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DETERMINING THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between the Sole Global Coordinator (acting for itself and on behalf of the Underwriters) and our Company (acting for ourselves and on behalf of the Selling Shareholder) on or around the Price Determination Date, which is currently scheduled to be on or around Thursday, 7 June 2012 and in any event no later than 6:00 p.m. (Hong Kong time) on Monday, 11 June 2012. **If the Sole Global Coordinator (acting for itself and on behalf of the Underwriters) and the Company (acting for ourselves and on behalf of the Selling Shareholder) are unable to reach an agreement on the Offer Price by 6:00 p.m. (Hong Kong time) on Monday, 11 June 2012, the Global Offering will not become unconditional and will lapse.**

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK\$1.28 per Offer Share and is expected to be not less than HK\$1.00 per Offer Share.

The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offer.

The Sole Global Coordinator (acting for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interests expressed by prospective professional, institutional and other investors during a book-building process, and with the consent of the Company (acting for ourselves and on behalf of the Selling Shareholder), reduce the indicative Offer Price range below that stated in this prospectus at any time no later than the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer, cause to be published in The Standard (in English) and the Hong Kong Economic Journal (in Chinese) notice of such a change. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company (acting for ourselves and on behalf of the Selling Shareholder), will be fixed within such revised Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Global Offering statistics as currently set out in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. **If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offer, then even if the Offer Price range is so reduced such applications cannot be subsequently withdrawn.** In the absence of any notice being published in The Standard (in English) and the Hong Kong Economic Journal (in Chinese) of a reduction in the indicative Offer Price range as stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offer, the Offer Price, if agreed upon with the Company (acting for ourselves and on behalf of the Selling Shareholder), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

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The Company expects to announce the final Offer Price, the level of indication of interests under the International Placing and the basis of allotment of Hong Kong Offer Shares under the Hong Kong Public Offer on or before Tuesday, 12 June 2012 in The Standard (in English) and the Hong Kong Economic Journal (in Chinese) and on the website of the Company at www.dongwucement.com and the website of the Stock Exchange at www.hkexnews.hk.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares is conditional upon, among others, the satisfaction of all of the following conditions:

- (i) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering and Shares which fall to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme (and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange).
- (ii) the Offer Price having been duly determined and the execution and delivery of the International Placing Agreement on or about the Price Determination Date; and
- (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including the waiver of any condition(s) by the Sole Global Coordinator (acting for itself and on behalf of the Underwriters) and not having terminated in accordance with the terms of that agreement or otherwise,

in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

The consummation of each of the Hong Kong Public Offer and the International Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offer will be caused to be published by the Company in The Standard (in English), the Hong Kong Economic Journal (in Chinese) and the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dongwucement.com) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for Hong Kong Offer Shares" in this prospectus. In the meantime, the application monies will be held in separate bank account(s) with the receiving bankers or other licenced bank(s) in Hong Kong.

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Share certificates for Hong Kong Offer Shares are expected to be issued on 12 June 2012 but will only become valid certificates of title at 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be 13 June 2012, provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting – Underwriting Arrangements and Expenses – (a) Hong Kong Public Offer – Grounds for termination” in this prospectus has not been exercised.

THE GLOBAL OFFERING

The Global Offering comprises the International Placing and the Hong Kong Public Offer. A total of 125,000,000 Shares will initially be made available under the Global Offering, of which 112,500,000 Shares, representing 90% of the total number of Shares initially being offered under the Global Offering, will initially be offered for subscription and purchase under the International Placing. The remaining 12,500,000 Shares, representing 10% of the total number of Shares initially being offered under the Global Offering, will initially be offered to the public in Hong Kong under the Hong Kong Public Offer. The Hong Kong Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. The number of Shares offered for subscription and purchase under the Global Offering will be subject to re-allocation on the basis described below. No pre-emption right or right to subscribe or purchase for the Offer Shares has been granted.

Applicants may apply for Hong Kong Offer Shares under the Hong Kong Public Offer or indicate an interest for International Placing Shares under the International Placing, but the applicants may not apply in both offerings for the Global Offering. In other words, the applicants may only apply for and receive either Hong Kong Offer Shares under the Hong Kong Public Offer or International Placing Shares under the International Placing, but not under both offerings. The International Placing Shares, will be placed with professional and institutional investors in Hong Kong, United Kingdom, other places in Europe and other jurisdictions outside the United States in offshore transactions, as defined in, and in reliance on, Regulation S.

The levels of indication of interest in the International Placing and the basis of allotment and the result of application under the Hong Kong Public Offer are expected to be announced on or before 12 June 2012 through a variety of channels as described in the section headed “How to apply for Hong Kong Offer Shares” in this prospectus.

The International Placing

Our Company and the Selling Shareholder are initially offering, at the Offer Price, 62,500,000 new Shares and 50,000,000 Sale Shares, totalling 112,500,000 Shares (subject to reallocation and the Over-allotment Option as mentioned in the sections headed “Re-allocation of Offer Shares between the Hong Kong Public Offer and the International Placing” and “Over-allotment Option” below respectively), representing 90% of the total number of Shares being initially offered under the Global Offering, for subscription and purchase by way of the International Placing. The International Placing is managed by the Sole Global Coordinator and is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Placing Agreement including the agreement on the Offer Price. The International Underwriters are soliciting from prospective

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professional and institutional investors indications of interest in acquiring International Placing Shares in the International Placing. Professional and institutional investors generally include brokers, dealers, companies and fund managers, whose ordinary businesses involve dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional and institutional investors will be required to specify the number of International Placing Shares they would be prepared to acquire either at different prices or at a particular price. This process is known as “book building”. In Hong Kong, individual retail investors should apply for Hong Kong Offer Shares in the Hong Kong Public Offer, as individual retail investors, including those applying through banks and other institutions, applying for International Placing Shares are unlikely to be allocated any International Placing Shares.

Allocation of International Placing Shares to professional, institutional and private investors pursuant to the International Placing will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the investor is likely to purchase further Shares, or hold or sell the Shares placed, after the Listing. Such allocation is intended to result in a distribution of International Placing Shares on the basis which would lead to the establishment of a solid broad shareholder base to the benefit of the Company and its Shareholders taken as a whole. If the Hong Kong Public Offer is not fully subscribed, the Sole Global Coordinator may reallocate all or any unsubscribed Shares originally included in the Hong Kong Public Offer to the International Placing.

The International Underwriters or selling agent nominated by the International Underwriters shall, on behalf of the Company and the Selling Shareholder, conditionally place International Placing Shares with professional and institutional investor in Hong Kong, United Kingdom and other places in Europe and other jurisdictions outside the United States in offshore transactions as defined in, and in reliance on, Regulation S. The International Placing of International Placing Shares shall be subject to the Global Offering restrictions set out under the section headed “Information about this prospectus and the Global Offering” in this prospectus.

The International Placing is conditional on the same conditions as set out in the section headed “Conditions of the Global Offering” above. The total number of International Placing Shares to be allotted and issued pursuant to the International Placing may change as a result of the clawback arrangement referred to in the section headed “The Hong Kong Public Offer” below, any reallocation of unsubscribed Shares originally included in the Hong Kong Public Offer.

The Hong Kong Public Offer

The Company is initially offering, at the Offer Price, 12,500,000 new Shares (subject to reallocation as mentioned in the section headed “Re-allocation of Offer Shares between the Hong Kong Public Offer and the International Placing” below), representing 10% of the total number of Shares being initially offered under the Global Offering, for subscription by way of the Hong Kong Public Offer in Hong Kong. The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement including the agreement on the Offer Price.

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The Hong Kong Public Offer is open to all members of the public in Hong Kong. An applicant for Hong Kong Offer Shares will be required to give an undertaking and confirmation in the application form submitted by him/her that he/she has not applied for or taken up or received any International Placing Shares or indicated an interest for International Placing Shares or otherwise participated in the International Placing. Applicants should note that if such undertaking and/or confirmation given by the applicant is breached and/or is untrue (as the case may be), such applicant's application under the Hong Kong Public Offer is liable to be rejected.

The total number of the Offer Shares available for subscription under the Hong Kong Public Offer is to be divided into two pools for allocation purposes:

Pool A: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) or less; and

Pool B: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) and up to the value of pool B.

Investors should be aware that the allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pool, are likely to be different. Where one of the pools is undersubscribed, the surplus Hong Kong Offer Shares will be transferred to satisfy demand in the other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from any one pool but not from both pools and can only make applications to either pool A or pool B. Multiple applications or suspected multiple applications and any application made for more than 100% of Hong Kong Offer Shares initially available under pool A or pool B will be rejected.

The Company, the Directors, the Sole Sponsor, the Sole Global Coordinator and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the Hong Kong Public Offer from investors who have received International Placing Shares in the International Placing, and to identify and reject indications of interest in the International Placing from investors who have received shares in the Hong Kong Public Offer.

The Sole Global Coordinator (acting for itself and on behalf of the other Underwriters) may require any investor who has been offered International Placing Shares under the International Placing, and who has made an application under the Hong Kong Public Offer to provide sufficient information to the Sole Global Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offer and to ensure that it is excluded from any application for Hong Kong Offer Shares under the Hong Kong Public Offer.

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Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offer will be based solely on the level and timing of valid applications received under the Hong Kong Public Offer. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by each applicant. When there is over subscription under the Hong Kong Public Offer, allocation of Hong Kong Offer Shares may involve balloting, which would mean that some applicants may be allotted more Hong Kong Offer Shares than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

RE-ALLOCATION OF OFFER SHARES BETWEEN THE HONG KONG PUBLIC OFFER AND THE INTERNATIONAL PLACING

The allocation of Offer Shares between the Global Offering is subject to re-allocation. If the number of Shares validly applied for in the Hong Kong Public Offer:

- (a) represents 15 times or more but less than 50 times of the number of Shares initially available for subscription under the Hong Kong Public Offer, then 25,000,000 Shares will be re-allocated to the Hong Kong Public Offer from the International Placing, so that an aggregate of 37,500,000 Shares will be available under the Hong Kong Public Offer, representing 30% of the Offer Shares initially available under the Global Offering;
- (b) represents 50 times or more but less than 100 times of the number of Shares initially available for subscription under the Hong Kong Public Offer, then 37,500,000 Shares will be re-allocated to the Hong Kong Public Offer from the International Placing, so that an aggregate of 50,000,000 Shares will be available under the Hong Kong Public Offer, representing 40% of the Offer Shares initially available under the Global Offering; and
- (c) represents 100 times or more of the number of Shares initially available for subscription under the Hong Kong Public Offer, then 50,000,000 Shares will be re-allocated to the Hong Kong Public Offer from the International Placing, so that an aggregate of 62,500,000 Shares will be available under the Hong Kong Public Offer, representing 50% of the Offer Shares initially available under the Global Offering.

In each of the above cases, the additional Shares re-allocated to the Hong Kong Public Offer will be allocated equally between pool A and pool B and the number of Shares allocated to the International Placing will be correspondingly reduced. The Offer Shares to be offered under the Hong Kong Public Offer and the International Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Global Coordinator.

Guotai Junan Securities (Hong Kong) Limited is the Sole Global Coordinator, the Bookrunner and the Lead Manager of the Hong Kong Public Offer which is underwritten at the Offer Price by the Hong Kong Underwriters, on and subject to the terms and conditions of the Hong Kong Underwriting Agreements.

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OVER-ALLOTMENT OPTION

In connection with the Global Offering, we are expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Global Coordinator on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sole Global Coordinator (acting for itself and on behalf of the International Underwriters) within 30 days from the last day for lodging of applications under the Hong Kong Public Offer (the last day for the exercise of the Over-allotment Option being Friday, 6 July 2012), to require us to allot and issue up to 18,750,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, each at the Offer Price, to, among other things, cover over-allocations in the International Placing, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.61% of our enlarged issued share capital immediately following completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to slow and, if possible, prevent a decline in the market price of the securities below the offer price. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the initial public offer price.

In connection with the Global Offering, the Sole Global Coordinator or any person acting for it may, on behalf of the International Underwriters, and to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect transactions with a view to stabilizing or maintaining the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the commencement of trading in the Shares on the Stock Exchange. Such transactions may be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Sole Global Coordinator or any person acting for it to do this. Such stabilization, if commenced, will be conducted at the absolute discretion of the Sole Global Coordinator or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period.

The Sole Global Coordinator or any person acting for it may take all or any of the following stabilizing actions in Hong Kong during the stabilization period:

- (i) purchase, or agree to purchase, any of the Offer Shares or offer or attempt to do so for the sole purpose of preventing or minimizing any reduction in the market price of the Offer Shares;

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- (ii) in connection with any action described in paragraph (i) above;
 - (A) (1) over-allocate the Offer Shares; or
 - (2) sell or agree to sell the Offer Shares so as to establish a short position in them, for the sole purpose of preventing or minimizing any reduction in the market price of the Offer Shares;
 - (B) exercise the Over-allotment Option and purchase or subscribe for or agree to purchase or subscribe for the Offer Shares in order to close out any position established under paragraph (A) above;
 - (C) sell or agree to sell any of the Offer Shares acquired by it in the course of the stabilizing action referred to in paragraphs (i) above in order to liquidate any position that has been established by such action; or
 - (D) offer or attempt to do anything as described in paragraphs (ii)(A)(2), (ii)(B) or (ii)(C) above.

The Sole Global Coordinator or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Offer Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Sole Global Coordinator or any person acting for it and selling in the open market, which may include a decline in the market price of the Offer Shares.

Stabilization cannot be used to support the price of the Offer Shares for longer than the stabilization period, which begins on the day on which trading of the Offer Shares commences on the Stock Exchange and ends on the 30th day after the last day for lodging of applications under the Hong Kong Public Offer. The stabilization period is expected to expire on Friday, 6 July 2012. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore their market price, could fall.

Any stabilizing action taken by the Sole Global Coordinator or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilization period. Stabilizing bids or market purchases affected in the course of the stabilization action may be made at any price at or below the Offer Price and can therefore be done at a price below the price the investor has paid in acquiring the Offer Shares.

In connection with the Global Offering, the Sole Global Coordinator may over-allocate up to and not more than an aggregate of 18,750,000 additional Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or

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a combination of these means. In particular, for the purpose of covering such over-allocations, the Sole Global Coordinator may borrow up to 18,750,000 Shares from Concord, equivalent to the maximum number of Shares to be issued on a full exercise of the Over-allotment Option, under a stock borrowing agreement.

STOCK BORROWING

In order to facilitate settlement of over-allocations in connection with the International Placing, a stock borrowing agreement (the “Stock Borrowing Agreement”) has been entered into between the Sole Global Coordinator and Concord in compliance with Rule 10.07(3) of the Listing Rules. Under the Stock Borrowing Agreement, Concord has agreed with the Sole Global Coordinator that if requested by the Sole Global Coordinator, it will, subject to the terms of the Stock Borrowing Agreement, make available to the Sole Global Coordinator up to 18,750,000 Shares held by it, by way of stock lending, in order to cover over-allocations in connection with the International Placing on the conditions that:

- (i) such stock borrowing arrangement will only be effected by the Sole Global Coordinator for settlement of over-allocations of Shares in connection with the International Placing;
- (ii) the maximum number of Shares which must be borrowed from Concord by the Sole Global Coordinator under the Stock Borrowing Agreement must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;
- (iii) the same number of Shares so borrowed must be returned to Concord or its nominees, as the case may be, on or before the third business day following the earlier of:
 - (a) the last day on which the Over-allotment Option may be exercised; or
 - (b) the day on which the Over-allotment is exercised in full;
- (iv) the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws and regulatory requirements; and
- (v) no payments or other benefits will be made to Concord by the Sole Global Coordinator or any of the International Underwriters in relation to such stock borrowing arrangement.