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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 2014 OF
YAObAI AND ITS SUBSIDIARIES**

Reference is made to the announcements of West China Cement Limited (the “Company”) dated 21 March 2013 and 28 March 2013 in relation to the issuance of the Medium-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 Medium-term Notes with an aggregate principal amount of RMB1,600,000,000. On 28 March 2013, Yaobai completed the issuance of the first tranche of the Medium-term Notes. The first tranche of the Medium-term Notes was issued in the principal amount of RMB800 million, at the interest rate of 6.1% per annum, and with a term of three years. Relevant documents containing the details of the issue of the Medium-term Notes are available on the websites of China Money (<http://www.chinamoney.com.cn>) and China Bond (<http://www.chinabond.com.cn>).

According to the relevant PRC regulations, Yaobai and its subsidiaries is required to publish its quarterly results for the three months ended 31 March 2014 (the “Quarterly Announcement”) on the websites of China Money and China Bond during the three-year term of the Medium-term Notes.

Shareholders of the Company and potential investors are advised that the quarterly results in the Quarterly Announcement are unaudited and prepared in accordance with the PRC GAAP. 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 financial information of Yaobai and its subsidiaries for the three months ended 31 March 2014 prepared in accordance with the PRC GAAP, which is also published simultaneously on the websites of China Money and China Bond.

1. Balance Sheet

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	As at 31 March 2014 Consolidated	As at 31 December 2013 Consolidated	As at 31 March 2014 Yaobai	As at 31 December 2013 Yaobai
Current Assets:				
Monetary capital	279,540,368	565,301,193	220,108,527	513,489,773
Tradable financial assets	–	50,000,000	–	50,000,000
Bills receivable	68,532,443	116,016,789	15,394,766	21,790,263
Accounts receivable	192,632,761	180,370,126	21,539,883	26,047,775
Other receivables	332,963,912	362,779,182	3,253,365,030	3,233,265,043
Advance payments	140,166,191	121,871,320	1,686,318	1,860,760
Inventory	521,275,466	471,791,114	68,136,306	64,662,277
Other current assets	63,033,102	5,412,851	5,998,522	–
Total current assets	1,598,144,243	1,873,542,575	3,586,229,352	3,911,115,891
Non-current assets:				
Long-term equity investment	–	–	2,903,958,535	2,903,958,535
Fixed assets	6,012,749,270	6,119,960,865	617,578,814	633,766,189
Construction materials	833,866	1,755,877	–	–
Construction in progress	1,111,191,617	945,838,947	128,848,850	111,062,883
Intangible assets	551,647,510	538,020,988	34,672,392	34,870,199
Goodwill	220,178,064	220,178,064	–	–
Deferred tax assets	4,121,629	4,121,629	635,311	635,311
Total non-current assets	7,900,721,956	7,829,876,370	3,685,693,902	3,684,293,117
Total assets	9,498,866,199	9,703,418,945	7,271,923,254	7,595,409,008

Items	As at 31 March 2014 Consolidated	As at 31 December 2013 Consolidated	As at 31 March 2014 Yaobai	As at 31 December 2013 Yaobai
Current liabilities:				
Short-term borrowings	587,088,000	609,423,360	587,088,000	609,423,360
Bills payable	21,533,000	–	21,533,000	–
Accounts payable	771,047,970	684,901,325	75,833,004	96,730,713
Receipts in advance	149,692,928	132,822,346	14,675,022	8,295,424
Wages payable	28,991,488	16,539,523	5,962,280	2,504,249
Tax payable	(3,866,059)	(17,728,327)	4,809,531	2,074,260
Interests payable	312,371,486	328,573,881	312,371,486	328,573,881
Dividend payable	695,592	695,592	695,592	695,592
Other payables	335,438,716	358,252,032	740,822,148	703,440,413
Other liabilities	20,488,958	–	–	–
Total current liabilities	2,223,482,079	2,113,479,732	1,763,790,063	1,751,737,892
Non-current liabilities:				
Long-term borrowings	1,618,630,977	1,935,398,577	1,618,630,977	1,935,398,577
Bonds payable	795,051,878	794,188,689	795,051,878	794,188,689
Long-term payables	15,420,000	15,420,000	–	–
Special payables	3,000,000	3,000,000	–	–
Other liabilities	36,990,957	37,700,456	–	–
Deferred income tax liabilities	15,062,339	15,062,339	–	–
Total non-current liabilities	2,484,156,151	2,800,770,061	2,413,682,855	2,729,587,266
Total liabilities:	4,707,638,230	4,914,249,793	4,177,472,918	4,481,325,158
Owners' equity:				
Share capital	1,620,000,000	1,620,000,000	1,620,000,000	1,620,000,000
Capital reserve	52,662,775	52,662,775	12,715,940	12,715,940
Surplus reserve	201,472,792	201,472,792	201,472,792	201,472,792
Unappropriated profits	2,830,672,177	2,828,613,360	1,260,261,604	1,279,895,118
Minority interests	86,420,225	86,420,225	–	–
Total owners' equity	4,791,227,969	4,789,169,152	3,094,450,336	3,114,083,850
Total liabilities and owners' equity	9,498,866,199	9,703,418,945	7,271,923,254	7,595,409,008

2. Income Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 Yaobai	2013 Q1 Yaobai
I. Principal operating revenue	670,477,267	646,657,907	71,973,707	101,335,219
Less: Operating cost	569,170,241	549,738,168	61,657,551	77,797,315
Business tax and surcharges	8,468,590	7,976,910	947,644	1,646,726
II. Principal operating profit	92,838,436	88,942,829	9,368,512	21,891,178
Add: Other operating revenue	378,801	153,332	–	–
Less: Selling expenses	7,801,959	5,960,584	1,857,537	2,058,558
Administrative expenses	56,044,189	46,945,130	14,675,232	12,877,358
Financial expenses	39,239,695	39,719,613	16,676,609	13,890,384
III. Operating profit/(loss)	(9,868,606)	(3,529,166)	(23,840,866)	(6,935,122)
Add: Investment income	1,037,240	6,805	1,037,240	6,805
Non-operating income	23,059,258	35,200,031	3,283,312	7,137,185
Less: Non-operating expenses	593,455	940,061	113,200	11,100
Others	90,000	301,620	–	–
IV. Total profit/(loss)	13,544,437	30,435,989	(19,633,514)	197,768
Less: Income tax expenses	11,485,620	5,578,188	–	29,665
V. Net profit/(loss)	2,058,817	24,857,801	(19,633,514)	168,103

3. Cash Flow Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 Yaobai	2013 Q1 Yaobai
1. Cash flow generated from operating activities:				
Cash received from sale of goods and rendering of services	612,727,926	690,997,257	58,893,574	78,854,236
Tax and charges refund	13,709,629	23,131,517	109,337	–
Cash received relating to other operating activities	9,557,619	2,160,795	959,182	307,032
Sub-total of cash inflow from operating activities	635,995,174	716,289,569	59,962,093	79,161,268
Cash paid for goods and services	350,815,824	444,315,228	29,930,621	42,690,600
Cash paid to and on behalf of employees	65,062,121	63,359,117	14,704,101	11,810,445
Various types of tax paid	52,737,268	44,726,130	3,333,323	6,278,019
Cash paid relating to other operating activities	57,089,956	41,038,898	9,060,134	10,185,771
Sub-total of cash outflow from operating activities	525,705,169	593,439,373	57,028,179	70,964,835
Net cash flow generated from operating activities	110,290,005	122,850,196	2,933,914	8,196,433
2. Cash flow generated from investing activities:				
Cash received from investment income	1,037,240	6,805	1,037,240	6,805
Sub-total of cash inflow from investing activities	1,037,240	6,805	1,037,240	6,805
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	51,097,539	38,822,457	9,687,606	7,635,372
Cash paid for investment	–	5,000,000	–	105,000,000
Cash paid for other investing activities	(50,000,000)	–	(50,000,000)	–
Sub-total of cash outflow/ (inflow) from investing activities	1,097,539	43,822,457	(40,312,394)	112,635,372
Net cash flow generated from/(used in) investing activities	(60,299)	(43,815,652)	41,349,634	(112,628,567)

Items	2014 Q1 Consolidated	2013 Q1 Consolidated	2014 Q1 Yaobai	2013 Q1 Yaobai
3. Cash flow generated from financing activities:				
Cash received from borrowings	<u>237,088,000</u>	<u>1,091,977,500</u>	<u>237,088,000</u>	<u>1,091,977,500</u>
Sub-total of cash inflow from financing activities	<u>237,088,000</u>	<u>1,091,977,500</u>	<u>237,088,000</u>	<u>1,091,977,500</u>
Cash paid for repaying borrowings	576,190,961	445,369,500	576,190,961	445,369,500
Cash paid for distribution of dividends, profits or payment of interest	<u>56,887,570</u>	<u>21,786,044</u>	<u>56,887,570</u>	<u>21,786,044</u>
Sub-total of cash outflow from financing activities	<u>633,078,531</u>	<u>467,155,544</u>	<u>633,078,531</u>	<u>467,155,544</u>
Net cash flow generated from/(used in) financing activities	<u>(395,990,531)</u>	<u>624,821,956</u>	<u>(395,990,531)</u>	<u>624,821,956</u>
4. Internal cash flow transfer in	<u>–</u>	<u>–</u>	<u>495,667,574</u>	<u>768,399,722</u>
5. Internal cash flow transfer out	<u>–</u>	<u>–</u>	<u>437,341,837</u>	<u>579,494,673</u>
6. Net increase/(decrease) in cash and cash equivalents	<u>(285,760,824)</u>	<u>703,856,501</u>	<u>(293,381,246)</u>	<u>709,294,871</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 financial information in this announcement and in the Quarterly Announcement, which are unaudited, have been prepared in accordance with PRC GAAP. Accordingly, the information contained in this announcement and in the Quarterly Announcement 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 2014 and for the year ending 31 December 2014, respectively. Further, the financial information in this announcement is provided for reference only and the 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:

“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

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

Hong Kong, 28 April 2014

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Jimin, Mr. Wang Jianli, Ms. Low Po Ling and Mr. Tian Zhenjun, the non-executive directors of the Company are Mr. Ma Zhaoyang and Mr. Ma Weiping, and the independent non-executive directors of the Company are Mr. Lee Kong Wai Conway, Mr. Wong Kun Kau, Mr. Tam King Ching, Kenny and Mr. Xu Delong.