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**WEST CHINA CEMENT LIMITED**  
**中國西部水泥有限公司**

*(Incorporated in Jersey with limited liability, with registered number 94796)*  
**(Stock Code: 2233)**

**FIRST QUARTERLY RESULTS OF 2017 OF  
YAObAI AND ITS SUBSIDIARIES**

Reference is made to the announcements of West China Cement Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 1 March 2017 and 3 March 2017 in relation to the issuance of the Short-term Notes by Yaobai (collectively, the “**Announcements**”). This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcements.

Yaobai, an indirectly wholly-owned subsidiary of the Company incorporated in the PRC, has successfully registered with the National Association of Financial Market Institutional Investors of the PRC (中國銀行間市場交易商協會) the issue approval of the Short-term Notes with an aggregate principal amount of RMB1,200,000,000. On 3 March 2017, Yaobai completed the issuance of the second tranche of the Short-term Notes. The second tranche of the Short-term Notes was issued in the principal amount of RMB400 million, at the interest rate of 6.98% per annum, and with a term of one year. Relevant documents containing the details of the issue of the Short-term Notes are available on the websites of China Money (<http://www.chinamoney.com.cn>) and Shanghai Clearing ([www.shclearing.com](http://www.shclearing.com)).

According to the relevant PRC regulations and the terms of the Short-term Notes, Yaobai and its subsidiaries (“**Yaobai Group**”) is required to publish its quarterly results for the three months ended 31 March 2017 (the “**Quarterly Results**”) on the website of China Money during the one-year term of the Short-term Notes.

Shareholders of the Company (“**Shareholders**”) and potential investors are advised that the Quarterly Results are unaudited and prepared in accordance with the PRC GAAP. There are thus a number of accounting treatments and other differences between the quarterly results of Yaobai Group (“Yaobai Group Results”), and the interim and final results of the Company which are prepared in accordance with IFRS. These differences include, amongst others:

- (i) the exclusion of the results of the Shaanxi Fuping Cement Company Ltd (“Fuping Cement Ltd”) from the Yaobai Group Results, as Fuping Cement Ltd is an indirect subsidiary of the Company;
- (ii) only part of the interests payable under the Senior Notes are included in the Yaobai Group Results, with the balance being accounted for under the Company’s accounts, and there is no foreign exchange translation differences of these Senior Notes in the Yaobai Group Results; and
- (iii) none of the expenses of the Company’s offshore entities are included in the Yaobai Group Results.

To ensure that all shareholders and potential investors of the Company have equal and timely access to the information pertaining to the Company, set forth below are the Quarterly Results prepared in accordance with the PRC GAAP, which is also published simultaneously on the website of China Money.

## 1. Balance Sheet

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	As at	As at	As at	As at
	31 March 2017 Consolidated	31 December 2016 Consolidated	31 March 2017 Yaobai	31 December 2016 Yaobai
<b>Current Assets:</b>				
Monetary capital	1,202,930,774	1,315,250,654	1,039,152,697	1,268,936,492
Balances with clearing companies	-	-	-	-
Lending to banks and other financial institutions	-	-	-	-
Financial assets at fair value through profit or loss for the current period	-	-	-	-
Derivative financial assets	-	-	-	-
Notes receivable	157,058,069	174,107,539	3,482,649	1,243,051
Accounts receivable	252,205,289	241,045,782	15,436,409	17,545,072
Advance payments	46,216,611	45,917,598	15,087,121	1,506,779
Premiums receivable	-	-	-	-
Reinsurance accounts receivable	-	-	-	-
Reinsurance contract reserve receivables	-	-	-	-
Interests receivable	1,918,767	1,918,767	1,918,767	1,918,767
Dividends receivable	-	-	-	-
Other receivables	254,733,251	201,706,204	4,101,013,241	4,113,585,319
Financial assets purchased under agreements to resell	-	-	-	-
Inventories	462,063,588	465,187,156	30,930,505	38,779,736
Assets classified as held-for-sale	-	-	-	-
Non-current assets due within one year	-	-	-	-
Other current assets	62,443,031	24,724,201	5,045,679	475,599
<b>Total current assets</b>	<u>2,439,569,380</u>	<u>2,469,857,901</u>	<u>5,212,067,068</u>	<u>5,443,990,815</u>

Items	As at 31 March 2017 Consolidated	As at 31 December 2016 Consolidated	As at 31 March 2017 Yaobai	As at 31 December 2016 Yaobai
<b>Non-current assets:</b>				
Loans and advances granted	–	–	–	–
Available-for-sale financial assets	–	–	–	–
Held-to-maturity investments	–	–	–	–
Long-term receivables	–	–	–	–
Long-term equity investments	43,780,635	40,925,265	3,355,366,806	3,318,411,280
Investment properties	–	–	–	–
Fixed assets	6,655,734,867	6,821,526,449	618,350,076	634,442,728
Construction in progress	84,829,905	71,842,203	194,863	363,483
Construction supplies	–	–	–	–
Disposal of fixed assets	–	–	–	–
Productive biological assets	–	–	–	–
Oil and gas assets	–	–	–	–
Intangible assets	701,191,651	708,317,178	31,573,010	31,759,932
Development expenditures	–	–	–	–
Goodwill	211,157,407	177,057,252	–	–
Long-term prepaid expenses	–	–	–	–
Deferred tax assets	40,555,699	41,879,647	5,303,098	5,303,098
Other non-current assets	–	–	–	–
<b>Total non-current assets</b>	<u>7,737,250,164</u>	<u>7,861,547,994</u>	<u>4,010,787,853</u>	<u>3,990,280,521</u>
<b>Total assets</b>	<u>10,176,819,544</u>	<u>10,331,405,895</u>	<u>9,222,854,921</u>	<u>9,434,271,336</u>

Items	As at 31 March 2017 Consolidated	As at 31 December 2016 Consolidated	As at 31 March 2017 Yaobai	As at 31 December 2016 Yaobai
<b>Current liabilities:</b>				
Short-term borrowings	513,000,000	463,600,000	513,000,000	463,600,000
Borrowings from the central bank	–	–	–	–
Absorbing deposits and interbank deposits	–	–	–	–
Borrowings from banks and other financial institutions	–	–	–	–
Financial liabilities at fair value through profit or loss for the current period	–	–	–	–
Derivative financial liabilities	–	–	–	–
Notes payable	100,000,000	100,000,000	100,000,000	100,000,000
Accounts payable	439,216,294	433,312,050	27,101,675	35,377,857
Receipts in advance	140,594,292	99,005,528	11,454,096	5,420,268
Financial assets sold under agreements to repurchase	–	–	–	–
Fees and commissions payable	–	–	–	–
Employee benefits payable	20,780,944	24,291,311	4,765,492	3,132,379
Taxes payable	107,389,394	99,500,830	5,423,664	1,361,897
Interests payable	323,770,094	427,935,114	323,770,094	427,935,114
Dividends payable	74,695,592	74,695,592	74,695,592	74,695,592
Other payables	117,502,744	132,848,944	241,130,802	196,393,814
Reinsurance accounts payable	–	–	–	–
Insurance contract reserve	–	–	–	–
Customer brokerage deposits	–	–	–	–
Underwriting proceeds payables	–	–	–	–
Liabilities classified as held-for-sale	–	–	–	–
Non-current assets due within one year	400,000,000	799,213,731	400,000,000	799,213,731
Other current liabilities	158,284	–	738,675	–
	<u>2,237,107,638</u>	<u>2,654,403,100</u>	<u>1,702,080,090</u>	<u>2,107,130,652</u>
<b>Total current liabilities</b>	<u>2,237,107,638</u>	<u>2,654,403,100</u>	<u>1,702,080,090</u>	<u>2,107,130,652</u>

Items	As at 31 March 2017 Consolidated	As at 31 December 2016 Consolidated	As at 31 March 2017 Yaobai	As at 31 December 2016 Yaobai
<b>Non-current liabilities:</b>				
Long-term borrowings	2,231,257,777	2,031,257,777	2,231,257,777	2,031,257,777
Debtentures payables	–	–	–	–
Including: Preference shares	–	–	–	–
Perpetual bonds	–	–	–	–
Long-term payables	15,420,000	15,420,000	–	–
Long-term employee benefits payable	–	–	–	–
Special payables	–	–	–	–
Estimated liabilities	21,365,159	22,383,621	3,708,533	4,051,084
Deferred income	63,162,350	54,807,265	11,839,864	12,339,864
Deferred tax liabilities	9,190,609	9,190,609	–	–
Other non-current liabilities	–	–	–	–
<b>Total non-current liabilities</b>	<u>2,340,395,895</u>	<u>2,133,059,272</u>	<u>2,246,806,174</u>	<u>2,047,648,725</u>
<b>Total liabilities</b>	<u>4,577,503,533</u>	<u>4,787,462,372</u>	<u>3,948,886,264</u>	<u>4,154,779,377</u>
<b>Owners' equity:</b>				
Paid-in capital (Share capital)	1,890,000,000	1,890,000,000	1,890,000,000	1,890,000,000
Other equity instruments	–	–	–	–
Including: Preference shares	–	–	–	–
Perpetual bonds	–	–	–	–
Capital reserve	52,662,775	52,662,775	12,715,940	12,715,940
Less: treasury shares	–	–	–	–
Other comprehensive income	–	–	–	–
Special reserve	–	–	–	–
Surplus reserve	243,935,459	243,935,459	243,935,459	243,935,459
General risk provision	–	–	–	–
Undistributed profit	3,312,564,644	3,260,103,533	3,127,317,258	3,132,840,560
Total equity attributable to owners of the Company	5,499,162,878	5,446,701,767	–	–
Minority interests	100,153,133	97,251,756	–	–
<b>Total owners' equity</b>	<u>5,599,316,011</u>	<u>5,543,943,523</u>	<u>5,273,968,657</u>	<u>5,279,497,959</u>
<b>Total liabilities and owners' equity</b>	<u>10,176,819,544</u>	<u>10,331,405,895</u>	<u>9,222,854,921</u>	<u>9,434,271,336</u>

## 2. Income Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2017 Q1 Consolidated	2016 Q1 Consolidated	2017 Q1 Yaobai	2016 Q1 Yaobai
<b>I. Total operating revenue</b>	740,442,629	552,770,200	60,580,733	45,428,214
Including: Revenue	740,442,629	552,770,200	60,580,773	45,428,214
Interest income	-	-	-	-
Premiums earned	-	-	-	-
Fees and commission income	-	-	-	-
<b>II. Total operating costs</b>	697,961,165	615,426,634	74,380,575	60,998,268
Including: Operating costs	579,295,515	506,020,987	47,917,688	42,254,698
Interest expenses	-	-	-	-
Fees and commission expenses	-	-	-	-
Surrender value	-	-	-	-
Net compensations paid to policyholders	-	-	-	-
Net withdrawal of insurance contract reserve	-	-	-	-
Dividends paid to policyholders	-	-	-	-
Reinsurance expense	-	-	-	-
Business taxes and surcharges	10,544,214	7,169,601	824,775	776,819
Selling and distribution expenses	9,607,279	7,910,693	3,433,388	2,029,930
General and administrative expenses	55,071,030	47,579,695	15,383,143	12,580,688
Financial expenses	43,443,200	46,745,658	6,821,654	3,356,133
Asset impairment losses	-73	-	-73	-
Add: Gains from changes in fair value (loss is represented by “-”)	-	-	-	-
Investment income (loss is represented by “-”)	3,144,000	2,985,705	3,144,000	8,687,303
Including: share of profit of associates and joint ventures	-	-	-	-
Exchange gains (loss is represented by “-”)	-	-	-	-
<b>III. Operating profit (loss is represented by “-”)</b>	45,625,464	-59,670,729	-10,655,842	-6,882,751
Add: non-operating income	35,968,827	9,338,806	5,158,309	1,204,398
Including: gains on disposal of non-current assets	-	-	-	-
Less: non-operating expenses	272,394	527,872	25,769	12,600
Including: losses on disposal of non-current assets	-	-	-	-
<b>IV. Total profit (total loss is represented by “-”)</b>	81,321,897	-50,859,795	-5,523,302	-5,690,953
Less: income tax expenses	25,949,409	9,049,173	-	-

Items	2017 Q1 Consolidated	2016 Q1 Consolidated	2017 Q1 Yaobai	2016 Q1 Yaobai
<b>V. Net profit</b>				
(net loss is represented by “-”)	55,372,488	-59,908,968	-5,523,302	-5,690,953
Including: Net profit attributable to owners of the Company	52,461,111	-57,087,493	-	-
Minority interests	2,911,377	-2,821,475	-	-
<b>VI. Net other comprehensive income after tax</b>	-	-	-	-
Net other comprehensive income after tax attributable to owners of the Company	-	-	-	-
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-	-	-	-
1. Changes arising from remeasurement of net liabilities or assets relating to defined benefit plans	-	-	-	-
2. Share of other comprehensive income of investees which cannot be reclassified subsequently to profit or loss under equity method	-	-	-	-
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	-	-	-	-
1. Share of other comprehensive income of investees which will be reclassified subsequently to profit or loss under equity method	-	-	-	-
2. Gain or loss arising from changes in fair value of available-for-sale financial assets	-	-	-	-
3. Gain or loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets	-	-	-	-
4. Effective portion of cash flow hedges	-	-	-	-
5. Differences from translating foreign currency financial statements	-	-	-	-
6. Others	-	-	-	-
Net other comprehensive income after tax attributable to minority interests	-	-	-	-
<b>VII. Total comprehensive income</b>	55,372,488	-59,908,968	-5,523,302	-5,690,953
Attributable to owners of the Company	52,461,111	-57,087,493	-	-
Attributable to minority interests	2,911,377	-2,821,475	-	-
<b>VIII. Earnings per share:</b>				
(I) Basic earnings per share	-	-	-	-
(II) Diluted earnings per share	-	-	-	-



### 3. Cash Flow Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2017 Q1 Consolidated	2016 Q1 Consolidated	2017 Q1 Yaobai	2016 Q1 Yaobai
<b>I. Cash flow generated from operating activities:</b>				
Cash received from sales of goods or rendering of services	685,550,786	536,639,994	54,703,358	36,974,192
Net increase in customer and interbank deposits	-	-	-	-
Net increase in borrowing from the central bank	-	-	-	-
Net increase in borrowing from other financial institutions	-	-	-	-
Cash received from original insurance contract fees	-	-	-	-
Net cash received from reinsurance business	-	-	-	-
Net increase in insured savings and investment	-	-	-	-
Net increase in disposal of financial assets at fair value through profit or loss for the current period	-	-	-	-
Cash received from interest, fees and commissions	-	-	-	-
Net increase in borrowings from banks and other financial institutions	-	-	-	-
Net increase in income from repurchase operations	-	-	-	-
Tax refund received	13,544,634	8,877,827	2,023,897	207,688
Cash received relating to other operating activities	10,249,553	9,814,062	84,669,243	132,517,317
<b>Sub-total of cash inflow from operating activities</b>	<b>709,344,973</b>	<b>555,331,883</b>	<b>141,396,498</b>	<b>169,699,197</b>
Cash paid for goods and service	300,793,638	257,282,967	14,846,205	16,822,308
Net increase of customer loans and advances	-	-	-	-
Net increase of deposits in the central bank and interbank	-	-	-	-
Cash paid for original insurance contract compensation	-	-	-	-
Cash paid for interest, fees and commissions	-	-	-	-
Cash paid for bonus to policyholders	-	-	-	-
Cash paid to and for employees	69,405,859	68,273,199	11,052,570	13,313,297
Payments of taxes and surcharges	89,701,693	45,808,017	4,441,663	1,706,001
Cash payments relating to other operating activities	25,018,489	26,637,326	8,423,945	4,668,124
<b>Sub-total of cash outflows from operating activities</b>	<b>484,919,679</b>	<b>398,001,509</b>	<b>38,764,383</b>	<b>36,509,730</b>
<b>Net cash flow from operating activities</b>	<b>224,425,294</b>	<b>157,330,374</b>	<b>102,632,115</b>	<b>133,189,467</b>

Items	2017 Q1 Consolidated	2016 Q1 Consolidated	2017 Q1 Yaobai	2016 Q1 Yaobai
<b>II. Cash flow generated from investing activities:</b>				
Cash from disposal of investments	–	–	–	–
Cash received from returns on investments	288,630	–	288,630	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–15,550	–	–	–
Net cash received from disposal of subsidiaries and other business units	–	–	–	–
Cash received relating to other investing activities	–	–	–	–
<b>Sub-total of cash inflows from investing activities</b>	<u>273,080</u>	<u>–</u>	<u>288,630</u>	<u>–</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	16,149,330	33,920,187	1,549,512	15,559,075
Cash paid to acquire investments	34,100,156	–	34,100,156	–
Net increase in pledged loans	–	–	–	–
Net cash paid to acquire subsidiaries and other operating entities	–	–	–	–
Cash paid relating to other investing activities	–	–	–	–
<b>Sub-total of cash outflows from investing activities</b>	<u>50,249,486</u>	<u>33,920,187</u>	<u>35,649,668</u>	<u>15,559,075</u>
<b>Net cash flow from investing activities</b>	<u>–49,976,406</u>	<u>–33,920,187</u>	<u>–35,361,038</u>	<u>–15,559,075</u>

Items	2017 Q1 Consolidated	2016 Q1 Consolidated	2017 Q1 Yaobai	2016 Q1 Yaobai
<b>III. Cash flow generated from financing activities:</b>				
Cash received from capital contributions	-	-	-	-
Including: cash received from capital contributions by minority shareholders of subsidiaries	-	-	-	-
Cash received from borrowings	934,000,000	1,132,400,000	934,000,000	1,132,400,000
Cash received from issuance of debentures				
Cash received relating to other financing activities	10,000,000	-	-	-
<b>Sub-total of cash inflows from financing activities</b>	<u>944,000,000</u>	<u>1,132,400,000</u>	<u>934,000,000</u>	<u>1,132,400,000</u>
Cash repayments of borrowings	1,084,600,000	1,104,000,000	1,084,600,000	1,104,000,000
Cash payments for distribution of dividends, profits and interest	146,168,768	55,636,509	146,454,872	55,567,392
Including: dividend and profits distributed by subsidiaries to minority shareholders	-	-	-	-
Cash payments relating to other financing activities	-	-	-	-
<b>Sub-total of cash outflows from financing activities</b>	<u>1,230,768,768</u>	<u>1,159,636,509</u>	<u>1,231,054,872</u>	<u>1,159,567,392</u>
<b>Net cash flow from financing activities</b>	<u>-286,768,768</u>	<u>-27,236,509</u>	<u>-297,054,872</u>	<u>-27,167,392</u>
<b>IV. Effect of change of foreign currency rates on cash and cash equivalents</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>V. Net increase in cash and cash equivalents</b>	-112,319,880	96,173,678	-229,783,795	90,463,000
Add: Opening balance of cash and cash equivalents	1,315,250,654	420,627,028	1,268,936,492	312,818,278
<b>VI. Closing balance of cash and cash equivalents at</b>	<u>1,202,930,774</u>	<u>516,800,706</u>	<u>1,039,152,697</u>	<u>403,281,278</u>

The information contained in this announcement is prepared based solely on a preliminary assessment by the management of the Company with reference to the information currently available, which have not been reviewed or audited by the Company's auditors. The Quarterly Results in this announcement, which are unaudited, have been prepared in accordance with PRC GAAP. Accordingly, the information contained in this announcement and in the Quarterly Results may differ from those in the unaudited or audited consolidated financial statements to be published by the Company for the six months ending 30 June 2017 and for the year ending 31 December 2017, respectively. Further, the financial information in this announcement is provided for reference only and Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on these information when dealing in the shares of the Company. When in doubt, the shareholders and potential investors of the Company are advised to consult their own professional or financial advisers.

## DEFINITIONS

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

“IFRS”	International Financial Reporting Standards, which collective term includes standards and interpretations approved by the International Accounting Standards Board (IASB), and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee (IASC)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“PRC GAAP”	the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and other relevant accounting principles and financial regulations as promulgated in the PRC
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Senior Notes”	the 6.50% senior notes due 2019 in the aggregate principal amount of US\$400 million issued by the Company on 4 September 2014

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

Hong Kong, 26 April 2017

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