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West China Cement Limited
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West China Cement Limited ("WCC")

Announcement of Xiushan Acquisition

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West China Cement Limited ("WCC") is delighted to announce the acquisition of a 100% shareholding of Shaanxi Xiushan Cement (Group) Limited Company, for a consideration of Rmb 180 million, to be met from WCC's resources. This comprises the Xiushan cement plant, situated in Zhen'an County, Shaanxi Province, about 90 kilometres North of WCC's Ankang plant and 150 kilometres South-West of its Lantian plant; and the Xunyang Xiushanlong Cement milling facility 10 kilometres from Ankang.

The Xiushan cement plant has a capacity of 600,000 tonnes per annum and limestone reserves to support this operation for at least 30 years. It uses modern NCPP technology, but WCC expects to modify the plant in due course to improve operating efficiency, environmental performance and output.

The Xiushanlong milling plant has the capacity to mill approximately 100,000 tonnes of clinker or slag, which can then be blended with Ankang's production. Xiushan achieved a Pre-tax Profit of Rmb 23.8 million in 2008. In terms of the agreement, profits from Xiushan accrue to WCC with effect from August 2009.

Commenting on the transaction, Jimin Zhang, WCC's Chief Executive Officer, said:

"Xiushan offers an excellent opportunity to improve our service to the cement market in the South-East of the province. This furthers our strategy of achieving strong local market positions. The milling plant also gives us the capacity to produce slag cement, allowing us to offer a range of blended cements which has technical benefits and should be useful in several of the large hydro-electric and railway projects in the area."

WCC's Chairman Robbie Robertson remarked:

"This acquisition is exciting in itself, but also because it is our first acquisition. I said at the time of the half year results that our continued growth would come not only from new capacity but also from acquisitions. This is the first step.

With it our capacity will reach 8 million tonnes during the course of next year, which is the bottom of our declared 8-10 million target for 2010."

For further information, please contact:

West China Cement Limited

Po Ling Low Tel: +86 139 1088 6649

NCB Stockbrokers Ltd

Christopher Caldwell Tel: + 44 20 7071 5200

Citigate Dewe Rogerson Asia

Pui Shan Lee Tel: + 86 21 6340 4186 / Mob: + 86 138 1712 5781

ps.lee@citigate.com.cn

Notes to Editors:

West China Cement listed on the AIM market of the London Stock Exchange on 4 December 2006, raising approximately £20.1 million net of expenses.

Prior to the listing, the Company, which is headquartered in Xi'an the provincial capital of Shaanxi Province, had operated three cement production plants in Pucheng with a combined production capacity of 1.5 million tonnes per annum since 2003.

In order to service the growing demand for cement in the region, a new plant running two cement production lines, funded by money raised at the IPO, opened in Lantian in 2007 and has a production capacity of 2 million tonnes.

On 29 May 2008, the Company entered into a US\$60 million loan agreement with Warrants to finance the third production plant. This 1.8 million tonne plant at Ankang started producing and selling cement in March 2009 and is expected to reach full capacity in the second half of 2009.

Approval for the building of two new cement plants, Yangxian and Mianxian, each with a capacity of 1 million tonnes per annum, was announced in March 2009. With the massive government spend on infrastructure as part of the RMB 4 trillion fiscal stimulus package and the need to rebuild in the wake of the Sichuan earthquake which occurred in this area, the Company has chosen the appropriate location to build these latest projects.

