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(2) The comparable transactions must be related to assets located in Latin America.

According to the data legally obtained from a third-party by the Company, the EV-to-EBITDA multiples ranged from 5.3 to 9.9 (with some outliers that are significantly higher) for comparable transactions in the past eight years.

Enterprise Value (EV)

Based on the valuation ranges determined by the market valuation approach, and as an outcome of the negotiation, an EV of USD 182.0 million was determined. The EBITDA of Target Company B for 2023 is USD 27.2 million which corresponds to an EV-to-EBITDA ratio of 6.7 times

The difference between the valuation of Target Company B and its net assets of US$ 69.4 million as of December 31, 2023 lies in the consideration of the strong profitability of Target Company B. In 2023, the ROE of Target Company B reached 21.8%, and the company is expected to maintain good profitability in the future with good business prospects. Moreover, the significant verified mineral reserves of 280 million tons support the aforementioned valuation.

Due Diligence (DD) and Consideration

The Company performed a comprehensive DD on Target Companies A and B, including aspects of market, technical (mining and processing), legal, finance, and tax.

- The finance DD was performed by a leading Chinese audit firm and covered the period from 2021 until 30 September 2024.
- The legal DD was performed by a leading Brazilian law firm.
- No significant adverse DD findings were identified which represented a valuation issue in the context of the transaction; certain minor findings were considered as debt-like items in the calculation of the net cash.

Given that the negotiated EV of Target Company B is US$182.0 million and the combined net cash of Target Company A and Target Company B as of September 30, 2024 is US$4.6 million, the total Purchase Price for 100% shares of the Target Companies is US$186.6 million (US$186.6 million = US$182.0 million + US$4.6 million). The Purchase Price is subject to customary adjustments with respect to net cash and working capital levels as at completion as set forth in section *Adjustment and Payment of the Consideratio*n below.

Assessment by the Board

Based on the industry characteristics, market prospects, and verified mineral reserves of Target Company B, the Board believes that a valuation based on comparable EV/EBITDA multiples is relevant and appropriate and that the historical transactions selected for comparison purposes fulfill the criteria for comparability.

The Board believes that the consideration for the acquisition is fair and reasonable, and is in the interest of the Company and its shareholders.

ADJUSTMENT AND PAYMENT OF THE CONSIDERATION

After the conditions precedent to closing as per the Share Purchase Agreement are fulfilled, the Vendors will provide financial statements of the Target Companies (the "**Initial Statements**")

and will calculate the initial consideration which is based on the combined net cash of the Target Companies according to the Initial Statements and the difference between the working capital of Target Company B as at September 30, 2024 and as per the Initial Statements. Within 10 days of the fulfillment of the conditions precedent, closing will take place and the Company will pay the initial consideration.

No later than 90 days after the closing date, the Purchaser will provide the Vendors with financial statements of the Target Companies as of the closing date (the "Closing Statements"), which will be confirmed by both parties to determine the final consideration. The final consideration will be calculated based on the actual values of the net cash of the Target Companies and the working capital of Target Company B on the closing date, and both parties shall bear the obligation to compensate each other (as applicable) for the difference between the initial consideration and the final consideration according to the following rules:

- If the net cash in the Closing Statements of Target Company A and Target Company B is lower than the net cash in the Initial Statements, the Vendors will pay the difference in cash to the Purchaser.

If the net cash in the Closing Statements of Target Company A and Target Company B on the closing date is higher than the net cash

USD'000

	For the Financial Years Ended 31 December			For the Nine Months ended 30 September
	Audited			Unaudited
	2021	2022	2023	2024
Current assets	854	1,024	2,693	181
Non-current assets	44,693	47,711	41,663	39,588
Total assets	45,547	48,735	44,356	39,769
Current liabilities	534	759	2,054	13
Total liabilities	534	759	2,054	13

Note: (1) Non-current assets at the end of 2021 and 2022 include, apart from the 60% Shares of Target Company B, a participation in another company which was divested in November 2023, and Target Company A no longer holds any equity in the divested company.

(2) On December 31, 2021, December 31, 2022, December 31, 2023, and September 30, 2024, the exchange rates of the Brazilian real against the US dollar were 0.17946, 0.18916, 0.20609, and 0.18351 respectively.

outlook for the construction industry translates directly into a strong market outlook for Target Company B.

- Target Company B is the market leader in the Sao Paulo metropolitan area in terms of market share, quality, and service.
- Vast resource basis owned by Target Company B as well as capacity reserves in the processing lines.
- Excellent locations of the operations of Target Company B relevant to the market.
- Identified synergy potentials.
- Stability regarding the development of the local regulatory and taxation environment.

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

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

Wuhan, Hubei Province, the PRC
6 January 2025

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

** For identification purpose only*