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HUAXIN CEMENT CO., LTD.*

(A joint stock limited company incorporated in the Republic of China)
(Stock Code: 6655)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSABLE TRANSACTION ACQUISITION OF THE TARGET COMPANY

Company dated 27 June 2023 **Announcement** in relation to the discloseable transaction in respect of the sale and purchase of 100% of the issued shares of the Target Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to provide the shareholders and potential investors of the Company with supplemental information on the identities of the ultimate beneficial owners of the Vendor and to clarify the content of the Announcement set out below:

INFORMATION ON THE ULTIMATE BENEFICIAL OWNER OF THE VENDOR

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of the Announcement, the ultimate beneficial owner of the Vendor was Brazil Camargo Family (Mrs. Renata de Camargo Nascimento, Mrs. Regina Camargo Pires Oliveira Dias and Mrs. Rosana Camargo de Arruda Botelho) under family-controlled holding company Mover Participações S.A., who indirectly owns approximately 94.7% of equity interest in the Vendor. Mover Participações S.A., headquartered in the city of São Paulo, participates in different segments of the economy, such as cement (InterCement), engineering and construction (Camargo Corrêa Infra), real estate development, outsourcing, transport and urban mobility, which operate in the Brazil, South America and Africa, with more than 20 thousand professionals.

, information and belief and having made all reasonable enquiries, the Vendor and the Camargo Family are third parties independent of the Company and its connected persons.

BASIS OF THE CONSIDERATION

In addition to the basis of the consideration as disclosed in the Announcement, the Board would like to supplement that:

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