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## **DONGWU CEMENT INTERNATIONAL LIMITED**

### **東吳水泥國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 695)

### **HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders as at 2 August 2012.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of Dongwu Cement International Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 2 August 2012.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 28 August 2012. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 2 August 2012, 17 Shareholders held an aggregate of 127,506,000 shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company, representing 24.90% of the issued share capital of the Company. Such shareholding, together with 375,000,000 Shares (representing 73.25% of the issued share capital of the Company) held aggregately by 2 management shareholders of the Company, namely, Goldview Development Limited (“**Goldview**”) and Concord Ocean Ltd (“**Concord**”), represented 98.15% of the issued share capital of the Company as at 2 August 2012. Therefore, only 9,494,000 Shares (representing 1.85% of the issued share capital of the Company) were held by other Shareholders.

As disclosed in the SFC Announcement, as at 2 August 2012, the shareholding structure of the Company was as follows:

Name of Shareholder	Number of Shares held <i>(Shares)</i>	Percentage of total number of issued Shares <i>(%)</i>
Goldview <i>(Note 1)</i>	297,500,000	58.11
Concord <i>(Note 2)</i>	77,500,000	15.14
Atlantis Capital Holdings Limited <i>(Note 3)</i>	42,000,000	8.20
A group of 16 Shareholders <i>(Note 4)</i>	85,506,000	16.70
Other Shareholders	9,494,000	1.85
<b>Total</b>	<b>512,000,000</b>	<b>100.00</b>

Notes:

1. The entire issued share capital of Goldview is legally and beneficially owned by Mr. Tseung Hok Ming (“**Mr. Tseung**”). Mr. Tseung is the non-executive Director.
2. The entire issued share capital of Concord is legally and beneficially owned by Mr. Jin Chungen (“**Mr. Jin**”). Mr. Jin is an executive Director.
3. Atlantis Capital Holdings Limited (“**Atlantis**”) is an investment management company controlled and owned by Ms. Liu Yang (“**Ms. Liu**”). Atlantis was a placee during the initial public offering of the Company in June 2012 (the “**IPO**”). It was initially allotted 44,960,000 Shares during the IPO.
4. Amongst the 85,506,000 Shares, 52,416,000 Shares (representing 10.24% of the issued Shares) were held by 7 Shareholders who were placees during the IPO. They were initially allotted a total of 44,080,000 Shares during the IPO.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to clarify that the above information is extracted from the SFC Announcement and the Company has not verified such information and is also not in a position to comment on its accuracy. Besides, as of the date of this announcement, the Company has not been informed of the identity of the group of 16 Shareholders as mentioned in the SFC Announcement. However, the Company, having made all reasonable enquiries and to the best knowledge of the Company, as at 2 August 2012 and the date of this announcement, Goldview hold 297,500,000 Shares and Concord hold 77,500,000 Shares, representing approximately 58.11% and 15.14% of the issued Shares respectively. Goldview and Concord are legally and beneficially owned by Mr. Tseung (the non-executive Director) and Mr. Jin (an executive Director) respectively.

The SFC further disclosed in the SFC Announcement that the Company was listed on the Main Board of the Stock Exchange on 13 June 2012 by way of global offering of 137,000,000 Shares (including 12,000,000 over-allotment Shares), representing 26.75% of the issued Shares, at HK\$1.10 per Share. The share price closed at HK\$1.15 on its first day of listing.

Since then, the share price continued to increase and reached an all time high of HK\$1.49 on 25 June 2012. The share price then eased slightly and hovered at around the HK\$1.30 level.

On 31 July 2012 after market close, the Company issued a profit warning announcement disclosing that the Company might record a loss for the six months ended 30 June 2012. On the next trading day (i.e. 1 August 2012), the share price closed at HK\$1.32, an increase of 1.53% from the previous closing price of HK\$1.30. On 27 August 2012, the share price closed at HK\$1.25 representing an increase of 13.64% from its IPO price.

## **PUBLIC FLOAT**

Having made all reasonable enquiries with the Directors, as at 2 August 2012 and the date of this announcement, Goldview and Concord (being the controlling shareholder and substantial shareholder of the Company respectively), hold an aggregate of 375,000,000 Shares, representing approximately 73.25% of the issued share capital of the Company. Based on the above and to the best knowledge of the Company, the Company confirms that not less than 25% of the issued share capital of the Company is held in public hands as at the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.**

By order of the Board  
**Dongwu Cement International Limited**  
**Xie Yingxia**  
*Chairman*

Hong Kong, 28 August 2012

*As at the date of this announcement, the Board comprises Ms. Xie Yingxia, Mr. Jin Chungeng and Mr. Yang Bin as executive Directors, Mr. Tseung Hok Ming as non-executive Director and Mr. Cao Guoqi, Mr. Cao Kuangyu and Mr. Lee Ho Yiu Thomas as independent non-executive Directors.*