	Company	
	Computer Software	Total
	' 000	' 000
Cost		
Balance as at 1 January 2023	3,323,900	3,323,900
Balance as at 31 December 2023	3,323,900	3,323,900
Balance as at 1 January 2024	3,323,900	3,323,900
Balance as at 30 September 2024	3,323,900	3,323,900
Accumulated Amortization		
Balance as at 1 January 2023	3,232,719	3,232,719
Charge for the period	48,448	48,448
Balance as at 31 December 2023	3,281,167	3,281,167
Balance as at 1 January 2024	3,281,167	3,281,167
Charge for the period	7,122	7,122
Balance as at 30 September 2024	3,288,289	3,288,289
Net book value		
Balance as at 30 September 2024	35,611	35,611
Balance as at 31 December 2023	42,733	42,733
Balance as at 1 January 2023	91,181	91,181

17 INTERESTS IN OTHER ENTITIES

17.1 Investments in subsidiaries

The Group's principal subsidiaries at 30 September 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The place of incorporation is also their principal place of business.

30 September 2024

Name of entity	Principal activities	Place of Incorporation	Proportion	Cost
AshakaCem Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

31 December 2023

Name of entity	Principal Activities	Place of Incorporation	Proportion	Cost
AshakaCem Limited	Cement	Nigeria	100	63,896,867
Wapsila Nigeria Limited	Power Generation and Sale	Nigeria	100	10,000
				63,906,867

18 OTHER FINANCIAL ASSETS

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Cash backed letters of credit*	47,768,609	—	42,027,827	—
Accrued interest on unclaimed dividend	1,776,611	256,050	1,749,360	248,356
	20230301Tc8886-259.6(September)]TJ4.02(f)-353341TD.0311Tc109902			
	49(48)-97,.4(,545,023TJ/F119(25)-97,6360-97,5T(.4(5.5(r4.80043)-.7,187J/F119(			

000

19.1 Prepayment for gas

The Company has a contract with a vendor for gas supply which has a take-or-pay clause. The prepayment for gas relates to payment made for unutilised gas as at the end of the year. The contract is for a period of 25 years from 2012 to 2037 and the Company is entitled to utilise the amount prepaid anytime within the contract period with an extension of 2 years after the expiration of the contract. The Company finalized the contract re-negotiations with the vendor in November 2020 with an effective date of 1 January 2020. The key changes in the new contract are aimed at further ensuring the prepaid gas balance is fully utilised within the contract period.

The Company has performed an assessment to determine whether the prepaid gas asset is recoverable since the amount has continued to increase over the years and has shown a significant increase in the current year due to additional payments made in line with the terms of the re-negotiated contract. This assessment involved a determination of future gas utilization based on assumptions such as future production volumes, forecasted growth rates and utilisation levels as well as the ability of the vendor to fulfill its obligations under the terms of the contract. Based on the assessment performed, including sensitivity analysis around the key judgments and assumptions, the Company expects to fully recover the prepaid gas asset balance within the contract term.

19.2 Letters of credit

The balance represents funded letters of credit in respect of capital expenditure for which the transaction value still resides with the bank and is awaiting transmission to the foreign supplier. The balance has been classified as non-current due to uncertainty of the timing of the usage of the facility for the Ashaka debottlenecking project, which is currently on hold.

20 INVENTORIES

	Group		Company	
	30 September 2024			

Included in finished goods is off-spec clinker amounting to N8.5 billion and N 0.71 billion (2023: N4.9 billion and N0.62 billion) for Group and Company respectively and an obsolescence allowance of N11.5 billion and N10 billion (2023: N10.3 billion and N8.9 billion) for Group and Company respectively.

20.1 Other supplies

Other supplies consists of safety equipment, packaging materials, traditional fuel and production materials.

21 TRADE AND OTHER RECEIVABLES

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Trade receivables:				
Third party sales	5,016,584	5,748,655	4,301,718	5,227,619
Related party sales	—	—	8,745,322	284,006
	5,016,584	5,748,655	13,047,040	5,511,625
Impairment allowance on trade receivables (Note 2)	(903,095)	(679,949)	(689,125)	(613,407)
Net trade receivables	4,113,489	5,068,706	12,357,915	4,898,218
Other receivables (Note 21.1)	2,918,778	1,309,401	2,765,913	1,245,689
Due from related parties (Note 21.3)	1,895,304	1,491,732	44,796,962	43,085,340
Other short term receivables	4,814,082	2,801,133	47,562,875	44,331,029
Total trade and other receivables	8,927,571	7,869,839	59,920,790	49,229,247

The Group and Company's exposure to credit and foreign exchange risks related to trade and other receivables are disclosed in Note 4.

21.1 Other receivables

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Withholding tax receivable	999,269	999,116	998,629	998,476
Receivable from registrar	942,079	202,096	942,079	202,096
Staff and other related receivables	977,430	108,189	825,205	45,117
	2,918,778	1,309,401	2,765,913	1,245,689

See Note 4.1.1 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

21.2 Impairment allowance on trade receivables

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
At 1 January	679,949	711,663	613,407	676,567
Impairment loss provision/ (write-back)	223,146	(31,714)	75,718	(63,160)
At Closing	903,095	679,949	689,125	613,407

21.3 Due from related parties

The balance for the company includes Intra-group and Inter-company receivables from operations ranging from employee recharge costs to other back end expenses. The Intra-group receivables have been eliminated in arriving at the Group figure. See Note 35.5 for reference.

22 CASH AND CASH EQUIVALENTS

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Restricted cash (Note 22.1)	2,572,345	2,525,271	1,835,826	1,835,826
Cash at bank (Note 22.2)	87,888,157	165,844,333	83,393,918	156,410,557
Cash and cash equivalents in the Statement of Financial Position	90,460,501	168,369,604	85,229,744	158,246,383

22.1 Restricted cash

As at period end, cash and cash equivalents included restricted cash, which represents unclaimed dividend amounting to ₦2.57 billion and ₦1.84 billion (31 December 2023: ₦2.53 billion and ₦1.84 billion) for the Group and Company respectively.

The Group and Company's exposure to credit risk, interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 4.

22.2 Cash and cash equivalents in the Statement of Cash Flows

	30 September 2024 ' 000	30 September 2023 ' 000	30 September 2024 ' 000	30 September 2023 ' 000
Cash at bank	87,888,157	154,640,212	83,393,918	145,023,149
Cash and cash equivalents in the Statement of Cash Flows	87,888,157	154,640,212	83,393,918	145,023,149

23 SHARE CAPITAL

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Minimum Issued share capital: 16,107,795,721 ordinary shares of 50k each	8,053,899	8,053,899	8,053,899	8,053,899

	Group		Company	
	9 months ended 30/09/2024	9 months ended 30/09/2023	9 months ended 30/09/2024	9 months ended 30/09/2023
Profit attributable to equity holders of the Company (' 000)	57,297,762	39,304,655	56,142,935	38,000,017
Number of ordinary shares in issue (Basic) ('000)	16,107,796	16,107,796	16,107,796	16,107,796
Basic earnings per share (Kobo)	356	244	349	236

25 The other reserves arising on business combination and re-organisation is used to recognise the adjustments arising from business combination/re-organisation for entities under common control, when the pooling of interest method was adopted.

26 LOANS AND BORROWINGS

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Non-current	643,834	1,253,406	630,965	1,042,554
Current	855,776	24,991,106	1,607,429	23,656,807
Total loans and borrowings	1,499,610	26,244,512	2,238,394	24,699,361
Split into:				
Power fund (Note 26.1)	651,225	1,082,251	—	—
Bank loans (Note 26.2)	—	23,553,987	—	21,889,006
Related party loan (Note 26.5)	—	—	1,429,317	1,211,117
Lease liabilities (Note 26.3)	848,385	1,608,274	809,077	1,599,238
Total loans and borrowings	1,499,610	26,244,512	2,238,394	24,699,361

26.1 Power fund

Lafarge Africa Plc accessed ₦5.3 billion from the CBN/BOI Power and Aviation Intervention Fund in September 2013 through Guaranty Trust Bank Plc (GTB). Principal and Interest are paid quarterly. The facility has a 10-year tenure with a fixed interest rate of 4% per annum and an effective interest rate of 15.23%. per annum The outstanding balance is fully amortized.

Ashakacem Ltd also accessed an additional N6.4 billion from the CBN/BOI intervention fund in March 2019 through Zenith Bank. The loan assessed amounted to ₦6.4 billion. Principal repayment commenced in December 2019. The facility has a 7.5-year tenure and an interest rate of 5% per annum. The outstanding balance, at amortized cost, amounts to ₦0.45 billion (2023: ₦1.08 billion) bringing the total balance in the Group's books to ₦0.45billion (2023:₦1.08 billion).

26.2 Bank loans

Bank loans represents letters of credit funded by banks for which Lafarge Africa Plc has the obligation to

26.4 Movement in loans and borrowings

	Group	Company
	' 000	' 000
As at 1 January 2024	26,244,512	24,699,361
Additions:		
Leases	685,310	685,310
	26,929,822	25,384,671
Interest expense	1,820,370	1,741,828
Interest paid on borrowings	(161,032)	—
Principal repaid	(25,955,210)	(23,753,765)
Repayment of lease liabilities	(1,134,340)	(1,134,340)
As at 30 September 2024	1,499,610	2,238,394
As at 1 January 2023	36,592,850	33,785,424
Additions:		
Leases	1,646,623	1,646,623
Loans received	25,095,999	24,657,174
	63,335,472	60,089,222
Interest expense	562,397	540,951
Interest paid on borrowings	(160,308)	(13,816)
Interest paid on leases	(304,999)	(304,999)
Principal repaid	(39,296,168)	(37,664,680)
Repayment of lease liabilities	(1,721,097)	(1,721,097)
Impact of modification of leases	(505,000)	(505,000)
Exchange (gain)/loss	4,334,215	4,278,780
As at 31 December 2023	26,244,512	24,699,361

26.5 Related party loan

The balance represents the accrued interest on a loan from AshakaCem Ltd to Lafarge Africa Plc. The principal was settled in March 2019. See Note 35.6 for details.

27 PROVISIONS

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	' 000	' 000	' 000	' 000
Non current (Note 27.1)	3,933,884	2,859,365	2,805,706	1,492,476
Current (Note 27.2)	1,765,097	2,212,705	1,505,246	1,895,936
	5,698,981	5,072,070	4,310,952	3,388,412

27.1 Non current

Site restoration cost	Group ' 000	Company ' 000
As at 1 January 2024	2,859,365	1,492,476
Provision made	1,985,354	2,122,962
Payment/Utilized	(910,835)	(809,732)
As at 30 September 2024	3,933,884	2,805,706
As at 1 January 2023	2,718,462	1,389,034
Provision made	338,373	286,148
Payment/Utilized	(366,020)	(182,706)
Unwinding of discount	168,550	—
As at 31 December 2023	2,859,365	1,492,476

The provision for site restoration represents an estimate of the costs involved in restoring production sites at the end of the expected life of the quarries. The provision is an estimate based on reclamation closure expert valuation and management's re-assessment. The Company employs the services of the following external valuation specialists for the measurement and valuation of site restoration;

— Geofourier systems limited (FRC/2021/003/00000022935);

— Isayinka Olusegun (FRC/2021/004/00000024038).

The cost would be unwound for a period of 5–15 years for the Group and Company. The long term inflation and discount rates used in the estimate entities within the Group was 30.8% (2023: 29%) and 15% (2023: 15%) respectively.

27.2 Current

Employee related provision	Group ' 000	Company ' 000
As at 1 January 2024	2,212,705	1,895,936
Provision made during the period	1,833,590	1,631,932
Payment in the period	(2,281,198)	(2,022,622)
As at 30 September 2024	1,765,097	1,505,246
As at 1 January 2023	2,353,466	2,108,367
Provision made during the year	1,960,661	1,658,953
Payment in the year	(2,101,421)	(1,871,383)
As at 31 December 2023	2,212,705	1,895,936

The provision for productivity bonus is based on employee performance during the period.

28 DEFERRED INCOME

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	' 000	' 000	' 000	' 000
Non-current	—	872,966	—	867,313
Current	53,934	162,110	—	113,829
	53,934	1,035,076	—	981,142

Deferred income results from the benefit received from a below-market-interest rate government loan (CBN/BOI Intervention Fund loan). The revenue is recognized in profit or loss over the useful life of the asset financed with the loan.

29 EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution plan — Pension

The employees of the Company, (Lafarge Africa Plc, and the subsidiary, AshakaCem Ltd,) are members of a state arranged Pension scheme (Pension Reform Act, 2014) regulated by the Nigerian government but managed by several private sector service providers. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the defined contribution plan is to make the specified contributions to the third party organizations, which are responsible for the financial and administrative management of the funds.

Defined benefits plan — Gratuity and Long Service Award

At 31 December 2015, the Group discontinued the gratuity scheme for all qualifying staff.

The plans represents an "In-house" gratuity for employees above 50 years of age and service of above 10 years. The retirement age is 60 years and no other post-retirement benefits are provided to these employees. This is a non-funded benefit scheme as the obligation is paid as and when due. The"in house" gratuity will be paid to qualifying staff when the two conditions are fully met. Long service award is granted at first to employees that have spent a minimum of ten years in service and for every multiple five years the employee remains in service. Payments to employees are both in cash and in kind. The actuarial valuations of the present value of the defined benefit obligation were carried out at 31 December 2023 by Deloitte & Touche Nigeria FRC/2022/COY/091021 (Takalani Sikhavhakhavha, FRC/2023/PRO/NAS/004/802144). The present value of the defined benefit obligation were measured using the Projected Unit Credit Method.

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Non current	' 000	' 000	' 000	' 000
Employee long service award scheme	2,212,169	1,953,620	1,929,570	1,700,815
Staff gratuities	304,913	240,683	304,913	240,683
	2,517,082	2,194,303	2,234,483	1,941,498

30 TRADE AND OTHER PAYABLES

	Group		Company	
	30 September 2024 ' 000	31 December 2023 ' 000	30 September 2024 ' 000	31 December 2023 ' 000
Trade payables	89,703,177	47,916,414	81,811,368	45,523,914
	89,703,177	47,916,414	81,811,368	45,523,914
Other payables:				
Related party — technical service fee (Note 30.1)	4,123,572	4,728,807	4,123,572	4,728,807
Related companies (Note 35.5)	6,088,829	6,550,237	29,236,382	28,955,034
Withholding tax payable	2,321,320	29,010	2,336,966	29,010
Value added tax payable	7,389,996	1,297,176	7,416,596	1,179,052
Accruals	7,447,075	9,927,625	7,449,529	9,383,282
Other liabilities (Note 30.2)	48,034,032	30,505,735	37,275,590	23,399,454
	75,404,824	53,038,590	87,838,635	67,674,639

30.1 LafargeHolcim Technical service fees

This represents the outstanding liability on the Industrial Franchise Agreement with LafargeHolcim of Switzerland. The terms of the agreements include:

— The right for Lafarge Africa Plc to use technical research and development information relating to production and distribution of cement products

— The provision by LafargeHolcim of technical and operational support through the secondment of suitably qualified expatriate personnel, as requested by Lafarge Africa Plc and approved by the Federal Government of Nigeria.

— The guarantee by LafargeHolcim of the achievement of raw material reserves and production targets by Lafarge Africa Plc.

30.2 Other liabilities

Included in the other liabilities are customers rebate provision (₦2.76 billion), litigation provision (₦0.39 billion), non income tax provisions (₦10 billion), capital expenditure (₦17.8 billion) and other provisions (₦6 billion).

30.3 Dividend payable to equity holders of the Company

	Group ' 000	Company ' 000
At 1 January 2024		
Dividend declared	30,604,812	30,604,812
Payment to the equity holders of the parent (Note 30.4)	(30,604,812)	(30,604,812)
As at 30 September 2024	—	—

32.1.1 Reconciliation of changes in inventories included in statement of cash flows:

	Group		Company	
	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000
Movement in inventories	(46,256,558)	(183,926)	(39,253,772)	3,153,203
Reclassification to Property, plant and equipment	(445,561)	—	—	—
Movement as per the Statement of Cashflows	(46,702,119)	(183,926)	(39,253,772)	3,153,203

32.1.2 Reconciliation of changes in trade and other receivables included in statement of cash flows:

	Group		Company	
	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000
Movement in trade and other receivables	(1,057,732)	(826,983)	(10,691,543)	(10,225,535)
Reclassification of Impairment provision on trade receivables (Note 21.2)	223,146	8,909	75,718	6,626
Movement as per the Statement of Cashflows	(834,586)	(818,074)	(10,615,825)	(10,218,909)

32.1.3 Reconciliation of changes in other assets included in statement of cash flows:

	Group		Company	
	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000
Movement in other assets	(77,567,418)	(1,255,453)	(75,287,269)	3,117,165
Reclassification of prepayments for construction expenditure	(440,503)	—	(440,503)	—
Movement as per the Statement of Cashflows	(78,007,921)	(5,272,738)	(75,727,772)	(4,675,023)

32.1.4 Reconciliation of changes in other financial assets included in statement of cash flows:

	Group		Company	
	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000	9 months ended 30/09/2024 N'000	9 months ended 30/09/2023 N'000
Movement in other financial				

32.3 Other non cash items

	Group		Company	
	9 months ended 30/09/2024 ' 000	9 months ended 30/09/2023 ' 000	9 months ended 30/09/2024 ' 000	9 months ended 30/09/2023 ' 000
Gain on disposal of property, plant and equipment	(923,172)	(104,188)	(91,475)	(104,188)
Impairment loss on trade receivables (Note 11)	(223,146)	31,714	(75,718)	63,160
Movement in site restoration provision (Note 27.1)	1,074,519	837,659	1,313,230	201,734
Government grants (Note 10)	(981,142)	(202,754)	(981,142)	(83,049)
	(1,052,941)	562,431	164,895	77,657

33 COMMITMENTS FOR EXPENDITURE

Capital expenditure contracted for at the reporting period end but not recognised in the financial statements is as follows:

	Group		Company	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000

Goods were sold to related parties during the year based on normal commercial terms and conditions and at

The sale of goods to/from related parties was carried out on commercial terms and conditions. Hence, the Directors are of the opinion that there is no conflict of interests. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

35.5 Other receivables from and payables to related parties

Other receivables

			Group		Company	
			30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
AshakaCem Limited	Subsidiary	Back end expenses and System, application & support cost	—	—	43,469,262	41,826,112
Lafarge S.A.	Fellow subsidiary	Back end expenses.	417,144	153,137	399,242	153,137
LafargeHolcim Energy Solutions						

			Group		Company	
			30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
Services Singapore Pte Ltd	Fellow subsidiary	Back end expenses.	132,475	860,437	88,546	708,609
Lafarge International Africa (PTY) Ltd	Fellow subsidiary	Back end expenses.		—		—
Lafarge Industries South Holcim España, S.A.U.	Fellow subsidiary	Back end expenses.	111,078	135,956	111,078	135,956
Lafargeholcim Building Materials (China) Co., Ltd	Fellow subsidiary	Back end expenses.	—	—	—	—
LH Trading Ltd	Fellow subsidiary	Back end expenses.	—	—	—	—
Lafargeholcim Maroc	Fellow subsidiary	Back end expenses.	—	176,799	—	176,799
Lafarge Cement Technical Center Vienna Gmbh	Fellow subsidiary	Back end expenses.	—	8,762	—	8,762
Lafarge Cement Egypt S.A.E.	Fellow subsidiary	Back end expenses.	9,236	215,838	9,236	8,483
Lafarge A&C Technical Service (Beijing) Co Ltd	Fellow subsidiary	Back end expenses.	—	15,641	—	—
Lafarge Asia Sdn Bhd (Asia Technical Center)	Fellow subsidiary	Back end expenses.	—	277,991	—	—
LafargeHolcim Investment Ltd	Fellow subsidiary	Back end expenses.	—	306,622	—	—
Wapsila Nigeria Limited	Fellow subsidiary	Investment	10,000	10,000	10,000	10,000
			6,088,829	6,550,237	29,236,382	28,955,034

*** Back end expenses relates to charge back of employee related costs, IT services and other administrative expenses.

35.6 Loans from related parties

	Group		Company	
	30 September 2024 N'000	31 December 2023 N'000	30 September 2024 N'000	31 December 2023 N'000
AshakaCem Limited	—	—	1,429,317	1,211,117
	—	—	1,429,317	1,211,117

36 EVENTS AFTER THE REPORTING PERIOD

Holcim announced that it has signed an agreement to sell its entire 83.81% in Lafarge Africa Plc to Huaxin Cement Limited. The transaction is expected to close in 2025, subject to customary and regulatory approvals. Except as disclosed above, there are no events which could have had a material effect on the financial position of the Group and the Company as at 30 September 2024 and Group and the company financial performance for the year ended that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

Other National Disclosures

CONSOLIDATED AND SEPARATE VALUE ADDED STATEMENT
for the period ended 30 September 2024

Group	9 months ended 30/09/2024 N'000	%	9 months ended 30/09/2023 N'000	%
Revenue				
Bought in materials and services	479,941,897	280	289,081,398	354
Local	(294,044,237)	(172)	(289,131,034)	(274)
Imported	(17,771,971)	(10)	(10,719,970)	18
Other income and finance income	3,298,817	2	3,914,590	2
Value added	171,424,505	100	105,498,238	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	43,268,914	25	23,467,020	23
To pay providers of capital:				
Interest on borrowings	15,049,983	9	1,940,006	1
To pay government:				
Income tax expense	34,250,071	20	21,851,700	2
Retained in the business				
To maintain and replace:				
Depreciation of property, plant and equipment	21,557,775	13	20,457,391	24
To augment reserves	57,297,762	33	39,304,655	51
Value added	171,424,505	100	105,498,238	100

Company	9 months ended 30/09/2024 N'000	%	9 months ended 30/09/2023 N'000	%
Revenue				
Bought in materials and services	445,730,179	281	264,967,798	340
Local	(271,494,092)	(171)	(155,865,542)	(221)
Imported	(17,732,384)	(11)	(9,618,547)	(21)
Other income and finance income	2,146,085	1	3,604,544	2
Value added	158,649,789	100	103,088,253	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	34,962,996	22	24,291,765	21
To pay providers of capital:				

FIVE YEAR FINANCIAL SUMMARY
for the period ended 30 September 2024

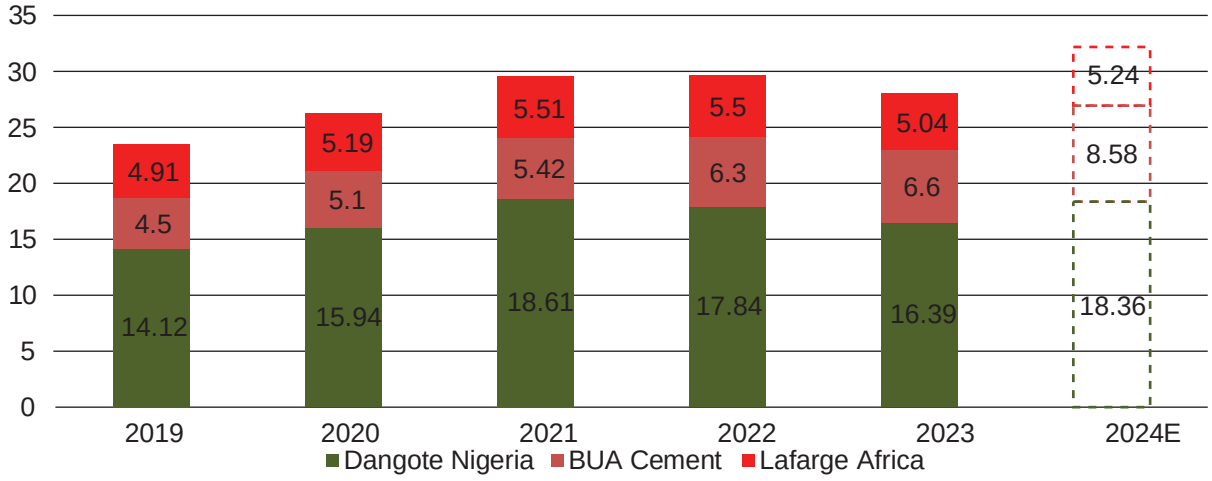
Group

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Financial position					
Capital employed:					
Ordinary share capital	8,053,899	8,053,899	8,053,899	8,053,899	8,053,899
Share premium	435,148,731	435,148,731	435,148,731	435,148,731	435,148,731
Retained earnings	272,671,244	245,978,292	227,028,432	189,487,103	170,579,540
Foreign currency translation reserve	—	—	—	—	(14,611)
Other reserves on business combination and re-organisation	(254,129,057)	(254,129,057)	(254,129,057)	(254,129,056)	(254,129,057)
Total equity	461,744,817	435,051,865	416,102,005	378,560,677	359,638,502
Represented by:					
Property, plant & equipment	390,674,681	360,219,496	341,458,500	338,721,748	348,328,150
Intangible assets	1,674,105	1,743,322	91,182	713,746	1,939,210
Investment in joint ventures	—	—	—	—	

The following discussion and analysis should be read in conjunction with financial information of Target Company A, Target Company B and the Ultimate Target Company for the years ended 31 December 2021, 2022, 2023 and the nine months ended 30 September 2024 (the "Relevant Period"), as set out in Appendices II, III and IV to this circular.

The target of the Acquisition includes Target Company A, Target Company B and the Ultimate Target Company. Target Company

Main Cement Players' Sales Volume (million ton)



Source: Cardinal Stone Research

The revenue outlook for the cement sector is biased to the upside in the second half of 2024. Growth in sales is expected to continue mainly due to projected improvements in public sector demand, stemming from the Renewed Hope Infrastructure Development Fund (RHIDF) and other government-led infrastructure projects. In addition, the elevated pricing environment will serve as a boost to topline.

On the contrary, with severe cost pressures projected to linger in 2024 due to higher energy & haulage costs, FX losses, and reversion to a higher effective tax rate for cement players, margins are likely to be pressured.

The cement industry has shown signs of recovery from the challenges faced in 2023, as the production of the three major players increased by 11.3% year-on-year in the first half of 2024, reaching 15.6 million metric tons. Production forecast for the 2024 fiscal year is at 32.26 million tons, mainly due to strong public sector demand and the federal government's commitment to infrastructure development. It is estimated that the Nigerian federal government, had approximately 10.00 trillion naira in capital expenditures (CAPEX), accounting for 34.8% of the total budget in 2024. In addition, the Nigerian Senate has approved a supplementary budget of 6.20 trillion naira, of which 3.20 trillion naira is dedicated to infrastructure projects, particularly through the Renaissance Hope Infrastructure Development Fund (RHIDF) initiative.

Furthermore, the Federal Accounts Allocation Committee (FAAC) has established a special account, "Intervention to States for Infrastructure and Security," where N100 billion is remitted monthly from the federation's gross revenue. Media reports confirm that the Federal Government raised N900 billion through this initiative between November 2023 and July 2024. We expect this strong focus on infrastructure to boost demand for cement, with positive pass-through to construction and cement GDP.

2. BUSINESS & PRODUCTS OF LAP

LAP is listed on the Nigerian Exchange Limited and serves Nigeria with a wide range of building and construction solutions, mainly engaged in the production and sales of cement, commercial concrete, mortar, and environmental waste disposal business (Geocycle).

With four plants in Nigeria spread across Sagamu and Ewekoro, Ogun State (South-West), Ashaka, Gombe State (North-East) and Mfamosing, Cross River State (South-South), Lafarge Africa PIc currently has an installed cement p

Operating Profit

In the Relevant Period, LAP recorded operating profits of approximately 65.1 billion naira, 84.19 billion naira, 102.02 billion naira and 126.59 billion naira respectively.

Financial Cost

In the Relevant Period, the financial costs were approximately 5.28 billion naira, 15.98 billion naira, 25.98 billion naira and 36.08 billion naira. In 2023 and the first three quarters of 2024, the increase of financial cost was due to a significant increase in exchange losses. The details are as follows:

	31 Dec 2021 NGN 000	31 Dec 2022 NGN 000	31 Dec 2023 NGN 000	30 Sep 2024 NGN 000
Interest on borrowings	3,763,760	766,862	562,397	1,820,370
Unwinding of discount on provisions	140,460	174,976	168,550	—
Interest cost on employees long service award	122,262	237,636	—	84,283
Interest cost on staff gratuities	29,400	35,543	–64,332	364,288
Bank charges & other interest cost*				

As of 31 December 2021, 2022, 2023 and 30 September 2024, the leverage ratios were approximately 0.39, 0.44, 0.57, 0.75 respectively. The increase in leverage ratio is mainly due to inflation in Nigeria in 2023 and the first three quarters of 2024 and rising product prices have led to an increase in trade and other payables.

As of 31 December 2021, 2022, 2023 and 30 September 2024, the balance of cash and cash equivalents were approximately 50.06 billion naira, 118.40 billion Naira, 168.37 billion naira, and 90.46 billion naira respectively. In the first three quarters of 2024, the decrease in cash was mainly due to bank loan repayment and an increase in inventory.

As of 31 December 2021, 2022, 2023 and 30 September 2024, LAP had loans and borrowings of approximately 23.29 billion naira, 36.59 billion naira, 26.24 billion naira and 1.50 billion naira respectively, all of which were denominated in naira. The following table sets out a breakdown of LAP's loans and borrowings as at the dates indicated:

	As of 31 December,		As of 30 September,	
	2021	2022	2023	2024
	N'000	N'000	N'000	N'000
Current:				
— Bank Loans	20,805,272	35,062,463	24,991,106	855,776
Non-Current				
— Bank Loans	2,482,049	1,530,387	1,253,406	643,834
Total	23,287,321	36,592,850	26,244,512	1,499,610

Please refer to the notes in the accountants' reports of LAP in Appendix IV to this circular for the maturity analysis of LAP's bank borrowings. As of 31 December 2021, 2022, 2023 and 30 September 2024, LAP did not have any other borrowings.

Asset mortgage

During the Relevant Period, the LAP did not have any assets mortgage.

Foreign Exchange Exposure

LAP conducts its business in Nigeria and all transactions are denominated in 1Tf0-2.3641TD.03TI

Significant Investment, Material Acquisitions and Disposals

During the Relevant Period, there were no significant investments held by LAP and there were no material acquisitions and disposals of subsidiaries, associates and joint ventures by LAP.

Employee and Compensation Policy

As of the 31 December 2021, 2022, 2023 and 30 September 2024, LAP had a total number of approximately had 2,464, 2,472, 2,201 and 2,201 full time employees (own &

The following information does not form part of the auditor's reports included in Appendices II, III, and IV of this circular, and is included in this circular for reference purposes only. The unaudited pro forma financial information included below should be read together with Appendices I, II, III, and IV of this circular.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(i) Basis of preparation of the unaudited pro forma financial information of the Enlarged Group

To provide additional financial information, the unaudited pro forma consolidated statement of financial position as at 30 September 2024 (the "Unaudited Pro Forma Financial Information") of the Enlarged Group (being the Company and its subsidiaries (the "Group") together with Caricement B.V. (the "Target Company A"), Davis Peak Holdings Ltd (the "Target Company B"), and Lafarge Africa Plc (the "Ultimate Target Company") and its subsidiaries (hereinafter collectively referred to as the "Ultimate Target Group")),) (the Ultimate Target Group together with Target Company A and Target Company B are hereinafter collectively referred to the "Target Group") has been prepared by the Directors in connection with the proposed acquisition of 100% equity interest in Target Company A held by Holderfin B.V. through its wholly-owned subsidiary Hainan Huaxin Pan-African Investment Co., Ltd. for US$560.44 million in cash (subject to customary downward adjustments based on the value impairment clause of the Share Purchase Agreement), and 100% equity interest in Target Company B held by Holderfin B.V. through its wholly-owned subsidiary Huaxin (Hong Kong) International Holdings Co., Ltd for US$277.69 million in cash (subject to customary downward adjustments based on the value impairment clause of the Share Purchase Agreement) after the 27.77% equity interest of the Ultimate Target Group was transferred to Target Company B from Associated International Cement Limited (the "Proposed Acquisitions") based on:

- the historical unaudited consolidated statement of financial position of the Group as at 30 September 2024 which has been extracted from the Group's unaudited financial statements for the period ended 30 September 2024 as set out in the published 2024 third quarterly report for the period ended 30 September 2024 dated 25 October 2024; and

- the audited consolidated statements of financial position of the Ultimate Target Group as at 30 September 2024, the audited statements of financial position of the Target Company A as at 30 September 2024 and the audited statements of financial position of the Target Company B as at 30 November 2024 which has been extracted from Appendix II, Appendix III and Appendix IV respectively to this circular.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the financial information contained in this circular and the financial statements of the Ultimate Target Group, the Target Company A and the Target Company B as set out in Appendix II, Appendix III and Appendix IV respectively to this circular.

The functional and presentation currency of Lafarge Africa Plc is Naira. The assets, liabilities and equity of Lafarge Africa Plc as at 30 September 2024 have been translated into the Group's presentation currency, RMB, at an exchange rate of 1.00 Naira to 0.0044 RMB as at 30 September 2024 for illustration purposes. Such translation does not constitute a representation that any amount has been, was or could be otherwise converted or translated at such exchange rate.

5. The Target Company B has no historical accounting records for the period from November 12, 2024 (the date of incorporation of the Company) to November 30, 2024. Pursuant to the Share Purchase Agreement signed by the parties to this transaction, the Target Company B has no other assets and liabilities except for the 27.77% equity interest in Lafarge Africa Plc that it will hold before the closing of this transaction. In order to demonstrate how the proposed acquisition might have affected the historical financial information in respect of the Group, the management of the Company assumes that the Target Company B had acquired 27.77% of the issued shares of the Ultimate Target Company from Associated International Cement Limited using the relevant consideration of the Proposed Acquisition as the initial investment cost of the long-term equity investment, and propose the pro forma adjustments accordingly.

6. The pro forma adjustments reflect the allocation of the cost of the Proposed Acquisitions to the identifiable assets and liabilities of the Target Group acquired by the Company which present:

   (a) Fair value adjustments of the identifiable assets and liabilities of the Target Group

   Upon completion of the Proposed Acquisitions, the identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Enlarged Group at fair value under the purchase method in accordance with Accounting Standard for Business Enterprises No. 20 — Business Combinations.

   For the purpose of this Unaudited Pro Forma Financial Information, the Directors have assumed that the carrying amounts of the identifiable assets and liabilities of the Target Group as at the completion date approximated to their fair values and that no intangible assets that will be separate from goodwill have been identified based on currently available information. The reassessment of the fair value adjustments of the identifiable assets and liabilities acquired and the related deferred tax impact as at the completion date will be performed by the management and the information of the fair values of the identifiable assets and liabilities acquired is not available at the date of this circular.

   (b) Recognition of goodwill in relation to the Proposed Acquisitions

   Goodwill of the Enlarged Group represents the excess of the estimated cost of the Proposed Acquisitions over the estimated fair value of the identifiable net assets of the Target Group. For the purpose of the Unaudited Pro Forma Information, the Directors of the Company had assumed that: (1) the estimated consideration of the Proposed Acquisitions was equivalent to RMB5,873,122,000 as set out in Note 4 above; and (2) the estimated fair value of the identifiable net assets of the Target Group as at 30 September 2024 is determined based on the carrying amount of the net assets attributable to equity holders of the Target Group as set out in Note 5 (a) above.

The goodwill of the Enlarged Group is calculated as follows:

	As of 30 September 2024 RMB Thousand
Consideration for the acquisition transaction (a)	5,873,112
Net assets of Target Company A (b)	3,938,438
Net assets of Target Company B (c)	—
Net Assets of Ultimate Target Group (d)	2,019,920
Pro forma adjustment for Target Company B (e)	1,945,885
Less: Consolidation elimination (f)	1,692,895
Non-identifiable assets of the Target Group (g)	4,180,217
Minority interests in the Target Group (h)	327,025
Identifiable net assets of the acquired Target Group (i=b+c+d+e-f-g-h)	1,704,106
Goodwill arising from Proposed Acquisitions (j=a-i)	4,169,006

Goodwill of RMB4,169,006 thousand arising from the Proposed Acquisitions is measured at cost on initial recognition and would be subsequently tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. To the best knowledge of the Directors, the Group's independent auditors will conduct the audit in accordance with the Accounting Standards for Business Enterprises ("ASBEs") to perform the impairment assessment of the Enlarged Group's goodwill during the future annual audit of the Enlarged Group.

The Directors confirm that the basis of preparation of the Unaudited Pro Forma Financial Information is consistent with the Group's accounting policies.

The fair values of the identifiable assets and liabilities of the Target Group at the closing date will be reassessed which may be substantially different from the respective values used in the unaudited pro forma statement of financial position of the Enlarged Group. Once the fair values of the identifiable net assets of the Target Group are available, the goodwill recognized for identifiable assets and liabilities acquired at the closing date may be different from the amount presented above. The Directors believes that following the Closing of the Transaction, after conducting purchase price allocation, the goodwill generated from this Acquisition for the Enlarged Group is expected to be less than the amount set out above.

7. For the purpose of the preparation of the Unaudited Pro Forma Financial Information of the Enlarge Group, the estimated total transaction costs of legal, accountancy and other professional services in connection with the Proposed Acquisitions are estimated to be approximately RMB26,988 thousand.

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the full text of the report issued by the Company's reporting accountants,

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Acquisitions on the Group's financial position as at 30 September 2024 as if the Target Company B had been established and had acquired 27.77% of the issued shares of the Ultimate Target Company by 30 September 2024, and Proposed Acquisitions had taken place at 30 September 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Pro

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young Hua Ming LLP
Beijing, the People's Republic of China

27 February 2025

The following contains the full text of the Valuation Report issued by the Independent Valuer on the valuation of the 100% equity interest of the Ultimate Target Company as at 30 September 2024.

The Locked Box Date of the Transaction is December 31, 2023. The Nigerian Naira depreciated rapidly from June 2023 to March 2024. Choosing the Locked Box Date as the valuation date may have an adverse impact on the fairness of the valuation. From March to December 2024, the Naira remained basically stable. Based on this, the valuation date for the following valuation report is selected as at 30 September 2024.

VALUATION REPORT CONSIDERING THE MARKET VALUES OF 100% EQUITY INTEREST OF LAFARGE AFRICA PLC.



21 February 2025

The Directors

Huaxin Cement Co., Ltd.

Dear Sirs,

In accordance with your instructions, we have undertaken an investigation and analysis to express an independent opinion of 100% equity value of Lafarge Africa Plc. ("LAP" or the "Company") as at 30 September 2024 (the "Valuation Date"). The report which follows is dated 21 February 2025 (the "Report Date").

The purpose of this valuation is to express an independent opinion of the fair value of 100% equity value of the Company.

Our valuation was carried out on a fair value basis. Fair value is defined as "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

Our valuation of the 100% equity interest of the Company was developed through the application of an market approach. Market method considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. LAP is a listed company in Nigeria and the 2 main competitors in Nigeria are listed companies, the comparable companies market data is public and can be searched.

As part of our analysis, we have reviewed information prepared by the Company and relevant operational information regarding the subject business from public sources. We have relied to a considerable extent on such information in arriving at our opinion of value.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of Company. We have also considered various risks and uncertainties that have potential impact on the businesses. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and King Kee Appraisal and Advisory Limited ("KKG").

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Based on the investigation and analyses outlined in the report which follows, we are of the opinion that the fair value of 100% equity value of LAP as at the Valuation Date is reasonably stated as below:

Market value of 100% equity value as at Valuation Date (In USD'000, rounded)
1,002,000

The following pages outline the factors considerehrilynd.uh[menthodolog

Introduction

This report has been prepared in accordance with instructions from you to express an independent opinion of the fair value of 100% equity value of Lafarge Africa Plc. ("LAP" or the "Company") as at 30 September 2024 (the "Valuation Date"). The report which follows is dated 21 February 2025 (the "Report Date").

Purpose of Valuation

The purpose of this valuation is to express an independent opinion of the 100% equity value of LAP as at Valuation Date.

Basis of Value

Our valuation was carried out on a fair value basis. Fair value is defined as "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".

Basis of Opinion

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. The valuation procedures employed include the review of physical and economic condition of the subject asset, an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the subject asset. All matters we consider essential to the proper understanding of the valuation will be disclosed in the valuation report.

The following factors form an integral part of our basis of opinion:

. Assumptions on the market and the asset that are considered to be fair and reasonable;

. Financial performance that shows a consistent trend of the operation;

. Consideration and analysis on the micro and macro economy affecting the subject asset;

. Analysis on tactical planning, management standard and synergy of the subject asset;

. Analytical review of the subject asset; and

. Assessment of the leverage and liquidity of the subject asset.

Transaction Background

LAP is actually controlled by Holcim Ltd. through several layers of holding structure. As a company listed on the Nigerian Stock Exchange, LAP's 27.77% equity is held by Associated International Cement Ltd. ("AICL"), 56.04% is held by Caricement B.V. ("CBV"), and the remaining equity is traded in the securities market. Pursuant to the Share Purchase Agreement, AICL is expected to transfer the 27.77% equity interest in LAP to Davis Peak Holdings Limited prior to the Closing.

Huaxin Cement Co., Ltd. ("Huaxin") plans to acquire 100% equity of CBV and Davis Peak Holdings Limited, actually acquiring 83.81% eq

Company Background

LAP is a listed cement production company in Nigeria (NGSE:WAPCO), one of the biggest three cement production companies in Nigeria, the other two competitors are BUA Cement Plc. ("BUA") and Dangote Cement Plc. ("Dangote"). Dangote is the biggest cement company in Nigeria and BUA is a low-cost strategy competitor, LAP has a leading position in the market to charge the prices above the industry average, in the H1 2024 LAP's selling price per ton reaches an average of NGN111,622 (vs the industry average NGN104,278, source: Cardinal Stone analysis).

Dangote and BUA continue to expand capacity to capture increasing demand in Nigerian market. Specifically, BUA commissioned in the first half of 2024 Line 3 with a capacity of 3 million tons of cement at its Obu plant and Line 5 with a capacity of 3 million tons of cement at its Sokoto plant. BUA also announced that plans for a new plant with a cement capacity of 3 million tons of cement in Adamawa State are currently underway. Elsewhere, Dangote's Itori plant with a cement capacity of 3 million tons is expected to be completed in 2025.

Meanwhile, since the second line of Mfamosing plant was put into operation in 2016, LAP hasn't commissioned any new capacity and hasn't disclosed any plans to expand. LAP currently operates four main plants, including Sagamu, Ewekoro, Ashaka and Mfamosing. Ashaka has own coal mine and the others have own limestones mines, these plants are built nearby the mines. Huaxin has the plan to help all plants do equipment improvement to enhance the capacity and utilization. The specific information about these plants is as below:

Plans information						
Plants	location	line	fuel	designed capacity	output in 2024	utilisation
				(ton/d)	(ton/d)	
Sagamu	Lagos					
Ewekoro		1	coal+gas	3,000	2,448	79.8%
		2		5,100	3,744	71.3%
Ashaka	Northeast	1	coal	1,050	753	78.6%
		2		1,050	788	67.0%
Mfamosing	Southeast	1	gas	6,000	4,352	66.5%
		2		6,000	3,798	78.0%

LAP operates business mainly in the rapidly growing Nigerian market. The Nigerian cement demanding market is growing fast as a range of construction and infrastructure projects planned or already in progress across the country, especially the Renewed Hope Infrastructure Development Fund ("RHIDF"). Also, the Nigerian cement market is characterized by very high prices, especially in Q1 2024, with a bag of cement retailing for as much as

NGN15,000/50kg. The federal government and cement players agreed that retail prices should be

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wo.2(b).4(ass)0424.the hidden77(o.2(bass)-5.3(u)1(mption)-4.1(s)-419.2(in77(o.2(bth) oass279.2(v)212(al)-5.3(ue.)-278.8(I).1(t)-284.7(i)-.1(s)-278.3(b)2.(based)-282.3(on)-277.1(the)-278(p)2.(brinciple)]TJ20.134(file.

ure profits and there are numerous
e of expected future cash flows.

Moreover, we did not apply LAP's market capitalization to conclude the result directly, because we noticed that LAP's passive development strategy affected the significant underperformance in LAP's share price as compared to other industry peers. And the LAP's market capitalization increased significantly after the Valuation Date, thus we applied comparable companies' method to eliminate the stock price fluctuations of a single stock.

Major Assumptions

Assumptions consider

positive net profit and with market capitalisation USD358 million as at Valuation Date, we excluded the companies with net loss and market capitalisation of less than USD300 million as at Valuation Date. Our CoCos selection is as below:

CoCos selection

Companies	Ticker	Mkt Cap (USD million)	GP margin	EBITDA margin	EBIT margin	Net margin	NWC/ Revenue
BUA Cement Plc	NGSE:BUACEMENT	2,235	30.4%	27.1%	22.7%	6.0%	–12.9%
Ciments du Maroc Société Anonyme	CBSE:CMA	2,674	48.8%	41.1%	33.3%	23.2%	–10.3%
Dangote Cement Plc	NGSE:DANGCEM	5,347	50.7%	334.3%	28.2%	314.0%	1.9%
Lafarge Africa Plc	NGSE:WAPCO	358	49.7%	31.3%	27.1%	12.1%	–16.3%
LafargeHolcim Maroc S.A.	CBSE:LHM	4,512	67.0%	47.0%	37.8%	19.0%	9.1%
PPC Ltd	JSE:PPC	346	16.7%	12.0%	6.6%	34.0%	8.5%
Average		2,579	43.9%	32.1%	26.0%	13.1%	–3.3%

CoCos multiple applied in market approach

We applied the median of CoCos LTM (last twelve-month P/E multiples to arrive at the 100% equity value result of LAP.

Firstly, LAP possesses continuously net income for recent years, the equity of LAP can be best valued through the use of PE multiple, which can eliminate the impact of inconsistent depreciation and amortization policies of CoCos and eliminate the impact of adjustments between enterprise value to equity value.

Secondly, we noticed that the LTM P/E multiple of BUA Cement Plc, one of our CoCos, is relatively higher than other CoCos, thus we applied the median of CoCos' P/E multiples to reduce the influence of outliers on calculation.

CoCos selection

Valuation Comments

The valuation of an interest in a business enterprise requires consideration of all relevant factors affecting the operation of the business and assets and its ability to generate future investment returns. The factors considered in the valuation includes, but not limited to, the following:

. the nature of the business and the historical performance of the enterprise;

. the financial condition of the business and the economic outlook in general;

. the operational contracts and agreements in relation to the business;

. past and projected operating results;

. the financial and business risk of the enterprise including the continuity of income and the projected future results; and

. the nature of the related agreements.

We confirm that we have carried out an inspection on the assets of the Company and we have made relevant searches, enquiries and have obtained such further information which is considered necessary for the purposes of this valuation.

Opinion of Value

Based on the investigation and analyses outlined in the report, we are of the opinion that the fair value of 100% equity value of LAP as at the Valuation Date is reasonably stated as below:

Market value of 100% equity value as at Valuation Date (In USD'000, rounded)
1,002,000

Limiting Conditions

This report and opinion of value are subject to our Limiting Conditions as included in Exhibit A of this report.

Yours faithfully,
For and on behalf of
King Kee Appraisal and Advisory Limited

Richard Zhang
Managing Director
ASA, MRICS, CPV

Exhibit A — Limiting Conditions

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. The responsibility for determining expected values rests solely with the Company/engagement parties and our reports were only used as part of the Company's/engagement parties' analysis in reaching their conclusion of value.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the Board of the Company has reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. KKG shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent management policies over whatever period

9. We assume that there are no hidden or unexpe

16. Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

Exhibit B — Professional Declaration

The valuers certify, to the best of their knowledge and belief, that:

1. Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.

2. The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

3. The reported analyses, opinions, and conclusions are independent and objective.

4. The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

5. The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

6. The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.

Exhibit C — Valuation Result of Company 100% Equity

Valuation Result		In USD'000
Market Approach		
LAP 100% equity value (rounded)		1,002,000
		PE multiple
Comparable companies	Tickers	LTM
BUA Cement Plc	NGSE:BUACEMENT	87.9 x
Ciments du Maroc Société Anonyme	CBSE:CMA	26.7 x
Dangote Cement Plc	NGSE:DANGCEM	19.7 x
Lafarge Africa Plc	NGSE:WAPCO	8.3 x
LafargeHolcim Maroc S.A.	CBSE:LHM	29.4 x
PPC Ltd	JSE:PPC	16.2 x
Median		23.2 x
LTM financT		

Exhibit C — Valuation Result of Company 100% Equity (Continued) (Cross Check)

Cross check method (In USD'000/thousand ton)		EV/ EBITDA multiple	EV/ Capacity
Comparable companies	Tickers	LTM	LTM
BUA Cement Plc	NGSE:BUACEMENT	21.8 x	147.4 x
Ciments du Maroc Société Anonyme	CBSE:CMA	14.3 x	486.6 x
Dangote Cement Plc	NGSE:DANGCEM	9.0 x	170.1 x
Lafarge Africa Plc	NGSE:WAPCO	2.7 x	28.8 x
LafargeHolcim Maroc S.A.	CBSE:LHM	13.5 x	380.0 x
PPC Ltd	JSE:PPC	5.0 x	29.8 x
Median		11.2 x	158.8 x
LTM financials of LAP		115,931	10,500
Implied 100% enterprise value		1,301,597	1,667,077
Surplus cash		56,502	56,502
Non-operating assets/liabilities		50,476	50,476
Debt		(937)	(937)
Implied 100% equity value (rounded)		1,408,000	1,773,000

Notes:

[1] We conducted the EV/EBITDA and EV/Capacity multiples to cross check our result, as these 2 multiples are commonly used in cement industry valuation as well.

[2] The surplus cash is the LAP's cash and cash equivalents book value as at Valuation Date.

[3] The non-operating asset/liabilities refers to the net book value of other assets, employee benefit obligations, provisions, deferred tax liabilities as at Valuation Date.

[4] The Debt refers to the short-term and long-term loans and borrowings book value as at Valuation Date.

[5] The cross-check result is close and little higher than our conclusion, we believe the result is reasonable.

Exhibit C — Valuation Result of Company 100% Equity (Continued) (Cross Check)

Comparable transactions cross check method (In USD'000/thousand ton)			EV/EBITDA multiple	EV/Capacity
	Acquirer	Target	LTM	LTM
1	HBM Holdings Co Mississippi Lime Co	Cementos Bio Bio SA (100%, Bid No 2)	8.1 x	166.6 x
2	City Cement Co	Umm Al-Qura Cement Co (100%)	15.6 x	166.0 x
3	Ambuja Cements Ltd	Orient Cement Ltd (59.67%)	29.4 x	121.5 x
4	Ratanarak Group Co Sunrise Equity Co Ltd	Siam City Cement pcl (53.66%)	8.2 x	73.4 x
5	CNBM	Société Les Ciments de Jbel Oust and Granulats Jbel Oust (100%)	12.0 x	80.6 x
6	UltraTech Cement Ltd	India Cements Ltd (58.72%)	n/a	120.8 x
7	Amsons Group	Bamburi Cement plc (100%, Bid No 1)	7.1 x	46.7 x
8	Quikrete Holdings Inc	Summit Materials Inc (100%)	16.2 x	298.3 x
9	Cimsa Cimento Sanayi ve Ticaret AS Sabanci Building Solutions BV DMCI Holdings Inc	Mannok Holdings DAC (94.7%)	5.7 x	216.2 x
10	Dacon Corp Semirara Mining & Power Corp	CEMEX Holdings Philippines Inc (100%)	n/a	129.8 x
11	Qassim Cement Co SJSC	Hail Cement Co (97.64%)	9.8 x	33.4 x
12	CRH plc Barro Group Pty Ltd	ADBRI Ltd (57.25%)	12.8 x	554.2 x
13	Huaxin Cement Co Ltd	Oman Cement Co (59.58%)	6.2 x	62.5 x
Median			9.8 x	121.5 x
LTM financials of LAP			115,931	10,500
Implied 100% enterprise value			1,136,128	1,275,750

Target	Target Nationality	Acquirer	Announced Date	Deal Status	Deal Value (In USD million)	Enterprise Value (In USD million)	Cement capacity (million tons)	LTM EBITDA (In USD million)	EV/ Capacity (LTM) (USD/ton)	EV/ EBITDA (LTM)
Cementos Bio Bio SA (100%, Bid No 2)	Chile	HBM Holdings Co Mississippi Lime Co	2024/11/18	Pending	583.00	583.00	3.50	~70	166.6	8.1 x
Umm Al-Qura Cement Co (100%)	Saudi Arabia	City Cement Co	2024/10/24	Pending	369.00	369.00	2.20	~20	166.0	15.6 x
Orient Cement Ltd (59.67%)	India	Ambuja Cements Ltd	2024/10/22	Pending	616.00	1,033.00	8.50	~40	121.5	29.4 x
Siam City Cement pcl (53.66%)	Thailand	Ratanarak Group Co Sunrise Equity Co Ltd	2024/8/16	Pending	1,157.00	1,790.00	24.40	~220	73.4	8.2 x
Société Les Ciments de Jbel Oust and Granulats Jbel Oust (100%)	Tunisia	CNBM	2024/7/26	Pending	145.00	145.00	1.80	~10	80.6	12.0 x
India Cements Ltd (58.72%)	India	UltraTech Cement Ltd	2024/7/28	Pending	1,150.00	1,746.00	14.50	n/a	120.8	n/a
Bamburi Cement plc (100%, Bid No 1)	Kenya	Amsons Group	2024/7/10	Pending	184.00	150.00	3.20	~20	46.7	7.1 x
Summit Materials Inc (100%)	United States	Quikrete Holdings Inc	2024/11/25	Completed	11,933.00	11,933.00	40.00	~740	298.3	16.2 x
Mannok Holdings DAC (94.7%)	Ireland	Cimsa Cimento Sanayi ve Ticaret AS Sabanci Building Solutions BV	2024/8/28	Completed	348.00	368.00	1.70	~60	216.2	5.7 x
CEMEX Holdings Philippines Inc (100%)	Philippines	DMCI Holdings Inc Dacon Corp Semirara Mining & Power Corp	2024/4/25	Completed	740.00	740.00	5.70	n/a	129.8	n/a
Hail Cement Co (97.64%)	Saudi Arabia	Qassim Cement Co SJSC	2023/12/24	Completed	287.00	310.00	9.30	~30	33.4	9.8 x
ADBRI Ltd (57.25%)	Australia	CRH plc Barro Group Pty Ltd	2023/12/18	Completed	1,312.00	1,912.00	3.50	~150	554.2	12.8 x
Oman Cement Co (59.58%)	Oman	Huaxin Cement Co Ltd	2023/3/13	Completed	193.00	225.00	3.60	~40	62.5	6.2 x
Average									159.2	11.9 x
Median									121.5	9.8 x

Note:

[1] We searched the comparable transactions EV/EBITDA a

1. DISCLAIMER

This circular is prepared in accordance with the requirements of the Listing Rules to provide information about the Company. The Directors collectively and individually accept full responsibility for the information in this circular. The Directors have confirmed, after making all reasonable inquiries, that to the best of their knowledge and belief, the information contained

Unit: share

Full name of

As of the Latest Practicable Date, the Directors did not have any significant interest in any contracts or arrangements related to the Group's business and still in existence as of the Latest Practicable Date.

7. EXPERT CONSENT AND QUALIFICATIONS

The qualifications of the experts who provided opinions or advice in this circular are as follows:

Name	Qualification
Ernst & Young Hua Ming LLP	Certified Public Accountant
King Kee Appraisal and Advisory Limited	Independent Valuer
Maxa Capital	A licensed corporation qualified to conduct Type 1 and Type 6 regulated activities under Securities and Futures Ordinance

As of the Latest Practicable Date, the above experts did not hold any shares or have any right (whether enforceable by law) to subscribe for or nominate another person to subscribe for securities of any member company in this Group.

As at the Latest Practicable Date, the above experts did not have any direct or indirect interests in any assets which had been acquired, disposed of or leased to, or were proposed to be acquired, disposed of or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The above experts have issued consent letters for publication in this circular, agreeing to the replication of their letters or reports (as the case may be) in the form and content as shown in this circular, with the inclusion of their names, and to date, no consent has been withdrawn.

8. LITIGATION

At the Latest Practicable Date, the Company ("Respondent") and Moncement Building Materials LLC ("Applicant") applied for arbitration to the International Chamber of Commerce due to disputes over the performance of the EPC contract. Upon confirmation by the ICC Court Secretariat, the final claim amount of the Applicant is USD73.214 million, and the counterclaim amount of the Respondent is USD3.8556 million, with a total dispute amount of USD77.0696 million. The arbitration hearing was held on 22–23 March and 25–28 March 2024, awaiting the decision.

Apart from the above, the Company and its enlarged group companies had no involvement in any other significant litigations, arbitrations, or claims. To the best knowledge of the directors, there were no other pending or significant litigations, arbitrations, or claims faced by any member companies of the enlarged group.

9. MAJOR CONTRACTS

Contracts entered into by member companies of the Enlarged Group within the two years preceding the Latest Practicable Date which are or may be significant are as follows (and not contracts entered into in the ordinary course of the Enlarged Group's daily business):

i. Matter regarding the acquisition of the issued shares in Oman Cement Company SAOG

On 13 March 2023, the Company's wholly-owned subsidiary, Huaxin (Hong Kong) International Holdings Limited, entered into an agreement with Investment Authority SPC to purchase 59.58% of the issued shares in Oman Cement Company SAOG, an Oman listed company, for a total consideration of USD193.1 million (subject to adjustment, that is, post completion, the consideration shall be adjusted based on the audited net cash and working capital levels as at completion).

This transaction was completed in April 2023, and the minority shares tender offer was completed in July 2023. Ultimately, the Company acquired 64.66% of the issued shares in

iv. Announcement on the transaction for the acquisition of the aggregate assets in Brazil

On 16 December 2024, the Company'

vii. Valuation Report of the Ultimate Target Company, the full text is in Appendix VII of this circular;

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The proposed amendments to the relevant provisions of the Articles are as follows:

I. AMENDMENTS ON THE "ARTICLES OF ASSOCIATION"

No.	Original Article	Proposed to be amended as
1	Article 1 To safeguard the legitimate rights and interests of the Company, its shareholders and creditors and to regulate the organization and activities of the Company, the Company formulated this Articles of Association, in accordance with the Company Law of the People's Republic of China	

No.	Original Article	Proposed to be amended as
3	Article 21 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors. ……	Article 21 ~~Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.~~ The Company, when issuing shares to

No.	Original Article	Proposed to be amended as
8	Article 44 Share certificates shall be signed by the Chairperson of the board of directors. If the stock exchange on which the Company' s shares are listed requires the signature of other senior executives of the Company, the share certificates shall also be signed by other relevant senior executives. A share certificate shall become valid after it is affixed with the company seal or a machine-printed seal. The seal of the Company shall not be affixed to any share certificate unless with the authorization of the board of directors. The signatures of the Chairperson or other senior executives of the Company on the share certificates may also be machine-printed signatures.	Delete this Article.
9	Article 46 The Company may, in accordance with any understanding or agreements reached between the securities regulatory authority of the State Council and the overseas securities supervisory authorities, maintain a register of holders of overseas listed foreign shares outside the PRC, and appoint an overseas agent to maintain that register. The original register of shareholders for H shares shall be maintained in Hong Kong. ……	Delete this Article.
10	Article 47 The Company shall keep a complete register of shareholders. The register of shareholders shall comprise the following parts: ……	Delete this Article.
11	Article 48 Different parts of the register of shareholders shall not overlap. No transfer of shares registered in one part of the register of shareholders shall, during the continuance of the registration of those shares, be registered in any other parts of the register of shareholders. ……	Delete this Article.

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No.	Original Article	Proposed to be amended as
12	Article 49 With respect to H shares, the Company shall at any time ensure all title documents of H shares include the statements stipulated below, and shall instruct and procure its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder submits to the share registrar a signed form with respect to such shares which bear statements to the following effect: I. The acquirer of the shares agrees with the Company and each shareholder of the Company, and the Company agrees with each	

No.	Original Article	Proposed to be amended as
16	Article 57 The shareholders of the Company shall have the following rights: …… V. to receive relevant information in accordance with the Articles, including: …… (5) counterfoils of company debt securities, resolutions of the board of directors, resolutions of board of supervisors; …… (9) Minutes of the shareholders ' general meeting (only for shareholders ' review) VI. in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them; ……	Article 45 ~~57~~ The shareholders of the Company shall have the following rights: …… V. to receive relevant information of the Company and its wholly-owned subsidiaries in accordance with the Articles, including: …… (5) ~~counterfoils of company debt securities,~~ resolutions of the board of directors, resolutions of board of supervisors; …… (9) Minutes of the shareholders ' general meeting (only for shareholders ' review) Shareholders who individually or collectively hold more than 3% of the company's shares for a consecutive period of more than 180 days may request to inspect the accounting books and vouchers of the Company and its wholly-owned subsidiaries. Shareholders requesting to inspect the accounting books and vouchers of the Company shall submit a written request to the Company, stating the purpose. If the Company reasonably believes that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide such inspection, and shall provide a written reply to the shareholders within fifteen days from the date of the shareholders' written request, explaining the reasons for the refusal. VI. in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company according to the number of shares held by them; ……

No.	Original Article	Proposed to be amended as
17	Article 58 When a shareholder demands for inspection of information mentioned in the preceding article or demand for any information, it shall provide written proof of the class and number of shares held by him/her, and such information shall be provided upon his/her shareholder capacity being verified.	Article 46 ~~58~~ When a shareholder demands for inspection of information mentioned in the preceding article or demand for any information, it shall provide written proof of the class and number of shares held by him/her, and such information shall be provided upon his/her shareholder capacity being verified. Shareholders who wish to inspect the information mentioned in the preceding article or request documents may entrust intermediary institutions such as accounting firms, law firms, etc. Shareholders and the intermediary institutions entrusted by them to inspect and copy relevant materials shall comply with the relevant laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, and personal information.
18	Article 66 The shareholders' general meeting is the organ of authority of the Company and its functions and powers shall be exercised in accordance with law. …… XII. to examine and approve guarantees under the Article 67; …… XVII. any other matters required by laws, administrative regulations, departmental rules	

No.	Original Article	Proposed to be amended as
19	Article 79 When the Company convenes the shareholders ' general meeting, the board of directors, the board of supervisors or shareholders, individually or in aggregate, holding no less than 3% of the total voting shares of the Company shall have the right to propose motions. Shareholders separately or aggregately holding no less than 3% of the shares of the Company may propose extraordinary motions to the convener in writing ten days before the convening of such general meeting. The convener shall issue supplementary	

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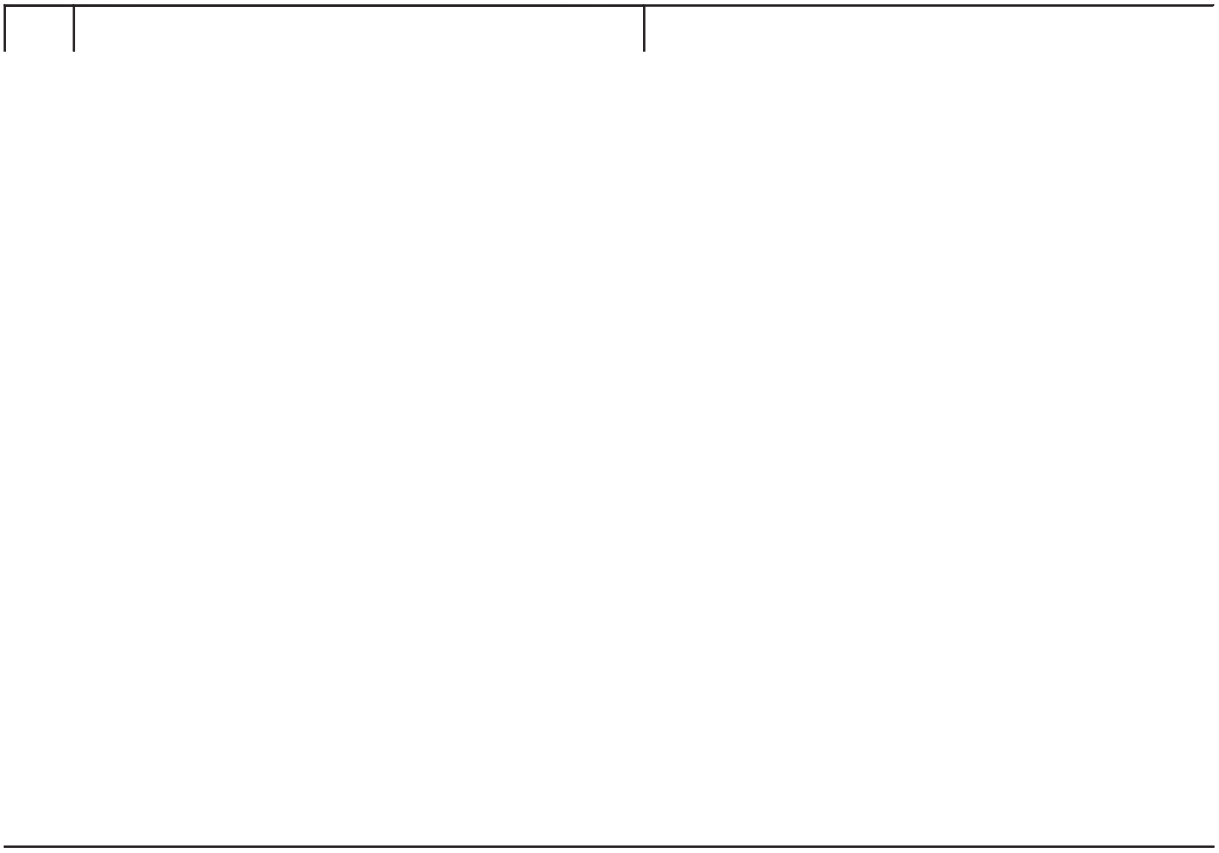
No.	Original Article	Proposed to be amended as
21	Article 97 The general meeting shall be chaired by	



No.	Original Article	Proposed to be amended as
24	Article 138 Directors shall be natural persons. A person shall be disqualified from being a director of the Company in each of the following circumstances: I. a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities; II. a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or causing social and economic disorder or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation; III. a person who was a director or factory manager or manager of a company or enterprise which had become insolvent and liquidated because of unsound management and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of the99.9(o)6l5A3e1(nomic)-3092.666(r)3(II0()-.25(abil)5.5(it)5.5(ies;)]TJ-286619-2.6(V31570	

No.	Original Article	Proposed to be amended as
25	Article 142 A director shall be deemed to be unable to carry out his/her duties if he/she fails to attend two consecutive board meetings in person and fails to appoint an alternate director to attend board meetings on his/her behalf. The board of directors shall propose at the general meeting for the removal of such director. The board of directors shall propose at the general meeting for the removal of the	

No.	Original Article	Proposed to be amended as
29	Article 162 Except for the share repurchase by the Company pursuant to the stipulated circumstances under items (3), (5) or (6) of Article 29, which shall be approved by the board meeting attended by no less than two thirds of directors, the board meeting shall not be held without presence of half or more of all the directors. The presence for the purpose of this Article means the presence at the commencement of the meeting coupled with the continuous presence during the meeting. One director present shall have one vote. The resolutions made at the board meetings shall be subject to approval of no less than half of all the directors, with the following exceptions: …… II. According to the stipulations in the Articles of Association, the board of directors shall decide on the resolution of guarantee matters within its authority. Apart from the approval by half or more of all directors, the resolution shall be approved by no less than two thirds of the directors present at the meeting. Should there be a tie between negative and affirmative votes on a matter, the chairperson of the board of directors shall have the casting vote.	Article 150 ~~162~~ Except for the share repurchase by the Company pursuant to the stipulated circumstances under items (3), (5) or (6) of Article 27 ~~29~~, which shall be approved by the board meeting attended by no less than two thirds of directors, the board meeting shall not be held without presence of ~~half or~~ more than half of all the directors. The presence for the purpose of this Article means the presence at the commencement of the meeting coupled with the continuous presence during the meeting. One director present shall have one vote. The resolutions made at the board meetings shall be subject to approval of ~~no less~~ more than half of all the directors, with the following exceptions: …… II. According to the stipulations in the Articles of Association, the board of directors shall decide on the resolution of guarantee matters within its authority. Apart from the approval by ~~half or~~ more than half of all directors, the resolution shall be approved by ~~no less than two thirds~~ more than half of the directors present at the meeting. Should there be a tie between negative and affirmative votes on a matter, the chairperson of the board of directors shall have the casting vote.
30	Article 175 The deputy managers and the head of finance of the Company shall be nominated by the manager, reviewed by the nomination committee, and reported to the board of directors for appoi2gment. The deputy managers and head of finance shall assist the manager in his/her work.	Article 163 ~~175~~ The deputy managers ~~and the head of finance~~ of the Company shall be nominated by the manager, reviewed by the nomination committee, and reported to the board of directors for appointment. The head of finance of the Company shall be nominated by the manager, reviewed by the audit committee, and reported to the board of directors for appointment. The deputy managers and head of finance shall assist the manager in his/her work.

No.	Original Article	Proposed to be amended as
31	Article 189 The Company shall set up a board of supervisors which shall be composed of five supervisors. One supervisor shall act as the chairperson. The election of the chairperson of the board of supervisors shall be determined by two — thirds or more of the members of the board of supervisors. The meetings of the board of supervisors shall be presided over and chaired by the chairperson of the board of supervisors. If the chairperson of the board of supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a supervisor nominated by half or more of the supervisors. ……	Article 177 ~~189~~ The Company shall set up a board of supervisors which shall be composed of five supervisors. One supervisor shall act as the chairperson. The election of the chairperson of the board of supervisors shall be determined by ~~two thirds or~~ more than half of the members of the board of supervisors. The meetings of the board of supervisors shall be presided over and chaired by the chairperson of the board of supervisors. If the chairperson of the board of supervisors is unable or fails to perform hs bcI9b.1(uch)6(er8s)5 superviaded

No.	Original Article	Proposed to be amended as
40	Article 210 The Company shall, with the prior approval of the shareholders ' general meeting, enter into a contract in writing with each director or supervisor of the Company in respect of his/her remuneration. The aforesaid remuneration shall include: ……	Delete this Article.
41	Article 211 The contract entered into between the Company and its director or supervisor shall stipulate that when the Company is being taken over, that director and supervisor is entitled, subject to the informed consent of the shareholders ' general meeting being obtained, to receive severance pay or	

No.	Original Article	Proposed to be amended as

No.	Original Article	Proposed to be amended as
47	Article 234 If the Company removes or does not re-appoint an accounting firm, it shall notify the accounting firm sixty (60) days in advance. The accounting firm shall be allowed to state its opinion at the time when the shareholders' general meeting is voting for removal of the accounting firm. An accounting firm tendering resignation shall inform the shareholders ' general meeting as to whether there is any irregularity on the part of the Company. An accounting firm may resign from its office by a notice in writing deposited at the Company's domicile. Any such notice shall be effective on the date on which it is deposited at the domicile of the Company or on such later date as may be specified therein. Such notice shall contain either of the following statements: 1. A statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of shareholders or creditors of the Company; or 2. a statement of any circumstances of which an account ought properly to be given.	

No.	Original Article	Proposed to be amended as
48	Article 243 …… The aforementioned documents shall also be delivered by mail to the overseas listed foreign shareholders of the listed companies in Hong Kong.	Article 219 ~~243~~ …… ~~The aforementioned documents shall also be delivered by mail to the overseas listed foreign shareholders of the listed companies in Hong Kong.~~ For overseas-listed foreign shareholders of the listed companies in Hong Kong, the aforementioned documents shall also be delivered by mail or other methods specified in this Articles of Association, subject to compliance with the laws and regulations of the place where the Company's shares are listed and the relevant listing rules.
49	Article 245 To carry out a corporate merger, each party to the merger shall conclude an agreement with each other and formulate balance sheets and checklists of properties. The companies involved shall, within ten days after making the decision of merger, notify the creditors, and shall make a public announcement on a newspaper no less than 3 times within 30 days. ……	Article 221 ~~245~~ To carry out a corporate merger, each party to the merger shall conclude an agreement with each other and formulate balance sheets and checklists of properties. The companies involved shall, within ten days after making the decision of merger, notify the creditors, and shall make a public announcement on a newspaper or through the National Enterprise Credit Information Publicity System no less than 3 times within 30 days. ……
50	Article 249 Where the Company finds it necessary to reduce its registered capital, it must work out balance sheets and checklists of properties. The Company shall, within ten days after the decision of reducing registered capital, notify the creditors and make a public announcement on a newspaper within 30 days. The creditors shall, within 30 days after receiving the notice or within 45 days after the misbala6toublicnnoucement if i a.1(al)4.7se Company39.5(o)8622.4pdao reveg gu67.9(a)8(ranct-4.5(ies.)]TJ0-2.6683TD.0311Tc[Aafter)-571(r)-7(e9)6.3uctsion Company(registered) 43625(capitad) 448.6(shall)44de(s)-397.4(tain)]TJthe su-17.2(tary)-345(m)34.1(i62.7n t)-m	

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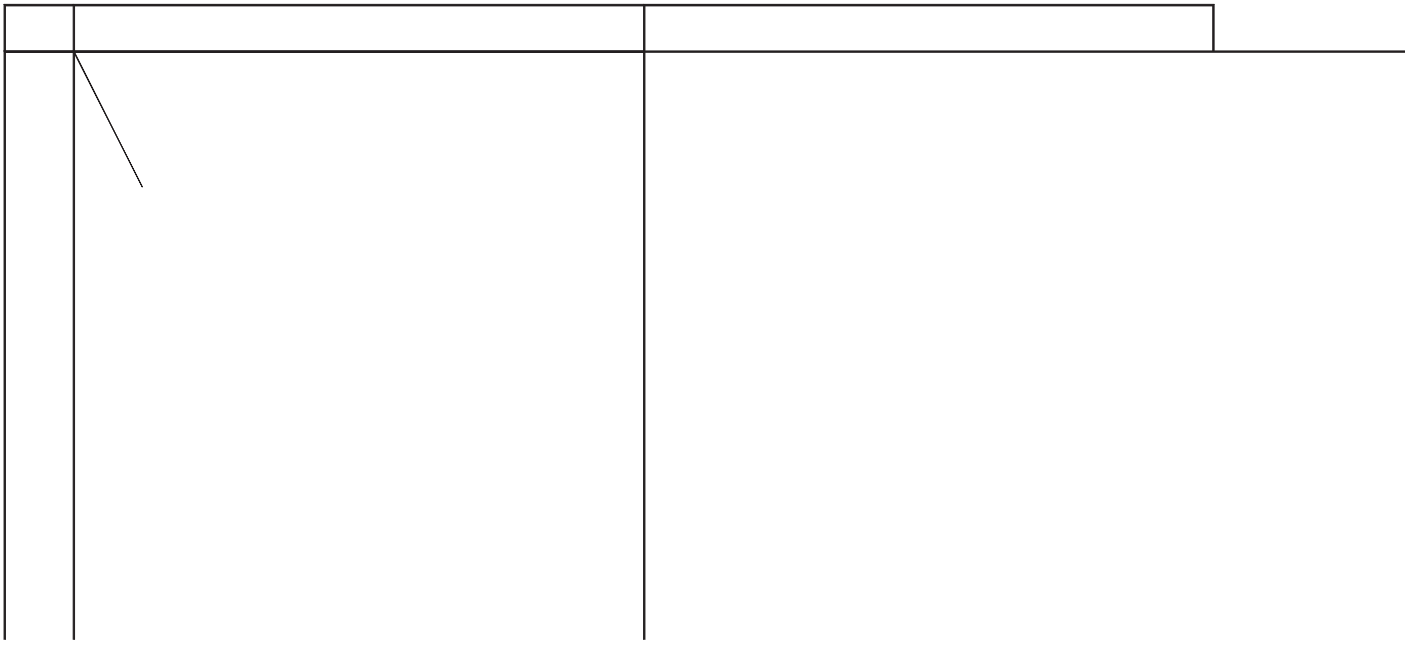
No.	Original Article	Proposed to be amended as
54	Article 256 The liquidation group shall, notify the creditors within ten days after its formation and make a public announcement on newspapers no less than 3 times within 60 days after its formation. The creditors shall, within thirty days after receiving the notice or within 45 days after the issuance of the public announcement in the case of failing to receiving a notice, declare their credits before the liquidation group. ……	Article 231 ~~256~~ The liquidation group shall, notify the creditors within ten days after its formation and make a public announcement on newspapers or through the National Enterprise Credit Information Publicity System no less than 3 times within 60 days after its formation. The creditors shall, within thirty days after receiving the notice or within 45 days after the issuance of the public announcement in the case of failing to receiving a notice, declare their credits before the liquidation group. ……*f*

No.	Original Article	Proposed to be amended as
57	Article 266 The Company shall comply with the following rules of dispute resolution: …… II. An applicant for arbitration may refer the matter to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules or, alternatively, to the Hong Kong International Arbitration Centre for arbitration in accordance with its securities arbitration rules. Once the applicant refers a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the applicant. If the party applying for arbitration selects for arbitration by the Hong Kong International Arbitration Centre, then either party shall be entitled to request, in accordance with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, that the arbitration be conducted in Shenzhen. III. If arbitration is sought to resolve a dispute or claim referred to in paragraph (I) of this Article, PRC laws shall be applicable, save as otherwise prescribed by laws or administrative regulations. IV. An award made by the arbitral body shall be final and conclusive and shall be binding on all parties.	Article 241 ~~266~~ The Company shall comply with the following rules of dispute resolution: …… II. An applicant for arbitration ~~may refer the matter to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules or, alternatively,~~ shall submit the aforementioned dispute to the Hong Kong International Arbitration Centre for arbitration, and conduct arbitration in accordance with ~~its securities~~ the effective arbitration rules of the Hong Kong International Arbitration Center at the time of submitting the arbitration notice, with the place of arbitration being Hong Kong. Once the applicant refers a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the applicant. ~~If the party applying for arbitration selects for arbitration by the Hong Kong International Arbitration Centre, then either party shall be entitled to request, in accordance with the requirements of the securities arbitration rules of the Hong Kong International Arbitration Centre, that the arbitration be conducted in Shenzhen.~~ III. If arbitration is sought to resolve a dispute or claim referred to in paragraph (I) of this provision ~~of this Article~~, PRC laws shall be applicable, save as otherwise prescribed by laws or administrative regulations. IV. An award made by the arbitral body shall be final and conclusive and shall be binding on all parties.
58	Article 273 The Articles of Association shall take effect from the date when the shares of the Company are listed and traded in the Hong Kong Stock Exchange.	Article 248 ~~273~~ The Articles of Association shall take effect on the date when it is approved at the general meeting of the Company. The draft amendments to the Articles of Association shall be prepared by the Board of Directors and shall take effect upon the approval at a general meeting. ~~The Articles of Association shall take effect from the date when the shares of the Company are listed and traded in the Hong Kong Stock Exchange.~~
59		According to the revision, the cross-referencing of clause numbers in the context shall be revised accordingly.



No.	Original Article	Proposed to be amended as
3	Article 16 When the Company convenes the shareholders' general meeting, the board of directors, the board of supervisors or shareholders, individually or in aggregate, holding no less than 3% of the total voting shares of the Company shall have the right to propose motions.	

No.	Original Article	Proposed to be amended as
4	Article 33 The general meeting shall be chaired by the chairperson of the board. In the event the	

No.	Original Article	Proposed to be amended as
5	Article 40 Resolutions of general meetings are divided into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by the holders of no less than half of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting. A special resolution shall be passed by the holders of no less than two thirds of the total number of votes held by the shareholders present in person (or by proxy) at a general meeting.	Article 39 ~~40~~ Resolutions of general meetings are divided into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by the holder75w9(b)6.6(y)-2Nuti

III. AMENDMENTS ON THE "RULES OF PROCEDURES OF THE BOARD OF DIRECTORS"

No.	Original Article	Proposed to be amended as
1	Article 3 Authority of Board of Directors The Board of Directors shall exercise authority in the following areas: …… (16) any other authority conferred by laws, published administrative regulations, or the Articles of Association of the Company.	Article 3 Authority of Board of Directors The Board of Directors shall exercise authority in the following areas: …… (16) ~~any other authority conferred by laws, published administrative regulations, or the Articles of Association of the Company.~~ such other duties and functions as authorized by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed, the general meeting or the Articles of Association. Resolutions of the board of directors on the matters set out in the preceding paragraph, save for items (6), (7) and (12) which shall require the consent of no less than two-thirds of the directors,

No.	Original Article	Proposed to be amended as
	The main terms of reference of the Nomination Committee are as follows: (1) Putting forth suggestions on the size and composition of the Board as well as the composition of the CEO and other Senior Management Positions to the Board; (2) Studying the selection criteria and procedures of Directors, the CEO and other Senior Management of the Company, and putting forward suggestions thereon to the Board; (3) Making recommendations t(t)-2nhe Boad2.4((t)-on)-.5n2.4((t)-2)0(n)-(o)5.8es nrogramt an ibcle(and)6.5(i)-22(ndares)536oC.5 o fa(ia n)53.t Compan;(4f) r-an t Ewxdinking mdn(d)-394pn-5.7(sstbcle)39-2.4((anindares)40302(f)54.7ior)-39.98(the)-9-2.4ClEO of ther-5.3eo(n)-347.8(t)-2.4(o)-347.8(t)-2.4(n)6.3ed (9e) Othertite(s)-349aoizrd (he)-347.6(m)-47(io)634(a).2(d.g)]TJ T* [(The Commtteere fol54.7lm-ow37.8(s:)]TJ 0 -2.6683 TD .036 Tc [(())-1430 com(ositing)-27f t37.8theoas com(ositing)6713onfhe aam- Pait-47.2(i)0.9Pa ()TjJETm0001kq100173998653)4.204cm00m67051310l6705131-.440l01-.440lfB*QBT/F11Tf8.9662008.96 of s cedur	

No.	Original Article	Proposed to be amended as
3	Article 8 Extraordinary Meetings An extraordinary Board meeting shall be convened upon occurrence of any one of the following events: …… (5) where the manager proposes.	Article 8 Extraordinary Meetings An extraordinary Board meeting shall be convened upon occurrence of any one of the following events: …… (5) where the manager proposes; or (6) where more than half of all the independent directors make such proposal.
4	Article 15 Personal Attendance and Appointed Attendance Directors shall attend meetings of the Board of Directors in person in principle. A director who participates in a meeting of the Board of Directors via modern communication technology as permitted by Article 123 of the Articles of Association of the Company shall be deemed as if attending the meeting personally. If the director cannot attend the meeting due to some reason, he/she shall examine the meeting materials in advance, form his/her explicit opinion, and appoint in writing another director present at the meeting to attend the meeting on his/her behalf. ……	Article 15 Personal Attendance and Appointed Attendance Directors shall attend meetings of the Board of Directors in person in principle. A director who participates in a meeting of the Board of Directors via modern communication technology as permitted by ~~Article 123 of~~ the Articles of Association of the Company shall be deemed as if attending the meeting personally. If the director cannot attend the meeting due to some reason, he/she shall examine the meeting materials in advance, form his/her explicit opinion, and appoint in writing another director present at the meeting to attend the meeting on his/her behalf. ……

IV. AMENDMENTS ON THE "RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS"

No.	Original Article	Proposed to be amended as
1	Article 3 Authority of the Board of Supervisors The board of supervisors shall exercise the following functions and powers: …… (3) monitoring the performance of duties of directors and senior executives, and proposing the removal of directors and senior executives who have violated the laws, administrative regulations and the Articles of Association or resolutions passed by the shareholders' general meeting; …… (8) instituting legal proceedings against directors and senior executives in accordance with Article 152 of the Company Law; (9) in case of any irregularity identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company; (10) such other functions and powers as provided by the Articles of association.	Article 3 Authority of the Board of Supervisors The board of supervisors shall exercise the following functions and powers: …… (3) monitoring the performance of duties of directors and senior executives, and proposing the ~~removal~~ dismissal of directors and senior executives who have violated the laws, administrative regulations and the Articles of Association or resolutions passed by the shareholders' general meeting; …… (8) instituting legal proceedings against directors and senior executives in accordance with ~~Article 152 of~~ the Company Law; (9) in case of any irregularity identified, making investigations and if necessary, engaging professional institutions (such as accounting or law firms) to assist in its work at the expense of the Company; (10) may request reports on the performance of duties from directors and senior management; (11) may nominate candidates for independent directors; (12) such other functions and powers as provided by the Articles of association.

Notes:

1. Eligibility to attend the EGM and suspension of H shares transfer registration

   H-share holders of the Company w1wse names appear on the H Share register of members of the Company at the close of business on Wednesday, 19 March 2025 are entitled to attend and vote at the EGM. H-share holders w1o wish to attend the EGM but have not registered their share transfer documents shall lodge their transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, namely Tricor Investor

4. Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the EGM must be taken by poll. Accordingly, the Chairman of the EGM shall, in accordance with the powers conferred by the Articles of the Association, require a vote by poll on all resolutions presented at the EGM.

5. Miscellaneous

The EGM is expected to take no more than half a day. Shareholders of the Company who attend the EGM shall bear their own traveling and accommodation expenses.

Contact information of the Company:

Address:	Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China
Postal code:	430074
Tel.:	(86) 27 8777 3898
Fax:	(86) 27 8777 3992
Contact person:	Mr. Ye Jiaxing (Secretary to the Board of Directors), Ms. Wang Xiaoqiong (Securities Affairs Representative)

6. All dates and times in this circular refer to Hong Kong dates and times.

As of the date of this Notice, 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.