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HUAXIN CEMENT CO., LTD.*

(A joint stock limited company incorporated in the Peopl

The Provisional Purchase Price of USD231.6 million of the acquisition was determined after based on the enterprise value of the Target Company amounted to USD265.0 million, which was then deducted by net debt and debt-like items amounted to USD30.5 million and net working capital adjustment and other adjustment amounted to USD2.9 million as at 31 December 2022. The enterprise value of the Target Company was derived from market approach and determined by the Purchaser through arms-length negotiations with reference to current and historical EBITDA multiples of comparable transactions and comparable companies in Africa and the PRC engaged in cement, concrete and aggregates production business and is also a result of commercial negotiation between the parties.

The Purchaser has also considered other information during the preliminary due diligence stage in assessing the feasibility of the acquisition before entering into the SPA, which include, amongst other items, (i) the net present value of the future cash flows of the Target Company (including the business prospects of the Target Company) provided and estimated by the management of the Vendor; and (ii) replacement cost per ton of cement production capacity. The above information formed only overall assessment of the feasibility of the acquisition but was not the main determination factor of the Provisional Purchase Price as (i) there is significant uncertainty in the future cash flows of the Target Company; and (ii) the replacement cost approach disregards the fact that the Target Company has a profitability track record.

Save as disclosed above, all other information as set out in the Announcement remain unchanged and shall continue to be valid for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

By Order of the Board
Huaxin Cement Co., Ltd.
Xu Yongmo
Chairman

Wuhan, Hubei Province, the PRC

3 July 2023

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Lo Chi Kong and Ms. Tan Then Hwee, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.

** For identification purpose only*