for the outstanding Share Options as mentioned above, West China Cement had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares.

The Offers will be made on the terms mentioned below.

Principal Terms of the Offers

Subject to Acquisition Completion, Optima Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make the Offers on terms set out in the Composite Document.

The Share Offer

For each Offer Share..... HK\$1.69 in cash

The Share Offer Price of HK\$1.69 per Offer Share is the same as the subscription price of 903,467,970 Shares allotted and issued to Conch International on 26 June 2015 (as disclosed in the announcements of West China Cement dated 18 June 2015 and 26 June 2015). Pursuant to Rule 26.3 of the Takeovers Code, the Share Offer Price is the highest price paid by the Offeror and parties acting in concert with it for the Shares of West China Cement within 6 months prior to the commencement of the offer period (as defined in the Takeovers Code).

The Share Offer, when made, will extend to all Shares in issue on the date on which the Share Offer is made, and to any further Shares which are unconditionally allotted or issued on the exercise of the Share Options, other than those Shares held by the Offeror and persons acting in concert with it.

The Shares to be acquired under the Share Offer shall be fully paid, free from all liens, charges and encumbrances.

Comparison of value

The Share Offer Price of HK\$1.69 represents:

- (i) a premium of approximately 16.55% over the closing price of HK\$1.45 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 18.18% over the average closing price of HK\$1.43 per Share for the last five trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 17.36% over the average closing price of HK\$1.44 per Share for the last ten trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 28.03% over the average closing price of HK\$1.32 per Share for the last thirty trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 46.96% over the unaudited net asset value of the West China Cement Group attributable to its Shareholders of approximately HK\$1.15 per Share as at 30 June 2015 as disclosed in the 2015 interim report of West China Cement.

Highest and lowest Share prices

During the six-month period immediately prior to and including the Last Trading Day, the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.01 on 8 July 2015 and the highest closing price per Share as quoted on the Stock Exchange was HK\$1.70 on 17 June 2015.

The Option Offer

- (i) **For cancellation of each Share Option with an exercise price of HK\$1.25 per Option Share..... HK\$0.44 in cash**
- (ii) **For cancellation of each Share Option with an exercise price of HK\$0.91 per Option Share..... HK\$0.78 in cash**
- (iii) **For cancellation of each Share Option with an exercise price of HK\$1.45 per Option Share..... HK\$0.24 in cash**
- (iv) **For cancellation of each Share Option with an exercise price of HK\$3.41 per Option Share..... HK\$1.00 in cash
for Share Options carrying
rights to subscribe for
25,000 Shares**

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price will normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. Under the Option Offer, the Option Offer Price for each Share Option with an exercise price of HK\$1.25, HK\$0.91 or HK\$1.45 per Option Share represents the difference between the Share Offer Price and the exercise price of these Share Options.

For the Share Options granted by West China Cement on 23 March 2011 with an exercise price of HK\$3.41 per Option Share, as the exercise price is higher than the Share Offer Price, the “see through” price is therefore zero. Accordingly, the Option Offer with respect to these Share Options will be made at a nominal price of HK\$1.00 for Share Options carrying rights to subscribe for 25,000 Shares.

The Option Offer will be extended to all Share Options in issue on the date on which the Option Offer is made, other than those Share Options held by the Offeror and persons acting in concert with it. As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold any Share Options.

Other than those disclosed under the sub-paragraph headed “Letters of Undertaking” under the paragraph headed “The Acquisition Agreement”, the Offeror has not received any indication or irrevocable commitment from any Shareholder or Optionholder that he/she/it will accept or reject the Offers as at the date of this joint announcement.

A comparison of the Share Offer Price to the closing prices of the Shares is set out above under the sub-paragraph headed “Comparison of Value” under the paragraph headed “Possible Mandatory Unconditional Cash Offers” in this joint announcement.

Total consideration of the Offers

Assuming no outstanding Share Options have been exercised, based on the Share Offer Price of HK\$1.69 per Offer Share and 8,823,683,820 Shares to be in issue immediately after the Acquisition Completion, the entire issued share capital of West China Cement will be valued at HK\$14,912,025,655.80.

Assuming all outstanding Share Options entitling the holders thereof to subscribe for a total of 104,100,000 Option Shares as at the date of the Acquisition Agreement have been exercised, there would be 8,927,783,820 Shares to be in issue immediately after the Acquisition Completion. Based on the Share Offer Price of HK\$1.69 per Offer Share, the entire issued share capital of West China Cement will be valued at HK\$15,087,954,655.80.

Pursuant to the Acquisition Agreement, the obtaining of all Letters of Undertaking by West China Cement from each of Mr. Zhang, Asia Gain, Ms. Zhang Lili, Mr. Ma, Dr. Ma Weiping and those Optionholders listed in the Acquisition Agreement who in aggregate hold not less than 80% of all Share Options granted (excluding Share Options held by Mr. Zhang, Mr. Ma and Dr. Ma Weiping) and the delivery of such Letters of Undertaking to Conch Cement is one of the conditions precedent to the Acquisition Completion. Pursuant to the Letters of Undertaking, the aforesaid parties shall undertake and shall procure the companies controlled by each of them respectively to undertake, among other things, not to sell any Shares during the Restricted Period, and

not to accept the Share Offer in respect of the Shares beneficially owned by them as at the date of the Acquisition Agreement or otherwise make any such Shares available for acceptance of the Share Offer, and not to accept the Offers in respect of any Share Options beneficially owned by them or any Shares that may be issued to them upon exercise of the subscription rights attaching to their Share Options or otherwise make any such Share Options or Shares available for acceptance of the Offers.

Taking into account (i) the 8,823,683,820 Shares to be in issue immediately after the Acquisition Completion; (ii) the 4,550,441,970 Shares to be held by the Offeror immediately after the Acquisition Completion; and (iii) the 2,207,129,850 Shares beneficially owned by Asia Gain, Ms. Zhang Lili, and Mr. Ma which are subject to the Letters of Undertaking, there are a total of 2,066,112,000 Shares subject to the Share Offer. Taking into account (i) the outstanding Share Options entitling the holders thereof to subscribe for a total of 104,100,000 Option Shares as at the date of the Acquisition Agreement; (ii) the Share Options held by Mr. Zhang, Mr. Ma and Dr. Ma Weiping entitling them to subscribe for a total of 21,850,000 Option Shares which are subject to the Letters of Undertaking; and (iii) the Letters of Undertaking to be executed by holders of Share Options carrying rights to subscribe for not less than 65,800,000 Option Shares as a condition precedent to the Acquisition Completion, the outstanding Share Options subject to the Option Offer would carry subscription rights to subscribe for a maximum of 16,450,000 Option Shares.

Assuming no outstanding Share Options have been exercised prior to the close of the Offers and based on the Share Offer Price of HK\$1.69 per Share and the Option Offer Price of HK\$0.78 (being the highest Option Offer Price for cancellation of each Share Option with an exercise price of HK\$0.91 per Option Share), the maximum value of the Share Offer and the Option Offer would amount to approximately HK\$3,491.73 million and HK\$12.83 million respectively.

Assuming the maximum number of Share Options not subject to the Letters of Undertaking have been exercised prior to the close of the Offers and based on the Share Offer Price of HK\$1.69 per Share, the maximum value of the Share Offer would amount to approximately HK\$3,519.53 million.

Financial resources available for the Offers

Based on the above, the maximum amount of cash payable by the Offeror in respect of the Offers is approximately HK\$3,519.53 million. The Offeror intends to finance the cash consideration payable under the Offers with the Facility granted by the Bank of China Anhui Branch. Optima Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

Effect of accepting the Offers

The acceptance of the Share Offer by the Shareholders will constitute warranties by such Shareholders to the Offeror that the Shares acquired under the Share Offer are fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any,

declared, made or paid on or after the date on which the Share Offer is made, being the date of posting of the Composite Document, which is expected to be issued jointly by the Offeror and West China Cement.

Acceptances of the Share Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Acceptance of the Option Offer by the Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto. Acceptances of the Option Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

In accordance with the terms of the Share Option Scheme, the Optionsholders are entitled to exercise the Share Options in full (to the extent not already exercised) at any time within 14 days after the date on which the Share Offer becomes or is declared unconditional. Any Share Options shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of such 14-day period.

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers are in respect of securities of a company incorporated in Jersey and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The Overseas Shareholders and/or Overseas Optionholders who wish to participate in the Share Offer and/or the Option Offer but with a registered address outside Hong Kong may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Share Offer and/or the Option Offer. The Overseas Shareholders and/or Overseas Optionholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers. It is the responsibility of the Overseas Shareholders and/or Overseas Optionholders and overseas beneficial owners of the Shares who wish to accept the Share Offer and/or the Option Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer and/or the Option Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Any acceptance by any Overseas Shareholders or Overseas Optionholders and overseas beneficial owners of the Shares will be deemed to constitute a representation and warranty from such Overseas Shareholders or Overseas Optionholders or overseas beneficial owners of the Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders and overseas beneficial owners of the Shares should consult their professional advisers if in doubt.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, West China Cement and their respective directors, officers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Dealing in and interests in the West China Cement's securities

Save for (i) the Acquisition Agreement; (ii) a subscription agreement dated 18 June 2015 between West China Cement and Conch International, pursuant to which West China Cement issued and sold, and Conch International subscribed and purchased, 903,467,970 Shares of West China Cement at the subscription price of HK\$1.69 per Share, the completion of which took place on 26 June 2015; and (iii) the purchase of 244,098,000 Shares of West China Cement by Conch International at a price of HK\$1.22 on 22 October 2015, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with any of them has dealt in any Shares or relevant securities of West China Cement during the six-month period immediately prior to the date of this joint announcement up to the date of this joint announcement.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which a duly completed and valid acceptance of the Offers is received by the Offeror to render each such acceptance complete and valid.

Other arrangements

The Offeror confirms that as at the date of this joint announcement,

- (i) save for the Letters of Undertaking, the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offers or not to accept the Offers;
- (ii) there are no outstanding derivatives in respect of the securities in West China Cement which have been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save for the Transaction, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or West China Cement and which may be material to the Offers (as referred to in note 8 to Rule 22 of the Takeovers Code);
- (iv) save for otherwise disclosed under this joint announcement, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of West China Cement;
- (v) save for the Acquisition Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vi) there is no relevant security (as defined in note 4 to Rule 22 of the Takeovers Code) in West China Cement which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

VIII. INFORMATION OF THE OFFEROR

The Offeror is incorporated in Hong Kong with limited liability and is an investment holding company. Prior to the date of the Acquisition Agreement, the Offeror has not conducted any business (other than holdings of Shares in West China Cement and other overseas companies) since its incorporation. The Offeror is wholly-owned by Conch Cement. Conch Cement is a leading PRC cement manufacturer and seller based in Anhui Province. Conch Cement is a joint stock limited company incorporated in the PRC, the H-shares of which are listed on the main board of the Stock Exchange and the A-shares of which are listed on the Shanghai Stock Exchange.

IX. OFFEROR'S INTENTION ON WEST CHINA CEMENT

The Offeror currently intends that the West China Cement Group will continue to carry on its existing businesses. As disclosed in this joint announcement, the Offeror intends to consolidate the Target Companies into the West China Cement Group, so as to achieve a synergy between Conch Cement and West China Cement in the manufacturing and sale of cement in Southern and Central Shaanxi Province.

Save as disclosed in the paragraph headed “Proposed Changes to the West China Cement Board” below, the Offeror has no intention to terminate the employment of any employees of the West China Cement Group or to make significant changes to any employment or to dispose of or re-allocate the West China Cement Group’s assets which are not in the ordinary and usual course of business of the West China Cement Group. As at the date of this joint announcement, the Offeror has no plans to restructure the West China Cement Group’s existing structure. Conch Cement may (i) conduct a review of the human resources management system of the West China Cement Group after the Acquisition Completion in order to streamline the human resources system and improve the operation efficiency of the West China Cement Group; (ii) carry out market optimization and integration process for the West China Cement Group; and (iii) upgrade the West Cement China Group’s technologies and improve its management efficiency in order to reduce its costs and to improve its market competitiveness, so as to achieve an overall increase in the shareholder value of the West China Cement Group.

X. PROPOSED CHANGES TO THE WEST CHINA CEMENT BOARD

The West China Cement Board currently comprises eight directors, including two executive directors, three non-executive directors and three independent non-executive directors. Conch Cement intends to effect changes to the West China Cement Board pursuant to the arrangements as disclosed in the sub-paragraph headed “Board of directors of West China Cement” under the paragraph headed “The Acquisition Agreement” of this joint announcement. Conch Cement will issue a written notice to West China Cement seven (7) Business Days prior to Completion Date to specify the resigning directors.

The Offeror intends to nominate new directors for appointment to the West China Cement Board with effect from the earliest time permitted under the Takeovers Code.

Details of the change of the West China Cement Board composition and the biographies of the proposed new directors will be further announced in compliance with the Takeovers Code and the Listing Rules.

XI. MAINTENANCE OF LISTING STATUS OF WEST CHINA CEMENT

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

In the event that after the closing of the Offers, the public float of West China Cement falls below 25%, the then directors of the Offeror and West China Cement will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offers to ensure that sufficient public float exists for the Shares.

According to the Listing Rules, if, upon closing of the Offers, less than the minimum prescribed percentage applicable to West China Cement, being 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Nevertheless, based on the Issue Price and the number of total issued Shares of West China Cement, it is estimated the total market capitalization of West China Cement will be over HK\$10 billion upon the Acquisition Completion. The Offeror and West China Cement plan to apply to the Stock Exchange for discretion to accept a lower percentage of public float between 15% and 25% pursuant to Rule 8.08(1)(d) of the Listing Rules.

XII. DISCLOSURE IN DEALINGS

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and West China Cement are reminded to disclose their dealings in any relevant securities of West China Cement in accordance with Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

XIII. LISTING RULES IMPLICATIONS

For West China Cement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceeds 25% but all are less than 100% for West China Cement, the Transaction constitutes a major transaction of West China Cement under Chapter 14 of the Listing Rules.

As of the date of this joint announcement, Conch International, a wholly-owned subsidiary of Conch Cement, is a substantial shareholder of West China Cement. Accordingly, Conch International and Conch Cement are connected persons of West China Cement pursuant to Rule 14A.07 of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction for West China Cement and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Conch International and its associates will abstain from voting in respect of the resolutions(s) approving the Transaction at the EGM.

Ms. Liu Yan, a non-executive director of West China Cement, is currently the head of finance department of Conch Cement. Mr. Qin Hongji, a non-executive director of West China Cement, is currently the regional head of Conch Cement in Shangan, and general manager of Pingliang Conch Cement Co., Ltd and Linxia Conch Cement Co., Ltd, both of which are wholly-owned subsidiaries of Conch Cement. Accordingly, each of Ms. Liu Yan and Mr. Qin Hongji was considered to have a material interest in the Transaction by virtue of their employment at Conch Cement and had abstained from voting on the board resolution(s) of West China Cement approving the Transaction as contemplated under the Acquisition Agreement. Mr. Wong Kun Kau, an independent non-executive director of West China Cement, is also an independent non-executive director of Conch Cement, and had abstained from voting on the board resolution(s) of West China Cement approving the Transaction as contemplated under the Acquisition Agreement.

For Conch Cement

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction and the acquisition of the Consideration Shares together with the Offers, on a standalone basis or when aggregated with the previous subscription and acquisition of Shares, exceeds 5% but all are less than 25% for Conch Cement, the Transaction and the Offers together constitutes a discloseable transaction of Conch Cement under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

Mr. Wong Kun Kau, an independent non-executive director of Conch Cement, is also an independent non-executive director of West China Cement, and had abstained from voting on the board of resolution(s) of Conch Cement approving the Transaction as contemplated under the Acquisition Agreement.

XIV. INDEPENDENT BOARD COMMITTEES AND INDEPENDENT FINANCIAL ADVISER

West China Cement has established (i) the Listing Rules Independent Board Committee comprising two of its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, who are not interested in the Transaction, to advise the Independent Shareholders in respect of the Transaction; and (ii) the Takeovers Code Independent Board Committee comprising one of its non-executive directors, Mr. Ma Zhaoyang, and two its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, none of whom has a direct or indirect interest in the Offers other than being a Shareholder or as holders of certain Share Options of West China Cement, to advise the Independent Shareholders in respect of the Offers. West China Cement's other independent non-executive director, Mr. Wong Kun Kau, will not be a member of the Listing Rules Independent Board Committee or the Takeovers Code Independent Board Committee as he also serves as an independent non-executive director of Conch Cement. The other non-executive directors of West China Cement, Mr. Qin Hongji and Ms. Liu Yan, will not be members of the Takeovers Code Independent Board Committee as they are also employees of Conch Cement.

An independent financial adviser, will be appointed to advise (i) the Listing Rules Independent Board Committee and the Independent Shareholders in respect of the Transaction, and (ii) the Takeovers Code Independent Board Committee in respect of the Offers. Further announcement(s) will be made when an independent financial adviser to each of the Listing Rules Independent Board Committee and the Takeovers Code Independent Board Committee is appointed.

XV. DESPATCH OF DOCUMENTS

The Circular containing, among other things, (i) further details regarding the Transaction; (ii) financial and other information of the Target Companies; (iii) financial and other information of the West China Cement Group; (iv) pro forma financial information of the Enlarged Group; (v) the recommendation from the Listing Rules Independent Board Committee and the advice of the independent financial adviser on the Transaction; and (vi) notice of the EGM, will be despatched by West China Cement to its Shareholders as soon as possible in accordance with the Listing Rules. The Circular is expected to be despatched to its Shareholders on or before 18 December 2015.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offers and West China Cement is required to send to Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of West China Cement, a letter of recommendation from the Takeovers Code Independent Board Committee to the Independent Shareholders regarding the Offers, a letter of advice from the independent financial adviser to the Takeovers Code Independent Board Committee, information as required under the Takeovers Code, together with any other information West China Cement considers to be relevant to enable Shareholders to reach a properly informed decision on the Offers. It is the intention of the Offeror and the West China

Cement Board that the offer document and the offeree board circular in respect of the Offers be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offers is subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offers is conditional upon the Acquisition Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form(s) of acceptance and transfer for the Share Offer and the form(s) of acceptance and cancellation for the Option Offer, to a date within 7 days upon the Acquisition Completion or 13 July 2016, whichever is the earlier. Further announcement(s) will be made by the Offeror and West China Cement on the timing of the despatch of the Composite Document.

XVI. THE EGM

The EGM will be convened and held to consider and, if thought fit, to approve, amongst other things, the Acquisition Agreement and the transactions contemplated thereunder. Conch Cement and its associates will abstain from voting on the resolutions approving the Acquisition Agreement and the transactions contemplated thereunder at the EGM.

XVII. APPOINTMENT OF FINANCIAL ADVISERS

Optima Capital has been appointed as the financial adviser to Conch Cement and the Offeror. Nomura International (Hong Kong) Limited has been appointed as the financial adviser to West China Cement.

XVIII. RESUMPTION OF TRADING

At the request of West China Cement, trading in the Shares (stock code: 2233) and the senior notes of West China Cement (stock code: 5800) on the Stock Exchange was suspended with effect from 9:30 a.m. on 19 November 2015 pending the publication of this joint announcement. West China Cement has applied to the Stock Exchange for the resumption of trading in its Shares and its senior notes on the Stock Exchange with effect from 9:00 a.m. on 30 November 2015.

XIX. WARNING

Completion of the Transaction is subject to fulfilment of certain conditions and the Offers will only be made if the Acquisition Completion takes place. Accordingly, the Transaction may or may not be completed and the Offers may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of Conch Cement and West China Cement.

XX. DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

- “Acquisition Agreement” the share purchase agreement entered into on 27 November 2015 among Grand Winner, West China Cement and Conch Cement in respect of the Transaction
- “Acquisition Completion” completion of the Transaction
- “Asia Gain” Asia Gain Investments Limited, a company incorporated under the laws of the British Virgin Islands and wholly-owned by Mr. Zhang
- “Baoji FHS” Baoji Zhongxi Fenghuangshan Cement Co., Ltd.* (寶雞眾喜鳳凰山水泥有限公司), a company incorporated in the PRC and wholly-owned by Conch Cement as at the date of this joint announcement
- “Baoji JLH” Baoji Zhongxi Jilinhe Cement Co., Ltd.* (寶雞市眾喜金陵河水泥有限公司), a company incorporated in the PRC and wholly-owned by Conch Cement as at the date of this joint announcement
- “Business Day” a day (other than a Saturday or a day on which typhoon No. 8 signal or higher is hoisted or a “black” rainstorm warning is given in Hong Kong at any time during 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong
- “Circular” a circular to be issued and despatched by West China Cement before the EGM in relation to the Acquisition Agreement and the Transaction
- “Completion Date” the date falling on the third Business Day after the conditions precedent under the Acquisition Agreement have been fulfilled or waived and the date on which the Acquisition Completion takes place, unless otherwise agreed by all the parties to the Acquisition Agreement in accordance with the terms in the Acquisition Agreement
- “Composite Document” the composite offer and response document in respect of the Offers to be jointly despatched by the Offeror and West China Cement in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offers

“Conch Cement”	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock limited company incorporated in the PRC, the H-shares of which are listed on the main board of the Stock Exchange (stock code: 914) and the A-shares of which are listed on the Shanghai Stock Exchange (stock code: 600585)
“Conch Cement Board”	the board of directors of Conch Cement
“Conch Cement Group”	Conch Cement and its subsidiaries
“Conch International” or “Offeror”	Conch International Holdings (HK) Limited (海螺國際控股(香港)有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Conch Cement
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Consideration”	the aggregate consideration of HK\$4,593,882,600 payable by Grand Winner for the acquisition of the Target Companies pursuant to the Acquisition Agreement
“Consideration Shares”	the new Shares to be allotted and issued by West China Cement to Conch International or its wholly-owned subsidiary designated in writing by Conch Cement as payment of the Consideration
“EGM”	the extraordinary general meeting of West China Cement to be convened to, among others, consider and if thought fit, approve the Transaction and the transactions contemplated under the Acquisition Agreement
“Enlarged Group”	the West China Cement Group upon the Acquisition Completion
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Facility”	a standby loan facility of US\$500 million granted by Bank of China Anhui Branch to the Offeror pursuant to a facility letter dated 20 November 2015
“Grand Winner”	Grand Winner Holdings Limited (華雄控股有限公司), a company incorporated under the laws of the British Virgin Islands and wholly-owned by West China Cement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Shareholder(s)”	Shareholder(s) other than (i) Conch International, its associates and parties acting in concert with any of them; and (ii) those who are interested in or involved in the Transaction and/or the Offers who are required to abstain from voting at the EGM pursuant to the Listing Rules and the Takeovers Code
“Issue Price”	the issue price of HK\$1.35 per Consideration Share
“Last Trading Day”	19 November 2015, being the last trading day of the Shares before the issue of this joint announcement
“Letters of Undertaking”	the letters of undertaking to be executed by certain Shareholders and Optionholders of West China Cement pursuant to the terms of the Acquisition Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules Independent Board Committee”	the independent committee of the West China Cement Board, comprising two of its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, which has been established to advise the Independent Shareholders on the Transaction
“Long Stop Date”	5 p.m. (HK time) on 30 June 2016 or such later date as the parties to the Acquisition Agreement may agree
“Mr. Ma”	Mr. Ma Zhaoyang (馬朝陽), a non-executive director and a shareholder of West China Cement holding about 4.1% shares in West China Cement as of the date of this joint announcement
“Mr. Zhang”	Mr. Zhang Jimin (張繼民), a controlling shareholder and executive director of West China Cement
“Offeror”	Conch International
“Offers”	the Share Offer and the Option Offer
“Offer Share(s)”	Share(s) not already owned or agreed to be acquired by the Offeror or parties acting in concert with it
“Optima Capital”	Optima Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to Conch Cement and the Offeror
“Optionholder(s)”	holder(s) of the Share Option(s)

“Option Offer”	the mandatory unconditional cash offer to be made by Optima Capital on behalf of the Offeror for the cancellation of all outstanding Share Options in accordance with the Takeovers Code
“Option Offer Price(s)”	the respective offer price(s) for cancellation of each outstanding Share Option as stated under the subparagraph headed “The Option Offer” in the paragraph headed “Possible Mandatory Unconditional Cash Offers” in this joint announcement
“Option Share(s)”	Share(s) to be issued upon exercise of the outstanding Share Option(s)
“Overseas Optionholder(s)”	Optionholder(s) whose address(es), as shown on the register of optionholders of West China Cement, is/are outside Hong Kong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of West China Cement, is/are outside Hong Kong
“PRC”	the People’s Republic of China
“Qianxian Cement”	Qianxian Conch Cement Co., Ltd.* (乾縣海螺水泥有限責任公司), a company incorporated in the PRC and wholly-owned by Conch Cement as at the date of this joint announcement
“Qianyang Cement”	Qianyang Conch Cement Co., Ltd.* (千陽海螺水泥有限責任公司), a company incorporated in the PRC and wholly-owned by Conch Cement as at the date of this joint announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of £0.002 each in the share capital of West China Cement
“Shareholder(s)”	holder(s) of the Share(s)

“Share Offer”	the mandatory unconditional cash offer to be made by Optima Capital on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$1.69 per Offer Share
“Share Option(s)”	the outstanding share option(s) granted by West China Cement pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by West China Cement on 31 March 2010
“Specific Mandate”	the specific mandate proposed to be sought at the EGM to authorize the directors of West China Cement to issue and allot the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as defined in the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Takeovers Code Independent Board Committee”	the independent committee of the West China Cement Board, comprising one of its non-executive directors, Mr. Ma Zhaoyang, and two of its independent non-executive directors, Mr. Lee Kong Wai, Conway and Mr. Tam King Ching, Kenny, which has been established to make recommendation to the Independent Shareholders and the Optionholders in respect of the Offers
“Target Companies”	Baoji FHS, Baoji JLH, Qianxian Cement and Qianyang Cement
“trading day”	has the meaning ascribed to it in the Listing Rules
“Transaction”	the proposed acquisition by Grand Winner or its wholly-owned subsidiary of the entire equity interests in each of the Target Companies pursuant to the terms and conditions of the Acquisition Agreement
“US\$”	United States dollars, the legal currency of the United States of America

“West China Cement”	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 (stock code: 2233)
“West China Cement Board”	the board of directors of West China Cement
“West China Cement Group”	West China Cement and its subsidiaries
“%”	per cent.
“£”	pound sterling, the legal currency of the United Kingdom
“*”	for reference only

By order of the board of
directors of
**Conch International
Holdings (HK) Limited**
Zhang Mingjing
Director

By order of the board of
directors of
**Anhui Conch Cement
Company Limited**
Guo Wensan
Chairman

By order of the board of
directors of
**West China Cement
Limited**
Zhang Jimin
Chairman

Hong Kong, 27 November 2015

As at the date of this joint announcement, the Conch Cement Board comprises:

Executive directors

Mr. Guo Wensan(*Chairman*)
Mr. Wang Jianchao
Ms. Zhang Mingjing
Mr. Zhou Bo

Non-executive director

Mr. Guo Jingbin

Independent non-executive directors

Mr. Wong Kun Kau
Mr. Tai Kwok Leung
Mr. Zhao Jianguang

As at the date of this joint announcement, the board of directors of Conch International comprises:

Ms. Zhang Mingjing
Mr. Zhou Bo
Mr. Yang Kaifa

As at the date of this joint announcement, the West China Cement Board comprises:

Executive directors

Mr. Zhang Jimin (*Chairman*)
Dr. Ma Weiping (*Chief Executive Officer*)

Non-executive directors

Mr. Ma Zhaoyang
Mr. Qin Hongji
Ms. Liu Yan

Independent non-executive directors

Mr. Lee Kong Wai, Conway
Mr. Wong Kun Kau
Mr. Tam King Ching, Kenny

The directors of West China Cement jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror or any of its associates and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror or any of its associates and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.

The directors of the Offeror and the directors of Conch Cement jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the West China Cement Group, Mr. Zhang and parties acting in concert with him), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the West China Cement Group, Mr. Zhang and the parties acting in concert with him) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.