

**WEST CHINA CEMENT LTD:
WE WANT YOUR MONEY !**

The most-interesting aspect of this otherwise dullish company is that its total indebtedness, as at June 30, 2010, is greater than the entire Turnover in respect of the 2009 Financial Year, ended December 31, 2009.

The company is West China Cement Ltd () (Code: 2233, Main Board, The Stock Exchange of Hongkong Ltd).

West China Cement Ltd issued its Global Offering Prospectus on August 10, 2010, when it Offered 823.12 million, £0.002 Shares at between \$HK1.21 per Share and \$HK1.69 per Share.

As its name implies, this Company is in the business of producing cement in the PRC, proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

At Page 236 of the Global Offering Prospectus, one finds the indebtedness statement in respect of the 42 months, ended June 30, 2010:

‘We have financed our operations primarily through cash flows from operations and short-term and long-term loans from banks. The table below sets forth our short-term and long-term borrowings as of the dates indicated. All of our borrowings are repayable within five years.

	<u>‘As of December 31,</u>			<u>As of April 30, As of June 30,</u>	
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
<i>Borrowings repayable:</i>					<i>(unaudited)</i>
<i>Bank borrowings:</i>					
Within 6 months or less. . . .	140,000	168,000	626,563	332,829	383,986
After 6 months but within					
12 months	115,400	85,400	540,505	386,829	427,786
After 1 year but within					
2 years	28,000	407,069	204,596	639,654	633,994
After 2 years but within					
5 years	<u>35,800</u>		<u>123,462</u>	<u>85,682</u>	<u>59,405</u>
Sub-total:	319,200	660,469	1,495,126	1,444,994	1,505,170
<i>Other borrowings:</i>					
Within 6 months or less . . .	16,953	15,784	92,800	—	—
After 6 months but within					
12 months.	—	—	29,000	—	—
After 1 year but within					
2 years	—	—	29,000	18,000	18,000
After 2 years but within					
5 years	—	—	3,000	3,000	6,000
Sub-total:	<u>16,953</u>	<u>15,784</u>	<u>153,800</u>	<u>21,000</u>	<u>24,000</u>
Total	<u>336,153</u>	<u>676,253</u>	<u>1,648,926</u>	<u>1,465,994</u>	<u>1,529,170’</u>

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