

Huaxin Cement Co., Ltd.

Announcement on the Progress of Related Party Acquisition of the Cement and Related business of Holcim Zambia and Malawi

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false, misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

I. Brief on the Related Party Transaction

On June 10, 2021, the Third Meeting of the Tenth Board of Directors of Huaxin Cement Co., Ltd (hereinafter referred to as the Company) reviewed and approved the Proposal on the Related Party Acquisition of the Cement and Related business of LH Zambia and Malawi (LafargeHolcim Ltd. altered its name into Holcim Ltd on July 1st), allowed Huaxin (Hainan) Investment Limited to be the direct buyer to acquire 24.9% and 50.1% shares of Lafarge Zambia Plc (together 75% shares) held by Financière Lafarge SAS and its wholly owned subsidiary Pan African Cement and 100% shares of Lafarge Cement Malawi Ltd held by Pan African Cement as well as potentially up to 25% public shares of Lafarge Zambia Plc with 160 million USD enterprise value (Lafarge Zambia Plc (150 million USD) and Lafarge Cement Malawi Ltd (10 million USD)). For details, please refer to the 2021-029 Announcement on the Related Party Acquisition of the Cement and Related business of Holcim Zambia and Malawi published on June 12, 2021 on China Securities Journal, Shanghai Securities Journal and Shanghai Stock Exchange website.

II. Progress of the Transaction

By December 22, 2021, 100% shares of Lafarge Cement Malawi Ltd have satisfied closing terms. Huaxin has paid the estimated payment and finished the closing of equity shares on the same day. Final purchase price after the closing will be subject to and finalized by the post-closing price adjustment mechanism based on Equity Acquisition Agreement.

III. The impact on the company

This acquisition will add 250,000 tons/y of cement grinding capacity in Malawi. Lafarge Cement Malawi Ltd will be consolidated into the scope of the statement.

IV. Others

Since 75% of equity of Lafarge Zambia Plc was closed on November 30, 2021, the acquisition of Holcim Zambia, Malawi cement and related business has all been finished.

It is herewith announced.

Board of Directors of Huaxin Cement Co., Ltd.
December 24, 2021