

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, the Scheme, this Scheme Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or otherwise transferred all your shares in Asia Cement (China) Holdings Corporation, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.



ASIA CEMENT CORPORATION

*(Incorporated in Taiwan
with limited liability)*



**ASIA CEMENT (CHINA)
HOLDINGS CORPORATION**

*(Incorporated in the Cayman Islands
with limited liability)*
(Stock Code: 743)

**(1) PROPOSED PRIVATISATION OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
BY ASIA CEMENT CORPORATION
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION**

Financial Adviser to the Offeror



UBS AG Hong Kong Branch

Independent Financial Adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

Capitalised terms used hereunder shall have the same meanings as defined in this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders in relation to the Proposal and the Scheme is set out in Part V of this Scheme Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme is set out in Part VI of this Scheme Document. The Explanatory Memorandum is set out in Part VII of this Scheme Document.

The actions to be taken by the Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan on Monday, 26 August 2024 at 3:00 p.m. and 3:30 p.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively are set out in Appendix V and Appendix VI of this Scheme Document respectively. Whether or not you are able to attend any of the Court Meeting and/or EGM or any adjournment(s) thereof in person, you are strongly urged to complete and sign the enclosed PINK form of proxy in respect of the Court Meeting and the enclosed WHITE form of proxy in respect of the EGM, in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated under Part II – Actions to be Taken of this Scheme Document. If the PINK form of proxy is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. If the WHITE form of proxy is not so lodged at least 48 hours before the time appointed for the EGM, it will not be valid.

This Scheme Document is jointly issued by the Company and the Offeror.

The English language text of this Scheme Document shall prevail over the Chinese language text.

2 August 2024

NOTICE TO OVERSEAS SCHEME SHAREHOLDERS

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such Scheme Shareholders should inform themselves about and observe any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction.

Any actions taken by such overseas Scheme Shareholders in respect of the Proposal will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisors, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisors.

If you are an overseas Scheme Shareholder, your attention is drawn to the section headed “16. *Overseas Scheme Shareholders*” in Part VII – Explanatory Memorandum of this Scheme Document.

NOTICE TO U.S. INVESTORS

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act. The Proposal and the Scheme are subject to Hong Kong procedural disclosure requirements and practices which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules of the United States Securities Exchange Act of 1934. Accordingly, the Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement and securities offer, which differ from the disclosure and procedural and practice requirements applicable under United States federal securities laws.

The receipt of cash pursuant to the Proposal and the Scheme by a U.S. holder of the Scheme Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each holder of the Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

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It may be difficult for a U.S. holder of the Scheme Shares to enforce his/her/its rights and claims arising out of the U.S. federal securities laws, as the Offeror and the Company are incorporated in a country other than the United States, and some or all of their respective officers and directors may be residents of a country other than the United States. A U.S. holder of the Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult for a U.S. holder of the Scheme Shares to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Proposal or the Scheme, or determined if this Scheme Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Scheme Document is not intended to, and shall not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "envisages", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Offeror's, the Company's or their respective affiliates' intentions, beliefs or current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those made in or suggested by the forward-looking statements contained in this Scheme Document, and may not be indicative of results or developments in subsequent periods. The forward-looking statements and information contained in this Scheme Document are made as of the date hereof and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

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In this Scheme Document, the following words and expressions shall have the following meanings unless the context otherwise requires:

“2023 Final Dividend”	the final dividend of RMB4.1 cents per Share in respect of the year ended 31 December 2023 recommended by the Board and approved by shareholders at the Company’s annual general meeting held on 7 June 2024, details of which are set out in the announcement of the Company dated 7 June 2024
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted NAV”	the adjusted consolidated net asset value attributable to Shareholders per Share of HK\$12.91 as at 30 June 2024, which is provided by the Company and calculated based on the unaudited consolidated net assets attributable to the Shareholders as at 30 June 2024, adjusted with reference to the valuation of the Group’s property interests as at 31 May 2024, further details of which are set out in Appendix III of this Scheme Document
“Announcement”	the announcement dated 5 June 2024 jointly issued by the Company and the Offeror in relation to, among other things, the Proposal and the Scheme
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority

“Approval”	any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Proposal or the implementation of the Proposal in accordance with its terms and conditions (including the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance
“Asia Cement (Singapore)”	Asia Cement (Singapore) Private Limited, a company incorporated with limited liability in Singapore
“Asia Engineering”	Asia Engineering Enterprise Corporation, a company incorporated with limited liability in Taiwan
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body
“Beneficial Owner”	any beneficial owner of the Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Participant”	a person admitted to participate in CCASS as a participant, including an Investor Participant
“China Clear”	China Securities Depository and Clearing Corporation Limited

“Companies Act”	the Companies Act of the Cayman Islands (As Revised)
“Company”	Asia Cement (China) Holdings Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 743)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. <i>Conditions of the Proposal and the Scheme</i> ” in Part VII – Explanatory Memorandum of this Scheme Document
“Control”	has the meaning ascribed to it under the Takeovers Code, and “Controlling” and “Controlled” shall be construed accordingly
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at 3:00 p.m. on Monday, 26 August 2024 at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Shareholders”	the holders of Disinterested Shares, including, for the avoidance of doubt, any member of the UBS Group which is exempt principal trader or exempt fund manager, in each case recognised by the Executive as such for the purposes of the Takeovers Code and is connected for the sole reason that it controls, is controlled by or is under the same control as UBS
“Disinterested Shares”	the Shares other than any Shares which are beneficially owned by the Offeror or any Offeror Concert Party
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions

“EGM”	an extraordinary general meeting of the Company to be convened at 3:30 p.m. on Monday, 26 August 2024 (or, if later, immediately after the Court Meeting has been concluded or adjourned) at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan, for the purpose of approving all necessary resolutions for the implementation of the Proposal, including any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares, and the implementation of the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“exempt fund managers”	has the meaning ascribed to it in the Takeovers Code
“exempt principal traders”	has the meaning ascribed to it in the Takeovers Code
“Falcon Investment”	Falcon Investments Private Limited, a company incorporated with limited liability in British Virgin Islands
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent committee of the Board, comprising Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming (being all of the independent non-executive Directors)

“Independent Financial Adviser” or “Altus”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee who will advise the Independent Board Committee as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM
“Independent Property Valuer” or “Colliers”	Colliers Appraisal & Advisory Services Co., Ltd., being the independent property valuer to the Company which carried out a valuation of the Group’s property interests, further details of which are set out in Appendix III of this Scheme Document
“Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Last Full Trading Date”	27 May 2024, being the last full day on which the Shares were traded on the Hong Kong Stock Exchange before publication of the Announcement
“Last Trading Date”	28 May 2024, being the last day on which the Shares were traded on the Hong Kong Stock Exchange before publication of the Announcement
“Last Undisturbed Date”	24 May 2024, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares
“Latest Practicable Date”	30 July 2024, being the latest practicable date for ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time

“Long Stop Date”	5 June 2025, or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive and consented to by UBS
“Macau”	the Macau Special Administrative Region of the PRC
“Meeting Record Date”	Monday, 26 August 2024, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM
“Offer Period”	the period from the date of the Announcement until the earliest of any of (i) the Effective Date; (ii) the date on which the Scheme lapses; or (iii) the date on which an announcement is made of the withdrawal of the Scheme
“Offer Price”	the offer price of HK\$3.22 for the cancellation of each Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Offeror”	Asia Cement Corporation, a company incorporated on 21 March 1957 in Taiwan with limited liability under the Taiwan Company Law with its shares listed on the Taiwan Stock Exchange (stock code: 1102) and the controlling shareholder of the Company
“Offeror Concert Parties”	persons who are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code, including: (a) each of the Offeror Group Shareholders; (b) each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. CHEN Ruey-long, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen and Ms. WU Ling-ling (each also a director of the Offeror) and Mr. LIN Seng-chang; and (c) members of the UBS Group (excluding members of the UBS Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and are connected for the sole reason that they control, are controlled by or are under the same control as UBS)

“Offeror Group Shareholders”	Asia Cement (Singapore), Falcon Investment and Asia Engineering
“Other CCASS Participant”	a broker, custodian, nominee or other relevant person who is, or has deposited Shares with, a CCASS Participant
“PRC” or “China”	the People’s Republic of China and, for the purpose of this Scheme Document only, excluding Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange, on the terms and subject to the Conditions set out in this Scheme Document
“Record Date”	Tuesday, 10 September 2024 or such other time and date as shall have been announced to the Shareholders, being the record date for determining the entitlements of the Scheme Shareholders under the Scheme
“Registered Owner”	any person (including without limitation a nominee, trustee, depositary or any other authorised custodian or third party) whose name is entered in the register of members of the Company as a holder of the Shares
“Relevant Period”	the period commencing on 5 December 2023, being that date that falls six months prior to the date of the Announcement, and ending on the Latest Practicable Date
“relevant securities”	has the meaning given to it in Note 4 to Rule 22 of the Takeovers Code
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the scheme of arrangement under Section 86 of the Companies Act between the Company and the Scheme Shareholders for the implementation of the Proposal

“Scheme Document”	this composite scheme document of the Offeror and the Company, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time, and containing among other things, further details of the Proposal, a letter from the Board, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the recommendations of the Independent Board Committee and notices to convene the Court Meeting and EGM together with forms of proxy in relation thereto
“Scheme Share(s)”	the Share(s) in issue on the Record Date other than the Shares directly held by the Offeror
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Connect”	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shanghai Stock Exchange and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Shenzhen Connect”	a securities trading and clearing links programme developed by the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen
“Southbound Investors”	investors who hold Shares through China Clear under the Shanghai Connect and Shenzhen Connect
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation

“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC in Hong Kong as amended from time to time
“trading day”	a day on which the Hong Kong Stock Exchange is open for the business of dealings in securities
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the financial adviser to the Offeror in connection with the Proposal. UBS AG is incorporated in Switzerland with limited liability
“UBS Group”	UBS Group AG, UBS AG and any subsidiary, branch, affiliate or associate of UBS Group AG or UBS AG
“U.S.” or “United States”	the United States of America
“%”	per cent.

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and except for references to the expected date of the Grand Court hearing of the petition for the sanction of the Scheme and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

1. ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 20 August 2024 to Monday, 26 August 2024 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 19 August 2024. A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the EGM.

A **PINK** form of proxy for use at the Court Meeting and a **WHITE** form of proxy for use at the EGM are enclosed with this Scheme Document. A subsequent purchaser of Shares to be voted at the Court Meeting or the EGM will need to obtain a form of proxy from the transferor.

Whether or not you are able to attend any of the Court Meeting and/or EGM or any adjournment(s) thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed **PINK** form of proxy in respect of the Court Meeting, and if you are a Shareholder, you are strongly urged to complete and sign the enclosed **WHITE** form of proxy in respect of the EGM in accordance with the instructions printed thereon, and to deposit them at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the following times and dates in order to be valid:

- the **PINK** form of proxy for use at the Court Meeting must be lodged no later than 3:00 p.m. on Saturday, 24 August 2024 but if it is not so lodged, it may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it); and
- the **WHITE** form of proxy for use at the EGM must be lodged no later than 3:30 p.m. on Saturday, 24 August 2024, failing which it will not be valid.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting. In such event, the returned form of proxy will be revoked by operation of law.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM, if, among other things, the resolutions are passed by the requisite majorities of the

Disinterested Shareholders or the Shareholders (as the case may be). You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and/or the EGM by no later than 7:00 p.m. on Monday, 26 August 2024. If all of the resolutions are passed at the Court Meeting and/or the EGM, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing and, if the Scheme is sanctioned, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares from the Hong Kong Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Share(s) are registered in the name of a Registered Owner (other than HKSCC Nominees), you should contact the Registered Owner and give instructions to and/or make arrangements with the Registered Owner as to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name, if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her forms of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the relevant Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and before the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant form of proxy will be revoked by operation of law.

3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

If you are a Beneficial Owner whose Share(s) are deposited in CCASS and registered under the name of HKSCC Nominees, you must, unless you are an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant, regarding voting instructions to be given to such Other CCASS Participants if you wish to vote at the Court Meeting and/or at the EGM. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM, in order to provide such person with sufficient time to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which the Share(s) beneficially owned by you should be voted at the Court Meeting and/or the EGM; or
- (b) become a Shareholder of record and thereby have the right to attend and vote at the Court Meeting and/or the EGM (as appropriate) by withdrawing any or all of your Share(s) from CCASS and becoming a Registered Owner of such Share(s). For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Share(s) are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Share(s) into your name so as to qualify to attend and vote at the Court Meeting and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Share(s) from CCASS and register them in your name.

If you are a Southbound Investor, you should declare your voting instructions via clearing participants through the CCNET system of China Clear anytime from the date of this Scheme Document until one trading day earlier than the last day for voting set by HKSCC Nominees. China Clear will collect voting instructions from Southbound Investors for the Court Meeting, and then submit such voting instructions to HKSCC Nominees on behalf of the Southbound Investors.

The procedures for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time.

4. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, you are strongly encouraged to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Share(s) on behalf of one or more Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote.

If you keep any Share(s) in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Share(s) are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Share(s) should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Share(s) from CCASS and become a Registered Owner of such Shares and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.

IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING OR THE EGM.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local dates and times.

**Hong Kong time
(unless otherwise specified)**

Despatch of this Scheme Document Friday, 2 August 2024

Latest time for lodging transfers of Shares
in order to become entitled to attend and vote
at the Court Meeting and the EGM 4:30 p.m. on
Monday, 19 August 2024

Register of members of the Company closed
for determining entitlements of the Scheme
Shareholders to attend and vote at the Court
Meeting and entitlements of the Shareholders
to attend and vote at the EGM (*Note 1*) Tuesday, 20 August 2024 to
Monday, 26 August 2024
(both days inclusive)

Latest time for lodging **PINK** forms of proxy
in respect of the Court Meeting (*Note 2*) 3:00 p.m. on
Saturday, 24 August 2024

Latest time for lodging **WHITE** forms of proxy
in respect of the EGM (*Note 2*) 3:30 p.m. on
Saturday, 24 August 2024

Meeting Record Date Monday, 26 August 2024

Court Meeting (*Note 3*) 3:00 p.m. on
Monday, 26 August 2024

EGM (*Note 3*) 3:30 p.m. on
Monday, 26 August 2024
(or, if later, immediately after the conclusion
or adjournment of the Court Meeting)

Announcement of the results of the Court
Meeting and the EGM no later than 7:00 p.m. on
Monday, 26 August 2024

Expected last time for trading of the Shares on
the Hong Kong Stock Exchange 4:10 p.m. on
Wednesday, 28 August 2024

Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Tuesday, 3 September 2024
Register of members of the Company closed for determining entitlements under the Scheme (<i>Note 4</i>)	Wednesday, 4 September 2024 onwards
Court Hearing	10:00 a.m. on Friday, 6 September 2024 (Cayman Islands time)
Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date, and (3) the expected date of withdrawal of the listing of the Shares from the Hong Kong Stock Exchange	no later than 8:30 a.m. on Monday, 9 September 2024
Record Date	Tuesday, 10 September 2024
Effective Date (<i>Note 5</i>)	Tuesday, 10 September 2024 (Cayman Islands time)
Announcement of (1) the Effective Date and (2) the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange	no later than 8:30 a.m. on Wednesday, 11 September 2024
Withdrawal of the listing of the Shares from the Hong Kong Stock Exchange becomes effective (<i>Note 6</i>)	4:00 p.m. on Thursday, 12 September 2024
Latest time to despatch cheques for cash payment of the Offer Price to the Scheme Shareholders under the Scheme (<i>Notes 7 and 8</i>)	on or before Friday, 20 September 2024

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. This book closure period is not for determining the entitlements under the Scheme.
2. Forms of proxy should be deposited at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated above. In the case of the **PINK** form of proxy in respect of the Court Meeting, it may also be handed to the chairman of the Court Meeting at the

Court Meeting (who shall have absolute discretion as to whether or not to accept it). If the **WHITE** form of proxy is not lodged at least 48 hours before the time appointed for the EGM, it will not be valid. The completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Shareholder from attending and voting at the relevant meeting or any adjournment thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.

3. The Court Meeting and the EGM will be held at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan at the times and dates specified above. Please refer to the notice of Court Meeting set out in Appendix V of this Scheme Document and the notice of EGM set out in Appendix VI of this Scheme Document for details.
4. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.
5. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Proposal as set out in the section headed “3. Conditions of the Proposal and the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.
6. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn at 4:00 p.m. on Thursday, 12 September 2024.
7. Cheques for payment of the Offer Price to the Scheme Shareholders will be despatched as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) following the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective addresses as appearing on the register of members of the Company as at the Record Date or, in the case of joint holders, at the address appearing on the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
8. If any severe weather condition is in effect at 12:00 noon and/or thereafter on Friday, 20 September 2024, the latest time to despatch cheques for cash payment of the Offer Price to the Scheme Shareholders may be postponed to the next business day (that does not have any severe weather condition at 12 noon or thereafter), i.e. Monday, 23 September 2024 (or a later date that does not have any severe weather condition at 12 noon or thereafter).

For the purpose of this document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, or “extreme conditions” caused by super typhoons or a black rainstorm warning is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.



ASIA CEMENT (CHINA) HOLDINGS CORPORATION
亞洲水泥(中國)控股公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 743)

Executive Directors:

Mr. HSU Shu-ping (*Vice Chairman*)
Mr. CHANG Chen-kuen (*Chief Executive Officer*)
Mr. LIN Seng-chang

Registered Office:

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Mr. HSU Shu-tong (*Chairman*)
Mr. LEE Kun-yen
Mr. CHEN Ruey-long
Ms. WU Ling-ling

Principal Place of Business in the PRC:

No. 6 Yadong Avenue
Ma-Tou Town, Ruichang City
Jiangxi Province
PRC

Independent Non-executive Directors:

Mr. TSIM Tak-lung Dominic
Mr. WANG Wei
Mr. LEE Kao-chao
Dr. WANG Kuo-ming

Principal Place of Business in Hong Kong:

Portion of Unit B, 11th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong

2 August 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
BY ASIA CEMENT CORPORATION
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION**

1. INTRODUCTION

Reference is made to the joint announcement dated 5 June 2024 issued by the Offeror and the Company in relation to the Proposal. On 5 June 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Offer Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will be cancelled and extinguished on the Effective Date. Contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

Upon the Scheme becoming effective, the Offeror will directly hold 100% in the Company, and the listing of the Shares will be withdrawn from the Hong Kong Stock Exchange.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and the Scheme, and to give you notices of the Court Meeting and the EGM, together with the forms of proxy in relation thereto. Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix IV of this Scheme Document.

2. TERMS OF THE PROPOSAL

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$3.22 in cash for each Scheme Share.

The Offer Price has taken into account of, and will not be adjusted to reflect, the payment of the 2023 Final Dividend. If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital other than the 2023 Final Dividend is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Offeror will not increase the Offer Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.

Your attention is drawn to the section headed "2. Terms of the Proposal – The Scheme" in Part VII – Explanatory Memorandum of this Scheme Document.

Settlement of the Offer Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Highest and lowest prices

Your attention is drawn to the section headed “2. *Terms of the Proposal – Highest and lowest prices*” in Part VII – Explanatory Memorandum of this Scheme Document.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the Conditions set out in the section headed “3. *Conditions of the Proposal and the Scheme*” in Part VII – Explanatory Memorandum of this Scheme Document are fulfilled or waived (as applicable).

When all of the Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

Warning: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror has appointed UBS as its financial adviser in connection with the Proposal.

Your attention is drawn to the section headed “4. *Confirmation of Financial Resources*” in Part VII – Explanatory Memorandum of this Scheme Document.

5. SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed “5. *Shareholding Structure of the Company*” in Part VII – Explanatory Memorandum of this Scheme Document.

6. INFORMATION ON THE GROUP

Your attention is drawn to the section headed “6. *Information on the Group*” in Part VII – Explanatory Memorandum of this Scheme Document.

7. INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “7. *Information on the Offeror*” in Part VII – Explanatory Memorandum of this Scheme Document.

8. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Your attention is drawn to the section headed “8. *Intention of the Offeror with regard to the Group*” in Part VII – Explanatory Memorandum of this Scheme Document.

The Board is pleased to note that as at the Latest Practicable Date, the Offeror intended for the Group to continue to carry on its existing business and the Offeror did not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming (being all of the independent non-executive Directors), has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

As each of Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling (each being a non-executive Director) is also a director of the Offeror, Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling are regarded as being interested in the Proposal and do not form part of the Independent Board Committee.

The Board, with the approval of the Independent Board Committee, has appointed Altus as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

10. REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “10. Reasons for and Benefits of the Proposal” in Part VII – Explanatory Memorandum of this Scheme Document.

11. ACTIONS TO BE TAKEN

Your attention is drawn to Part II – Actions to be Taken of this Scheme Document.

12. COURT MEETING AND EGM

In accordance with the directions of the Grand Court, the Court Meeting will be held at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan on Monday, 26 August 2024 at 3:00 p.m.. The EGM will be held at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan on Monday, 26 August 2024 at 3:30 p.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully the section headed “12. Court Meeting and EGM” in Part VII – Explanatory Memorandum of this Scheme Document, Part II – Actions to be Taken of this Scheme Document, the notice of Court Meeting in Appendix V of this Scheme Document and the notice of EGM in Appendix VI of this Scheme Document.

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. Each of the Offeror and the Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting. Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are legally and/or beneficially interested in will not be represented or voted at the Court Meeting. The Offeror and the Offeror Concert Parties have provided an undertaking to the Grand Court (a) not to attend and vote at the Court Meeting and (b) to be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on the special resolution to approve and give effect to (a) any reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the contemporaneous issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

13. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately from 4:00 p.m. on Thursday, 12 September 2024 subject to the Scheme becoming effective.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange will become effective.

14. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn; and
- (c) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses: (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

15. REGISTRATION AND PAYMENT

Your attention is drawn to the section headed “15. *Registration and Payment*” in Part VII – Explanatory Memorandum of this Scheme Document.

16. OVERSEAS SCHEME SHAREHOLDERS

Your attention is drawn to the section headed “16. *Overseas Scheme Shareholders*” in Part VII – Explanatory Memorandum of this Scheme Document.

17. TAXATION ADVICE

Your attention is drawn to the section headed “17. Taxation Advice” in Part VII – Explanatory Memorandum of this Scheme Document.

18. COSTS OF THE SCHEME

Your attention is drawn to the section headed “18. Costs of the Scheme” in Part VII – Explanatory Memorandum of this Scheme Document.

19. GENERAL

Each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. CHEN Ruey-long, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang is regarded as being interested in the Proposal and the Scheme. Accordingly, Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. CHEN Ruey-long, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang have not participated in, and will abstain from voting in, any vote of the Board in relation to the Proposal and the Scheme.

The Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in Part V of this Scheme Document) believe that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned.

20. RECOMMENDATIONS

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal and the Scheme as set out in the letter from the Independent Board Committee to the Disinterested Shareholders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal or the Scheme.

21. FURTHER INFORMATION

You are urged to read carefully:

- (a) the letter from the Independent Board Committee to the Disinterested Shareholders set out in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser to the Independent Board Committee set out in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum set out in Part VII of this Scheme Document;

- (d) the appendices of this Scheme Document, including the Scheme set out in Appendix IV of this Scheme Document;
- (e) the notice of Court Meeting set out in Appendix V of this Scheme Document;
and
- (f) the notice of EGM set out in Appendix VI of this Scheme Document.

In addition, a **PINK** form of proxy in respect of the Court Meeting and a **WHITE** form of proxy in respect of the EGM are enclosed with this Scheme Document.

On behalf of the Board
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
TSIM Tak-lung Dominic
Director



ASIA CEMENT (CHINA) HOLDINGS CORPORATION
亞洲水泥(中國)控股公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 743)

2 August 2024

To the Disinterested Shareholders

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
BY ASIA CEMENT CORPORATION
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION**

We refer to the scheme document (the “**Scheme Document**”) dated 2 August 2024 jointly issued by the Company and the Offeror in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Disinterested Shareholders as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

Altus, the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Proposal and the Scheme.

We wish to draw your attention to (a) the letter from the Board as set out in Part IV of the Scheme Document; (b) the letter from the Independent Financial Adviser as set out in Part VI of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Memorandum as set out in Part VII of the Scheme Document.

PART V LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We, having considered the Proposal and the Scheme, and having taken into account the advice and recommendation of the Independent Financial Adviser to us, and in particular the factors, reasons and recommendations as set out in the Independent Financial Adviser's letter, consider that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, we recommend the Disinterested Shareholders:

- (1) at the Court Meeting, to vote in favour of the Scheme; and
- (2) at the EGM, to vote in favour of the special resolution to: (i) approve and give effect to any reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (ii) contemporaneously issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

Yours faithfully,
Independent Board Committee

Mr. TSIM Tak-lung
Dominic
Independent
Non-executive
Director

Mr. WANG Wei
Independent
Non-executive
Director

Mr. LEE Kao-chao
Independent
Non-executive
Director

Dr. WANG
Kuo-ming
Independent
Non-executive
Director

The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal and the Scheme for the purpose of inclusion in the Scheme Document.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

2 August 2024

To the Independent Board Committee

Asia Cement (China) Holdings Corporation
Portion of Unit B, 11th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
BY ASIA CEMENT CORPORATION
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS;
AND
(2) PROPOSED WITHDRAWAL OF LISTING OF
ASIA CEMENT (CHINA) HOLDINGS CORPORATION**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Proposal and the Scheme. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee as set out in the Announcement dated 5 June 2024. Details of the Proposal and the Scheme are set out in the “Letter from the Board” contained in the Scheme Document dated 2 August 2024, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

The Proposal

Pursuant to the Announcement dated 5 June 2024, the Offeror and the Company jointly announced that the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Offer Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming (being all of the independent non-executive Directors), has been established to make recommendations to the Disinterested Shareholders as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

As each of Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling (each being a non-executive Director) is also a director of the Offeror, Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling are regarded as being interested in the Proposal and do not form part of the Independent Board Committee.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser with respect to the Proposal and the Scheme, our role is to advise the Independent Board Committee as to (i) whether the Proposal and the Scheme are, or are not, fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) whether the Disinterested Shareholders should vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

We (i) are not associated or connected, financial or otherwise, with the Company or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Scheme Document.

Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal and the Scheme is at market level and not conditional upon the outcome of the Proposal and the Scheme; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are

independent of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal and the Scheme.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Announcement; (ii) the annual reports of the Company for the years ended 31 December 2022 and 2023 respectively (the “**2022 Annual Report**” and “**2023 Annual Report**”); (iii) the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); and (iv) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Scheme Shareholders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Scheme Shareholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and up to the date of the EGM.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Company contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Scheme Shareholders arising from acceptance or non-acceptance of the Proposal and the Scheme, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Scheme Shareholders as a result of the Proposal and the Scheme. In particular, the Scheme Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional adviser on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice for the Proposal and the Scheme, we have considered the following principal factors and reasons:

1. Background and financial information of the Group

1.1 Background of the Group

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 20 May 2008. The Group is principally engaged in the manufacture and sale of cement, concrete and related products, with cement being its major product that contributes over 97% of the Group's revenue in FY2023.

1.2 Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for the its financial years ended 31 December ("FY") 2021, 2022 and 2023 ("FY2021", "FY2022" and "FY2023") and the six months ended 30 June 2023 and 2024 respectively ("1H2023" and "1H2024"), as extracted from the 2022 Annual Report, the 2023 Annual Report and the 2024 Interim Report.

Consolidated statement of profit or loss

<i>RMB million</i>	FY2021	FY2022	FY2023	1H2023	1H2024
Revenue	11,755.9	9,614.3	7,427.0	4,105.1	2,689.4
Cost of sales	<u>(8,075.9)</u>	<u>(8,325.4)</u>	<u>(6,356.7)</u>	<u>(3,459.1)</u>	<u>(2,556.4)</u>
Gross profit	3,680.0	1,288.9	1,070.3	646.0	133.0
<i>Gross profit margin</i>	31.3%	13.4%	14.4%	15.7%	4.9%
Other income	173.8	212.1	237.2	100.1	132.4
Reversal of/(allowance for) expected credit losses on trade receivables, net	(130.2)	30.4	66.8	72.5	(55.9)
Other expenses, other gains and losses	(338.5)	(31.5)	(14.9)	5.0	(83.1)
Distribution and selling expenses	(473.8)	(437.2)	(447.3)	(223.0)	(163.2)
Administrative expenses	(288.6)	(319.0)	(337.8)	(166.0)	(149.3)
Share of (losses)/profits of associates and joint ventures	(6.0)	2.4	(24.7)	(3.6)	(5.7)
Finance costs	<u>(51.9)</u>	<u>(57.1)</u>	<u>(78.0)</u>	<u>(36.0)</u>	<u>(32.0)</u>

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

<i>RMB million</i>	FY2021	FY2022	FY2023	1H2023	1H2024
Profit/(Loss) before tax	2,564.8	689.0	471.6	395.0	(223.6)
Income tax expenses	<u>(743.5)</u>	<u>(265.0)</u>	<u>(360.4)</u>	<u>(194.7)</u>	<u>(187.6)</u>
Profit/(Loss) for the year/period	<u>1,821.3</u>	<u>424.0</u>	<u>111.2</u>	<u>200.3</u>	<u>(411.2)</u>
Net profit/(loss) attributable to owners of the Company	<u>1,768.3</u>	<u>420.1</u>	<u>106.1</u>	<u>195.8</u>	<u>(404.9)</u>

The tables below set out certain key sales and production data for FY2021 to FY2023:

Sales volume by product category

<i>'000 tonnes</i>	FY2021	FY2022	FY2023
Cement	27,337	24,037	24,054
Clinker	2,167	3,940	2,039
Blast-furnace slag powder	<u>325</u>	<u>262</u>	<u>135</u>
	<u>29,829</u>	<u>28,239</u>	<u>26,228</u>

Sales volume, revenue and average price per tonne of cement

	FY2021			FY2022			FY2023		
	Volume '000 tonne	Revenue RMB million	Average price per tonne RMB	Volume '000 tonne	Revenue RMB million	Average price per tonne RMB	Volume '000 tonne	Revenue RMB million	Average price per tonne RMB
Cement	27,337	10,368	379	24,037	7,791	324	24,054	6,362	264

The Group's revenue from FY2021 up to 1H2024 were derived from the PRC. We understand from the Management that the Company did not sell its products to overseas customers. We also noted that, of the Group's cement products, the proportion of sales volume in terms of high grade and low grade cement remained around 95% and 5% between FY2021 and FY2023. Meanwhile, the proportion of sales volume in terms of bulk cement and bagged cement were approximately 90% and 10% between FY2021 and FY2023. In other words, there was no material difference in volume and type and product sold.

Based on the sales and production data between FY2021 and FY2023, we observed that cement had been the Group's dominant product. The Group's sales volume of cement declined by about 12% from FY2021 to FY2022 and had then maintained at similar sales volume level in FY2023.

However, revenue from cement sales declined more drastically over the same period. Compared with approximately RMB10,368 million in FY2021, revenue decreased by over 24% to approximately RMB7,791 million due to lower average sale price per tonne of cement. In FY2023, despite marginally increasing the level of cement sales volume to 24,054,000 tonnes compared with 24,037,000 tonnes in FY2022, revenue from cement sales further decreased by approximately 18.3% to approximately RMB6,362 million following continuous drastic decline in cement sale prices. We understand from the Management that the continuous decline in average sale price per tonne of cement from RMB379 in FY2021 to RMB324 and RMB264 in FY2022 and FY2023 respectively was mainly due to (i) the overall weaker demand for cement in the PRC, primarily due to the drastic decline in nationwide real estate investments; and (ii) the increasingly intense competition among market players during this industry downturn, as further discussed in the paragraph headed "Recent trends of the PRC cement industry" under the section headed "1.4 Industry and outlook of the Group" below.

FY2022 vs FY2021

The Group's revenue decreased by over 18% from FY2021 to FY2022 due to adverse impact of both lower sales volume of products and lower average selling price which decreased by RMB55 per tonnes to RMB324 per tonne (excluding tax) in FY2022.

Gross profit declined drastically from approximately RMB3,680.0 million in FY2021 to approximately RMB1,288.9 million in FY2022 as gross profit margin plunged from approximately 31.3% to 13.4%, coupled by the lower revenue. The lower gross profit margin was mainly due to the decline in sales volume and average selling price as abovementioned as well as the increase in coal costs for production of the Group's products in FY2022 compared with that of the previous year. Unit cost of coal consumption increased from RMB1,009 per tonne to RMB1,284 per tonne (excluding tax).

Compared with FY2021, income in FY2022 was augmented by (i) higher other income following increase in government grants and interest income; (ii) the reversal of expected credit loss on trade receivables instead of allowance made in FY2021; and (iii) absence of government penalties and related charges imposed in FY2022. Distribution and selling expenses decreased following lower transportation costs and handling charges, in line with lower sales volume.

Due to combination of the factors above, net profit attributable to owners of the Company declined significantly by approximately 76% from approximately RMB1,768.3 million in FY2021 to approximately RMB420.1 million in FY2022.

FY2023 vs FY2022

The Group's revenue decreased by approximately 23% from FY2022 to FY2023 affected mainly by lower average selling price of its products. Average selling price of cement further decreased to RMB264 per tonne (excluding tax) in FY2023. Total sales volume of its products, in particular clinker, was also lower.

Gross profit margin improved marginally to approximately 14.4% in FY2023 compared with approximately 13.4% in FY2022 due to lower coal cost. Overall, gross profit decreased by around 17% to approximately RMB1,070.3 million in FY2023, which was in line with the decrease in revenue.

The Group's income during FY2023 was augmented by an increase in other income due mainly to higher interest income as well as higher amount of reversal of expected credit losses on trade receivables, net. This was offset by higher finance costs as bank borrowing interest rate had increased compared to FY2022. Due to an increase in handling charges of cement products in FY2023, distribution and selling expenses increased by approximately 2.3% despite lower sales volume.

As a result of the lower revenue and gross profit, coupled with higher distribution and selling expenses as well as higher administrative expenses, profit before tax decreased around 32% to approximately RMB471.6 million. Despite lower profitability, income tax expense was higher due to an increase in deferred tax on undistributed earnings of PRC subsidiaries. Consequently, net profit attributable to owners of the Company further declined by about 75% from approximately RMB420.1 million in FY2022 to approximately RMB106.1 million in FY2023.

1H2024 vs 1H2023

During 1H2024, demand for the Group's cement products continued to decline where sales volume decreased when compared to 1H2023. Coupled with lower selling prices, revenue decreased by approximately 34.5% from approximately RMB4,105.1 million in 1H2023 to approximately RMB2,689.4 million in 1H2024.

Gross profit decreased significantly from approximately RMB646.0 million in 1H2023 to approximately RMB133.0 million in 1H2024 as gross profit margin plunged from approximately 15.7% to 4.9%, coupled with the decrease in revenue as mentioned above. After taking into account distribution and marketing expenses, administrative expenses and finance cost, the Group recorded loss before tax of approximately RMB223.6 million and loss attributable to owners of the Company of approximately RMB404.9 million.

Overall, we observed that the Group's business and financial performance had significantly deteriorated from FY2021 up to 1H2024, adversely impacted by falling cement selling price which reduced the Group's revenue significantly, as well as decreasing profit margins of its cement products.

Consolidated statement of financial position

<i>RMB million</i>	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 30 June 2024
<i>Non-current assets</i>				
Property, plant and equipment	7,040.7	6,583.4	6,112.7	5,920.4
Goodwill and intangible assets	558.6	558.0	557.4	557.0
Other non-current assets	2,905.1	2,807.6	2,693.1	2,657.9
	<u>10,504.4</u>	<u>9,949.0</u>	<u>9,363.2</u>	<u>9,135.3</u>
<i>Current assets</i>				
Inventories	1,140.7	905.5	606.9	573.4
Trade and other receivables	2,180.4	1,252.7	894.0	796.0
Bank balances and cash (including restricted bank deposits)	7,495.4	8,900.4	9,262.6	8,616.8
Other current assets	95.9	138.7	156.2	189.5
	<u>10,912.4</u>	<u>11,197.3</u>	<u>10,919.7</u>	<u>10,175.7</u>
<i>Current liabilities</i>				
Trade and other payables	(1,476.4)	(948.2)	(825.2)	(982.9)
Borrowings – due within one year	(1,118.3)	(1,014.0)	(1,148.0)	(708.0)
Other current liabilities	(587.6)	(233.0)	(244.4)	(290.0)
	<u>(3,182.3)</u>	<u>(2,195.2)</u>	<u>(2,217.6)</u>	<u>(1,980.9)</u>
<i>Non-current liabilities</i>				
Borrowings – due after one year	(350.7)	(1,361.6)	(625.0)	(265.0)
Other non-current liabilities	(210.0)	(198.6)	(233.5)	(333.7)
	<u>(560.7)</u>	<u>(1,560.2)</u>	<u>(858.5)</u>	<u>(598.7)</u>
Net assets	17,673.8	17,390.9	17,206.8	16,731.4
Non-controlling interests	(401.4)	(403.4)	(364.0)	(357.6)
Equity attributable to owners of the Company	<u>17,272.4</u>	<u>16,987.5</u>	<u>16,842.8</u>	<u>16,373.8</u>

Non-current assets

Non-current assets had declined between 31 December 2021 and 30 June 2024 as the carrying amount of property, plant and equipment generally depreciated over the years.

Current assets

Between 31 December 2021 and 30 June 2024, both inventories and trade and other receivables had generally decreased. This was in line with the Group's declining revenue.

Bank balances and cash had increased from approximately RMB7,495.4 million as at 31 December 2021 to approximately RMB9,262.6 million as at 31 December 2023 as the Group had generated operating cash in the past few years. Thereafter, bank balances and cash had decreased to approximately RMB8,616.8 million as at 30 June 2024 due mainly to the Group's repayment of borrowings.

Current liabilities

The Group's current liabilities had decreased from approximately RMB3,182.3 million to approximately RMB2,217.6 million between 31 December 2021 and 31 December 2023 due mainly to lower trade and other payables. Borrowings due within one year remained relatively stable over the period.

Thereafter, current liabilities had further decreased to approximately RMB1,980.9 million as at 30 June 2024 due mainly to the decrease in borrowings due within one year.

Non-current liabilities

The Group's non-current liabilities mainly consisted of borrowings which were due after one year. Such amount increased as at 31 December 2022 but had since reduced to a level below 31 December 2021.

Composition of net assets/ equity attributable to owners of the Company

The Group's net assets had maintained largely stable between 31 December 2021 and 30 June 2024, decreasing marginally around 5%. Equity attributable to owners of the Company had moved in tandem with the changes in net assets over the same period. As at 30 June 2024, the unaudited consolidated net asset value attributable to Shareholders per Share was RMB10.45 (equivalent to HK\$11.45, based on an exchange rate of HK\$1.0=RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purpose).

Reference is also made to the property valuation report (the “**Property Valuation Report**”) prepared by Colliers Appraisal & Advisory Services Co., Ltd., the Independent Property Valuer, as set out in Appendix III to this Scheme Document. For illustration purpose, the net asset value attributable to Shareholders as at 30 June 2024 was reassessed based on the valuation of the Group’s properties as at 31 May 2024 as set out in the Property Valuation Report.

Calculation of the reassessed net asset value attributable to Shareholders

	<i>RMB million</i>
Total market value of the Group’s properties attributable to Shareholders as at 31 May 2024	4,801.9
– less carrying amount attributable to Shareholders of such properties held by the Group as at 30 June 2024	2,707.7
Revaluation surplus	2,094.2
The Group’s consolidated net asset value attributable to Shareholders as at 30 June 2024	16,373.8
– add revaluation surplus	2,094.2
Reassessed net asset value attributable to Shareholders as at 30 June 2024	18,468.0
Reassessed net asset value attributable to Shareholders per Share as at 30 June 2024 (<i>RMB</i>)	11.79
Reassessed net asset value attributable to Shareholders per Share as at 30 June 2024 (<i>HK\$</i>)	12.91

Overall, we observed that the Group had maintained a healthy and liquid financial position despite the recent industry downturn. We believe such position can help the Group weather the related uncertainties such as declining selling prices and high unsold inventory. It also allows the Group to undertake the necessary capital expenditure to respond to regulatory environmental requirements and the structural change of the cement market.

1.3 Dividends

The table below illustrates the Company's historical dividend to shareholders and the payout ratio (being dividend per Share over earnings per Share) since its listing on the Stock Exchange in May 2008.

	Dividend per Share (RMB)	Earnings/(loss) per Share (RMB)	Payout ratio
FY2023 final dividend	0.041	0.068	60.3%
FY2022 final dividend	0.160	0.268	59.7%
FY2021 final dividend	0.450	1.129	39.9%
FY2020 final dividend	0.511	1.703	30.0%
FY2019 final dividend	0.500	2.009	24.9%
FY2018 final dividend	0.620	1.545	40.1%
FY2017 final dividend	0.155	0.384	40.4%
FY2016 final dividend	0.030	0.085	35.3%
FY2015 final dividend	0.050	(0.191)	N/A
FY2014 final dividend	0.150	0.507	29.6%
FY2013 final dividend	0.150	0.529	28.4%
FY2012 final dividend	0.100	0.254	39.4%
FY2011 final dividend	0.170	0.860	19.8%
FY2010 final dividend	0.100	0.330	30.3%
FY2009 final dividend	0.100	0.390	25.3%
FY2008 final dividend	0.100	0.300	33.3%
Total / average	3.387	10.170	33.3%

The Company has been paying dividend to shareholders consistently since its listing and we observed that over these 16 financial years, total dividend payout amounted to RMB3.387 per Share. It further updated and established a dividend policy and adopted it on 31 December 2018 setting out the principles and guidelines that the Company intends to apply when considering the declaration, payment or distribution of its net profits as dividends to Shareholders. Under the aforesaid dividend policy, the Company intends to distribute to its Shareholders dividend amount representing not less than 20% of its annual net profit as dividends, subject to the conditions and factors such as the Group's financial results, business conditions, capital requirements and expenditure plans.

The Group had only recorded losses once since its listing and during that financial year, it continued to declare a dividend albeit a reduced amount. In terms of interim results, we also note that the Group had only recorded losses once since its listing, which occurred during the six months ended 30 June 2016 ("1H2016"). During 1H2024, the Group reported its first losses since FY2015 and 1H2016 and we note that if such loss situation persists given the weak operating environment, this may preclude the Company from declaring dividends under its dividend policy and even if declared, the amount could be much reduced. Having considered (i) the

discussion and our independent research on the PRC cement industry and outlook below; (ii) the continuous deterioration of the Group's business and financial performance from FY2021 up to 1H2024 as discussed above; (iii) the declining trend in terms of half-year revenue where revenue decreased from approximately RMB4,105.1 million in 1H2023 to approximately RMB3,321.9 million during the six months ended 31 December 2023, and further decreased to approximately RMB2,689.4 million in 1H2024; and (iv) the fact that the Group had not recorded losses since FY2015 and 1H2016, we are of the view that the Group's recent losses in 1H2024 would primarily be attributable to the overall weaker operating environment rather than seasonal factors. We also noted the Group has significant capital expenditure plans which will be implemented during the course of the next 6 to 18 months as further elaborated in the paragraph headed "Outlook of the Company" under the section headed "1.4 Industry and outlook of the Group" below.

Our observations from the above are (i) the Company had consistently declared dividend and at average payout ratio of about 33.3%; (ii) the amount of dividend paid had reduced in the past two years as the Group's profitability declined; and (iii) the cumulative dividend paid per Share in the past 16 financial years since its listing amounted to RMB3.387 (approximately HK\$3.71 at current exchange rate) which is higher than the Offer Price of HK\$3.22 per Share.

Despite the Company had consistently declared dividend for consecutive years as demonstrated above, having taken into account (i) the Company's existing policy of distributing a portion of its annual net profit as dividends; (ii) the recent deterioration in financial performance, in particular the recorded losses in 1H2024 (as discussed in the section headed "1.2 Historical financial performance of the Group" above, which contains the latest financial information of the Group available to us as at the Latest Practicable Date), along with the protracted structural downturn of the PRC cement industry; (iii) the significant reduction in dividends paid in the past two years compared to dividends from FY2018 to FY2021 due to the substantial decline in the Group's profitability; and (iv) its significant capital expenditure plans, we are of the view that it is uncertain whether the Company will, and has the capacity to, continue to declare dividends during this challenge operating environment, and if the Group's loss situation persists.

1.4 Industry and outlook of the Group

Our independent industry research

As the Group's operations and customers are located in the PRC, we have conducted independent research by reviewing the 2023 PRC Cement Industry Financial and Operational Report (the "CCA Report") issued by the China Cement Association in January 2024, as summarised below. We note that the China Cement Association was established in 1987, being a representative of the cement industry in the PRC formed by cement manufacturing and operating enterprises, research institutes, colleges and universities, social organisations and other entities related to the cement

industry. It is tasked with, among others, publishing industry data and information in accordance with relevant regulations. The China Cement Association also works closely with government agencies, including being entrusted by government to organise domestic and global cement industry conferences and exhibitions and technical exchange meetings. Based on the above, we are of the view the China Cement Association has good standing and recognition within the PRC and global cement industries.

Recent trends of the PRC cement industry

The CCA Report pointed out that the significant downturn of the PRC real estate market has dampened demand for cement. While infrastructure project investments recorded some growth, it was not able to offset the overall decline in demand. The grave challenges faced by the cement industry encompass intense market competition, persistent high fuel costs, weak demand from property construction activities as well as constraints of environmental-related regulations.

Recent trends observed reported in the CCA Report are:

(i) Insufficient demand

According to the National Bureau of Statistics of China, against the backdrop of consecutive years of decline in real estate investments nationwide, notwithstanding mitigation by growth in infrastructure project investments, overall demand for cement in 2023 declined by approximately 4.5% compared to 2022.

(ii) Decline in cement production volume

In 2023, PRC cement production output hit its lowest level since 2011. In terms of geographical region, visible decline was observed in the mid-south and eastern regions. Meanwhile, growth was still being recorded in northern and north-west regions.

(iii) Protracted volatile selling price hovering at low levels

Average cement prices during 2023 declined sharply by approximately 15% compared with the previous year; hovering at six-year low level. Prices were adversely affected by decline in housing starts, delays in or slow progress of infrastructure projects due to lack of financial resources, and intense competition among market players which reduced prices so as to maintain market share.

- (iv) Increase in cement export while cement import hit six-year low

Due to weak domestic demand, imported cement and clinker lost its price competitiveness. During 2023, the value of imports decreased to six-year low dropping approximately 88.1%. In the absence of demand in the PRC, cement products were exported with volume hitting four-year high, increasing by over 95% compared to 2022. However, in absolute terms, we note that export of cement products only accounted for an insignificant portion of less than 0.2% of the total PRC cement production volume in 2023.

Challenges faced by the PRC cement industry

- (i) Increase in production cost and high level of unsold inventory

Energy prices have been on an increasing trend since 2022, aggravating cement production costs. At the same time, requirements of policies such as “Ultra-low emissions” (超低排放) which regulate energy consumption, safety, environmental protection and carbon emissions, continue to heighten; necessitating cement enterprises to increase their investments in technical improvements. These added to the cost pressure faced by cement producers. Coupled with the release of excess capacity, inventory of unsold cement had maintained at high level.

- (ii) Shrinking profit margins

Due to the combination of the aforesaid factors, profitability of cement enterprises had significantly decreased. Those located in Yangtze River Delta, Pearl River Delta and south west regions were especially affected.

Industry outlook for 2024

The CCA Report stated that, underpinned by the PRC government’s three major efforts of expediting the construction of affordable housing, regular and emergency public facilities as well as urban reforms, it expects demand of cement to marginally decline by 2% to 3% in 2024 despite continuous slowdown of the overall real estate market in terms of sales, construction starts and investment and development.

The CCA Report stated that it expects 2024 to remain difficult from the perspective of cement selling price and financial returns as the imbalance in demand and supply is unlikely to significantly improve, resulting in unavoidable price competition within the industry. It however expects cement companies, having experienced multiple rounds of troughs in cement prices, to work towards stabilising prices and mitigating losses or improving profitability by adopting measures catering to specific situations in different

regions and proactively adhering to staggered peak production program (錯峰生產) where kiln operations are to be periodically suspended.

That being said, the CCA Report expects nationwide cement prices to continue a significant downward trend and does not foresee substantial improvement in cement industry's operating efficiency.

From an investment perspective, the CCA Report stated that time is ripe for industry consolidation and integration. In the face of severe market competition, it expects certain uncompetitive players to withdraw from the market. This in turn allows larger and more established market players to consolidate their production capacity while optimising their market positioning. Secondly, the CCA Report believes the larger cement enterprises will increasingly focus on both upstream and downstream investments so as to achieve synergy through formation of comprehensive industry chains. These could involve investments in mining resources, various processing facilities, digitalization and new energy-related technologies.

We have also reviewed the 2024 Analysis of the Cement Industry Report (the "CLCR Report") issued by China Lianhe Credit Rating Co., Ltd. ("China Lianhe") in March 2024, one of the largest credit rating agencies in the PRC. Based on publicly available information, China Lianhe was established in 2000 and is 71.8%-owned by Lianhe Credit Information Service Co., Ltd. and 24.2%-owned by the Government of Singapore Investment Corporation. It had approximately 350 analysts covering a portfolio of more than 3,000 issuers in 2022. From the CLCR Report, we noted that based on information of 28 major listed or bond-issuing PRC cement enterprises, their revenue and operating profit during the first three quarters of 2023 collectively declined by about 10% and 50% respectively. About 20% of these companies recorded losses during the period, with the remaining reporting lower profitability compared to previous year's corresponding period.

In summary, we noted the PRC cement industry is undergoing a protracted structural downturn with no recovery in sight in the near to medium term. Successive policies are being introduced to support the structural transformation of the PRC real estate market which has been experiencing drastic decline. However, when the real estate market can be revived and when it will translate into actual demand for cement products remain uncertain. Structural changes and transformation to the PRC cement industry are also taking place as the PRC government implements environmental-related policies such as Dual Carbon Goals (雙碳目標) and Ultra-low Emissions Policy (超低排放政策). Industry associations are meanwhile urging market players to collaborate in reducing capacity and rationing production output to avoid a collapse in cement selling price. It remains to be seen when the positive effects of such concerted measures will manifest.

We are of the view that from the industry, and more specifically the Group's perspective, the above may entail (i) protracted difficult operating environment; and (ii) continuous capital expenditure needed in upgrading existing facilities and/or building new facilities as well as decommissioning certain obsolete capacity or facilities which do not meet regulatory requirements.

Outlook of the Company

The Company stated in the 2023 Annual Report and the 2024 Interim Report that it expects cement demand will continue to decrease throughout 2024 while prices are expected to remain low and volatile. For the year ending 31 December 2024, the Group aims to sell similar volume of cement products as it did in FY2023.

To respond to government policies such as the Dual Carbon Goals and the Ultra-low Emissions Policy, and to maintain its competitiveness, the Group will strive towards containing operating costs, improving operational efficiency, quality, service and environmental protection.

We note that the relevant paper detailing the technical classifications and requirements pertaining to the PRC cement industry in response to the Dual Carbon Goals and the Ultra-low Emission Policy, namely "Energy Consumption per Unit Product of Cement (2nd edition)¹ 《水泥單位產品能源消耗限額(第二次修訂)》" published by the State Administration for Market Regulation of the PRC, was first introduced in October 2021 and became effective in November 2022. In respect of implementation timeline, according to various papers published by the relevant regulatory bodies in the PRC, such as "Guidelines for Energy Conservation and Carbon Reduction Transformation and Upgrading in Key Areas of High Energy Consumption Industries (2022 edition)¹ 《高耗能行業重點領域節能降碳改造升級實施指南(2022年版)》" published by the National Development and Reform Commission of the PRC and "Energy Conservation and Carbon Reduction Action Plan for 2024-2025¹ 《2024-2025年節能降碳行動方案》" published by the State Council of the PRC, cement corporations in the PRC are required to fulfill the relevant requirements by 2025. These requirements are mandatory and cement corporations that fail to meet the specified requirements within the stated timeline face the risk of their operations being suspended. Based on our discussion with the Management, we understand that the Group has been studying the relevant details, and testing and exploring viable plans since the publication of the relevant requirements. For example in 2022 and 2023, the Group had conducted trial transformation and upgrades on several production facilities and have been monitoring their outcome and effects. Upon achieving satisfactory results, the Group has been planning the capital expenditure for the extensive transformation and upgrading of all production lines and facilities within the next 6 to 18 months so as to meet the specified regulatory timeline.

¹ For reference only

In terms of capital expenditure over the next 6 to 18 months, the Group will have to invest in the following areas to increase operating efficiency and adherence to requirements of government policies. These include:

- (i) upgrade and replacement of production capacity as well as expansion of production capacity for non-cement products (such as concrete aggregates) in Jiangxi, Huanggang and Jiangling, the PRC; the completion of which are expected to be in or around December 2025;
- (ii) initiatives to reduce energy consumption and carbon emission, such as reducing coal and electricity consumption in kiln lines and cement mills, implementing wind and photovoltaic power generation and establishing energy storage stations; the completion of which are expected to be in or around December 2025;
- (iii) enhancing safety and environmental protection measures, including implementation actions such as desulfurisation, denitrification, enhancing enclosure systems and improving dust collection; the completion of which are expected to be in or around December 2025;
- (iv) refinement of production process; the completion of which are expected to be in or around December 2025; and
- (v) miscellaneous projects such as replacement of old machinery, information technology systems and others; the completion of which are expected to be in or around June 2025.

Besides the above, there are also imminent payments to be made for rights on additional mining reserves, with payments scheduled to commence within the next 12 months. The total estimated capital expenditure of the abovementioned items ranged from RMB5,000 million to RMB6,000 million. As at the Latest Practicable Date, as advised by the Management, save for (v) miscellaneous projects, each of the abovementioned items has commenced with initial and partial payments incurred. We also note that the Group's capital expenditure (defined as cash outflow for purchase of property, plant and equipment and mining rights) in the past year of approximately RMB315.9 million, had been comparatively low pending the above. In terms of capital expenditure to revenue ratio (the "**CapEx/Revenue Ratio**"), this equates to approximately 4.3% for the Group in FY2023. In comparison, the CapEx/Revenue Ratios of the Comparables (as defined below) for FY2023 were approximately 32.1%, 17.0% and 5.5% for West China Cement Limited, China Resources Building Materials Technology Holdings Limited and China Shanshui Cement Group Limited respectively.

It can be concluded that over the short to medium term, the focus of the Group will be to ride out the industry downturn. Given such unprecedented challenge, we believe the outcome will be dependent on efficacy of government measures and industry collaborative efforts in addressing issues such as falling cement selling price and building up of unsold inventories. It will also be dependent on the Group's ability to cope with the requirements of structural transformation of the cement industry, in particular, those environmental-related policies.

2. Background information of the Offeror

2.1 The Offeror and its controlling shareholder

The Offeror is a company incorporated in Taiwan with limited liability and is listed on the Taiwan Stock Exchange (stock code: 1102.TW). The Offeror was founded in 1957 and is principally engaged in manufacturing, wholesale and trading in cement and ready-mixed concrete and is headquartered in Taiwan.

As at the Latest Practicable Date, Far Eastern New Century Corporation is the largest shareholder of the Offeror, holding approximately 21.16% of the total issued shares of the Offeror, and the Offeror is in turn the largest shareholder of Far Eastern New Century Corporation, holding approximately 23.77% of the total issued shares of Far Eastern New Century Corporation. Based on the information available to the Offeror, and as at the Latest Practicable Date, there is no other shareholder who holds more than 5% of the shares in Far Eastern New Century Corporation.

As at the Latest Practicable Date, the Offeror was indirectly interested in 1,144,862,000 Shares, representing approximately 73.07% of the issued Shares, through its interest in the Offeror Group Shareholders.

2.2 The Offeror's intention in relation to the Company

As disclosed in the paragraph headed "8. Intention of the Offeror with regard to the Group" under the section headed "Explanatory memorandum" of the Scheme Document, as at the Latest Practicable Date, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror did not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

3. Rationale of the Proposal from perspectives of the Company and the Disinterested Shareholders

We have considered the rationale of the Proposal from perspectives of the Disinterested Shareholders as well as the Company as follow.

3.1 From the perspective of the Disinterested Shareholders

Opportunities to realise investment in the Company at premium to prevailing market price

As noted in the section headed “Explanatory memorandum” of the Scheme Document, the Proposal provides the Scheme Shareholders with an opportunity to realise their investment in the Company at a premium to the prevailing market price of Shares.

Per our analysis on historical Share price trend as discussed in the section headed “4.1 Historical price performance of the Shares” below, the Offer Price is higher than the closing price of the Shares during most of the Review Period (as defined below), and that it represents a premium of approximately 20.6% over the average closing prices of the Shares during the Review Period. Subsequent to the publication of the Announcement and up to the Latest Practicable Date, the closing price of the Shares remained at levels below the Offer Price.

Given the challenging operating environment and deteriorating profitability the Group is experiencing, we are of the view that future uncertainty of performance of Share price will be high and concur that the Proposal offers Disinterested Shareholders a reasonable opportunity to sell their Shares at a premium to prevailing market price. We believe the current market trading prices of Shares are underpinned by the existence of the Proposal and the absence or lapse of the Proposal may cause price of Shares to retreat to levels before the Announcement as we are not aware of any material positive development or change to the Group’s business and prospects since then.

Opportunity to realise investment in the Company regardless of shareholding size

The Company pointed out that the trading liquidity of the Shares has been low, making it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares.

Per our analysis on the trading liquidity of the Shares as discussed in the section headed “4.2 Trading liquidity of the Shares” below, we noted that the trading activities in Shares were generally illiquid over the Review Period and Disinterested Shareholders may experience difficulty in disposing of their

Shares, and any sale of a significant number of the Shares on the market may result in downward pressure on the market price of Shares.

In this respect, we concur that the Proposal represents an opportunity for the Disinterested Shareholders to realise their investments in the Company with the certainty of return. We noticed substantial increase in trading liquidity for a couple of days before and after the Announcement. We believe such relatively high volume was similarly triggered by existence of the Proposal and may not be sustainable in the absence of the Proposal.

Uncertainties on business outlook of the Group

As discussed in the sections headed “1.2 Historical financial performance of the Group” and “1.4 Industry and outlook of the Group” above, the Group’s profitability had declined drastically from FY2021 to FY2023, with recorded losses in 1H2024. Meanwhile, we noted the PRC cement industry is undergoing a protracted structural downturn with little prospect of a recovery in sight in the near to medium term. From the Group’s perspective, such situation may entail protracted difficult operating environment as well as continuous capital expenditure in upgrading existing facilities and/or building new facilities to maintain competitiveness and to meet regulatory requirements.

We are of the view that, unless specific Disinterested Shareholders somehow hold opposing views on the outlook of the industry and/or the Group as reported above, the Proposal represents an opportunity to exit their investments in the Company amidst this period of uncertainties affecting the PRC cement industry and the Group.

3.2 From the perspective of the Company

Avoid the costs associated with maintaining a listing platform

Since the Company’s listing on the Main Board of the Hong Kong Stock Exchange, the Management advised that the depressed price level and low trading activities of Shares has limited the Company’s ability to conduct equity financing to support its business operation and development. In fact, we noted that the Company has not conducted any fund raising through the issuance of Shares or other listed securities in the past ten years.

We consider that given the primary objectives of a listed platform is public equity fund raising; with such ability curtailed, the costs associated with the maintenance of the listing status of the Company may no longer be justifiable.

Upon completion of the Proposal, the Company can expect to substantially reduce the administrative costs and management resources to be committed in maintaining its listing status and compliance with regulatory requirements.

3.3 Section summary

In summary, the Proposal (i) on one hand provides the opportunity for the Disinterested Shareholders to realise their investment in the Company at premium to prevailing market price with certainty, amidst low trading liquidity of the Shares; and (ii) on the other hand, completion of the Proposal will allow the Company to avoid further costs in maintaining a listing status which has lost its primary function as a fund-raising platform.

4. The Offer Price

The Offer Price of HK\$3.22 per Scheme Share represents:

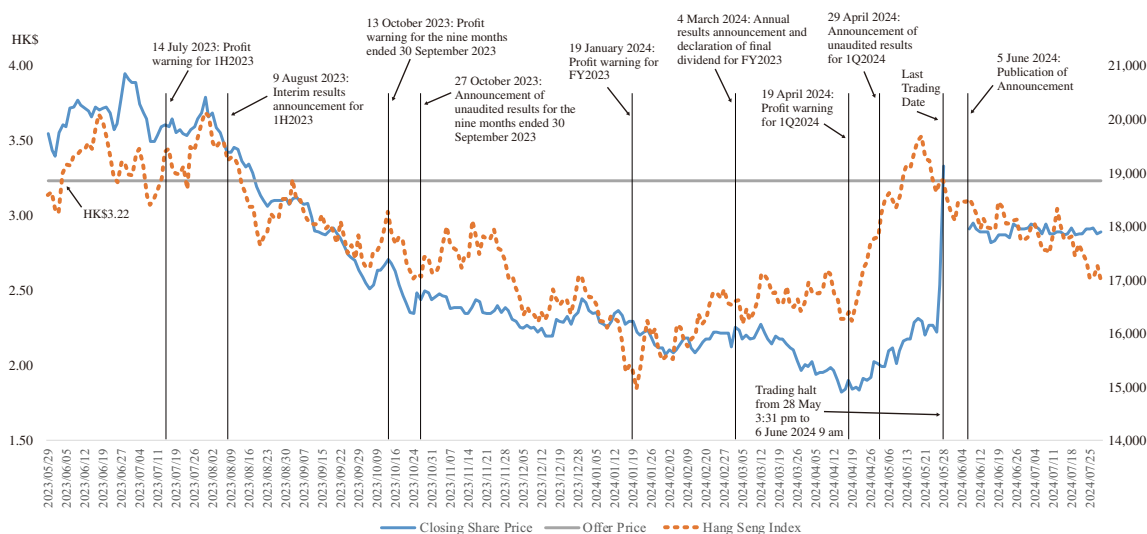
- (a) a premium of approximately 11.81% over the closing price of HK\$2.88 per Share as quoted on the Hong Kong Stock Exchange on 30 July 2024, being the Latest Practicable Date;
- (b) a discount of approximately 3.01% over the closing price of HK\$3.32 per Share as quoted on the Hong Kong Stock Exchange on 28 May 2024, being the Last Trading Date;
- (c) a premium of approximately 27.78% over the average closing price of HK\$2.52 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (d) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 51.17% over the average closing price of HK\$2.13 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 27.27% over the closing price of HK\$2.53 per Share as quoted on the Hong Kong Stock Exchange on 27 May 2024, being the Last Full Trading Date;
- (h) a premium of approximately 45.05% over the closing price of HK\$2.22 per Share as quoted on the Hong Kong Stock Exchange on 24 May 2024, being the Last Undisturbed Date;

- (i) a premium of approximately 43.11% over the average closing price of HK\$2.25 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Undisturbed Date;
- (j) a premium of approximately 57.84% over the average closing price of HK\$2.04 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Undisturbed Date;
- (k) a premium of approximately 54.81% over the average closing price of HK\$2.08 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Undisturbed Date;
- (l) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Undisturbed Date;
- (m) a discount of approximately 72.85% to the audited consolidated net asset value attributable to Shareholders per Share of HK\$11.86 as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to shareholders of RMB16,842,851,000 (based on an exchange rate of HK\$1.0 = RMB0.90622, the central parity rate published by the People's Bank of China on its website as at 29 December 2023 for illustrative purposes);
- (n) a discount of approximately 71.88% to the unaudited consolidated net asset value attributable to Shareholders per Share of HK\$11.45 as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable to shareholders of RMB16,373,757,000 (based on an exchange rate of HK\$1.0 = RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purposes); and
- (o) a discount of approximately 75.06% to the Adjusted NAV of HK\$12.91 as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable shareholders of RMB18,467,881,000 (based on an exchange rate of HK\$1.0 = RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purposes).

According to the Announcement, the Offeror will not increase the Offer Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.

4.1 Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from 29 May 2023 to the Last Trading Date (“Pre-Announcement Period”), and subsequently up to and including the Latest Practicable Date (“Post-Announcement Period”) (collectively, the “Review Period”). We consider a period of approximately one year is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors’ reaction towards the latest developments of the Group, including its financial performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Offer Price.



Source: The website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the highest and lowest closing prices of the Shares were HK\$3.93 and HK\$1.82 per Share recorded on 28 June 2023 and 16 April 2024 respectively. The average daily closing price per Share over the Review Period was approximately HK\$2.67 per Share. The Offer Price, being HK\$3.22 per Scheme Share, represents a premium of approximately 20.6% over such average of closing prices.

As illustrated in the graph above, the Offer Price is higher than the closing prices of the Shares during most of the Review Period (i.e. 225 out of 283 trading days). Between 29 May 2023 and 9 August 2023, closing prices of the Shares had traded between HK\$3.38 per Share and HK\$3.93 per Share and recorded its highest at HK\$3.93 per Share on 28 June 2023. However, this did not sustain for long as shortly after the Company’s publication of interim results announcement for the six months ended 30 June 2023 on 9 August 2023, the Share closing price dropped to a level below the Offer Price and reached a low of HK\$2.50 per Share on 5 October 2023. Subsequently, the Company published a profit warning announcement for the nine months ended 30 September 2023 on 13 October 2023, and the Share closing

price continued to decline and recorded at HK\$2.34 per Share on 24 October 2023. Thereafter, the Share closing price hovered between HK\$2.07 per Share and HK\$2.49 per Share during the period from 25 October 2023 to the end of February 2024. We note that such overall decreasing trend in the Share closing price since the beginning of the Review Period and up to the end of February 2024 reflected the Group's deteriorating financial performance and was largely in line with the overall market performance as evidenced by the Hang Seng Index, which dropped from 18,511 as at 29 May 2023 to 16,511 as at 29 February 2024.

The Company announced a substantial deterioration in financial results for FY2023 and declared a substantially lower final dividend for FY2023 on 4 March 2024. Thereafter, the Share closing price declined to its lowest at HK\$1.82 per Share on 16 April 2024. Share closing prices remained at low level after the first quarterly results for the three months ended 31 March 2024 was announced in end April 2024. The Share closing price then rebounded to a level above HK\$2.00 per Share in May 2024. We note that shortly before the Shares were suspended for trading at 3:31 p.m. on 28 May 2024, the Share closing price surged drastically from HK\$2.22 per Share on 24 May 2024 to HK\$3.32 per Share (slightly above the Offer Price) on 28 May 2024, being the Last Trading Date. Following the Company's publication of the Announcement in relation to the Proposal and the Scheme and resumption of trading of the Shares at 9:00 a.m. on 6 June 2024, the Share closing price dropped to a level below the Offer Price. As at the Latest Practicable Date, the Share price closed at HK\$2.88 per Share.

Considering that the Offer Price is higher than the closing price of the Shares during most of the Review Period (i.e. 225 out of 283 trading days), and that it represents a premium of approximately 20.6% over the average closing prices of the Shares during the Review Period, we are of the view that the Offer Price is fair and reasonable from the point of view of the historical trading price of the Shares.

4.2 Trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares on a monthly basis and the respective percentage of the average daily trading volume of the Shares as compared to the total number of issued Shares and Shares held by the Disinterested Shareholders during the Review Period.

Month	Average daily trading volume (number of Shares)	Average daily trading volume as a percentage to the total number of issued Shares⁽¹⁾	Average daily trading volume as a percentage to the total number of issued Shares held by the Disinterested Shareholders⁽²⁾
2023			
May (from 29 May)	1,162,000	0.074%	0.279%
June	407,501	0.026%	0.098%
July	274,583	0.018%	0.066%
August	407,653	0.026%	0.098%
September	617,401	0.039%	0.148%
October	752,101	0.048%	0.180%
November	918,519	0.059%	0.220%
December	841,211	0.054%	0.202%
2024			
January	797,269	0.051%	0.191%
February	712,087	0.045%	0.171%
March	894,329	0.057%	0.214%
April	837,450	0.053%	0.201%
May (up to the Last Trading Date) ⁽³⁾	5,477,424	0.350%	1.313%
June (from 6 June) ⁽³⁾	7,775,130	0.496%	1.864%
July (up to the Latest Practicable Date)	1,368,593	0.087%	0.328%

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) The calculation is based on the average daily trading volume divided by total number of issued Shares as at the end of each relevant month.
- (2) The calculation is based on the average daily trading volume divided by total number of issued Shares held by the Disinterested Shareholders as at the end of each relevant month.
- (3) The Shares were suspended for trading from 28 May 2024 3:31 p.m. to 6 June 2024 9:00 a.m.

As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of Shares held by the Disinterested Shareholders, ranged from approximately 0.018% to approximately 0.496% and approximately 0.066% to approximately 1.864% respectively. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 1,033,224 Shares, representing approximately 0.066% of the total number of issued Shares and approximately 0.248% of the total number of Shares held by the Disinterested Shareholders as at the Last Trading Date.

We note that the trading volume of Shares increased after the publication of the Announcement where during the Post-Announcement Period, the average daily trading volume of Shares amounted to approximately 4,138,987 Shares, representing approximately 0.264% of the total number of issued Shares and approximately 0.992% of the total number of Shares held by the Disinterested Shareholders as at the Latest Practicable Date. It can be concluded that, without the Proposal, trading activities in Shares were generally illiquid.

In the absence of the Proposal, Disinterested Shareholders will only be able to dispose of their Shares on-market to realise their investment in the Company. Considering the thin trading volume of Shares during the Pre-Announcement Period, Disinterested Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of the Shares on the market may result in downward pressure on the market price of Shares.

4.3 Comparable analysis

Comparable analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and of similar scale.

To assess the fairness and reasonableness of the Offer Price, we have performed analysis on the price-to-earnings ratio (the “**P/E Ratio(s)**”), being a common parameter in assessing a company’s value, of companies which are listed on the Hong Kong Stock Exchange and are engaged in similar business of the Group for comparison purpose (the “**Comparable(s)**”). Considering the business nature of the Company is relatively asset-heavy, we have also compiled the price-to-book ratio (the “**P/B Ratio(s)**”) of the Comparables for analysis.

We have set the following selection criteria for the purpose of identifying Comparables:

- (i) company whose shares are listed on the Main Board of the Hong Kong Stock Exchange and were not being suspended from trading as at the Latest Practicable Date;
- (ii) over 50% of its latest financial year revenue was derived from the manufacture and sale of cement in the PRC; and
- (iii) of comparable operating scale to the Group with latest financial year revenue ranging from RMB1 billion to RMB30 billion (the Group's revenue in FY2023 was approximately RMB7.4 billion).

Based on the above criteria, we have identified three Comparables, being West China Cement Limited, China Shanshui Cement Group Limited and China Resources Building Materials Technology Holdings Limited. The list is exhaustive based on those selection criteria above. Cognisant that there exists no company which can be of exactly the same business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company and we have not conducted any in-depth investigation into the business and operations of the Comparables save for the aforesaid selection criteria, and an observation that West China Cement Limited generated about 30% of its revenue from overseas markets and these markets contributed significant portion of its profits in 2023. Notwithstanding this, we believe the Comparables selected (including West China Cement Limited given the fact that the majority of its revenue was generated from the PRC market, despite its overseas presence), are appropriate to serve as a benchmark reference for our comparable analysis purpose, which reflects the prevailing market sentiment towards this business sector.

PART VI LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our relevant findings are summarised in the following table:

Stock code	Company name	Principal business	Market capitalisation ⁽¹⁾ (HK\$ million)	Net profit/ (loss) ⁽²⁾ (HK\$ million)	Net asset value ⁽³⁾ (HK\$ million)	P/E Ratio ⁽⁴⁾ (times)	P/B Ratio ⁽⁵⁾ (times)
691	China Shanshui Cement Group Limited	China Shanshui Cement Group Limited is principally engaged in the manufacture and trading of cement, clinker and concrete in the PRC.	2,177.0	(970.8)	20,129.1	N/A (loss making)	0.11
2233	West China Cement Limited	West China Cement Limited is principally engaged in the manufacture and sales of cement and cement products.	5,672.5	462.6	13,489.5	12.30	0.42
1313	China Resources Building Materials Technology Holdings Limited	China Resources Building Materials Technology Holdings Ltd is principally engaged in the manufacture and sale of cement, concrete and related products.	12,220.1	707.0	48,391.4	17.34	0.25
					Mean	14.82	0.26
					Median	14.82	0.25
					Maximum	17.34	0.42
					Minimum	12.30	0.11
743	The Company ⁽⁶⁾		5,045.3	116.1	20,215.7	43.45	0.25

Source: The website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.91354.
- (2) The net profit/(loss) attributable to shareholders of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.91354.

- (3) The net asset value attributable to shareholders of the Comparables are extracted from their respective latest published annual/interim/quarterly results announcement/report prior to the Latest Practicable Date. Where applicable, for illustrative purpose, RMB has been translated into HK\$ with exchange rate of HK\$1.0 = RMB0.91354.
- (4) P/E Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net profit as described in note 2 above.
- (5) P/B Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net asset value as described in note 3 above.
- (6) The implied market capitalisation of the Company is calculated based on the Offer Price and 1,566,851,000 issued Shares. The implied P/E Ratio of the Company is calculated based on the implied market capitalisation and divided by the Group's net profit attributable to owners of the Company in FY2023. The implied P/B Ratio of the Company is calculated based on the implied market capitalisation, divided by the Group's net asset value attributable to Shareholders as at 30 June 2024 and adjusted by the revaluation surplus based on the valuation of its properties as at 31 May 2024 as set out in the Property Valuation Report prepared by the Independent Property Valuer as set out in Appendix III to this Scheme Document.

As shown in the above table, from a P/B Ratio perspective, the valuation of the Company based on the implied market capitalisation arrived at using the Offer Price and the Group's net asset value (adjusted by the revaluation surplus) translates into an implied P/B Ratio of approximately 0.25 times. This is equivalent to the Comparables' P/B Ratio median and within the P/B Ratio range of the Comparables of approximately 0.11 times to 0.42 times, and marginally below the Comparables' P/B Ratio mean of approximately 0.26 times.

From a P/E Ratio perspective, we first note that the Group had turned to losses in 1H2024 as further discussed in the section headed "1.2 Historical financial performance of the Group" above. Second, one of the Comparables, namely China Shanshui Cement Group Limited, reported losses in FY2023, rendering the P/E Ratio not applicable. Lastly, another Comparable, namely China Resources Building Materials Technology Holdings Limited, had also incurred losses in 1Q2024 according to its unaudited financial information for the three months ended 31 March 2024 published on 26 April 2024. Considering these recent developments, P/E Ratio analysis appears to be not meaningful. We also noticed that West China Cement Limited derived its profits substantially from its overseas non-PRC markets and operations.

From the perspective of market comparable analysis based on the commonly adopted and practicably available reference (i.e. P/B Ratio), it can be shown that the Offer Price accorded the Company a valuation which is generally fair and reasonable.

5. Specific considerations on the discount of the Offer Price to net asset value as at 30 June 2024 attributable to Shareholders per Share (“NAV per Share”), Adjusted NAV and net cash per Share

The Offer Price represents substantial discounts of approximately 71.88% and 75.06% to NAV per Share and Adjusted NAV respectively. We have also conducted further analysis on the composition of the Group’s net assets and noted that it had been maintaining a strong financial and liquid position where the Group remained in a net cash position assuming it repays all its current and non-current liabilities using its available bank balances and cash. Using the Group’s financial position as at 30 June 2024 for illustration, the Group would have maintained bank balances and cash of approximately RMB6,037.2 million had it used such resources to repay all its current and non-current liabilities. For illustration, this translates into net cash per Share of RMB3.85 or HK\$4.22, where the Offer Price of HK\$3.22 represents a discount of approximately 23.7% to such level. The aforesaid discounts are in itself a disadvantage to Disinterested Shareholders.

To further assess the fairness and reasonableness of such discounts in the context of the Proposal and the Scheme, we have considered the following:

5.1 *Reasons for comparatively large bank balances and cash position*

As elaborated in the paragraph headed “Outlook of the Company” under the section headed “1.4 Industry and outlook of the Group” above, we note that substantial capital expenditure amounting to between RMB5,000 million and RMB6,000 million has been planned over the next 6 to 18 months. Taking into account this capital expenditure plan and the possibility that the Group may not be generating operating profit and cash flow if the market downturn persists, the Group’s current bank balances and cash could be significantly depleted. Using the Group’s financial position as at 30 June 2024 for illustration, assuming the Group had utilised its cash resources to pay for all its planned capital expenditure, it would have maintained a marginal net cash position ranging from approximately RMB37.2 million to RMB1,037.2 million, which translates into adjusted net cash per Share ranging from RMB0.02 (equivalent to approximately HK\$0.02) to RMB0.66 (equivalent to approximately HK\$0.72). Meanwhile, there will be minimal impact on NAV per Share as the reduction in bank balances and cash will be offset by increase in the carry amount of property, plant and equipment in general. Meanwhile, the aforesaid imminent cash deployment could be evidenced by the Group’s comparatively low capital expenditure in the past year pending deployment as compared with the capital expenditure of the Comparables as described above.

We understand from the Management that the significant capital expenditure on transforming and upgrading production lines and facilities are mainly to ensure the Group is able to continue its operations when new regulations are enforced over the next few years, and to allow the Group to navigate the structural downturn of the cement industry by manufacturing and selling non-cement products. It is uncertain whether and when profit (if any) can be derived from the capital expenditure deployed, especially given the current challenges faced by the PRC economy and its cement industry. We understand the Comparables are similarly weathering these challenges and the current market appears to have applied similar discounts to their valuation as described above.

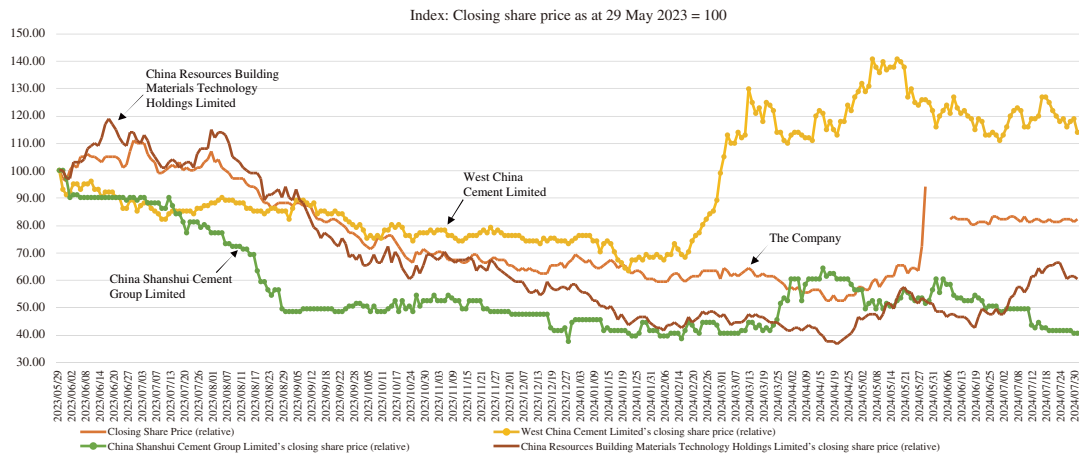
5.2 Historical trading pattern of Share closing price relative to NAV per Share

We have examined the historical trading pattern of the closing price of Share relative to its NAV per Share during the Review Period and observed that the Share closing price had consistently traded at varying levels of discount to NAV per Share, ranging from discounts of approximately 67.8% to 84.7%.

5.3 Trading patterns of the Shares and shares of the Comparables

We first note, from the section headed “4.3 Comparable analysis” above, that all three Comparables are traded at discounts to their respective net asset values, indicated by a P/B Ratio of below 1, although based on their latest available financial information, the Comparables did not have net cash position. We note that there could be various reasons for such differences including capital structure considered to be optimal by their respective management teams, their stages of business development as well as their recent operating and business performance. Meanwhile, we observed that West China Cement Limited has a relatively higher P/B Ratio of approximately 0.42 times; such better performance was likely underpinned by its robust overseas business as explained above. Overall, such phenomenon of trading at discount to net asset value appears common for comparable Stock Exchange-listed issuers operating in the PRC cements industry, and which are facing difficult operating conditions and challenging market environment.

To further consider the effect of the current downturn of PRC cement market on industry players, we have considered the trading patterns of Share closing price and the closing price of shares of the Comparables during the Review Period. For ease of comparison purpose, we have set the respective closing prices of the Share and the shares of the Comparables as at 29 May 2023 (i.e. commencement of the Review Period) to be 100, allowing for a standardised basis of comparison.



Source: The website of the Stock Exchange (www.hkex.com.hk)

We note that save for West China Cement Limited (which relatively good price performance was likely underpinned by its robust overseas business as mentioned above), trading patterns of the two other Comparables were similar to, if not worse off than, the Share price. Such discount levels hence could be a reflection of the difficulties and uncertainties faced by PRC cement companies in general, and the discount of Share price and the Offer price to NAV per Share is not unique to the Company.

5.4 Section conclusion

Based on the above, it appears the discounts of the Offer Price to NAV per Share, Adjusted NAV and net cash per Share reflects (i) imminent cash deployments needed to finance the Group’s working capital requirements in the face of industry challenges such as falling selling prices and diminishing profit margins; (ii) efforts to maintain the Group’s market share which may entail operating at losses; (iii) capital expenditure required to be expended to sustain the Group’s long term business plan such as building and upgrading facilities to ensure compliance with increasingly stringent regulatory requirements. We are of the view that the market likely had also applied discounts towards possible depreciating value of the Group’s non-cash assets given that the PRC cement industry is struggling with over-capacity and saddled with facility upgrading requirements. There is also uncertainty how and when a turnaround may occur.

The above observations appear not unique to the Company but has also affected the Comparables and the industry in general as evidenced by our analysis of the Comparables' valuation levels and discounts to their net asset values described above. Without the Proposal, it is possible that the extent of discounts could have been even larger. For this reason, we are of the view that the Scheme is, on balance in this respect, fair and reasonable.

6. Privatisation precedents

It is disclosed in the section headed "Explanatory memorandum" of the Scheme Document that the Offer Price has been determined, among others, with reference to other privatisation transactions in Hong Kong in recent years. From our perspective in this case, past privatisation transactions of companies listed on the Stock Exchange are less of a reference for assessing the fairness and reasonableness of the Offer Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position as well as trading prospects and hence difference in risk premiums afforded by the market. Accordingly, we consider that the analysis in other sections above to be more relevant for the Disinterested Shareholders to make an informed assessment on the fairness and reasonableness of the Offer Price.

RECOMMENDATIONS

In summary, in relation to the Proposal and the Scheme, we have considered the below factors and reasons in reaching our conclusion and recommendations:

- (a) the Group's profitability had declined drastically from FY2021 to FY2023, with losses being recorded in 1H2024;
- (b) despite that the Group had been maintaining a strong financial and liquid position and remained in a net cash position (assuming it repays all its current and non-current liabilities using its available bank balances and cash), taking into account the Group's upcoming capital expenditure plan and the possibility that the Group may not be generating operating profit and cash flow if the market downturn persists, the Group's current bank balances could be significantly depleted and due consideration for the aforesaid precarious situation must be given when comparing the Offer Price with the net cash per Share;
- (c) from our independent industry research, we note that the PRC cement industry is undergoing a protracted structural downturn with little prospect of a recovery in sight in the near to medium term. From the industry, and more specifically the Group's perspective, such situation may entail protracted difficult operating environment, as evidenced by the deteriorating situations of industry players as reported in the CLCR Report and also those reported by the Comparables as described above. There is meanwhile continuous capital expenditure needed in upgrading existing facilities and/or building new facilities to maintain competitiveness and to meet regulatory requirements;
- (d) the Group's dividend policy may preclude the Company from declaring dividends during this challenging operating environment, and if the Group's loss situation persists;
- (e) from Disinterested Shareholders' perspective, the Proposal enables the Disinterested Shareholders to receive immediate cash proceeds from a fixed Offer Price regardless of the number of Shares they hold and amidst low trading liquidity of Shares which would have hampered their ability to sell Shares in the market for cash proceeds without exerting downward pressure on the market price of the Shares;
- (f) the Offer Price is higher than the closing prices of the Shares during most of the Review Period (i.e. 225 out of 283 trading days), and that it represents a premium of approximately 20.6% over the average closing prices of the Shares during the Review Period;
- (g) while the Offer Price represents a discount to the Group's consolidated net asset value which is in itself unfavourable, this phenomenon however appears common for Stock Exchange-listed issuers in the industry which the Group operates in and under the current market environment, as observed in the market comparable analysis;

- (h) in terms of market comparable analysis based on the commonly adopted and practicably available reference (i.e. P/B Ratio), the implied P/B Ratio of the Company (based on the Offer Price and net asset value (adjusted by the revaluation surplus)) is equivalent to the median P/B Ratio of the Comparables and within the P/B Ratio range of the Comparables, despite marginally below the mean P/B Ratio of the Comparables; and
- (i) a combination of factors appeared to have caused the price of Shares to trade at significant discounts to NAV per Share, Adjusted NAV and net cash per Share.

In light of the above and on the basis that there will be no increase in the Offer Price and there appears no current prospect of any alternative offer or proposal that may be of better terms than the Proposal, we consider that, despite the aforesaid discounts described in item (i) above, the Proposal and the Scheme, on balance, offer the Scheme Shareholders an immediate assured opportunity to exit their investment in the Company at the fixed Offer Price and to monetise and possibly reallocate their investment in the Company towards other investments that they may consider more attractive in terms of outlook and potential dividend/interest payout.

Considering the above, we (i) are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) recommend the Independent Board Committee to advise the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

As different Scheme Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Disinterested Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Chang Sean Pey
Responsible Officer

Mr. Chang Sean Pey (“Mr. Chang”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.

This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).

**SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

1. INTRODUCTION

Reference is made to the joint announcement dated 5 June 2024 issued by the Offeror and the Company in relation to the Proposal. On 5 June 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Offer Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will be cancelled and extinguished on the Effective Date. Contemporaneously with such cancellation and extinguishment, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

Upon the Scheme becoming effective, the Offeror will directly hold 100% in the Company, and the listing of the Shares will be withdrawn from the Hong Kong Stock Exchange.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal (in particular the Scheme) and to provide the Scheme Shareholders with further information in relation to the Proposal.

Particular attention is drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; and (iv) the terms of the Scheme set out in Appendix IV of this Scheme Document.

2. TERMS OF THE PROPOSAL

The Scheme

Subject to the Scheme becoming effective, all of the Scheme Shares will be cancelled in exchange for HK\$3.22 in cash payable by the Offeror to the Scheme Shareholders for each Scheme Share.

The Offer Price has taken into account of, and will not be adjusted to reflect, the payment of the 2023 Final Dividend. If, after the Latest Practicable Date, any

dividend and/or other distribution and/or other return of capital other than the 2023 Final Dividend is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Offeror will not increase the Offer Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price.

The Offer Price of HK\$3.22 represents:

- (a) a premium of approximately 11.81% over the closing price of HK\$2.88 per Share as quoted on the Hong Kong Stock Exchange on 30 July 2024, being the Latest Practicable Date;
- (b) a discount of approximately 3.01% over the closing price of HK\$3.32 per Share as quoted on the Hong Kong Stock Exchange on 28 May 2024, being the Last Trading Date;
- (c) a premium of approximately 27.78 % over the average closing price of HK\$2.52 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Trading Date;
- (d) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 51.17% over the average closing price of HK\$2.13 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 27.27% over the closing price of HK\$2.53 per Share as quoted on the Hong Kong Stock Exchange on 27 May 2024, being the Last Full Trading Date;
- (h) a premium of approximately 45.05% over the closing price of HK\$2.22 per Share as quoted on the Hong Kong Stock Exchange on 24 May 2024, being the Last Undisturbed Date;
- (i) a premium of approximately 43.11% over the average closing price of HK\$2.25 per Share as quoted on the Hong Kong Stock Exchange for the five trading days up to and including the Last Undisturbed Date;

- (j) a premium of approximately 57.84% over the average closing price of HK\$2.04 per Share as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Undisturbed Date;
- (k) a premium of approximately 54.81% over the average closing price of HK\$2.08 per Share as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Undisturbed Date;
- (l) a premium of approximately 52.61% over the average closing price of HK\$2.11 per Share as quoted on the Hong Kong Stock Exchange for the 90 trading days up to and including the Last Undisturbed Date;
- (m) a discount of approximately 72.85% to the audited consolidated net asset value attributable to Shareholders per Share of HK\$11.86 as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to shareholders of RMB16,842,851,000 (based on an exchange rate of HK\$1.0 = RMB0.90622, the central parity rate published by the People's Bank of China on its website as at 29 December 2023 for illustrative purposes);
- (n) a discount of approximately 71.88% to the unaudited consolidated net asset value attributable to Shareholders per Share of HK\$11.45 as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable to shareholders of RMB16,373,757,000 (based on an exchange rate of HK\$1.0 = RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purposes); and
- (o) a discount of approximately 75.06% to the Adjusted NAV of HK\$12.91 as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable to shareholders of RMB18,467,881,000 (based on an exchange rate of HK\$1.0 = RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purposes).

The trading volume on the Last Trading Date was 56,505,000 Shares. The average daily trading volume over the twelve-month period immediately up to and including the Last Undisturbed Date was approximately 739,892 shares. The share price of the Company traded up by 31.23% on the Last Trading Date and 49.55% between the Last Trading Date and the Last Undisturbed Date. In contrast, the Hang Seng Index traded down by 0.03% on the Last Trading Date and up by 1.14% between the Last Trading Date and the Last Undisturbed Date.

The Offer Price has been determined on an arm's length commercial basis after taking into account the prices of the Shares traded on the Hong Kong Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$3.32 on 28 May 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$1.82 on 16 April 2024.

During the six-month period immediately up to and including the Last Undisturbed Date, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$2.44 on 29 December 2023, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$1.82 on 16 April 2024. If the Scheme is withdrawn, not approved or lapsed, the listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn.

3. CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Disinterested Shares cast by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all of the Disinterested Shares;
- (b) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to (i) approve and give effect to any reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (ii) contemporaneously issue to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares;
- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;

- (d) the approval by the Department of Investment Review of the Ministry of Economic Affairs of Taiwan (“MOEA”) of the additional investment by the Offeror in the PRC pursuant to Article 35 of the Act Governing Relations between the People of the Taiwan Area and the Mainland Area (as amended from time to time) and the regulations promulgated thereunder;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares and the Scheme, respectively;
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation;
- (g) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (h) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme); and
- (i) save in connection with the implementation of the Proposal, the listing of the Shares on the Hong Kong Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Hong Kong Stock Exchange to the effect that the listing of the Shares on the Hong Kong Stock Exchange is or is likely to be withdrawn.

The Conditions in paragraphs (a) to (e) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (f) to (i) (inclusive) above in whole or in part. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. In respect of the Condition in paragraph (d) above, on 29 July 2024, the MOEA has approved the additional investment by the Offeror in the Company in the PRC at the commission hearing held on 29 July 2024. However, as at the Latest Practicable Date, the Offeror has yet to receive the

official approval letter from the MOEA. As at the Latest Practicable Date, no Condition has been fulfilled or waived, as applicable. Further announcement(s) in relation to the fulfilment of the Conditions will be made as and when appropriate or required by the Takeovers Code.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than those specifically set out as the Conditions above (including the Condition under paragraph (d)) and the application for the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange upon the Scheme becoming effective, neither the Offeror nor the Company was aware of any Approvals which are required as set out in the Condition in paragraph (f) above, and neither the Offeror nor the Company was aware of any other circumstances which may result in any of the Conditions in paragraphs (g) to (i) (inclusive) above not being satisfied. In particular, as at the Latest Practicable Date, the Company was not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (h).

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. CONFIRMATION OF FINANCIAL RESOURCES

Assuming that no new Shares will be issued on or before the Record Date, the amount payable to implement the Proposal in full will be HK\$1,628,166,590.

The Offeror intends to finance the consideration payable under the Proposal in full through its internal cash resources and/or external debt financing.

UBS, as the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror to satisfy in full its payment obligations in respect of the cash consideration payable by the Offeror under the Proposal in accordance with the terms of the Proposal.

5. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company was 1,566,851,000 Shares;
- (b) the Offeror legally and beneficially owned, controlled or had direction over 1,061,209,202 Shares, representing approximately 67.73% of the issued Shares, which will not form part of the Scheme Shares;

- (c) the Offeror Concert Parties beneficially owned, controlled or had direction over 88,515,798 Shares in aggregate, representing approximately 5.65% of the issued Shares;
- (d) the Scheme Shareholders (including the Offeror Concert Parties who are subject to the Scheme) legally and/or beneficially owned, controlled or had direction over 505,641,798 Shares in aggregate, representing approximately 32.27% of the issued share capital of the Company; and
- (e) save for the 1,566,851,000 Shares in issue, the Company did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

Shareholding Structure

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately following completion of the Proposal, assuming that: (a) no further Shares will be issued on or before the Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately following completion of the Proposal	
	Number of Shares	Total number of Shares in issue (%) ⁽⁴⁾	Number of Shares	Total number of Shares in issue (%) ⁽⁴⁾
(A) Offeror ⁽¹⁾	1,061,209,202	67.73	1,566,851,000	100.00
(B) Offeror Concert Parties				
Asia Cement (Singapore) ⁽²⁾	63,790,798	4.07	–	–
Falcon Investment ⁽²⁾	16,700,500	1.07	–	–
Asia Engineering ⁽²⁾	3,161,500	0.20	–	–
Directors ⁽³⁾				
Mr. HSU Shu-tong	3,000,000	0.19	–	–
Mr. HSU Shu-ping	200,000	0.01	–	–
Mr. LEE Kun-yen	200,000	0.01	–	–
Mr. CHANG Chen-kuen	713,000	0.05	–	–
Ms. WU Ling-ling	50,000	0.003	–	–
Mr. LIN Seng-chang	700,000	0.04	–	–
Sub-total	88,515,798	5.65	–	–
(C) Offeror and Offeror Concert Parties (A) + (B) ⁽⁴⁾	1,149,725,000	73.38	1,566,851,000	100.00
(D) Disinterested Shareholders	417,126,000	26.62	–	–
Total number of Shares in issue (C) + (D)	1,566,851,000	100.00	1,566,851,000	100.00

Notes:

1. As at the Latest Practicable Date, the Offeror held 67.73% Shares. Such Shares will not form part of the Scheme Shares and will not be cancelled.
2. As at the Latest Practicable Date:
 - (a) Asia Cement (Singapore) held 4.07% Shares and Asia Cement (Singapore) is directly wholly owned by the Offeror.
 - (b) Asia Engineering held 0.20% Shares and Asia Engineering is indirectly wholly owned by the Offeror.
 - (c) Falcon Investment held 1.07% Shares. Falcon Investment is owned as to 100% by U-Ming Marine Transport (Singapore) Private Limited, which is in turn owned as to 99.99% by U-Ming Marine Transport Corporation. U-Ming Marine Transport Corporation, whose shares are listed on the Taiwan Stock Exchange, is owned as to 39.25% by the Offeror. Based on information available to the Offeror, the Offeror is the largest shareholder of U-Ming Marine Transport Corporation and there is no other shareholder who holds more than 2% of the shares in U-Ming Marine Transport Corporation.
3. Each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang is a Director and is also considered as an Offeror Concert Party. Each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen and Ms. WU Ling-ling is also a director of the Offeror.

Based on the information provided by Mr. LIN Seng-chang, during the Relevant Period, Mr. LIN Seng-chang has dealt for value in the Shares on the open market, details of which are set out below:

Transaction Date	Settlement Date	Purchase price per Share (HK\$)	Number of Shares purchased	Approximate % of total issued Shares
1 December 2023	5 December 2023	2.3	40,000	0.003%

4. UBS is the financial adviser to the Offeror in connection with the Proposal. Accordingly, UBS and persons controlling, controlled by or under the same control as UBS (excluding members of the UBS Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and are connected for the sole reason that they control, are controlled by or are under the same control as UBS) are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code.

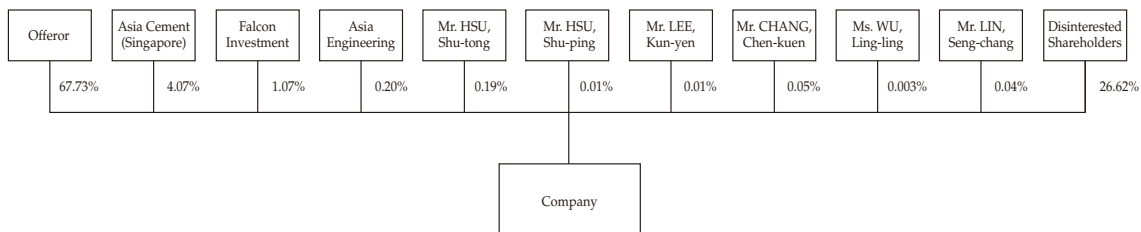
As at the Latest Practicable Date, except for Shares held by member(s) of the UBS Group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the UBS Group did not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Notwithstanding the above:

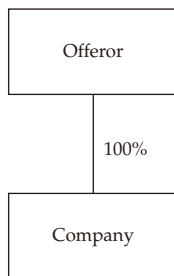
- (a) Shares held by any member of the UBS Group acting in the capacity of an exempt principal trader connected with the Offeror shall not be voted at the Court Meeting or the EGM in accordance with the requirement of Rule 35.4 of the Takeovers Code; and

- (b) Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the EGM if: (i) such member of the UBS Group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the UBS Group and such non-discretionary client that strictly prohibit such member of the UBS Group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by such member of the UBS Group); and (iv) such non-discretionary client is not the Offeror or an Offeror Concert Party.
5. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

Set out below is a simplified shareholding structure of the Company as at the Latest Practicable Date:



Set out below is a simplified shareholding structure of the Company immediately upon the completion of the Proposal:



6. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 20 May 2008. The Group is principally engaged in the manufacture and sale of cement, concrete and related products.

Your attention is also drawn to Appendix I – “Financial Information of the Group” and Appendix II – “General Information” of this Scheme Document.

7. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Taiwan with limited liability and is listed on the Taiwan Stock Exchange (stock code: 1102.TW). The Offeror was founded in 1957 and is principally engaged in manufacturing, wholesale and trading in cement and ready-mixed concrete and is headquartered in Taiwan.

As at the Latest Practicable Date, Far Eastern New Century Corporation is the largest shareholder of the Offeror, holding approximately 21.16% of the total issued shares of the Offeror, and the Offeror is in turn the largest shareholder of Far Eastern New Century Corporation, holding approximately 23.77% of the total issued shares of Far Eastern New Century Corporation. Based on the information available to the Offeror, and as at the Latest Practicable Date, there was no other shareholder who holds more than 5% of the shares in Far Eastern New Century Corporation.

As at the Latest Practicable Date, the Offeror was indirectly interested in 1,144,862,000 Shares, representing approximately 73.07% of the issued Shares, through its interest in the Offeror Group Shareholders.

8. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

As at the Latest Practicable Date, it was the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror did not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming (being all of the independent non-executive Directors), has been established by the Board to make recommendations to the Disinterested Shareholders as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

As each of Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling (each being a non-executive Director) is also a director of the Offeror, Mr. HSU Shu-tong, Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling are regarded as being interested in the Proposal and do not form part of the Independent Board Committee.

The Board, with the approval of the Independent Board Committee, has appointed Altus as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

The full text of the letter from the Independent Board Committee in relation to its recommendations with respect to the Proposal and the Scheme is set out in Part V of this Scheme Document.

10. REASONS FOR AND BENEFITS OF THE PROPOSAL

The Offeror is of the view that the Proposal is beneficial to the Company and the terms of the Proposal are attractive to the Scheme Shareholders in a number of ways.

Benefits of the Proposal to the Company:

The privatisation of the Company will permit the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a publicly listed company.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

Benefits of the Proposal to the Scheme Shareholders:

- (a) *Opportunity to reduce exposure to the China cement sector amidst structural downturn and uncertain business outlook*

Against the backdrop of an ongoing downcycle in the broader China real estate and construction sector, which poses uncertainties associated with the overall

cement demand and pricing, and thus in turn, the Company's future financial performance, the Proposal provides an opportunity for Scheme Shareholders to effectively reduce their exposure to the China cement sector. As China's cement industry is undergoing a protracted structural downturn with little prospect of a recovery in sight in the near to medium term, this situation may entail a long-term difficult operating environment for the Company, and may require the Company's continuous capital expenditure in upgrading existing facilities and/or building new facilities to maintain competitiveness and to meet regulatory requirements.

(b) Opportunities to realise investment in the Company at premium to prevailing market price

The Proposal allows an exit for the Scheme Shareholders at a compelling premium to the current market price. As set out in the section headed "2. Terms of the Proposal – The Scheme" in Part VII – Explanatory Memorandum of this Scheme Document, the Offer Price represents a significant premium of approximately 57.84% and 54.81% over the average closing price of approximately HK\$2.04 and HK\$2.08 per Share for the 30 and 60 trading days up to and including the Last Undisturbed Date, respectively, and a premium of 31.97% over the highest closing price of HK\$2.44 per Share during the six-month period ending on the Last Undisturbed Date.

(c) Opportunity to fully monetize investment in the Company amidst low trading liquidity and challenging market conditions

The Proposal is an opportunity for Scheme Shareholders to monetize their Shares amidst challenging market and industry conditions.

The average daily trading volume of Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Date were approximately 4.8 million Shares, 2.2 million Shares and 1.0 million Shares per day, representing only approximately 0.31%, 0.14% and 0.07% respectively of the total number of issued Shares as at the Latest Practicable Date.

The average daily trading volume of Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Undisturbed Date were approximately 1.4 million Shares, 1.0 million Shares and 0.7 million Shares per day, representing only approximately 0.09%, 0.07% and 0.05% respectively of the total number of issued Shares as at the Latest Practicable Date.

The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for Scheme Shareholders to monetize their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

11. ACTIONS TO BE TAKEN

The summary of actions to be taken by the Shareholders can be found in “Part II – Actions to be Taken” in this Scheme Document.

12. COURT MEETING AND EGM

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

Only Scheme Shareholders as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. Each of the Offeror and the Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting. Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are legally and/or beneficially interested in will not be represented or voted at the Court Meeting. The Offeror and the Offeror Concert Parties have provided an undertaking to the Grand Court (a) not to attend and vote at the Court Meeting and (b) to be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and to vote on the special resolution to approve and give effect to (a) any reduction of the issued share capital of the Company on the Effective Date by cancelling the Scheme Shares; and (b) the contemporaneous issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares.

Notice of the Court Meeting is set out in Appendix V of this Scheme Document. The Court Meeting will be held at 3:00 p.m. on Monday, 26 August 2024 at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan.

Notice of the EGM is set out in Appendix VI of this Scheme Document. The EGM will be held at 3:30 p.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or adjourned) on Monday, 26 August 2024 at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan.

The Court Hearing to sanction the petition is listed to be heard on Friday, 6 September 2024 at 10:00 a.m. (Cayman Islands time). Any Scheme Shareholder who voted at the Court Meeting and any Beneficial Owner who gave voting instructions to a custodian or a clearing house who voted at the Court Meeting shall have the right to attend, or appear by counsel, and be heard at the Court Hearing.

Closure of the register of members of the Company

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 20 August 2024 to Monday, 26 August 2024 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 19 August 2024. A subsequent purchaser of Shares will need to obtain a proxy form from the transferor if he or she wishes to attend or vote at the Court Meeting or the EGM.

Binding effect of the Scheme

When all of the Conditions set out in the section headed "3. *Conditions of the Proposal and the Scheme*" in Part VII – Explanatory Memorandum of this Scheme Document are fulfilled or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all Scheme Shareholders.

13. WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from 4:00 p.m. on Thursday, 12 September 2024.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Hong Kong Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange will become effective.

14. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled or extinguished, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn; and
- (c) there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with

it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses: (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

15. REGISTRATION AND PAYMENT

Latest time for lodging transfers of Shares

In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that their Shares are registered or lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, for registration in their names or in the names of their nominees before 4:30 p.m. on Tuesday, 3 September 2024.

Payment of the Offer Price to the Scheme Shareholders

Subject to the Scheme becoming effective, the Offer Price will be paid to the Scheme Shareholders whose names appear on the register of members of the Company on the Record Date as soon as possible but in any event no later than seven business days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on Tuesday, 10 September 2024 (Cayman time), the cheques for the payment of the Offer Price are expected to be despatched on or before Friday, 20 September 2024.

Cheques for the payment of the Offer Price will be sent by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses on the register of members of the Company or, in the case of joint holders, to the registered address of that joint holder whose name first appears on the register of members of the Company in respect of the joint holding. All such cheques will be sent at the risk of the persons entitled thereto and none of the Offeror, the Company, UBS, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.

On or after the day being six calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank selected by the Offeror.

The Offeror shall hold all monies in respect of uncashed cheques until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme to persons who

satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest subject to any deduction required by law and any expenses incurred.

Settlement of the Offer Price to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Upon the Scheme becoming effective, the register of members of the Company will be updated accordingly to reflect the cancellation of all of the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Tuesday, 10 September 2024 (Cayman time).

16. OVERSEAS SCHEME SHAREHOLDERS

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and the Cayman Islands, the Takeovers Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document is not intended to, and does not, constitute, or form part of, an offer to buy or sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote, approval or acceptance in any jurisdiction pursuant to the Proposal, the Scheme or otherwise.

The availability of the Proposal to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or resident or of which they are citizens. Such Scheme Shareholders should inform themselves about and observe any applicable legal, regulatory or tax requirements in their respective jurisdictions and, where necessary, seek their own legal advice. The Offeror and the Company do not represent that this Scheme

Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than in Hong Kong) where action for that purpose is required. Accordingly, Scheme Shareholders are prohibited from (i) copying, distributing or publishing all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction (other than Hong Kong) or (ii) using information contained therein for any purpose other than assessment of the Proposal and/or the Scheme, unless the information is already publicly available in another form.

It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal and/or the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with any such action, including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other tax in any relevant jurisdiction.

Any actions taken by such overseas Scheme Shareholders in respect of the Proposal will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisors, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisors.

As at the Latest Practicable Date, there was one Scheme Shareholder (who held approximately 4.07% of the total number of issued Shares) whose addresses as shown in the records of the Company were outside of Hong Kong. The registered address of such Scheme Shareholder is in Singapore.

Having made all reasonable enquiries, the directors of the Offeror and the Directors are comfortable that there is no restriction under the respective laws or regulations of those jurisdictions against extending the Scheme automatically or despatching this Scheme Document to such overseas Scheme Shareholders. Accordingly, the Scheme will be extended and this Scheme Document will be despatched to such overseas Scheme Shareholders.

17. TAXATION ADVICE

As the Scheme does not involve the sale and purchase of Hong Kong stock, no Hong Kong stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, UBS, the Independent Financial Adviser and their respective ultimate beneficial owners, directors,

officers, employees, agents, affiliates, advisers and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal or the Scheme.

18. COSTS OF THE SCHEME

If either the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal and/or the Scheme, and the Scheme is not approved, all costs and expenses incurred by the Company in connection with the Proposal and the Scheme shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

19. REQUIREMENTS UNDER COMPANIES ACT AND THE TAKEOVERS CODE

The Companies Act

Pursuant to Section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be held in such manner as the Grand Court directs.

Section 86(2A) of the Companies Act states that if not less than 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting or meetings, as the case may be, held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

The Grand Court has convened a meeting of the Scheme Shareholders at which the Scheme needs to be approved by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders, present and voting either in person or by proxy at the Court Meeting.

Additional Requirements as Imposed by Rule 2.10 of the Takeovers Code

In addition to satisfying any requirements imposed by law as summarised above, Rule 2.10 of the Takeovers Code requires, except with the consent of the Executive, that the Scheme may only be implemented if:

- (a) the Scheme is approved by at least 75% of the votes attaching to the disinterested Shares that are cast either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Shares.

20. RECOMMENDATION

Your attention is drawn to the recommendations of the Independent Board Committee in respect of the Proposal and the Scheme as set out in the letter from the Independent Board Committee to the Disinterested Shareholders in Part V of this Scheme Document.

Your attention is also drawn to the recommendations of the Independent Financial Adviser in respect of the Proposal and the Scheme as set out in Part VI of this Scheme Document. We would advise you to read this letter carefully before you take any action in respect of the Proposal and the Scheme.

21. ADDITIONAL INFORMATION

Additional information in relation to the Proposal is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

Shareholders and Scheme Shareholders should rely only on the information contained in this Scheme Document. None of the Company, the Offeror, UBS, the Independent Financial Adviser and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal have authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

22. LANGUAGE

In case of inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

1. FINANCIAL SUMMARY

The following is a summary of the unaudited consolidated financial results of the Group for the six months ended 30 June 2024 and the audited consolidated financial results of the Group for each of the three years ended 31 December 2021, 2022 and 2023. The figures for the six months ended 30 June 2024 are extracted from the interim report of the Company and the figures for each of the three years ended 31 December 2021, 2022 and 2023 are extracted from the annual reports of the Company.

The auditor's reports from the Company's auditors, Deloitte Touche Tohmatsu, in respect of the Group for each of the financial years ended 31 December 2021, 2022 and 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which were material in respect of the consolidated financial results of the Group for the six months ended 30 June 2024 and each of the three years ended 31 December 2021, 2022 and 2023.

Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December 2021 <i>(Audited)</i> RMB'000	For the year ended 31 December 2022 <i>(Audited)</i> RMB'000	For the year ended 31 December 2023 <i>(Audited)</i> RMB'000	For the six months ended 30 June 2024 <i>(Unaudited)</i> RMB'000
Revenues	11,755,908	9,614,330	7,427,010	2,689,407
Cost of sales	(8,075,943)	(8,325,401)	(6,356,723)	(2,556,427)
Gross profit	3,679,965	1,288,929	1,070,287	132,980
Other income	173,868	212,108	237,211	132,405
Reversal of (allowance for) expected credit losses on trade receivables, net	(130,248)	30,425	66,843	(55,923)
Other expenses, other gains and losses	(338,487)	(31,460)	(14,916)	(83,055)
Distribution and selling expenses	(473,832)	(437,244)	(447,257)	(163,167)
Administrative expenses	(288,591)	(318,983)	(337,779)	(149,274)
Share of losses of associates	(16,086)	(4,516)	(22,136)	(1,804)
Share of (losses) profits of joint ventures	10,097	6,812	(2,566)	(3,852)
Finance costs	(51,915)	(57,070)	(78,056)	(31,953)
Profit (losses) before tax	2,564,771	689,001	471,631	(223,643)
Income tax expense	(743,468)	(265,009)	(360,396)	(187,562)
Profit (losses) for the year	1,821,303	423,992	111,235	(411,205)
Share of revaluation reserves of an associate	155,741	-	-	-
Profit (losses) and total comprehensive income for the year	1,977,044	423,992	111,235	(411,205)
Profit (losses) and total comprehensive income for the year attributable to:				
Owners of the Company	1,924,048	420,072	106,088	(404,853)
Non-controlling interests	52,996	3,920	5,147	(6,352)
	1,977,044	423,992	111,235	(411,205)

	For the year ended 31 December 2021 (Audited) RMB	For the year ended 31 December 2022 (Audited) RMB	For the year ended 31 December 2023 (Audited) RMB	For the six months ended 30 June 2024 (Unaudited) RMB
Earnings (losses) per share				
Basic	1.129	0.268	0.068	(0.258)
Total dividends distributed to ordinary shareholders of the Company	800,661,000	705,083,000	250,696,000	64,241,000
Total dividends per share	0.511	0.450	0.160	0.041

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the year ended 31 December 2023, together with the significant accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 are set out on pages 6 to 10 of the interim report of the Company for the six months ended 30 June 2024, which was published on 2 August 2024 and which is posted on the website of the Company at <http://www.achc.com.cn/en/Index.aspx> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>.

The audited consolidated financial statements of the Group for the year ended 31 December 2023 are set out on pages 65 to 70 of the annual report of the Company for the year ended 31 December 2023, which was published on 29 April 2024 and which is posted on the website of the Company at <http://www.achc.com.cn/en/Index.aspx> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042904879.pdf>.

The audited consolidated financial statements of the Group for the year ended 31 December 2022 are set out on pages 68 to 74 of the annual report of the Company for the year ended 31 December 2022, which was published on 25 April 2023 and which is posted on the website of the Company at <http://www.achc.com.cn/en/Index.aspx> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042502357.pdf>.

The audited consolidated financial statements of the Group for the year ended 31 December 2021 are set out on pages 68 to 74 of the annual report of the Company for the year ended 31 December 2021, which was published on 26 April 2022 and which is posted on the website of the Company at <http://www.achc.com.cn/en/Index.aspx> and the Hong Kong Stock Exchange at <https://www.hkexnews.hk/index.htm>, or at this direct link: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601708.pdf>.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023 are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. STATEMENT OF INDEBTEDNESS

As at 30 June 2024, being the latest practicable date for the purpose of this statement of the indebtedness prior to the printing of this Scheme Document:

(a) Bank borrowings

The Company had outstanding bank borrowings of RMB973 million, with an average interest rate of 3.18% per annum:

- (i) based on the nature of the borrowing, all bank borrowings were credit loans, with a total amount of RMB973 million.
- (ii) based on the term of the loan, the total amount of bank borrowings (1) due within one year was RMB708 million and (2) due within one to two years was RMB265 million.
- (iii) based on the interest calculation method, all bank borrowings were made on fixed interest rates, with a total amount of RMB973 million.

(b) Asset pledges

The Company did not have any asset pledges or mortgages.

(c) Contingent liabilities and guarantees

The Company had no contingent liabilities, and the Company provided credit guarantees for its joint venture companies' bank loans based on its shareholding ratio in such joint venture companies, with a total guaranteed amount of RMB198 million and an actual utilisation amount of RMB128.25 million.

4. MATERIAL CHANGE

The Directors confirm that as at the Latest Practicable Date, save and except for the following information which have been disclosed in the interim report of the Company for the six months ended 30 June 2024, which was published on 2 August 2024, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up:

- (a) The Group's gross profit had continued to decrease as a result of the decrease in overall revenue and gross profit margin, which was mainly attributable to the continuous decline in sales volume of the Group's cement products

coupled with lower selling prices. For the year ended 31 December 2023, the Group's gross profit amounted to approximately RMB1,070.3 million, while for the six months ended 30 June 2024, the Group's gross profit amounted to approximately RMB133 million, representing merely 12.4% of the gross profit for the year ended 31 December 2023.

- (b) Mainly due to the significant decline in gross profit as abovementioned, the Group recorded net loss attributable to owners of the Company for the six months ended 30 June 2024 of approximately RMB404.9 million, as compared to net profit attributable to owners of the Company for the year ended 31 December 2023 of approximately RMB106.1 million.
- (c) The Group's total borrowings as at 30 June 2024 had reduced by approximately 45.1% from approximately RMB1,773 million as at 31 December 2023 to approximately RMB973 million, primarily due to repayment of bank loans.

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, the directors of the Offeror were Mr. HSU Shu-tong (Chairman), Mr. SHIH Johnny, Mr. CHEN Chang-wen, Mr. LEE Kun-yen, Mr. HSU Shu-ping, Mr. CHANG Chen-kuen, Mr. CHEN Ruey-long, Mr. LEE Champion, Mr. LI Kwan-Tao, Ms. WU Ling-ling, Mr. CHI Schive, Mr. CHEN S. Gordon, Mr. CHU Yun-Peng, Mr. CHANG Chang-Pang and Ms. CHANG Flora Chia-I, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. HSU Shu-ping, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang; four non-executive Directors, namely Mr. HSU Shu-tong (Chairman), Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling; and four independent non-executive Directors, namely Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than opinions expressed by the directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares;
- (b) the issued share capital of the Company was 1,566,851,000 Shares;
- (c) all Shares in issue were fully paid or credited as fully paid and rank *pari passu* in all respects with each other, including, as to rights to dividends, voting and capital;

- (d) no Shares had been issued by the Company since 31 December 2023, being the end of the last financial year of the Company up to and including the Latest Practicable Date; and
- (e) save for the 1,566,851,000 Shares in issue, the Company did not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue.

3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Hong Kong Stock Exchange (i) at the end of each of the calendar months during the Relevant Period; (ii) on the Last Undisturbed Date; (iii) on the Last Trading Date; and (iv) on the Latest Practicable Date.

Date	Closing price per Share HK\$
29 December 2023	2.44
31 January 2024	2.11
29 February 2024	2.12
28 March 2024	2.00
30 April 2024	2.01
24 May 2024 (being the Last Undisturbed Date)	2.22
27 May 2024 (being the Last Full Trading Date)	2.53
28 May 2024 (being the Last Trading Date)	3.32
28 June 2024	2.90
30 July 2024 (being the Latest Practicable Date)	2.88

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$3.32 on 28 May 2024, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK\$1.82 on 16 April 2024.

4. DISCLOSURE OF INTERESTS

4.1 Directors' interests and short positions in the Shares and shares in the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

Interest in the Shares

Name of Director or chief executive	Capacity	Number of Shares	Approximate percentage of the total issued Shares
Mr. HSU Shu-tong	Beneficial owner	3,000,000 (L)	0.19%
Mr. HSU Shu-ping	Beneficial owner	200,000 (L)	0.01%
Mr. LEE Kun-yen	Beneficial owner	200,000 (L)	0.01%
Mr. CHANG Chen-kuen	Beneficial owner	713,000 (L)	0.05%
Mr. LIN Seng-chang	Beneficial owner	700,000 (L)	0.04%
Ms. WU Ling-ling	Beneficial owner	50,000 (L)	0.003%

(L) Long positions

Long Position in Shares of Associated Corporations

Name of Director or chief executive	Capacity	Name of associated corporation	Number of shares of associated corporation	Approximate percentage of the total issued shares of associated corporation
Mr. HSU Shu-tong ⁽¹⁾	Beneficial owner and through spouse	Offeror	29,630,801 (L)	0.84%
Mr. HSU Shu-ping	Beneficial owner	Offeror	13,454,981 (L)	0.38%
Mr. LEE Kun-yen	Beneficial owner	Offeror	3,333,557 (L)	0.09%
Mr. CHANG Chen-kuen ⁽²⁾	Beneficial owner and through spouse	Offeror	35,103 (L)	0.001%
Mr. LIN Seng-chang ⁽³⁾	Beneficial owner and through spouse	Offeror	17,368 (L)	0.0005%
Ms. WU Ling-ling	Beneficial owner	Offeror	180,000 (L)	0.005%
Dr. WANG Kuo-ming ⁽⁴⁾	Through spouse	Offeror	320 (L)	0.000009%

(L) Long positions

Notes:

1. Mr. HSU Shu-tong had interest in 29,630,801 shares of the Offeror, which included 23,278,334 shares held in his own name and 6,352,467 shares held through his spouse.
2. Mr. CHANG Chen-kuen had interest in 35,103 shares of the Offeror, which included 29,745 shares held in his own name and 5,358 shares held through his spouse.
3. Mr. LIN Seng-chang had interest in 17,368 shares of the Offeror, which included 16,892 shares held in his own name and 476 shares held through his spouse.
4. Dr. WANG Kuo-ming had interest in 320 shares of the Offeror, all of which were held through his spouse.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code.

4.2 Interests of Substantial Shareholders in the Shares

As at the Latest Practicable Date, the Company had been notified of the following substantial shareholders' interests and short positions in the Shares and underlying Shares of the Company, which have been recorded in the register of substantial shareholders required to be kept by the Company pursuant to section 336 of Part XV of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Offeror ⁽¹⁾	Beneficial owner	1,061,209,202 (L)	67.73%
	Interest of corporation controlled	83,652,798 (L)	5.34%
		1,144,862,000 (L)	73.07%
Far Eastern New Century Corporation ⁽²⁾	Beneficial owner	1,061,209,202 (L)	67.73%
	Interest of corporation controlled	83,652,798 (L)	5.34%
		1,144,862,000 (L)	73.07%

(L) Long positions

Note:

- As at the Latest Practicable Date, the Offeror beneficially owns approximately 67.73% interest of the Company. Asia Cement (Singapore) holds approximately 4.07% interest in the Company, which is 100% owned by the Offeror. The Offeror is deemed to be interested in approximately 4.07% interest of the Company by virtue of its corporate interest in Asia Cement (Singapore). Asia Engineering holds approximately 0.20% interest in the Company, which is approximately 99.93% owned by the Offeror. The Offeror is deemed to be interested in approximately 0.20% interest of the Company by virtue of its corporate interest in Asia Engineering. Further, Falcon Investment holds approximately 1.07% interest in the Company and is owned as to 100% by U-Ming Marine Transport (Singapore) Private Limited, which is in turn owned as to 99.99% by U-Ming Marine Transport Corporation. U-Ming Marine Transport Corporation is owned as to 39.25% by the Offeror. The Offeror is deemed to be interested in approximately 1.07% interest of the Company under the SFO.
- As at the Latest Practicable Date, Far Eastern New Century Corporation held approximately 21.16% of the issued share capital of the Offeror and together with certain companies which Far Eastern New Century Corporation is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, held approximately 24.96% of the issued share capital of the Offeror.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO, there was no other person who had a substantial interest or short positions in the Shares or underlying Shares of the Company as at the Latest Practicable Date.

4.3 Interests of the Offeror and Offeror Concert Parties in the Shares

Save as disclosed below, as at the Latest Practicable Date, none of the Offeror and the Offeror Concert Parties was interested within the meaning of Part XV of the SFO in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares:

Shareholders	As at the Latest Practicable Date	
	Number of Shares	Total number of Shares in issue (%) ⁽⁴⁾
(A) Offeror ⁽¹⁾	1,061,209,202	67.73
(B) Offeror Concert Parties		
Asia Cement (Singapore) ⁽²⁾	63,790,798	4.07
Falcon Investment ⁽²⁾	16,700,500	1.07
Asia Engineering ⁽²⁾	3,161,500	0.20
Directors ⁽³⁾		
Mr. HSU Shu-tong	3,000,000	0.19
Mr. HSU Shu-ping	200,000	0.01
Mr. LEE Kun-yen	200,000	0.01
Mr. CHANG Chen-kuen	713,000	0.05
Ms. WU Ling-ling	50,000	0.003
Mr. LIN Seng-chang	700,000	0.04
Sub-total	88,515,798	5.65
(C) Offeror and Offeror Concert Parties (A) + (B) ⁽⁴⁾	1,149,725,000	73.38

Notes:

1. As at the Latest Practicable Date, the Offeror held 67.73% Shares. Such Shares will not form part of the Scheme Shares and will not be cancelled.
2. As at the Latest Practicable Date:
 - (a) Asia Cement (Singapore) held 4.07% Shares and Asia Cement (Singapore) is directly wholly owned by the Offeror.
 - (b) Asia Engineering held 0.20% Shares and Asia Engineering is indirectly wholly owned by the Offeror.
 - (c) Falcon Investment held 1.07% Shares. Falcon Investment is owned as to 100% by U-Ming Marine Transport (Singapore) Private Limited, which is in turn owned as to 99.99% by U-Ming Marine Transport Corporation. U-Ming Marine Transport Corporation, whose shares are listed on the Taiwan Stock Exchange, is owned as to 39.25% by the Offeror. Based on information available to the Offeror, the Offeror is the largest shareholder of U-Ming Marine Transport Corporation and there is no other shareholder who holds more than 2% of the shares in U-Ming Marine Transport Corporation.
3. Each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang is a Director and is also considered as an Offeror Concert Party.
4. UBS is the financial adviser to the Offeror in connection with the Proposal. Accordingly, UBS and persons controlling, controlled by or under the same control as UBS (excluding members of the UBS Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and are connected for the sole reason that they control, are controlled by or are under the same control as UBS) are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code.

As at the Latest Practicable Date, except for Shares held by member(s) of the UBS Group acting in the capacity of exempt principal trader(s) and/or exempt fund manager(s), members of the UBS Group did not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Notwithstanding the above:

- (a) Shares held by any member of the UBS Group acting in the capacity of an exempt principal trader connected with the Offeror shall not be voted at the Court Meeting or the EGM in accordance with the requirement of Rule 35.4 of the Takeovers Code; and
 - (b) Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the EGM if: (i) such member of the UBS Group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the UBS Group and such non-discretionary client that strictly prohibit such member of the UBS Group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for the relevant Shares held by such member of the UBS Group); and (iv) such non-discretionary client is not the Offeror or an Offeror Concert Party.
5. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.

4.4 Dealings in the securities of the Company

- (a) During the Relevant Period:
- (i) none of the Offeror, its directors or the Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares; and
 - (ii) save as disclosed below, none of the Directors had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares:

Name	Date of transactions	Type of transactions	On/off the Hong Kong Stock Exchange	No. of Shares involved	Transaction price per Share (HK\$)
Mr. LIN Seng-chang	1 December 2023	Purchase of Shares	On	40,000	2.30

- (b) During the Offer Period and up to the Latest Practicable Date:
- (i) no subsidiaries of the Company, pension funds (if any) of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) owned or controlled, or had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares;
 - (ii) no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
 - (iii) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (A) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the

Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (B) the Offeror or the Offeror Concert Parties, owned or controlled, or had any dealings in, any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares; and

- (iv) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares.

4.5 Interest and dealings in the securities of the Offeror

- (a) As at the Latest Practicable Date, save as disclosed below, none of the Company or any of the Directors had any interest in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror:

Name	As at the Latest Practicable Date	
	Number of shares of the Offeror	Shares as a percentage of total number of shares of the Offeror in issue (%)
Mr. HSU Shu-tong ⁽¹⁾	29,630,801	0.84
Mr. HSU Shu-ping	13,454,981	0.38
Mr. LEE Kun-yen	3,333,557	0.09
Mr. CHANG Chen-kuen ⁽²⁾	35,103	0.001
Mr. LIN Seng-chang ⁽³⁾	17,368	0.0005
Ms. WU Ling-ling	180,000	0.005
Dr. WANG Kuo-ming ⁽⁴⁾	320	0.000009

Notes:

- Mr. HSU Shu-tong had interest in 29,630,801 shares of the Offeror, which included 23,278,334 shares held in his own name and 6,352,467 shares held through his spouse.
- Mr. CHANG Chen-kuen had interest in 35,103 shares of the Offeror, which included 29,745 shares held in his own name and 5,358 shares held through his spouse.
- Mr. LIN Seng-chang had interest in 17,368 shares of the Offeror, which included 16,892 shares held in his own name and 476 shares held through his spouse.
- Dr. WANG Kuo-ming had interest in 320 shares of the Offeror, all of which were held through his spouse.

- (b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror.

4.6 Other interests

As at the Latest Practicable Date:

- (a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert", or an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (other than exempt principal traders and exempt fund managers);
- (b) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (c) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

5. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

As at the Latest Practicable Date:

- (a) save for the Proposal, there were no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror between the Offeror or any of the Offeror Concert Parties and any other person which might be material to the Proposal;
- (b) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (c) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or the Offeror Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or that was dependent upon the Proposal;

- (d) there was no agreement or arrangement to which the Offeror or any Offeror Concert Party is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition to the Proposal or the Scheme;
- (e) no irrevocable commitment to vote for or against the Scheme had been received by the Directors, the Offeror or the Offeror Concert Parties;
- (f) as each of the Directors who holds Shares is an Offeror Concert Party, namely Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang, each of such Directors will abstain from voting on the Scheme at the Court Meeting;
- (g) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (a) the Offeror or the Offeror Concert Parties; or (b) the Company or the Company's subsidiaries or associated companies;
- (h) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror Concert Parties on the one hand, and the Scheme Shareholders or any person acting in concert with the Scheme Shareholders on the other hand; and
- (i) save for the Offer Price, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders in connection with the Proposal or the Scheme.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

None of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date.

8. ARRANGEMENTS IN CONNECTION WITH THE DIRECTORS

As at the Latest Practicable Date:

- (a) other than the Offer Price, no arrangement was in place for any benefit (other than statutory compensation required under appropriate laws) that would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between any Director and any other person which are conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and
- (c) there were no material contracts entered into by the Offeror in which any Director has a material personal interest.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of Director	Expiry date	Fixed remuneration payable under the contract	Variable remuneration payable under the contract
Mr. HSU Shu-ping	12 March 2026	HK\$20,000 per month	Discretionary bonus as decided by the Board
Mr. CHANG Chen-kuen	26 April 2026	HK\$20,000 per month	Discretionary bonus as decided by the Board
Mr. LIN Seng-chang	26 April 2026	HK\$20,000 per month	Discretionary bonus as decided by the Board
Mr. CHEN Ruey-long	8 June 2026	HK\$20,000 per month	Discretionary bonus as decided by the Board
Mr. HSU Shu-tong	26 April 2026	HK\$300,000 per annum	–
Mr. TSIM Tak-lung Dominic	6 April 2026	HK\$300,000 per annum	–
Mr. WANG Wei	12 April 2027	HK\$300,000 per annum	–
Mr. LEE Kao-chao	12 April 2027	HK\$300,000 per annum	–

10. CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the qualifications of each of the experts who have been named in this Scheme Document or have given their opinion or advice which are contained in this Scheme Document:

Name	Qualification
UBS	a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
Altus	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Colliers	Colliers Appraisal & Advisory Services Co., Ltd., being the independent property valuer to the Company, which carried out a valuation of the Group's property interests in accordance with the Valuation Standards of the Hong Kong Institute of Surveyors (2020 Edition) issued by the Hong Kong Institute of Surveyors (HKIS), Chapter 5 and Practice Note 12 of the Listing Rules issued by Hong Kong Stock Exchange and Rule 11 of the Takeovers Code issued by the SFC

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

11. MISCELLANEOUS

- (a) The Offeror is a company incorporated on 21 March 1957 in Taiwan with limited liability under the Taiwan Company Law with its shares listed on the Taiwan Stock Exchange (stock code: 1102) and the controlling shareholder of the Company.
- (b) The registered office of the Offeror is at 30~31F, No.207, Sec. 2, Dunhua South Rd., Da'an Dist., Taipei City 106, Taiwan. The correspondence address of the Offeror in Hong Kong is 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong.
- (c) The principal members of the Offeror Concert Parties are Asia Cement (Singapore), Falcon Investment, Asia Engineering, Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Ms. WU Ling-ling and Mr. LIN Seng-chang.

- (d) Asia Cement (Singapore) is a company incorporated with limited liability in Singapore and is directly wholly owned by the Offeror. The registered office of Asia Cement (Singapore) is at 5 Little Road, #09-01, Cemtex Industrial Building, Singapore 536983. As at the Latest Practicable Date, the directors of Asia Cement (Singapore) were Mr. HSU Shu-tong, Mr. LIN Jung-Hsiang, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Ms. WU Ling-ling and Mr. LEE Chih-peng.
- (e) Falcon Investment is a company incorporated with limited liability in British Virgin Islands. Falcon Investment is owned as to 100% by U-Ming Marine Transport (Singapore) Private Limited, which is in turn owned as to 99.99% by U-Ming Marine Transport Corporation. U-Ming Marine Transport Corporation, whose shares are listed on the Taiwan Stock Exchange, is owned as to 39.25% by the Offeror. Based on information available to the Offeror, the Offeror is the largest shareholder of U-Ming Marine Transport Corporation and there is no other shareholder who holds more than 2% of the shares in U-Ming Marine Transport Corporation. The registered office of Falcon Investment is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands. As at the Latest Practicable Date, the directors of Falcon Investment were Boon Haw Phua and Tsung Liang Chang, and the directors of U-Ming Marine Transport Corporation were Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. HSU Douglas Jefferson, Ms. WU Ling-ling, Mr. ONG Choo Kiat, Mr. LEE Kuan-chun, Ms. TUNG Li-chen, Mr. PAN Wen-yen, Mr. CHU Shao-hua and Mr. LIU Chorng-Jian.
- (f) Asia Engineering is a company incorporated with limited liability in Taiwan and is indirectly wholly owned by the Offeror. The registered office of Asia Engineering is at No. 125, Xinxing Rd., Xincheng Township, Hualien County 97163, Taiwan. As at the Latest Practicable Date, the directors of Asia Engineering were Ms. WU Ling-ling, Mr. HSU Shu-ping, Mr. CHANG Chih-peng, Mr. YANG Ming-chin, Mr. CHEN Chih-hsien and Ms. KAO Hsueh-ying.
- (g) UBS is the financial adviser to the Offeror in relation to the Proposal, and its registered address is at 52F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (h) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (i) The principal place of business in the PRC of the Company is No. 6 Yadong Avenue, Ma-Tou Town, Ruichang City, Jiangxi Province, the PRC.
- (j) The principal place of business in Hong Kong of the Company is Portion of Unit B, 11th Floor, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong.

- (k) The registered office of the Independent Financial Adviser, Altus Capital Limited, is at 21 Wing Wo Street, Central, Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m. on business days (as defined in the Takeovers Code) at the principal office of the Company in Hong Kong at Portion of Unit B, 11th Floor, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong and on the website of the Company at www.achc.com.cn and the website of the SFC at www.sfc.hk from the date when this Scheme Document is published until (a) the Effective Date, and (b) the date on which the Scheme is withdrawn or lapses, whichever is earlier:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the interim report containing unaudited consolidated financial statements of the Company for the six months ended 30 June 2024;
- (d) the annual reports containing audited consolidated financial statements of the Company for the years ended 31 December 2022 and 31 December 2023;
- (e) the annual reports containing audited consolidated financial statements of the Offeror for the years ended 31 December 2022 and 31 December 2023;
- (f) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (g) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (h) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (i) the written consents referred to in the section headed “10. Consents and Qualifications of Experts” in this Appendix II;
- (j) the service contract referred to in the section headed “9. Directors’ Service Contracts” in this Appendix II;
- (k) the property valuation report (including the valuation certificate) from Colliers, the text of which is set out in Appendix III of this Scheme Document; and
- (l) this Scheme Document.

The following is the text of a letter, a summary of values and summary reports prepared for the purpose of incorporation in this circular received from Colliers Appraisal & Advisory Services Co., Ltd. An independent valuer, in connection with its valuation as at 31 May 2024 of the property interests held by the Group in People's Republic of China.

Colliers Appraisal and Advisory Services Co., Ltd.

Suite 507, Block A, Gemdale Plaza
No. 91 Jianguo Road, Chaoyang District, Beijing
China



The Board of Directors
Asia Cement (China) Holdings Corporation

2 August 2024

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value the property interests held by Asia Cement (China) Holdings Corporation (the "**Company**") and its subsidiaries (together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquires and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as at 31 May 2024 (the "**Valuation Date**"), for the purpose of incorporating in the public document.

Our valuations are provided on the basis of Market Value, which we would define as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION STANDARDS

In valuing the property interests, we have fully complied with the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors (HKIS), the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission.

QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Kin Ming Woo James (James Woo) (RICS Registration No.: 0837243) and Chin Pang Tsang (Eric Tsang) RICS Registration No.: 1265711).

James is a Fellow member of the Royal Institution of Chartered Surveyors and an Executive Director of Valuation and Advisory Services, China at Colliers. He is suitably qualified to carry out the valuation and has over 25 years' experience in the valuation of properties and assets of this magnitude and nature in China.

Mr. Eric Tsang, Senior Director of the Valuation and Advisory Services, Asia at Colliers is an experienced and competent valuer and has over 24 years' experience in undertaking valuations of this type in Hong Kong and Mainland China. He is a Member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap.417) in the Hong Kong Special Administrative Region, and also a Registered Real Estate Appraiser in the PRC.

We are acting as independent valuer as defined in the latest "RICS Global Valuation Standards", the "HKIS Valuation Standards" published by the RICS and HKIS, which incorporates with the IVS.

Neither the valuer nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the property interests.

VALUATION APPROACHES

In valuing the property interests in Group I which are held by the Group for cement production use in the PRC, due to the specific purpose for which these property and plant have been constructed, there are no readily available market comparable and thus these property and plant cannot be valued on the basis of direct comparison. These property and plant have been valued by the Depreciated Replacement Cost ("DRC") method. The DRC method is based on an estimate of the market value for the existing use of the land plus the current replacement costs of the buildings and structures, from which deductions are then made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The DRC method is subject to adequate potential profitability of the business concerned. Our valuation applies to the whole of the plant or development as a unique interest, and no piecemeal transaction of the plant or development is assumed. In valuing the land portion, reference has been made to the local standard land price and the sales transactions in the open market. In valuing the commodity property which are held by the Group for owner occupation, we have valued such properties by direct comparison approach with reference to comparable transactions in the open market and on the basis of vacant possession.

In valuing the property interests in Group II which are held by the Group for investment, we have adopted the income approach by taking into account the current rent passing of the properties and the reversionary potential of the tenancy(ies). In

determining the reversionary potential of the tenancy(ies), we have adopted the market approach with reference to the recent proposed leasing and sale transactions for similar premises in the proximity.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in their existing states without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangement which would serve to increase the values of the property interests. In addition, no forced sale situation in any manner is assumed in our valuations.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Group and its PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) in respect of the titles of the property interests. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, planning approvals or statutory notices, easements, tenure, occupancy, lettings, the identification of the property interests and all other relevant matters. We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

TITLE DOCUMENTS

We have been provided with copies or extracts of title documents relating to the property interests and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the property interests or any material encumbrances that might be attached to the property interests or any lease amendments.

We have relied on the advice given by the Company's legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests in June 2024. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation particulars are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation particulars.

ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owners can sell the property interests on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the property interests.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale.

We have conducted the valuation assuming:

- the information, as set out in the section headed “Sources of Information” above about the property interests provided by the Company and its legal advisor, is true and correct;
- the property interests are free from contamination and environmental problems or hazards;
- we have assumed the property interests are in a good state of repair, management and maintenance and fit for the use to which it is put, and will continue to be managed and maintained to this standard in the future; and
- in valuing the property interests held by the Company for investment purposes, we have assumed the tenanted property will continue to be occupied and maintained in good order.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the properties and plant but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. Unless noted in our summary reports, we have assumed the utilization of the sites and improvements will be within the boundaries of the land held by the owner or occupied by the owner.

SITE INSPECTION

The properties and plants were inspected by James Woo (Executive Director, member of RICS), Mr. Tony Hong (Senior Manager, member of RICS), Mr. Hunt Xu (Manager), Mr. Milo Gao (Assistant Manager, member of CAS), Ms. Xintong Wu (Manager, member of CAS), Ms. Cheryl Xu (Senior Manager, member of CIREA) and Ms. Nana Wang (Manager) from 18 June 2024 to 24 June 2024. We have inspected the exterior, and where possible, the interiors of the properties and plants, in the course of our inspection, we did not note any serious defects. However, We have not carried out any structural surveys or environmental assessments and are unable to report on issues such as rot, infestation or any other structural defects. nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property and plant are free from defect though in the course of our inspections we did not note any serious defects. No tests were carried out on any of the services. We have assumed such are in good order for the purpose of valuation.

We have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any plants, properties and future developments. Our valuation has been prepared on the assumption that these aspects are satisfactory and no extraordinary expense or delay will be incurred during the construction period.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

TAXES

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the properties and plants include: (i) PRC business tax (equivalent to 5% of sales revenue), (ii) PRC land appreciation tax (equivalent to 30%-60% of the net appreciation amount) and (iii) PRC corporate income tax (25%). It is unlikely that such tax liability will be crystallized in the recent future as the Group has no intention to dispose of or transfer the relevant property interests. According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liability.

Our summary of values and valuation summary reports are attached hereto.

Yours faithfully,
For and on behalf of
Colliers Appraisal and Advisory Services Co., Ltd. (“Colliers”)

Kin Ming Woo James

FRICS AICFC
Executive Director
Valuation and Advisory Services I China
RICS Registration Number: 0837243

Contributing Valuer

Eric Tsang
BSc (Hons) MRICS MHKIS MCIREA RPS(GP)
Senior Director
Valuation and Advisory Services I Hong Kong
Individual Licence Number: E-199370

Notes:

1. Mr. James Woo is a Registered Valuer with over 25 years' experience in real estate industry and assets valuation sector. His experience on valuation covers Mainland China. Mr. Woo is a fellow member of the Royal Institution of Chartered Surveyors.
2. Mr. Eric Tsang is a qualified general practice surveyor and a Registered Valuer with over 24 years' experience in valuation of properties in Hong Kong and Mainland China.

SUMMARY OF VALUATION

Group I – Property interests held by the Group for self-occupation

	Property	Market Value in Existing State as at 31 May 2024	Interest Attributable to the Group	Market Value in Existing State Attributable to the Group as at 31 May 2024
1	The land, buildings and plants held by Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司), No. 6, Yadong Road, Matou Town, Ruichang City, Jiangxi Province, PRC	RMB1,729,000,000	95%	RMB1,642,550,000
2	The land, buildings and plants held by Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司), No. 13, New Street, Tianzhen, Wuxue City, Hubei Province, PRC	RMB540,000,000	100%	RMB540,000,000
3	The land, buildings and plants held by Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司), No. 66, Yadong Avenue, Pingjiang West Road, Yanglou Economic Development Zone, Wuhan City, Hubei Province, PRC	RMB785,000,000	100%	RMB785,000,000
4	The land, buildings and plants held by Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司), No. 12, Zhiwu Road, Wulongquan Street, Jiangxia District, Wuhan City, Hubei Province, PRC	RMB72,000,000	90%	RMB64,800,000
5	The land, buildings and plants held by Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司), No. 66, Anpeng Road, Pengzhou City, Sichuan Province, PRC	RMB447,000,000	100%	RMB447,000,000
6	The land, buildings and plants held by Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司), No. 1, Group 7, Hongshiqiao Village, Guihua Town, Pengzhou City, Sichuan Province, PRC	RMB772,000,000	100%	RMB772,000,000

		Market Value in Existing State	Interest	Market Value in Existing State
	Property	Attributable to the Group as at 31 May 2024	Attributable to the Group	Attributable to the Group as at 31 May 2024
7	The land, buildings and plants held by Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司), No. 7, Gudu Road, Bali Town, Economic Development Zone, Yangzhou City, Jiangsu Province, PRC	RMB183,000,000	100%	RMB183,000,000
8	The land, buildings and plants held by Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司), Yifang Road, Changdong Industrial Zone, Nanchang City, Jiangxi Province, PRC	RMB86,000,000	72.5%	RMB62,350,000
9	The land, buildings and plants held by Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司), Cihui Dadao, Wujiashan Taiwanese Investment Zone, Dongxi Lake District, Wuhan City, Hubei Province, PRC	RMB118,000,000	100%	RMB118,000,000
10	The land, buildings and plants held by Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司), No. 560 Port Avenue, Baishuihu Industrial Park, Nanchang Economic Development Zone Nanchang City, Jiangxi Province, PRC	RMB46,000,000	95%	RMB43,700,000
11	The land, buildings and plants held by Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司), 4100 Longwu Road, Minhang District, Shanghai, PRC	No Commercial Value	100%	No Commercial Value
12	The land, buildings and plants held by Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司), No. 1, Yucai Road, Yongan Town, Gaogang District, Taizhou City, Jiangsu Province, PRC	No Commercial Value	100%	No Commercial Value

Property	Market Value in Existing State as at 31 May 2024	Interest Attributable to the Group	Market Value in Existing State Attributable to the Group as at 31 May 2024
13 The land, buildings and plants held by Jiangxi Ya Dong (武漢亞力水泥製品有限公司), West portion of No. 66, Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, PRC	No Commercial Value	100%	No Commercial Value
14 The land, buildings and plants held by Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司), No. 268, Section 3, Wenquan Avenue, Wenjiang District, Chengdu, Sichuan Province, PRC	RMB9,300,000	100%	RMB9,300,000
15 The land, buildings and plants held by Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司), east side of No. 68, Anpeng Road, Tianpeng Town, Chengdu, Sichuan Province, PRC	RMB980,000	100%	RMB980,000
16 The land, buildings and plants held by Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司), No. 8, Yadong Avenue, Pier Town, Ruichang City, Jiangxi Province, PRC	No Commercial Value	97.4%	No Commercial Value
17 The land, buildings and plants held by Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司), West portion of No. 66, Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, PRC	No Commercial Value	100%	No Commercial Value
18 The land, buildings and plants held by Sichuan Ya Li Transport Co., Ltd (四川亞利運輸有限公司), West side of No. 68, Anpeng Road, Tianpeng Town, Pengzhou City, Sichuan Province, PRC	No Commercial Value	100%	No Commercial Value
Sub total	<u>RMB4,788,280,000</u>		<u>RMB4,668,680,000</u>

SUMMARY OF VALUATION

Group II – Property interests held by the Group for investment purpose

Property	Market Value in Existing State as at 31 May 2024
19 Unit 1502, (尚海灣豪庭) No. 11, Lane 888, Dongan Road, Xuhui District, Shanghai, PRC	RMB43,600,000
20 16 apartment units, No. 1-11 and 17-21, 17/F, Office Tower 1, Wuhan Tianjie (武漢天街), No. 1 Jinjiadunte, Jiangnan District, Wuhan, Hubei, Province, PRC	RMB13,200,000
21 7 retail units, Nos. 579, 583, 585, 589, 687 and 691 (國色天鄉), South Jiangning Road, Wanchun Town, Wenjiang District, Chengdu, Sichuan Province, PRC	RMB15,100,000
22 5 residential units, 201 and 203 Block 1 and Units 2101, 2402 and 3001 of Unit 2 Block 1 (嘉年華 • 御府), 77 Yinglong Road, High-tech Zone, Chengdu, Sichuan Province, PRC	RMB24,300,000
23 2 retail units, Nos. 10 and 11 Block 6 (積家御景), No. 885, 889, Section 2, Nanxun Avenue, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, PRC	RMB4,800,000
24 4/F (時代晶座), Block 17, Building No. 1537, Middle Jiannan Avenue, High-tech Zone, Chengdu, Sichuan Province, PRC	RMB11,500,000
25 9 retail units (藍光幸福滿庭), Nos. 20-24, 28-34 and 38-44, Section 20 No. 1 East of Huadu Avenue, Xiapu town, Pidu District, Chengdu, Sichuan Province, PRC	RMB12,000,000
26 2 retail units, Nos. 129 and 163-165 (鸞湖宮), Section 2, Tianxiang Road, Wanchun Town, Wenjiang District, Chengdu, Sichuan Province, PRC	RMB3,900,000

Property	Market Value in Existing State as at 31 May 2024
27 3 retail units, Nos. 105, 113, 117 (成都萬達城) Shuihua Road, Yutang Town, Dujiangyan City, Chengdu, Sichuan Province, PRC	RMB2,100,000
28 6F, No. 388, Section 3 North, Second Ring Road, Jinniu District, Chengdu, Sichuan Province, PRC	RMB2,700,000
<i>Sub total</i>	<u>RMB133,200,000</u>
 Market Value in existing state attributable to the Group as at 31 May 2024	
Grand total	<u><u>RMB4,801,880,000</u></u>

VALUATION PARTICULARS

Group I – Property interests held by the Group for self-occupation

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
<p>1 The land, buildings and plants held by Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司), No. 6, Yadong Road, Matou Town, Ruichang City, Jiangxi Province, PRC</p>	<p>The Property is an integrated cement plant (the “Plant”) comprises 24 parcels of land with a total site area of approximately 7,575,371.49 sq.m located in Matou Town, Ruichang City. The Property also comprises 2 sales offices and 2 retail units with a total gross floor area of 2,034.88 sq.m on No. 64, Xinda Lane; Units 271 and 273, Blocks 8 and 9, District 1 Chaisangchuntian (柴桑春天), Changjiang Avenue of Jiujiang City and Units 1601-1606, 16/F, Block 3, No. 500 Luyin Road, Honggutan New District, Nanchang City.</p> <p>According to the information provided, the Property comprises various buildings and structures between late 1997 to 2014, with the various production facilities docks and supporting infrastructure divided into five major areas: plant one, plant two, mining area, dock area and the staff dormitory area.</p> <p>The kilns and the residual heat electricity generation system were commissioned at different points within this overall construction. No. 1 kiln began operation in July 2000, whereas No. 2 kiln, No. 3 kiln, and No. 4 kiln began operation in September 2003, July 2007, May 2010, September 2013 and January 2014 respectively. The residual heat electricity generation system was put into operation in March 2006.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation. The two retail units is leased to third parties.</p>	<p>RMB1,729,000,000 (RENMINBI ONE BILLION SEVEN HUNDRED AND TWENTY NINE MILLION)</p> <p>Interest attributable to the Group 95%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB1,642,550,000 (RENMINBI ONE BILLION SIX HUNDRED FORTY TWO MILLION AND FIVE HUNDRED FIFTY THOUSAND)</p>

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
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Most of the buildings in the Plant are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 328,748.64 sq.m. Details are listed below:

	Plant Area	GFA (sq.m)
1	plant one	250,366.49
2	plant two	73,055.86
3	mining	4,235.45
4	dormitory	1,090.84
5	dock	0.00
	Total	<u>328,748.64</u>

Pursuant to the State-owned Land-use Rights Certificates provided by the Company, portions of the land-use rights of the Plant have been granted for 8 concurrent terms expiring on 4 February 2049, 29 September 2049, 24 November 2052, 30 April 2053, 21 December 2057, 16 March 2059, 6 January 2062, 3 December 2072, for Industrial use respectively.

Notes:

- i) According to the information provided by the Company, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) is a joint venture enterprise established by Asia Cement Corporation (亞洲水泥股份有限公司), a subsidiary of Far Eastern Group (台灣遠東集團) in Taiwan, and Jiangxi Provincial Investment Group Corporation (江西省投資集團有限公司).
- ii) According to the information provided by the Company, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) is 95% owned by the Group.

iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Jiu Sheng Shu Guo Yong (1999) Zi Di 001 Hao	30 September 1999	Industrial	mining	16,721.00
2	Jiu Sheng Shu Guo Yong (1999) Zi Di 003 Hao	30 September 1999	Industrial	mining	338,468.00
3	Jiu Sheng Shu Guo Yong (1999) Zi Di 004 Hao	30 September 1999	Industrial	dock	31,453.00
4	Jiu Sheng Shu Guo Yong (1999) Zi Di 005 Hao	30 September 1999	Industrial	plant one	449,504.00
5	Jiu Sheng Shu Guo Yong (1999) Zi Di 006 Hao	30 September 1999	Industrial	mining	518,823.00
6	Jiu Sheng Shu Guo Yong (1999) Zi Di 007 Hao	30 September 1999	Industrial	mining	1,597,750.00
7	Rui Guo Yong (2002) Zi Di Q 020 Hao	10 February 2002	Industrial	dormitory	32,375.80
8	Rui Guo Yong (2003) Zi Di Q 006 Hao	17 February 2003	Industrial	dormitory	12,812.00
9	Rui Guo Yong (2003) Zi Di Q 035 Hao	11 July 2003	Industrial	dock	9,737.00
10	Rui Guo Yong (2007) Zi Di Q 120 Hao	21 December 2007	Industrial	mining	704,120.00
11	Rui Guo Yong (2007) Zi Di Q 121 Hao	21 December 2007	Industrial	mining	191,720.73
12	Rui Guo Yong (2009) Zi Di Q 007 Hao	20 March 2009	Industrial	dock	32,471.20
13	Rui Guo Yong (2009) Zi Di Q 009 Hao	20 March 2009	Industrial	dock	22,302.24
14	Rui Guo Yong (2013) Di 0044 Hao	23 May 2013	Industrial	plant two	481,526.00
Total:					<u>4,439,783.97</u>

iv) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Gan 2023 Rui Chang Shi Bu Dong Chan Quan Di 0005571 Hao	18 May 2023	Industrial	plant one	367.27
2	Gan 2023 Rui Chang Shi Bu Dong Chan Quan Di 0005570 Hao	18 May 2023	Industrial	plant one	5,194.37
3	Gan 2023 Rui Chang Shi Bu Dong Chan Quan Di 0005460 Hao	12 May 2023	Industrial	plant one	123,970.88
4	Gan 2018 Rui Chang Shi Bu Dong Chan Quan Di 0004711 Hao	5 June 2018	Industrial	plant two	4,066.70
5	Gan 2018 Rui Chang Shi Bu Dong Chan Quan Di 0004712 Hao	5 June 2018	Industrial	plant two	8,460.00
6	Gan 2018 Rui Chang Shi Bu Dong Chan Quan Di 0004713 Hao	5 June 2018	Industrial	plant two	246.70
7	Gan 2018 Rui Chang Shi Bu Dong Chan Quan Di 0004714 Hao	5 June 2018	Industrial	plant two	373.30
Total:					<u>142,679.22</u>

v) Pursuant to three agreements, the land-use rights of the mining area of the Property with a total site area of 2,992,908.30 have been granted to Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) by Ruichang City People's Government for a term of 50 years with the latest expiry due in January 2071 at an aggregate annual rental of RMB143,315,856.

- vi) Pursuant to the following Real Estate Ownership Certificates and Building Ownership Certificates, the ownership of the Property has been granted to Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Jiu Fang Quan Zheng Kai Zi Di 1000051451 Hao	27 March 2011	Retail	Jiujiang branch	383.28
2	Jiu Fang Quan Zheng Kai Zi Di 1000051452 Hao	27 March 2011	Retail	Jiujiang branch	580.84
3	Jiu Fang Quan Zheng Xun Zi Di 087252 Hao	4 February 2005	Non-residential	Jiujiang branch	594.44
4	Hong Fang Quan Zheng Hong Zi Di 1000158005 Hao	1 July 2008	Non-residential	Nanchang branch	91.60
5	Hong Fang Quan Zheng Hong Zi Di 1000157996 Hao	1 July 2008	Non-residential	Nanchang branch	119.02
6	Hong Fang Quan Zheng Hong Zi Di 1000158009 Hao	1 July 2008	Non-residential	Nanchang branch	72.52
7	Hong Fang Quan Zheng Hong Zi Di 1000158014 Hao	1 July 2008	Non-residential	Nanchang branch	48.14
8	Hong Fang Quan Zheng Hong Zi Di 1000158011 Hao	1 July 2008	Non-residential	Nanchang branch	72.52
9	Hong Fang Quan Zheng Hong Zi Di 1000158008 Hao	1 July 2008	Non-residential	Nanchang branch	72.52
10	Fang Quan Zheng Ma Tou Zi Di 201200457 Hao	5 January 2013	Residential	dormitory	133.96
11	Fang Quan Zheng Ma Tou Zi Di 201200458 Hao	5 January 2013	Residential	dormitory	133.96
12	Fang Quan Zheng Ma Tou Zi Di 201200459 Hao	5 January 2013	Residential	dormitory	133.96
13	Gan 2024 Rui Chang Shi Bu Dong Chan Quan Di 0014458 Hao	5 January 2013	Residential	dormitory	133.96
14	Fang Quan Zheng Ma Tou Zi Di 201200455 Hao	5 January 2013	Residential	dormitory	133.96
15	Fang Quan Zheng Ma Tou Zi Di 201200352 Hao	15 November 2012	Residential	dormitory	132.58
16	Fang Quan Zheng Ma Tou Zi Di 041018 Hao	10 May 2004	Guard Room	dormitory	20.54
17	Gan 2024 Rui Chang Shi Bu Dong Chan Quan Di 0004349 Hao	15 April 2024	Plant	dormitory	133.96
18	Fang Quan Zheng Ma Tou Zi Di 201500266 Hao	16 December 2015	Plant	dormitory	133.96
19	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20139 Hao	18 January 2002	Plant	plant one	687.50
20	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020138 Hao	18 January 2002	Plant	plant one	13.81
21	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20137 Hao	18 January 2002	Plant	plant one	51.92
22	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20136 Hao	18 January 2002	Plant	plant one	370.42
23	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20140 Hao	18 January 2002	Plant	plant one	1,001.44
24	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041027 Hao	17 May 2005	Plant	plant one	27.93
25	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020113 Hao	18 January 2002	Explosive magazine	mining	181.50
26	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020132 Hao	18 January 2002	Explosive magazine	mining	181.50
27	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020116 Hao	18 January 2002	Explosive magazine	mining	41.08
28	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020118 Hao	18 January 2002	Toilet	mining	11.62
29	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020115 Hao	18 January 2002	Toilet	mining	22.80
30	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020111 Hao	18 January 2002	Guard Room	mining	39.68
31	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020117 Hao	18 January 2002	Storage	mining	76.38
32	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020130 Hao	18 January 2002	Guard Room	mining	21.98
33	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020114 Hao	18 January 2002	workshop	mining	397.40

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
34	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020133 Hao	18 January 2002	workshop	mining	2,362.15
35	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020101 Hao	18 January 2002	Workshop	mining	670.17
36	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020102 Hao	18 January 2002	Storage	mining	78.50
37	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020112 Hao	18 January 2002	Storage	mining	12.31
38	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020121 Hao	18 January 2002	Reception	mining	138.38
39	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020124 Hao	18 January 2002	Workshop	plant one	2,020.60
40	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020099 Hao	18 January 2002	Storage	plant one	531.54
41	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020125 Hao	18 January 2002	Storage	plant one	1,113.57
42	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020126 Hao	18 January 2002	Storage	plant one	1,825.75
43	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020129 Hao	18 January 2002	Dormitory	plant one	1,339.76
44	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020110 Hao	18 January 2002	Dormitory	plant one	1,717.82
45	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020088 Hao	18 January 2002	Dormitory	plant one	1,612.66
46	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020104 Hao	18 January 2002	Transfer station	plant one	184.40
47	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020085 Hao	18 January 2002	Dormitory	plant one	1,716.25
48	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20086 Hao	18 January 2002	Dormitory	plant one	1,981.98
49	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020081 Hao	18 January 2002	transformer substation	plant one	1,013.12
50	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020100 Hao	18 January 2002	Storage	plant one	1,742.09
51	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020108 Hao	18 January 2002	Toilet	plant one	21.06
52	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020107 Hao	18 January 2002	Toilet	plant one	41.27
53	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020076 Hao	18 January 2002	Toilet	plant one	56.43
54	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020074 Hao	18 January 2002	Guard Room	plant one	53.32
55	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020096 Hao	18 January 2002	Storage	plant one	14.63
56	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020095 Hao	18 January 2002	Guard Room	plant one	39.88
57	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020094 Hao	18 January 2002	Garage	plant one	386.91
58	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020091 Hao	18 January 2002	Electricity Distribution Room	plant one	111.77
59	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020075 Hao	18 January 2002	Guard Room	plant one	41.13
60	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020103 Hao	18 January 2002	Measurement station	plant one	590.63

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
61	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020131 Hao	18 January 2002	Welfare Center	plant one	2,431.88
62	Gan 2019 Rui Chang Shi Bu Dong Chan Quan Di 0006274 Hao	18 January 2002	Industrial	plant one	355.95
63	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020079 Hao	18 January 2002	Toilet	plant one	48.96
64	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020128 Hao	18 January 2002	Plant	plant one	1,796.70
65	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020073 Hao	18 January 2002	Water station	plant one	439.28
66	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020093 Hao	18 January 2002	Storage	plant one	9,446.76
67	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020090 Hao	18 January 2002	Plant	plant one	1,480.32
68	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020083 Hao	18 January 2002	Storage	plant one	617.72
69	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020134 Hao	18 January 2002	QA	plant one	1,370.20
70	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020089 Hao	18 January 2002	Storage	plant one	2,620.16
71	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020084 Hao	18 January 2002	Plant	plant one	4,869.70
72	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020105 Hao	18 January 2002	Plant	plant one	5,027.50
73	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020135 Hao	18 January 2002	Plant	plant one	222.60
74	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020082 Hao	18 January 2002	Plant	plant one	148.80
75	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020087 Hao	18 January 2002	Plant	plant one	937.53
76	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020092 Hao	18 January 2002	Plant	plant one	5,425.00
77	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020109 Hao	18 January 2002	Toilet	plant one	60.06
78	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020077 Hao	18 January 2002	Laundry	plant one	241.73
79	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020097 Hao	18 January 2002	Plant	plant one	3,547.25
80	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 020098 Hao	18 January 2002	Plant	plant one	4,506.17
81	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20127 Hao	18 January 2002	Plant	plant one	8,115.24
82	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 20080 Hao	18 January 2002	Water Control	plant one	151.12
83	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041055 Hao	18 January 2002	Plant	plant one	467.36
84	Rui Fang Quan Zheng Ma Tou Zi Di 201000158 Hao	20 May 2010	Plant	plant one	24,281.60
85	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041020 Hao	18 January 2002	Plant	plant one	222.60
86	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041056 Hao	18 January 2002	Plant	plant one	467.36
87	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041028 Hao	18 January 2002	Plant	plant one	5,916.27
88	Rui Fang Quan Zheng Ma Tou Zi Di 201000155 Hao	20 May 2010	Plant	plant one	18,315.00
89	Rui Fang Quan Zheng Ma Tou Zi Di 201000154 Hao	20 May 2010	Plant	plant one	494.57

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
90	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 41017 Hao	18 January 2002	Plant	plant one	4,506.17
91	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041025 Hao	18 January 2002	Plant	plant one	5,027.55
92	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041019 Hao	18 January 2002	Plant	plant one	1,504.45
93	Rui Fang Quan Zheng Ma Tou Zi Di 201000156 Hao	20 May 2010	Plant	plant one	2,758.15
94	Rui Fang Quan Zheng Ma Tou Zi Di 201000153 Hao	20 May 2010	Plant	plant one	247.90
95	Rui Fang Quan Zheng Ma Tou Zi Di 201000157 Hao	20 May 2010	Plant	plant one	8,216.40
96	Rui Fang Quan Zheng Ma Tou Zi Di 201000160 Hao	20 May 2010	Plant	plant one	483.05
97	Rui Fang Quan Zheng Ma Tou Zi Di 201000164 Hao	20 May 2010	Plant	plant one	7,628.10
98	Rui Fang Quan Zheng Ma Tou Zi Di 201100022 Hao	18 January 2011	Plant	plant one	623.82
99	Rui Fang Quan Zheng Ma Tou Zi Di 201000159 Hao	20 May 2010	Plant	plant one	1,066.51
100	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 41023 Hao	18 January 2002	Plant	plant one	265.77
101	Rui Fang Quan Zheng Ma Tou Zi Di 201100030 Hao	18 January 2011	Plant	plant one	10,560.96
102	Rui Fang Quan Zheng Ma Tou Zi Di 201000163 Hao	20 May 2010	Plant	plant one	7,589.01
103	Rui Fang Quan Zheng Ma Tou Zi Di 201000161 Hao	20 May 2010	Plant	plant one	6,284.44
104	Rui Fang Quan Zheng Ma Tou Zi Di 201000162 Hao	20 May 2010	Plant	plant one	217.30
105	Rui Fang Quan Zheng Ma Tou Zi Di 201100031 Hao	18 January 2011	Plant	plant one	4,021.14
106	Rui Fang Quan Zheng Ma Tou Zi Di 201100027 Hao	18 January 2011	Plant	plant one	483.05
107	Rui Fang Quan Zheng Ma Tou Zi Di 201100028 Hao	18 January 2011	Plant	plant one	1,066.51
108	Rui Fang Quan Zheng Ma Tou Zi Di 201100026 Hao	18 January 2011	Plant	plant one	339.79
109	Rui Fang Quan Zheng Ma Tou Zi Di 201100029 Hao	18 January 2011	Plant	plant one	2,567.07
110	Rui Fang Quan Zheng Ma Tou Zi Di 201100023 Hao	18 January 2011	Plant	plant one	9,059.17
111	Rui Fang Quan Zheng Ma Tou Zi Di 201100033 Hao	18 January 2011	Plant	plant one	4,239.48
112	Rui Fang Quan Zheng Ma Tou Zi Di 201100032 Hao	18 January 2011	Plant	plant one	6,384.00
113	Rui Fang Quan Zheng Ma Tou Zi Di 201100019 Hao	18 January 2011	Plant	plant one	890.40
114	Rui Fang Quan Zheng Ma Tou Zi Di 201100021 Hao	18 January 2011	Plant	plant one	9,188.75
115	Rui Fang Quan Zheng Ma Tou Zi Di 201100025 Hao	18 January 2011	Plant	plant one	339.79
116	Rui Fang Quan Zheng Ma Tou Zi Di 201100024 Hao	18 January 2011	Plant	plant one	339.79
117	Rui Fang Quan Zheng Ma Tou Zi Di 201100656 Hao	18 October 2011	Plant	plant one	339.79
118	Rui Fang Quan Zheng Ma Tou Zi Di 201000165 Hao	20 May 2010	Plant	plant one	632.48
119	Rui Fang Quan Zheng Ma Tou Zi Di 201000166 Hao	20 May 2010	Plant	plant one	219.90
120	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041040 Hao	17 May 2005	Plant	plant one	190.75
121	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041024 Hao	17 May 2005	Plant	plant one	590.63
122	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041043 Hao	17 May 2005	Plant	plant one	4,549.79
123	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041021 Hao	17 May 2005	Plant	plant one	58.38
124	Rui Fang Quan Zheng Ma Tou Zi Di 201100018 Hao	18 October 2011	Plant	plant one	6,026.24
125	Rui Fang Quan Zheng Ma Tou Zi Di 201100657 Hao	18 October 2011	Plant	plant one	2,363.14
126	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041042 Hao	17 May 2005	Plant	plant one	1,480.32
127	Rui Fang Quan Zheng Ma Tou Zi Di 201000169 Hao	20 May 2010	Plant	plant one	1,043.85
128	Rui Fang Quan Zheng Ma Tou Zi Di 201000167 Hao	20 May 2010	Plant	plant one	419.24
129	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041022 Hao	17 May 2005	Plant	plant one	1,394.40
130	Rui Fang Quan Zheng Ma Tou Zi Di 201100014 Hao	18 October 2011	Plant	plant one	1,228.16
131	Rui Fang Quan Zheng Ma Tou Zi Di 201100020 Hao	18 October 2011	Plant	plant one	2,179.68
132	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041041 Hao	17 May 2005	Plant	plant one	4,252.56
133	Rui Fang Quan Zheng Ma Tou Zi Di 201000168 Hao	20 May 2010	Plant	plant one	2,976.60

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
134	Rui Chang Fang Quan Zheng Pen Cheng Zi Di 041026 Hao	17 May 2005	Plant	plant one	187.08
135	Rui Fang Quan Zheng Ma Tou Zi Di 201500268 Hao	29 December 2015	Plant	plant two	79.36
136	Rui Fang Quan Zheng Ma Tou Zi Di 201500320 Hao	29 December 2015	Plant	plant two	271.28
137	Rui Fang Quan Zheng Ma Tou Zi Di 201500280 Hao	29 December 2015	Plant	plant two	1,019.38
138	Rui Fang Quan Zheng Ma Tou Zi Di 201500272 Hao	29 December 2015	Plant	plant two	1,128.21
139	Rui Fang Quan Zheng Ma Tou Zi Di 201500324 Hao	29 December 2015	Plant	plant two	2,825.45
140	Rui Fang Quan Zheng Ma Tou Zi Di 201500325 Hao	29 December 2015	Plant	plant two	2,825.45
141	Rui Fang Quan Zheng Ma Tou Zi Di 201500322 Hao	29 December 2015	Plant	plant two	68.66
142	Rui Fang Quan Zheng Ma Tou Zi Di 201500287 Hao	29 December 2015	Plant	plant two	1,245.53
143	Rui Fang Quan Zheng Ma Tou Zi Di 201500317 Hao	29 December 2015	Plant	plant two	2,922.47
144	Rui Fang Quan Zheng Ma Tou Zi Di 201500291 Hao	29 December 2015	Plant	plant two	1,019.38
145	Rui Fang Quan Zheng Ma Tou Zi Di 201500274 Hao	29 December 2015	Plant	plant two	5,339.04
146	Rui Fang Quan Zheng Ma Tou Zi Di 201500289 Hao	29 December 2015	Plant	plant two	243.80
147	Rui Fang Quan Zheng Ma Tou Zi Di 201500279 Hao	29 December 2015	Plant	plant two	4,697.98
148	Rui Fang Quan Zheng Ma Tou Zi Di 201500326 Hao	29 December 2015	Plant	plant two	1,128.21
149	Rui Fang Quan Zheng Ma Tou Zi Di 201500321 Hao	29 December 2015	Plant	plant two	68.66
150	Rui Fang Quan Zheng Ma Tou Zi Di 201500286 Hao	29 December 2015	Plant	plant two	1,245.53
151	Rui Fang Quan Zheng Ma Tou Zi Di 201500316 Hao	29 December 2015	Plant	plant two	2,922.47
152	Rui Fang Quan Zheng Ma Tou Zi Di 201500290 Hao	29 December 2015	Plant	plant two	1,019.38
153	Rui Fang Quan Zheng Ma Tou Zi Di 201500281 Hao	29 December 2015	Plant	plant two	5,339.04
154	Rui Fang Quan Zheng Ma Tou Zi Di 201500288 Hao	29 December 2015	Plant	plant two	243.80
155	Rui Fang Quan Zheng Ma Tou Zi Di 201500319 Hao	29 December 2015	Plant	plant two	1,339.60
156	Rui Fang Quan Zheng Ma Tou Zi Di 201500273 Hao	29 December 2015	Plant	plant two	3,818.56
157	Rui Fang Quan Zheng Ma Tou Zi Di 201500327 Hao	29 December 2015	Plant	plant two	6,481.56
158	Rui Fang Quan Zheng Ma Tou Zi Di 201500323 Hao	29 December 2015	Plant	plant two	2,265.83
159	Rui Fang Quan Zheng Ma Tou Zi Di 201500269 Hao	29 December 2015	Plant	plant two	852.98
160	Rui Fang Quan Zheng Ma Tou Zi Di 201500276 Hao	29 December 2015	Plant	plant two	1,486.72
161	Rui Fang Quan Zheng Ma Tou Zi Di 201500278 Hao	29 December 2015	Plant	plant two	746.54
162	Rui Fang Quan Zheng Ma Tou Zi Di 201500285 Hao	29 December 2015	Plant	plant two	1,161.14
163	Rui Fang Quan Zheng Ma Tou Zi Di 201500270 Hao	29 December 2015	Plant	plant two	1,622.11
164	Rui Fang Quan Zheng Ma Tou Zi Di 201500282 Hao	29 December 2015	Plant	plant two	9,313.41
165	Rui Fang Quan Zheng Ma Tou Zi Di 201500275 Hao	29 December 2015	Plant	plant two	210.12
166	Rui Fang Quan Zheng Ma Tou Zi Di 201500284 Hao	29 December 2015	Plant	plant two	822.56
167	Rui Fang Quan Zheng Ma Tou Zi Di 201500283 Hao	29 December 2015	Plant	plant two	3,059.03
168	Rui Fang Quan Zheng Ma Tou Zi Di 201500277 Hao	29 December 2015	Plant	plant two	2,460.40
169	Rui Fang Quan Zheng Ma Tou Zi Di 201500271 Hao	29 December 2015	Plant	plant two	228.16
170	Rui Fang Quan Zheng Ma Tou Zi Di 201500318 Hao	29 December 2015	Plant	plant two	1,339.60
171	Gan 2019 Rui Chang Shi Bu Dong Chan Quan Di 0006477 Hao	10 December 2019	Industrial	plant two	194.46
Total:					330,783.52

- vii) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB120 to RMB150 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- viii) According to the information provided by the Company, as at the valuation date, a portion of the land (mining area) with site area of 2,992,908.30 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the land portion with total site area of 2,992,908.30 sq.m which is not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

ix) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB889,000,000 million for reference purpose.

x) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	Yes
Building Ownership Certificate	Yes
Real Estate Ownership Certificate	Yes
Business License	Yes

xi) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. Except as stated in paragraph 2 below, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
2. A portion of the site area (mining area) of 2,992,908.30 sq.m has not obtained the relevant title document under Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司), the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
2 The land, buildings and plants held by Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司), No. 13, New Street, Tianzhen, Wuxue City, Hubei Province, PRC	<p>The Property is an integrated cement plant (the "Plant") comprises 13 parcels of land with a total site area of approximately 804,613.85 sq.m located in Tianzhen, Wuxue City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2009 to 2021, with the various production facilities docks and supporting infrastructure divided into three major areas: plant, mining area and dock area.</p> <p>The first phase construction of the Plant commenced in March 2008. The cement grinding system commenced production at the end of October 2009, and the rotary kiln system was put into operation at the beginning of May 2010.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 104,605.87 sq.m, which is inclusive of plant one and adjacent land, office area of plant two, material workshop, plant two, mine and uphill road, south of the plant (gypsum bin, administration centre) and staff dormitory.</p> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant have been granted for 4 concurrent terms expiring on 1 November 2056, 15 July 2060, 7 June 2067 and 13 December 2070 for Industrial use respectively.</p>	At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.	<p>RMB540,000,000 (RENMINBI FIVE HUNDRED AND FORTY MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB540,000,000 (RENMINBI FIVE HUNDRED AND FORTY MILLION)</p>

Notes:

- i) According to the information provided by the Company, Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司) is a foreign enterprise established by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd. (亞東投資有限公司), both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司) is 100% owned by the Group.
- iii) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	E (2018) Wuxue Shi Bu Dong Chan Quan Di 0000448 Hao	12 Feb 2018	Industrial	Belt veranda two	17,385.88
2	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015190 Hao	23 Dec 2020	Industrial	Dock one	10,143.07
3	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015191 Hao	23 Dec 2020	Industrial	Dock two	44,830.91
4	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015192 Hao	23 Dec 2020	Industrial	Belt veranda one	34,213.14
5	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015193 Hao	23 Dec 2020	Industrial	Yangcheng mountain Crusher and Connecting lane	67,662.27
6	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015194 Hao	23 Dec 2020	Industrial	Dock two expand	2,416.42
7	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015195 Hao	23 Dec 2020	Industrial	Specialized Dock and Belt veranda two	16,266
8	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015196 Hao	23 Dec 2020	Industrial	Lianhua mountain outbound system	2,102.12
9	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015197 Hao	23 Dec 2020	Industrial	Lianhua mountain Crusher and Connecting lane	32,039.67
10	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015198 Hao	23 Dec 2020	Allocated Land	Two houses nearby Dock two	370.94
11	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0015199 Hao	23 Dec 2020	Industrial	Makou county sandstone and external lane	67,700.56
12	E (2021) Wuxue Shi Bu Dong Chan Quan Di 0000279 Hao	14 Jan 2021	Industrial	No. 3 Angle section Plant	19,728
13	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0013999 Hao	8 Dec 2020	Industrial	Plant one and adjacent land, office area of plant two, material workshop, Plant two, mine and uphill road, south of the plant (gypsum bin, administration centre), staff dormitory	489,754.87
Total:					804,613.85

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	E (2020) Wuxue Shi Bu Dong Chan Quan Di 0013999 Hao	8 Dec 2020	Industrial	Plant one and adjacent land, office area of plant two, material workshop, plant two, mine and uphill road, south of the plant (gypsum bin, administration centre), staff dormitory	104,605.87
Total:					104,605.87

- v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB150 to RMB200 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vi) According to the information provided, as at the valuation date, a portion of the land with site area of 370.94 sq.m is allocated land. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the land portions with site area of 370.94 sq.m and the buildings and structures hereon which is not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.
- vii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB213,000,000 million for reference purpose.
- viii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- ix) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
- Except as stated in paragraph 2 below, Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Huanggang Ya Dong Cement Co., Ltd. (黃岡亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
 - A portion of the land with site area of 370.94 sq.m is allocative in nature, the Group has legally obtained the rights to occupy, use and lease but cannot transfer and mortgage.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
<p>3 The land, buildings and plants held by Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司), No. 66, Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, PRC</p>	<p>The Property is an integrated cement plant (the "Plant") comprises a parcel of land with a site area of approximately 513,526.00 sq.m location in Yangluo Economic Development Zone, Wuhan City. The Property also comprise a sales office unit with a gross floor area of 269.84 sq.m on 17th Floor, Office Building Block 1 Wuhan Tianjie (武漢天街), No. 1 Jinjiadunte, Jiangnan District and Nos. 228, 230 Hengzhoudajie Zhuchengjie, Xinzhou District in Wuhan City and 3 residential unit with gross floor area of 393.52 sq.m Nos. 101, 201 and 301 in Unit 1, Building 8 and 2 civil air defence parking space on east side of Aviation South Road in Xiaogan City, Hubei Province.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p> <p>Portion of the land with approximately 25,133.35 sq.m is currently leased to Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司).</p> <p>The three residential units and two civil air defence parking space is currently vacant. The other sales office is current owner occupied.</p>	<p>RMB785,000,000 (RENMINBI SEVEN HUNDRED AND EIGHT FIVE MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB785,000,000 (RENMINBI SEVEN HUNDRED AND EIGHT FIVE MILLION)</p>
	<p>According to the information provided, the Property comprises various buildings and structures between 2009 to 2021, with the various production facilities docks and supporting infrastructure divided into two major areas: plant and dock area.</p>		
	<p>The first phase construction of the Plant commenced in March 2008. The cement grinding system commenced production at the end of October 2009, and the rotary kiln system was put into operation at the beginning of May 2010.</p>		
	<p>Most of the buildings in the Plant are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 25,418.14 sq.m.</p>		
	<p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant have been granted for terms expiring on 30 September 2055 for Industrial use.</p>		

Notes:

- i) According to the information provided by the Company, Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) was established in June 2005 by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd. (亞東投資有限公司) both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) is 100% owned by the Group.
- iii) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	E (2016) Wu Han Shi Xin Zhou Bu Dong Chan Quan Di 0007596 Hao	30 September 2005	Industrial	factory area and living area	513,526.00
Total:					513,526.00

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	E (2016) Wu Han Shi Xin Zhou Bu Dong Chan Quan Di 0007596 Hao	31 March 2009	Industrial	factory area and living area	25,418.14
2	E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Di 21516 Hao	31 July 2017	Office	sales office	59.34
3	E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Di 21514 Hao	31 July 2017	Office	sales office	46.7
4	E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Di 21469 Hao	31 July 2017	Office	sales office	46.7
5	E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Di 21464 Hao	31 July 2017	Office	sales office	57.94
6	E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Di 21497 Hao	31 July 2017	Office	sales office	59.16
7	Xiao Gan Shi Fang Quan Zheng Zi Di 00106051 Hao	21 March 2011	residential	sales office	130.26
8	Xiao Gan Shi Fang Quan Zheng Zi Di 00106052 Hao	21 March 2011	residential	sales office	131.63
9	Xiao Gan Shi Fang Quan Zheng Zi Di 00106053 Hao	21 March 2011	residential	sales office	131.63
10	Wu Fang Quan Zheng Xin Zhuan Zi Di 200612577 Hao	/	residential	sales office	564.1
Total:					26,645.6

- v) Pursuant to a tripartite agreement, portion of the land-use rights of the Property with a total site area of 25,133.45 sq.m and two buildings hereon with gross floor area 3,596.92 sq.m is leased to Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) and Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) from Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) for a term of 20 years with the latest expiry due on 31 December 2029 at an aggregate annual rental RMB920,000 inclusive tax.

- vi) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB300 to RMB400 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB248,000,000 million for reference purpose.
- viii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	N/A
Building Ownership Certificates	N/A
Real Estate Ownership Certificates	Yes
Business License	Yes

- ix) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
- Hubei Ya Dong Cement Co., Ltd. (Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Hubei Ya Dong Cement Co., Ltd. (Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
4 The land, buildings and plants held by Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司), No. 12, Zhiwu Road, Wulongquan Street, Jiangxia District, Wuhan City, Hubei Province, PRC	<p>The Property is an integrated cement plant (the "Plant") comprises one parcel of land with a site area of approximately 186,027.4 sq.m located in Wulongquan Street, Jiangxia District, Wuhan City.</p> <p>The Property also comprise a sales office unit with a gross floor area of 196.18 sq.m on Room 3, 5/F, Unit 3, Building 4, Hongfa Century City (鴻發世紀城), Xiong Tingbi Road, Zhifang Street, Jiangxia District, Wuhan City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2006 to 2012, with the various production facilities and supporting infrastructure.</p> <p>The first phase construction of the Plant commenced in August 2003. The cement grinding system commenced production at the end of November 2004, and the rotary kiln system was put into operation at the beginning of October 2007.</p> <p>Most of the buildings are in brick concrete structure and steel frame structure with a total gross floor area (GFA) of approximately 25,196.18 sq.m.</p> <p>Pursuant to the State-owned Land-use Rights Certificates provided, the land-use rights of the Plant have been granted for a term expiring on 30 April 2056 for Industrial use.</p>	<p>At the time of our inspection, a portion of the Property was undergoing demolition as the operation had been suspended as of the valuation date.</p> <p>The sales office in Hongfa Century City (鴻發世紀城) is currently owner occupied.</p>	<p>RMB72,000,000 (RENMINBI SEVENTY TWO MILLION)</p> <p>Interest attributable to the Group 90%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB64,800,000 (RENMINBI SIXTY FOUR MILLION EIGHT HUNDRED THOUSAND)</p>

Notes:

- i) According to the information provided by the Company, Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司) was established in August 2003.
- ii) According to the information provided by the Company, Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司) is 90% owned by the Group.

- iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Xia Guo Yong (2006) Di 261 Hao	30 April 2006	Industrial	plant one	186,027.40
Total:					186,027.40

- iv) Pursuant to the following Building Ownership Certificates, the ownership of the Property has been granted to Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Wu Fang Quan Zheng Xia Zi Di 2014000869 Hao	28 January 2014	residential	plant one	196.18
Total:					196.18

- v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB380 to RMB480 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vi) According to the information provided, as at the valuation date, all the buildings and structures on the Plant with estimate GFA of 25,000 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 25,000 sq.m which is not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structure of the Property as at the date of valuation is RMB21,600,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- vii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB4,000,000 million for reference purpose.
- viii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	Yes
Building Ownership Certificate	Yes
Real Estate Ownership Certificate	N/A
Business License	Yes

- ix) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraph 2 below, Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Wuhan Ya Xin Cement Co., Ltd. (武漢亞鑫水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
 2. The buildings and structure on the Plant with estimate GFA of 25,000 sq.m have not obtained the relevant title document. For the buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024										
5	<p>The land, buildings and plants held by Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司), No. 66, Anpeng Road, Pengzhou City, Sichuan Province, PRC</p> <p>The Property is an integrated cement plant (the "Plant") comprises 9 parcels of land with a total site area of approximately 872,940.85 sq.m located in Pengzhou City. The Property also comprise an office unit with a gross floor area of 352.33 sq.m on Block 1-9#, 10#, 63# Jinshalansheng (金沙攬勝) 1, Qingjiang Middle Road, Qingyang District, Chengdu City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2006 to 2023, with the various production facilities and supporting infrastructure divided into three major areas: plant, mining area and loading terminal.</p> <p>Construction was carried out in three phases, where one new dry process cement production line was built in each phase. Phases one, two and three were put into operation in September 2006, December 2008, and March 2010 respectively.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 279,813.56 sq.m, Details are listed below:</p> <table border="1"> <thead> <tr> <th>Plant Area</th> <th>GFA (sq.m)</th> </tr> </thead> <tbody> <tr> <td>1 plant</td> <td>253,889.67</td> </tr> <tr> <td>2 mining</td> <td>22,914.80</td> </tr> <tr> <td>3 Loading Terminal</td> <td>3,009.09</td> </tr> <tr> <td>Total</td> <td>279,813.56</td> </tr> </tbody> </table> <p>Pursuant to the Real Estate Ownership Certificates and State-owned land use rights provided, the land-use rights of the Plant have been granted for concurrent terms expiring on 11 October 2056, 20 July 2059, 20 April 2062, 24 January 2064, 24 November 2067 for industrial and pipeline transport uses respectively.</p>	Plant Area	GFA (sq.m)	1 plant	253,889.67	2 mining	22,914.80	3 Loading Terminal	3,009.09	Total	279,813.56	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p> <p>Portion of the land with approximately 39,374.73 sq.m and buildings with approximately 7,040.30 sq.m hereon is currently leased to Chengdu Ya Li and (成都亞力水泥製品有限公司) Sichuan Ya Li Transport Co., Ltd (四川亞利運輸有限公司).</p>	<p>RMB447,000,000 (RENMINBI FOUR HUNDRED AND FORTY SEVEN MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB447,000,000 (RENMINBI FOUR HUNDRED AND FORTY SEVEN MILLION)</p>
Plant Area	GFA (sq.m)												
1 plant	253,889.67												
2 mining	22,914.80												
3 Loading Terminal	3,009.09												
Total	279,813.56												

Notes:

- i) According to the information provided by the Company, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) was established in 2004 by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd., (亞東投資有限公司) both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) is 100% owned by the Group.
- iii) Pursuant to the following State-owned Land-use Rights Certificates and Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001455 Hao	18 January 2024	Industrial	plant one	374,256.90
2	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001462 Hao	18 January 2024	Industrial	plant two	104,940.90
3	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001632 Hao	18 January 2024	Industrial	plant three	75,177.93
4	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001009 Hao	18 January 2024	Pipeline transport	loading terminal	25,363.28
5	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001008 Hao	18 January 2024	Pipeline transport	mining plant	68,753.26
6	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 01010 Hao	18 January 2024	Industrial	living area	36,728.87
7	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001007 Hao	18 January 2024	Industrial	Leased to Chengdu Ya Li and Sichuan Ya Li	39,374.73
8	Chuan (2018) Peng Zhou Shi Bu Dong Chan Quan Di 0007427 Hao	28 March 2018	Pipeline transport	pipeline	81,281.00
9	Peng Guo Yong 2014 Di 3920 Hao	17 June 2014	Pipeline transport	pipeline	67,063.98
				Total:	872,940.85

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd.. Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001455 Hao	18 January 2024	Industrial	plant one	110,806.95
2	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001462 Hao	18 January 2024	Industrial	plant two	292.10
3	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001632 Hao	18 January 2024	Industrial	plant three	52.60
4	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001009 Hao	18 January 2024	Pipeline transport	loading Terminal	2,772.93
5	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001008 Hao	18 January 2024	Pipeline transport	Mining Plant	2,739.56
6	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001010 Hao	18 January 2024	Industrial	Living Area	11,739.57

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
7	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0011007 Hao	18 January 2024	Industrial	Leased to Chengdu Ya Li and Sichuan Ya Li	7,040.30
8	Chuan (2018) Peng Zhou Shi Bu Dong Chan Quan Di 0007427 Hao	28 March 2018	Pipeline transport	Pipeline	N/A
9	Cheng Fang Quan Zheng Jian Zheng Zi Di 1762597 Hao and 1762598 Hao	28 September 2008	Residential	Chengdu Office	352.33
				Total:	135,796.34

- v) Pursuant to two agreements, portion of the land-use rights of the Property with a total site area of 39,374.73 sq.m buildings hereon with gross floor area 7,040.30 sq.m is leased to Chengdu Ya Li Ready-mixed Concrete Co., Ltd. (成都亞力水泥製品有限公司) and Sichuan Ya Li transportation Co., Ltd (四川亞利運輸有限公司) from Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) for a term of 3 years with the latest expiry due on 31 December 2025 at an aggregate annual rental RMB184,979.05 exclusive of tax.
- vi) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB150 to RMB160 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vii) According to the information provided, as at the valuation date, all the buildings and structures on the Plant with estimate GFA of 144,369.55 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 144,369.55 sq.m which is not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.
- However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB528,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.
- viii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB585,000,000 million for reference purpose.
- ix) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	Yes
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- x) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraph 2 below, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
 2. A portion of the temporary buildings and structure a with estimate GFA of 144,369.55 sq.m have not obtained the relevant title document. For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to occupy, use, transfer, lease and mortgage them. The use and rights over the aforementioned land and buildings are not protected by the PRC law.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
6	<p>The land, buildings and plants held by Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司), No. 1, Group 7, Hongshiqiao Village, Guihua Town, Pengzhou City, Sichuan Province, PRC</p> <p>According to the information provided, the Property comprises various buildings and structures between 2010 to 2023, with the various production facilities and supporting infrastructure.</p> <p>Construction was carried out in two phases, includes two new dry process cement production lines and the construction of a dedicated low-temperature waste heat power generation system. Phases one and two were put into operation in June 2010 and January 2013 respectively.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 49,361.74 sq.m and steel structure of warehouse shed.</p> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant have been granted for concurrent terms expiring on 15 December 2059 and 24 November 2067 for Industrial use respectively.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p>	<p>RMB772,000,000 (RENMINBI SEVEN HUNDRED SEVENTY TWO MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB772,000,000 (RENMINBI SEVEN HUNDRED SEVENTY TWO MILLION)</p>

Notes:

- i) According to the information provided by the Company, Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司) registered on 26 September 2008. On 16 April 2014, Sichuan Yadong Cement Co., Ltd., a subsidiary of Asia Cement Corporation (亞洲水泥股份有限公司) acquired 100% of the shares of Sichuan Lanfeng Cement Co., Ltd (四川蘭豐水泥有限公司).
- ii) According to the information provided by the Company, Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司) is 100% owned by the Group.

- iii) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Sichuan Lanfeng. Cement Co., Ltd (四川蘭豐水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0011175 Hao	24 May 2021	Industrial	Plant	431,774.67
2	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0010206 Hao	30 April 2021	Industrial	Plant	14,998.95
3	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0011170 Hao	24 May 2021	Industrial	Plant	20,301.53
Total:					467,075.15

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Sichuan Lanfeng. Cement Co., Ltd (四川蘭豐水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0011175 Hao	24 May 2021	Industrial	Plant	48,694.38
2	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0010206 Hao	30 April 2021	Industrial	Plant	517.33
3	Chuan (2021) Peng Zhou Shi Bu Dong Chan Quan Di 0011170 Hao	24 May 2021	Industrial	Plant	150.03
Total:					49,361.74

- v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB150 to RMB160 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vi) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB209,000,000 million for reference purpose.
- vii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- viii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Sichuan Lanfeng Cement Co., Ltd. (四川蘭豐水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
7 The land, buildings and plants held by Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司), No. 7, Gudu Road, Bali Town, Economic Development Zone, Yangzhou City, Jiangsu Province, PRC	<p>The Property is a cement grinding plant (the “Plant”) comprises 2 parcels of land with a total site area of approximately 140,415.00 sq.m located in Bali Town, Economic Development Zone, Yangzhou City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2008 to 2024, with the various production facilities, dock and supporting infrastructure.</p> <p>The Plant currently has three cement grinding systems. Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 28,034.81 sq.m and steel frame warehouse shed.</p> <p>Pursuant to two Real Estate Ownership Certificates provided, the land-use rights of the Plant have been granted for two concurrent terms expiring on 29 December 2056 and 31 October 2056 for Industrial use respectively.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p> <p>About 33,333.50 sq.m of land is leased to Yangzhou Shangjian Linjiang Concrete Co., LTD. (揚州上建臨江混凝土有限公司) together with buildings hereon include the quality control building, maintenance workshop, mixing building, sand storage shed. The lease period is from 31 May 2023 for a term of 8 years.</p>	<p>RMB183,000,000 (RENMINBI ONE HUNDRED EIGHTY THREE MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB183,000,000 (RENMINBI ONE HUNDRED EIGHTY THREE MILLION)</p>

Notes:

- i) According to the information provided by the Company, Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) was established in 2006 by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd. (亞東投資有限公司), both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) is 100% owned by the Group.

iii) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030701 Hao	31 October 2006	Industrial	plant	86,397.40
2	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030714 Hao	29 December 2006	Industrial	plant	54,017.60
Total:					140,415.00

iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030701 Hao	31 October 2006	Industrial	10,000 Tons Of Cement Storage	682.02
2	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030709 Hao	31 October 2006	Industrial	Mill one and two	4,364.26
3	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030711 Hao	31 October 2006	Industrial	Roll press civil construction	1,579.77
4	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030715 Hao	31 October 2006	Industrial	Packing room	2,285.32
5	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0031054 Hao	31 October 2006	Industrial	Mill three	2,367.43
6	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0031071 Hao	31 October 2006	Industrial	Cement storage (Civil)	776.73
7	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0031077 Hao	31 October 2006	Industrial	Clinker warehouse	1,313.82
8	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004265 Hao	31 October 2006	Industrial	Clinker warehouse 50000T (civil)	1,313.82
9	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004266 Hao	31 October 2006	Industrial	Roll Press (Civil)	1,890.88
10	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004267 Hao	31 October 2006	Industrial	Stack office	72.96
11	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004268 Hao	31 October 2006	Industrial	Repair shop	387.76
12	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004269 Hao	31 October 2006	Industrial	Qa building	662.19
13	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004270 Hao	31 October 2006	Industrial	Administrative center	1,768.73
14	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004271 Hao	31 October 2006	Industrial	Dormitory Building	782.55
15	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004272 Hao	31 October 2006	Industrial	Living Area Building	1,151.06
16	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 0004273 Hao	31 October 2006	Industrial	Complex Building	3,384.58
17	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0046650 Hao	31 October 2006	Industrial	Air Compressor Room	200.01
18	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030714 Hao	29 December 2006	Industrial	Agitator House	251.52
19	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0030726 Hao	29 December 2006	Industrial	Test Block Curing Room	301.64

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
20	Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di 0031075 Hao	29 December 2006	Industrial	Mixing Plant Laboratory and Maintenance Workshop	275.01
21	Su (2021) Yang Zhou Shi Bu Dong Chan Quan Di 00118623 Hao	29 December 2006	Industrial	Sand and stone environmental protection warehouse shed	2,222.75
Total:					28,034.81

- v) Pursuant to a lease agreement, the land-use rights of the Property with a total site area of 33,333.50 is leased to Yangzhou Shangjian Linjiang Concrete Co., Ltd. (揚州上建臨江混凝土有限公司), from Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) for a term of 8 years with the latest expiry due on 31 May 2028 at an aggregate annual rental RMB2 million per year plus variable rent charge at volume per year inclusive of tax exclusive of utilities charges. The variable rent is calculated and paid on a quarterly basis, with a minimum guaranteed volume of 200,000 cubic meters.
- vi) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB180 to RMB200 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vii) Pursuant to a lease agreement, a dock located approximately 800 meters from the Plant of 92 metre long is leased to Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) from Yangzhou Second Power Generation Co., Ltd. and Jiangsu Guoxin Yangzhou Power Generation Co., Ltd. (揚州第二發電有限責任公司、江蘇國信揚州發電有限責任公司), for a term of 20 years with the latest expiry due on 31 March 2028 at an unloading fee RMB4.1 per ton, with a minimum guaranteed volume of 1 million tons. For any volume exceeding 1 million tons, the unloading fee is RMB2 per ton and loading fee at RMB1.5 per ton exclusive of utilities charges.
- viii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB95,000,000 million for reference purpose.
- ix) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- x) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Yangzhou Ya Dong Cement Co., Ltd. (揚州亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
8	<p>The land, buildings and plants held by Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司), Yifang Road, Changdong Industrial Zone, Nanchang City, Jiangxi Province, PRC</p> <p>According to the information provided, the Property comprises various buildings and structures between 2005 to 2022, with the various production facilities and supporting infrastructure.</p> <p>The Plant currently has a slag cement grinding system. Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 9,233.69 sq.m.</p> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant for a term expiring on 21 September 2053 for Industrial use.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p>	<p>RMB86,000,000 (RENMINBI EIGHTY SIX MILLION)</p> <p>Interest attributable to the Group 72.5%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB62,350,000 (RENMINBI SIXTY-TWO MILLION THREE HUNDRED AND FIFTY THOUSAND)</p>

Notes:

- i) According to the information provided by the Company, Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) was a joint venture company established by Jiangxi Ya Dong Cement Co., Ltd. which 95% owned by the Group.
- ii) According to the information provided by the Company, Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) is 72.5% owned by the Group.
- iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industrial	plant	80,887.70
Total:					80,887.70

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Complex Building	2,460.81
2	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Transport Station Complex	1,163.57
3	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Repair workshop	215.02
4	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Works & Materials Plant	664.29
5	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Hot blast stove workshop	302.50
6	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Cement packing workshop	1,547.75
7	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Grinding workshop	1,459.26
8	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Industrial safety, stacking and quality control team	608.01
9	Gan (2019) Nan Chang Shi Bu Dong Chan Quan Di 0230386 Hao	9 December 2019	Industry, Transport, Warehouse	Administrative Center	812.48
Total:					9,233.69

- v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB500 to RMB550 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vi) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB13,000,000 million for reference purpose.
- vii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- viii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
9 The land, buildings and plants held by Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司), Cihui Dadao, Wujiashan Taiwanese Investment Zone, Dongxi Lake District, Wuhan City, Hubei Province, PRC	<p>The Property is a cement grinding plant (the "Plant") comprises 2 parcels of land with a total site area of approximately 94,836.04 sq.m located in Wujiashan Taiwanese Investment Zone, Dongxi Lake District, Wuhan City. The Property also excludes 3 units in Taermulan Avenue, Huangpi Mulan Township and 5 car parking spaces in Jinxiurenjia (錦繡人家) on Hongqiqu Road, Jinghan District.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2001 to 2008, with the various production facilities and supporting infrastructure.</p> <p>Construction of the Plant was carried out in three phases, and was completed with production commencement in June 2001, September 2003, and August 2005 respectively. The Plant currently production and sale of cement, slag micro powder and other building materials. Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 17,502.84 sq.m.</p> <p>Pursuant to the State-owned Land-use Rights Certificates provided by the Company, the land-use rights of the Plant have been granted for 2 concurrent terms expiring on 9 July 2052 and 30 December 2056 for Industrial use respectively.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.</p> <p>The 3 units located on Taermulan Avenue in Huangpi Mulan Township are currently vacant. Additionally, 3 parking spaces in Jinxiurenjia (錦繡人家) on Hongqiqu Road have lease agreements that will expire on 31 December 2024, and the remaining spaces are currently vacant.</p>	<p>RMB118,000,000 (RENMINBI ONE HUNDRED AND EIGHTEEN MILLION)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB118,000,000 (RENMINBI ONE HUNDRED AND EIGHTEEN MILLION)</p>

Notes:

- i) According to the information provided by the Company, Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司) was established by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd., (亞東投資有限公司) which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.

ii) According to the information provided by the Company, Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司) is 100% owned by the Group.

iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Dong Guo Yong (2007) Di 180102530 Hao	9 May 2007	Industrial	Shazui Dadui Cihui Farm Dongxihu District Wuhan	27,397.00
2	Dong Guo Yong (2006) Di 180101017 Hao	16 Jan 2006	Industrial	Cihui Avenue Wujiashan Taishang Investment area Dongxihu District	67,439.04
Total:					94,836.04

iv) Pursuant to the following Building Ownership Certificates, the ownership of the Property has been granted to Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Wu Fang Quan Zheng Dong Zi Di 2006005296 Hao	19 Dec 2006	Industrial	Cihui Avenue Wujiashan Taishang Investment area Dongxihu District	17,502.84
2	Wu Fang Quan Zheng Huang Zi Di 200804836 Hao; Di 200804837 Hao; Di 200804838 Hao	17 Dec 2008	Retail, Others	Floor 1-3, Taermulan Avenue Mulan Township Huangpi District	1,259.03
Total:					18,761.87

v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB400 to RMB500 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.

vi) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB25,000,000 million for reference purpose.

- vii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- viii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
10 The land, buildings and plants held by Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司), No. 560 Port Avenue, Baishuihu Industrial Park, Nanchang Economic Development Zone Nanchang City, Jiangxi Province, PRC	<p>The Property is a ready-mixed concrete plant (the "Plant") comprises one parcel of land with a site area of approximately 54,348.30 sq.m located in Baishuihu Industrial Park, Nanchang Economic Development Zone Nanchang City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2005 to 2023, with the various production facilities, dock and supporting infrastructure.</p> <p>Construction was carried out in 2005. The Plant currently production of commercial concrete, cement storage, sale of cement stored in transit, formulating cement, manufacture and sale and transportation of cement products. Facilities including concrete mixers, and a concrete testing laboratory and cement storage.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 3,076.69 sq.m.</p> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant for a term expiring on 9 July 2053 for Industrial use.</p>	At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation.	<p>RMB46,000,000 (RENMINBI FORTY SIX MILLION)</p> <p>Interest attributable to the Group 95%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB43,700,000 (RENMINBI FORTY THREE MILLION AND SEVEN HUNDRED THOUSAND)</p>

Notes:

- i) According to the information provided by the Company, Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司), was established by Jiangxi Ya Dong Cement Co., Ltd (江西亞東水泥有限公司).
- ii) According to the information provided by the Company, Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司), is 95% owned by the Group.

- iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Gan (2022) Nan Chang Shi Bu Dong Chan Quan Di 0155315 Hao	12 August 2022	Industrial	plant	54,348.30
Total:					54,348.30

- iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Gan (2022) Nan Chang Shi Bu Dong Chan Quan Di 0155315 Hao	12 August 2022	Industry, Transport, Warehouse	Complex Building	809.52
2	Gan (2022) Nan Chang Shi Bu Dong Chan Quan Di 0155315 Hao	12 August 2022	Industry, Transport, Warehouse	Quality Control Building	406.72
3	Gan (2022) Nan Chang Shi Bu Dong Chan Quan Di 0155315 Hao	12 August 2022	Industry, Transport, Warehouse	Repair workshop	331.26
4	Gan (2022) Nan Chang Shi Bu Dong Chan Quan Di 0155315 Hao	12 August 2022	Industry, Transport, Warehouse	Cement packaging workshop	1,529.19
Total:					3,076.69

- v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB600 to RMB680 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.
- vi) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB15,000,000 million for reference purpose.
- vii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	Yes
Real Estate Ownership Certificate	Yes
Real Estate Ownership Certificate	Yes
Business License	Yes

- viii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Nanchang Ya Li Ready-mixed Concrete Co., Ltd. (南昌亞力水泥製品公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
11 The land, buildings and plants held by Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司), 4100 Longwu Road, Minhang District, Shanghai, PRC	<p>The Property is a cement transshipment station (the "Plant") comprises one parcel of land with a site area of approximately 4,320 sq.m located in Longwu Road, Minhang District.</p> <p>According to the information provided, the Property comprises various buildings and structures between 1997 to 2001, with the various transshipment facilities and supporting infrastructure.</p> <p>The Plant currently has a cement silo terminal completed in 2001. Facilities including transshipment, and cement storage.</p> <p>Currently there is a temporary building of prefabricated structure with a total gross floor area (GFA) of approximately 490.87 sq.m.</p>	At the time of our inspection, the Property was occupied by the Group for cement transshipment station and ancillary use at the date of valuation.	<p>No Commercial Value</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司), was established in November 1995 by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holding Co., Ltd, both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司), is 100% owned by the Group.
- iii) Pursuant to a tenancy agreement, the land-use rights of the Property with a total site area of 4,320 sq.m is leased to Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司), from 上海國際港務(集團)股份有限公司龍吳分公司 for a term of 3 years with the latest expiry due on 30 April 2026 at an aggregate annual rental of RMB2,311,597.24, with an annual growth rate of 5%.
- iv) According to the information provided, as at the valuation date, buildings and structure and land with estimate GFA of 490.87 sq.m and site area of 4,320.00 sq.m have not obtained the relevant title documents under Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司). Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 490.87 sq.m and land portions with total site area of 4,320.00 sq.m since these assets are not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB13,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

v) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB4,000,000 million for reference purpose.

vi) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	No
Building Ownership Certificate	No
Real Estate Ownership Certificate	No
Tenancy agreement	Yes
Business License	Yes

vii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. Except as stated in paragraph 2 below, Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司) has legally owned the relevant land use rights of the Property during the lease term. Within the lease period, Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司) shall have the right to occupy and use the property in accordance with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.
2. A portion of the temporary buildings and structure and land with estimate GFA of 490.87 sq.m and site area of 4,320.00 sq.m have not obtained the relevant title document under Shanghai Ya Li Ready-mixed Concrete Co., Ltd. (上海亞力水泥製品有限公司). For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
12 The land, buildings and plants held by Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司), No. 1, Yucai Road, Yongan Town, Gaogang District, Taizhou City, Jiangsu Province, PRC	<p>The Property is a cement transshipment station (the "Plant") comprises one parcels of land with a site area of approximately 20,000 sq.m located in Yongan Town, Gaogang District, Taizhou City.</p> <p>According to the information provided, the Property comprises various buildings and structures in 2015 with the various production facilities and supporting infrastructure.</p> <p>The Plant currently has five cement silo terminals. Facilities including and cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure with a total gross floor area (GFA) of approximately 5,005.40 sq.m. The Plant also has 2 cement silos with a capacity of 20,000 tons 981.80 sq.m and 3 cement silos with a capacity of 10,000 tons 1,039.20 sq.m.</p>	At the time of our inspection, the Property was occupied by the Group for cement transshipment station and ancillary use at the date of valuation.	<p>No Commercial Value</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司), was established in 2013 by Oriental Holdings Co., Ltd., (亞東投資有限公司), which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司), is 100% owned by the Group.
- iii) According to the cooperation agreement, Taizhou Yongan Port Co., Ltd. (泰州永安港務有限公司) has leased its land to Oriental Holdings Co., Ltd. (亞東投資有限公司) for the construction and operation of Taizhou Yadong Building Materials Co., LTD. (泰州亞東建材有限公司). The land parcel is located in the port area of Taizhou Yongan Port Co., Ltd., (泰州永安港務有限公司) covering an area of approximately 20,000 square meters. The lease term of the site is 20 years, from 20 May 2013 to 19 May 2033, and the fee is included in the dock usage fee. According to the supplementary agreement and contract transfer agreement, as of the base date of valuation, the lessee is modified to Taizhou Yadong Building Materials Co., Ltd., (泰州亞東建材有限公司) and the total dock usage fee is RMB30,000,000.

- iv) According to the information provided, as at the valuation date, buildings and structure and land with estimate GFA of 7,026.40 sq.m and site area of 20,000 sq.m have not obtained the relevant title document under Taizhou Yadong Building Materials Co., Ltd. (泰州亞東建材有限公司). Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 5,005.40 sq.m and land with total site area of 20,000 sq.m since these assets are not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB64,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- v) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB51,000,000 million for reference purpose.
- vi) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	Yes
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	No
Business License	Yes

- vii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraph 2 below, within the lease period, Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司), shall has the right to occupy and use the property in accordance with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.
 2. A portion of the temporary buildings and structure and land with estimate GFA of 7,026.40 sq.m and site area of 20,000 sq.m have not obtained the relevant title document under Taizhou Yadong Building Materials Co., Ltd (泰州亞東建材有限公司). For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
13 The land, buildings and plants held by Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司), West portion of No. 66, Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, PRC	<p>The Property is a ready-mixed concrete plant (the "Plant") comprises one parcel of land with a site area of approximately 12,566.73 sq.m located in Yangluo Economic Development Zone, Wuhan City.</p> <p>According to the information provided, the Property comprises portion of the composite buildings and structures between 2005 to 2021 with the various production facilities and supporting infrastructure.</p> <p>The Plant currently has 2 mixers and laboratory. Facilities including and cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 3,596.92 sq.m.</p>	<p>At the time of our inspection, the Property was occupied by the Group for concrete production and ancillary use at the date of valuation.</p> <p>The use of the two composite buildings is share with Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司).</p>	<p>No commercial Value</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司), was established in December 2007 by Wuhan Ya Dong Cement Co., Ltd. (武漢亞東水泥有限公司).
- ii) According to the information provided by the Company, Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司), is 100% owned by the Group.
- iii) Pursuant to a tripartite agreement, portion of the land-use rights of the Property with a total site area of 25,133.45 sq.m and two buildings hereon with gross floor area 3,596.92 sq.m is leased to Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) and Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) from Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) for a term of 20 years with the latest expiry due on 31 December 2029 at an aggregate annual rental RMB920,000 inclusive tax.

- iv) According to the information provided, as at the valuation date, buildings, structures and land with estimate GFA of 3,596.92 sq.m and site area of 25,133.45 sq.m have not obtained the relevant title document under Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) which is in the name of Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司). Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 3,596.9 sq.m and land portions with total site area of 25,133.45 sq.m which are not entitled to be transferred, leased and mortgaged in the market by the Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of the structures of the Property as at the date of valuation is RMB4,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- v) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB8,000,000 million for reference purpose.
- vi) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- vii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) has legally owned the relevant land use rights of the Property during the lease term. Within the lease period, Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司), shall have the right to occupy and use the property in accordance with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
14 The land, buildings and plants held by Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司), No. 268, Section 3, Wenquan Avenue, Wenjiang District, Chengdu, Sichuan Province, PRC	<p>The Property is a ready-mixed concrete plant (the "Plant") comprises one parcel of land with a site area of approximately 32,627.35 sq.m located in Section 3, Wenquan Avenue, Wenjiang District, Chengdu. The Property also comprises 3 units with total GFA of 263.33 sq.m located at Nos. 3 and 4 of Level 13, No. 2 of Level 16, Unit 2, Block 6 Mingxin International New Town (明新國際新城), No. 57 Nan'an Road, Banzhuyuan Town, Xindu District, Chengdu City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2007 to 2023 with the various production facilities and supporting infrastructure.</p> <p>The Plant currently has 2 mixers. Facilities including and cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 4,485.00 sq.m.</p> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Plant have been granted for a term expiring on 27 March 2063 for Industrial use.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation. The 3 residential units are currently vacant.</p>	<p>RMB9,300,000 (RENMINBI NINE MILLION AND THREE HUNDRED THOUSAND)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB9,300,000 (RENMINBI NINE MILLION AND THREE HUNDRED THOUSAND)</p>

Notes:

- i) According to the information provided by the Company, Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司), was established by Oriental Holdings Co., Ltd. (亞東投資有限公司), both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.

ii) According to the information provided by the Company, Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司), is 100% owned by the Group.

iii) Pursuant to the following State-owned Land-use Rights Certificates, the land-use rights of the Property have been granted to Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Wen Guo Yong (2013) Di 50219 Hao	5 December 2013	Industrial	plant	32,627.35
Total:					32.627.35

iv) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Plant Area	GFA (sq.m)
1	Chuan (2019) Xindu Qu Bu Dong Chan Quan Di 0043841 Hao	22 October 2018	Residential	sales office	100.97
2	Chuan (2019) Xindu Qu Bu Dong Chan Quan Di 0080965 Hao	22 October 2018	Residential	sales office	81.18
	Chuan (2019) Xindu Qu Bu Dong Chan Quan Di 0043840 Hao	22 October 2018	Residential	sales office	81.18
Total:					263.33

v) In assessing the market value of the land portion of the Property, we have made reference to sales prices of similar land in the vicinity. Comparable are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected ranges from RMB250 to RMB350 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the land.

vi) According to the information provided, as at the valuation date, a portion of the temporary buildings and structure with estimate GFA of 4,485.00 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 4,485.00 sq.m since these assets are not entitled to be occupied, used, transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB18,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

vii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB4,000,000 million for reference purpose.

- viii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificate	Yes
Building Ownership Certificate	Yes
Real Estate Ownership Certificate	Yes
Business License	Yes

- ix) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. Except as stated in paragraph 2 below, Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Sichuan Ya Li Ready-mixed Concrete Co., Ltd. (四川亞力水泥製品公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
2. A portion of the temporary buildings and structure with estimate GFA of 4,485.00 sq.m have not obtained the relevant title document. For the buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to occupy, use, transfer, lease and mortgage them. The use and rights over the aforementioned land and buildings are not protected by the PRC law.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
15 The land, buildings and plants held by Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司), east side of No. 68, Anpeng Road, Tianpeng Town, Chengdu, Sichuan Province, PRC	<p>The Property is a ready-mixed concrete plant (the "Plant") comprises a parcels of land with a site area of approximately 21,741.69 sq.m located in Anpeng Road, Tianpeng Town, Pengzhou City. The Property also comprise a residential unit with a gross floor area (GFA) of 140.02 sq.m on No. 8, 4th Floor, Unit 2, Block 9, No. 281, Qingquan North Street, Yongquan Street, Wenjiang District.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2005 to 2021 with the various production facilities and supporting infrastructure.</p> <p>The Plant currently has a mixer and other facilities including and cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 9,058.19 sq.m.</p>	At the time of our inspection, the Property was occupied by the Group for cement production and ancillary use at the date of valuation. The residential unit is currently vacant.	<p>RMB980,000 (RENMINBI NINE HUNDRED AND EIGHTY THOUSAND) (Note vi)</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024 RMB980,000 (RENMINBI NINE HUNDRED AND EIGHTY THOUSAND)</p>

Notes:

- i) According to the information provided by the Company, Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司), was established in December 2007 by Oriental Holdings Co., Ltd. (亞東投資有限公司), which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司), is 100% owned by the Group.
- iii) Pursuant to a tenancy agreement, the land-use rights of the Property with a total site area of 21,741.69 sq.m located at No. 68, Anpeng Road, Tianpeng Town, Chengdu City is leased to Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司), from Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) for a term of 3 years with the latest expiry due on 31 December 2025 at an aggregate annual rental of RMB101,751.11 per year.

- iv) Pursuant to the following State-Owned Land Use Rights Certificate and Real Estate Ownership Certificate, the land-use rights of the Property have been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq.m)
1	Peng Guo Yong (2012) Di 3809 Hao	13 June 2012	Industrial	plant	39,374.73
Total:					39,374.73

- v) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0011007 Hao	18 January 2024	Industrial	plant	7,040.30
Total:					7,040.30

- vi) Pursuant to the following Building Ownership Certificate, the ownership of the Property has been granted to Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq.m)
1	Wen Fang Quan Zheng Jian Zheng Zi Di 0319975 Hao	15 April 2011	Residential	office	140.02
Total:					140.02

- vii) According to the information provided, as at the valuation date, buildings and structure and land with estimate GFA of 9,058.19 sq.m and site area of 21,741.69 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 9,058.19 sq.m and land portions with total site area of 21,741.69 sq.m since these assets are not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB9,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- viii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB4,000,000 million for reference purpose.

- ix) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	Yes
Building Ownership Certificate	Yes
Real Estate Ownership Certificate	Yes
Business License	Yes

- x) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司) has legally owned the relevant land use rights and ownership rights for the residential unit with a gross floor area (GFA) of 140.02 sq.m on No. 8, 4th Floor, Unit 2, Block 9, No. 281, Qingquan North Street, Yongquan Street, Wenjiang District. Chengdu Ya Li Ready-mixed Concrete Co., Ltd (成都亞力水泥製品公司) shall have the right to occupy and use the property in accordance with the PRC law, and also have the right to dispose the property by transferring, leasing, mortgaging or other legal means.
2. Except as stated in paragraph 3 below, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) has legally owned the relevant land use rights of the Property during the lease term. Within the lease period, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) shall have the right to occupy and use the property in accordance with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.
3. A portion of the temporary buildings and structure and land with estimate GFA of 9,058.19 sq.m and site area of 21,741.69 sq.m have not obtained the relevant title document. For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
16 The land, buildings and plants held by Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司), No. 8, Yadong Avenue, Matou Town, Ruichang City, Jiangxi Province, PRC	<p>The Property is a transportation depot (the "Plant") comprises two parcels of land with a total site area of approximately 19,478.70 sq.m located in Matou Town, Ruichang City and Changdong Industrial Zone of Nanchang City respectively.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2010 to 2022 with the various storage facilities and supporting infrastructure.</p> <p>The Plant is to provide transportation services of raw materials and fuel, cement, slag powder. Facilities including cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 3,531.61 sq.m.</p>	At the time of our inspection, the Property was occupied by the Group for cement transportation and ancillary use at the date of valuation.	<p>No Commercial Value</p> <p>Interest attributable to the Group 97.4%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司) was established by Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) and Oriental Holdings Co., Ltd. (亞東投資有限公司) which is 95% and 100% owned by the Group.
- ii) According to the information provided by the Company, Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司), is 97.4% owned by the Group.
- iii) Pursuant to a tenancy agreement, the land-use rights of the Property with a total site area of 12,812.00 is leased to Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司), from Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) for a term of 5 years with the latest expiry due on 31 January 2027 at an aggregate annual rental of RMB336,000 exclusive of utilities charges.
- iv) Pursuant to a tenancy agreement, the land-use rights of the Property with a total site area of 6,666.67 is leased to Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司), from Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) for a term of 5 years with the latest expiry due on 31 May 2029 at an aggregate annual rental of RMB321,960 exclusive of utilities charges.

- v) According to the information provided, as at the valuation date, buildings and structure and land with estimate GFA of 3,531.61 sq.m and site area of 19,478.70 sq.m, Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司) have not obtained the relevant title documents. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 3,531.61 sq.m and land portions with total site area of 19,478.70 sq.m since these assets are not entitled to be transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB2,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- vi) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB9,000,000 million for reference purpose.
- vii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	Yes
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	No
Business License	Yes

- viii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraphs 2 and 3 below, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) and Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) has legally owned the relevant land use rights of the Property during the lease term. Within the lease period, Jiangxi Ya Dong Cement Co., Ltd. (江西亞東水泥有限公司) and Nanchang Ya Dong Cement Co., Ltd. (南昌亞東水泥有限公司) shall have the right to occupy and use the property in accordance with PRC law and dispose of the property by means of transfer, sublease, mortgage or other legal means.
 2. Within the lease period under the tenancy agreements, Jiangxi Ya Li Transportation Co., Ltd. (江西亞利運輸有限公司) shall have the right to occupy and use the property in accordance with the tenancy agreements with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.
 3. A portion of the temporary buildings and structure and land with estimate GFA of 3,531.61 sq.m and site area of 19,478.70 sq.m have not obtained the relevant title document. For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
17 The land, buildings and plants held by Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司), West portion of No. 66, Yadong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, PRC	<p>The Property is a transportation depot (the "Plant") comprises one parcel of land with a site area of approximately 12,566.73 sq.m located in Yangluo Economic Development Zone, Wuhan City.</p> <p>According to the information provided, the Property comprises portion of the two composite buildings and structures completed in 2013 with the various storage facilities and supporting infrastructure.</p> <p>The Plant is to provide transportation services of raw materials and fuel, cement, slag powder. Facilities including cement storage and specialized transportation equipment.</p> <p>The two composite buildings are in reinforced concrete structure with a total gross floor area (GFA) of approximately 3,596.92 sq.m.</p>	<p>At the time of our inspection, the Property was occupied by the Group for cement transportation and ancillary use at the date of valuation.</p> <p>The use of the two composite buildings is share with Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司).</p>	<p>No Commercial Value</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) was established by Hubei Ya Dong Cement Co., Ltd.
- ii) According to the information provided by the Company, Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司), is 100% owned by the Group.
- iii) Pursuant to a tripartite agreement, portion of the land-use rights of the Property with a total site area of 25,133.45 sq.m and two buildings hereon with gross floor area 3,596.92 sq.m is leased to Wuhan Ya Li Ready-mixed Concrete Co., Ltd (武漢亞力水泥製品有限公司) and Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) from Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) for a term of 20 years with the latest expiry due on 31 December 2029 at an aggregate annual rental RMB920,000 inclusive tax.

- iv) According to the information provided, as at the valuation date, buildings and building improvements and land with estimate GFA of 3,596.92 sq.m and site area of 25,133.45 sq.m have not obtained the relevant title document under Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) which is in the name of Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司). Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 3,596.9 sq.m and land portions with total site area of 25,133.45 sq.m which are not entitled to transferred, leased and mortgaged in the market by the Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司) as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these building improvements of the Property as at the date of valuation is RMB80,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- v) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB6,390,000 million for reference purpose.
- vi) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	N/A
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- vii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraph 2 below, Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司), has legally owned the relevant land use rights of the Property during the lease term. Within the lease period, Hubei Ya Li Transportation Co., Ltd (湖北亞利運輸有限公司), shall has the right to occupy and use the property in accordance with PRC law, but cannot dispose of the property by means of transfer, sublease, mortgage or other legal means.
 2. A portion of the temporary buildings and structure and land with estimate GFA of 3,596.9 sq.m and site area of 25,133.45 sq.m have not obtained the relevant title document. For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
18 The land, buildings and plants held by Sichuan Ya Li Transport Co., Ltd (四川亞利運輸有限公司), west side of No. 68, Anpeng Road, Tianpeng Town, Pengzhou City, Sichuan Province, PRC	<p>The Property is a transportation depot (the "Plant") comprises one parcel of land with a site area of approximately 17,633.04 sq.m located in Tianpeng Town, Pengzhou City.</p> <p>According to the information provided, the Property comprises various buildings and structures between 2007 to 2019 with the various storage facilities and supporting infrastructure.</p> <p>The Plant is to provide transportation services of raw materials and fuel, cement, slag powder. Facilities including cement storage and specialized transportation equipment.</p> <p>Most of the buildings are in reinforced concrete structure or steel frame structure with a total gross floor area (GFA) of approximately 4,160.22 sq.m.</p>	At the time of our inspection, the Property was occupied by the Group for cement transportation and ancillary use at the date of valuation.	<p>No Commercial Value</p> <p>Interest attributable to the Group 100%</p> <p>Market Value in Existing State attributable to the Group as at 31 May 2024</p> <p>No Commercial Value</p>

Notes:

- i) According to the information provided by the Company, Sichuan Ya Li Transport Co., Ltd (四川亞利運輸有限公司), was established in May 2006 by Asia Cement Corporation (亞洲水泥股份有限公司) and Oriental Holdings Co., Ltd. (亞東投資有限公司), both of which are subsidiaries of Far Eastern Group (台灣遠東集團) in Taiwan.
- ii) According to the information provided by the Company, Sichuan Ya Li Transport Co., Ltd (四川亞利運輸有限公司), is 100% owned by the Group.
- iii) Pursuant to a tenancy agreement, the land-use rights of the Property with a total site area of 17,633.04 sq.m located at No. 68, Anpeng Road, Tianpeng Town, Pengzhou City is leased to Sichuan Ya Li Transport Co., Ltd. (四川亞利運輸有限公司), from Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) for a term of 3 years with the latest expiry due on 31 December 2025 at an aggregate annual rental of RMB83,227.94 exclusive of tax.

- iv) Pursuant to the following State-Owned Land Use Rights Certificate and Real Estate Ownership Certificates, the land-use rights of the Property have been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司). Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	Site Area (sq,m)
1	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001007 Hao	18 January 2024	Industrial	plant	39,374.73
Total:					39,374.73

- v) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) Details are listed below:

No.	Certificate No.	Issue Date	Usage	Area	GFA (sq,m)
1	Chuan (2024) Peng Zhou Shi Bu Dong Chan Quan Di 0001007 Hao	18 January 2024	Industrial	plant	7,040.30
Total:					7,040.30

- vi) According to the information provided, as at the valuation date, buildings and structure and land with estimate GFA of 4,160.22 sq.m and site area of 17,633.04 sq.m have not obtained the relevant title document. Based on the legal opinion prepared by the Company's PRC legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests, we have ascribed no commercial value to the building and structure portions with total GFA of 4,160.22 sq.m and land portions with total site area of 17,633.04 sq.m since these assets are not entitled to be occupied, used, transferred, leased and mortgaged in the market by the Group as at the date of valuation.

However, for indicative purpose, the depreciated replacement cost of these buildings and structures of the Property as at the date of valuation is RMB3,000,000 by assuming relevant title documents have been obtained and is freely transferable in the market.

- vii) Based on the characteristics of the cement manufacturing plant's assets, such as the large kilns, coolers, cement production lines, cement grinding systems, concrete batching plants, cement transfer stations, mixing plants, silo terminal and specialized transportation equipment, the equipment are an integral part of the plant or factory area. We have therefore assessed the plant and equipment, and the total current market value as at the valuation date is RMB16,000,000 million for reference purpose.
- viii) Copies of instruments in respect of the status of title and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Certificates	Yes
Building Ownership Certificate	N/A
Real Estate Ownership Certificate	Yes
Business License	Yes

- ix) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:
1. Except as stated in paragraph 2 below, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.
 2. A portion of the temporary buildings and structure and land with estimate GFA of 4,160.22 sq.m and site area of 17,633.04 sq.m have not obtained the relevant title document. For the land and buildings that have not obtained the relevant title documents, the Group has not legally obtained the rights to transfer, lease and mortgage them.

VALUATION PARTICULARS

Group II – Property interests held by the Group for investment purpose

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
19 Unit 1502, (尚海灣豪庭) No. 11, Lane 888, Dongan Road, Xuhui District, Shanghai, PRC	Shanghai Bay (尚海灣豪庭) is a massive high-rise residential development completed between 2008 to 2018. According to the information provided by the Company, the Property comprises a residential unit in Phase II Block 16 of the Shanghai Bay completed in 2018. The Property has a gross floor area (GFA) of approximately 287.14 sq.m. Pursuant to the Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 30 August 2074 for residential use.	At the time of our inspection, the Property is fully fitted and vacant.	RMB43,600,000 (RENMINBI FORTY-THREE MILLION AND SIX HUNDRED THOUSAND)

Notes:

- i) Pursuant to the Real Estate Ownership Certificates, Hu (2020) Xu Zi Bu Dong Chan Quan No 002634, the apportion land use rights and the ownership of the Property has been granted to Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司).
- ii) Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located No. 11, Lane 888, Dongan Road, Xuhui District, Shanghai.
Transportation	Hongqiao Airport is located approximately 14 kilometres away from the Property. Also, Metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential area.
- iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable that had been selected include monthly rental rates ranges from RMB160 to RMB190 per square meter and transaction price ranges from RMB140,000 to RMB180,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the orientation, size, flooring, etc. to determine the unit price of the Property.

- v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	No
Business License	Yes

- vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司) has obtained the real estate ownership certificate related to the Property. Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Shanghai Ya Li Cement Products Co., Ltd. (上海亞力水泥製品有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024	
20	16 apartment units, No. 1-11 and 17-21, 17/F, Office Tower 1, Wuhan Tianjie (武漢天街), No. 1 Jinjiadunte, Jianghan District, Wuhan, Hubei, Province, PRC	<p>Wuhan Tianjie (武漢天街) is a 30-storey building with a total construction area of approximately 124,600 sq.m, a standard floor area of 1,300 sq.m, a standard floor height of 5.2 meters, a total height of 30 floors, and 1,166 parking spaces.</p> <p>According to the information provided by the Company, the Property comprises 16 units on 17th Floor of the building completed in 2016.</p> <p>The Property has a total gross floor area (GFA) of approximately 873.09 sq.m.</p> <p>Pursuant to 16 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 26 September 2051 for office use.</p>	<p>At the time of our inspection, two units is at bare shell conditions and vacant. The remaining units are leased to two tenants for commercial or office uses. The tenants held different terms with the latest expiration date on 30 April 2026. The total monthly rent was approximately RMB38,655.42 exclusive of management fee and Value-added Tax (VAT).</p>	RMB13,200,000 (RENMINBI THIRTEEN MILLION AND TWO HUNDRED THOUSAND)

Notes:

- i) Pursuant to the 16 Real Estate Ownership Certificates, E (2017) Wu Han Shi Jiang Han Bu Dong Chan Quan Nos. 0021463, 0021466, 0021470, 0021474, 0021476-77, 0021490, 0021495-96, 0021498, 0021512-13 and 0021517-20 the apportion land use rights and the ownership of the Property has been granted to Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司).
- ii) Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located No. 1, Jinjiadunte directly opposite the Qingnian Road City Museum.
Transportation	Wuhan Tianhe Airport is located approximately 26 kilometres away from the Property. Also, Metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential area.
- iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable that had been selected include monthly rental rates ranges from RMB75 to RMB85 per square meter and transaction price ranges from RMB14,000 to RMB16,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, flooring, decoration conditions, etc. to determine the unit price of the Property.

- v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	Yes
Business License	Yes

- vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Hubei Ya Dong Cement Co., Ltd. (湖北亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
21 7 retail units, Nos. 579, 583, 585, 589, 687 and 691 Floraland (國色天鄉), South Jiangning Road, Wanchun Town, Wenjiang District, Chengdu, Sichuan Province, PRC	<p>Floraland (國色天鄉) is a massive cultural and tourism project developed into 4 Phases completed between 2005 to 2012 with a total land area of approximately 8,000,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 7 retail units on District A of Phase II Commercial Street completed in 2012.</p> <p>The Property has a total gross floor area (GFA) of approximately 1,106.57 sq.m.</p> <p>Pursuant to 7 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 27 December 2047 for commercial use.</p>	At the time of our inspection, the Property is leased to a tenant for commercial uses. The tenant held different terms with the latest expiration date on 31 March 2030. The monthly rent was approximately RMB49,581.26 exclusive of management fee and Value-added Tax (VAT).	RMB15,100,000 (RENMINBI FIFTEEN MILLION AND ONE HUNDRED THOUSAND)

Notes:

- i) Pursuant to the 7 Real Estate Ownership Certificates, Wen Fang Quan Zheng Jian Zheng Zi Nos 0498489-93 and Chuan (2021) Wen Jiang Qu Bu Dong Chan Quan Nos. 0057105-6 the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in Wanchun Town, Wenjiang District, Chengdu City, approximately 25 kilometres from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 30 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately upscale leisure travel and exclusive residential area.

iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected include street front shop with monthly rental rates ranging from RMB75 to RMB85 per square meter and transaction price ranges from RMB18,000 to RMB22,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, decoration conditions, etc. to determine the unit price of the Property.

v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	Yes
Business License	Yes

vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
22 5 residential units, 201 and 203 Block 1 and Units 2101, 2402 and 3001 of Unit 2 Block 1 Carnival International Community – Top Glory Mansion (嘉年華•御府), 77 Yinglong Road, High-tech Zone, Chengdu, Sichuan Province, PRC	<p>The Carnival International Community (嘉年華國際社區), comprises high-rise luxury residences, park-style featured commercial, and serviced apartments all in one completed between 2013 to 2017 with a total construction area of approximately 360,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 5 residential units in Block 1 of Top Glory Mansion (嘉年華•御府) completed in 2016.</p> <p>The Property has a total gross floor area (GFA) of approximately 1,217.05 sq.m.</p> <p>Pursuant to 5 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 25 February 2080 for residential use.</p>	At the time of our inspection, the Property is at bare shell conditions and currently vacant.	RMB24,300,000 (RENMINBI TWENTY-FOUR MILLION AND THREE HUNDRED THOUSAND)

Notes:

- i) Pursuant to the 5 Real Estate Ownership Certificates Chuan (2019) Cheng Du Shi Bu Dong Chan Quan Nos. 0067888, 0067891, 0296400, 0296408 and 0296414 the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in High-tech Zone, outside the third ring road Chengdu City, approximately 15 kilometres from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 20 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately exclusive residential area with mature supporting facilities such as retail malls, schools, hospitals and banks.

iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable that had been selected include monthly rental rates ranges from RMB32 to RMB35 per square meter and transaction price ranges from RMB18,000 to RMB23,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, decoration conditions, etc. to determine the unit price of the Property.

v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	N/A
Business License	Yes

vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
23 2 retail units, Nos. 10 and 11 Block 6 Jaeger Royal (積家御景), No. 885, 889, Section 2, Nanxun Avenue, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, PRC	<p>Jaeger Royal (積家御景), comprises 6 blocks of high-rise residential and an apartment buildings completed between 2016 to 2017 with a total construction area of approximately 180,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 2 street front shops in the development completed in 2016.</p> <p>The Property has a total gross floor area (GFA) of approximately 262.71 sq.m.</p> <p>Pursuant to 2 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 5 December 2052 for retail use.</p>	At the time of our inspection, the Property is at bare shell conditions and currently vacant.	RMB12,000,000 (RENMINBI TWELVE MILLION)

Notes:

i) Pursuant to the 2 Real Estate Ownership Certificates Wen Jiang Qu Bu Dong Chan Quan Nos. 0033724-5 the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).

ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.

iii) The general description and market information of the Property are summarized below:

Location	The Property is located in High-tech Zone, outside the third ring road Chengdu City, approximately 24 kilometres from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 23 kilometres away from the Property. Also, metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential area with mature supporting facilities such as retail malls, schools, hospitals and banks.

iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected include street front shop with monthly rental rates ranging RMB96 to RMB105 per square meter and transaction price ranges from RMB19,000 to RMB22,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, decoration conditions, etc. to determine the unit price of the Property.

v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	N/A
Business License	Yes

vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
24 4/F Shidai Jingzuo (時代晶座), Block 17, Building No. 1537, Middle Jiannan Avenue, High-tech Zone, Chengdu, Sichuan Province, PRC	<p>Shidai Jingzuo (時代晶座) is a high-rise commercial/residential development with a total site area of approximately 37,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises the whole fourth floor in Block 1 of the development completed in 2011.</p> <p>The Property has a total gross floor area (GFA) of approximately 1,116.29 sq.m.</p> <p>Pursuant to a Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 27 March 2051 for office use.</p>	<p>At the time of our inspection, the Property is divided into 21 units and is leased to a tenant for commercial uses. The expiration date on 14 July 2027. The monthly rent was approximately RMB35,000 exclusive of management fee and Value-added Tax (VAT).</p>	<p>RMB11,500,000 (RENMINBI ELEVEN MILLION AND FIVE HUNDRED THOUSAND)</p>

Notes:

- i) Pursuant to a Real Estate Ownership Certificates Chuan (2020) Cheng Du Shi Bu Dong Chan Quan No. 0141064 the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in High-tech Zone, outside the third ring road Chengdu City, approximately 15 kilometres from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 15 kilometres away from the Property. Also, metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential area with mature supporting facilities such as retail malls, schools, hospitals and banks.
- iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected with monthly rental rates ranging RMB40 to RMB55 per square meter and transaction price ranges from RMB11,000 to RMB13,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, decoration conditions, etc. to determine the unit price of the Property.

- v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	Yes
Business License	Yes

- vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
25 9 retail units BRC Xingfumanting (藍光幸福滿庭), Nos. 20-24, 28-34 and 38-44, Section 20 No. 1 East of Huadu Avenue, Xiapu town, Pidu District, Chengdu, Sichuan Province, PRC	<p>BRC Xingfumanting (藍光幸福滿庭) is a high-rise residential development with a total site area of approximately 480,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 9 street front shops in the development completed in 2015.</p> <p>The Property has a total gross floor area (GFA) of approximately 609.28 sq.m.</p> <p>Pursuant to 9 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 23 January 2053 for commercial use.</p>	<p>At the time of our inspection, one unit of the Property is leased to a tenant for retail uses. The expiration date on 10 November 2024. The monthly rent was approximately RMB5,836 exclusive of management fee and Value-added Tax (VAT). The remaining units are in bare shell conditions and currently vacant.</p>	RMB12,000,000 (RENMINBI TWELVE MILLION)

Notes:

- i) Pursuant to 9 Real Estate Ownership Certificates Chuan (2018) Pi Du Qu Bu Dong Chan Quan Nos. 0088582-3,0088657, 0088676-78, 0088681-2, 0090266, the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in Xipu area, one side close to the Jinniu District, and on the other side adjacent to the Hi-Tech West Zone Chengdu City, approximately 15 kilometers from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 30 kilometres away from the Property. Also, metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential area with supporting facilities such as hypermarket, schools, hospitals and banks.

iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected include street front shop with monthly rental rates ranging RMB75 to RMB85 per square meter and transaction price ranges from RMB19,000 to RMB21,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, decoration conditions, etc. to determine the unit price of the Property.

v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	Yes
Business License	Yes

vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
26	<p>2 retail units, Nos. 129 and 163-165 Roraland (鷺湖宮), Section 2, Tianxiang Road, Wanchun Town, Wenjiang District, Chengdu, Sichuan Province, PRC</p> <p>Roraland (鷺湖宮) is a massive residential development within the Floraland (國色天鄉) with a total site area of approximately 210,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 2 retail shops in the development completed in 2015.</p> <p>The Property has a total gross floor area (GFA) of approximately 280.77 sq.m.</p> <p>Pursuant to 9 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 27 December 2047 for commercial use.</p>	<p>At the time of our inspection, one unit of the Property is in bare shell conditions and currently vacant.</p>	<p>RMB3,900,000 (RENMINBI THREE MILLION AND NINE HUNDRED THOUSAND)</p>

Notes:

- i) Pursuant to 2 Real Estate Ownership Certificates Chuan (2019) Wen Jiang Qu Bu Dong Chan Quan Nos. 0017469 and 0017473, the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in Floraland area Wenjiang District Chengdu City, approximately 25 kilometers from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 30 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately upscale leisure travel and exclusive residential area.
- iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected include street front shop with monthly rental rates ranging RMB40 to RMB65 per square meter and transaction price ranges from RMB14,000 to RMB17,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, location and decoration conditions, etc. to determine the unit price of the Property.

- v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	N/A
Business License	Yes

- vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
27 3 retail units, Nos. 105, 113, 117 Chengdu Wanda City (成都萬達城) Shuihua Road, Yutang Town, Dujiangyan City, Chengdu, Sichuan Province, PRC	<p>Chengdu Wanda City (成都萬達城) is a massive cultural and tourism project developed into various phases completed between 2015 to 2018 with a total land area of approximately 3,300,000 sq.m.</p> <p>According to the information provided by the Company, the Property comprises 3 street front shops in the development completed in 2015.</p> <p>The Property has a total gross floor area (GFA) of approximately 221.40 sq.m.</p> <p>Pursuant to 3 Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 1 July 2055 for commercial use.</p>	At the time of our inspection, one unit of the Property is in bare shell conditions and currently vacant.	RMB2,100,000 (RENMINBI TWO MILLION AND ONE HUNDRED THOUSAND)

Notes:

- i) Pursuant to 3 Real Estate Ownership Certificates Chuan (2019) Du Jiang Yan Bu Dong Chan Quan Nos. 0044067-8 and 0044670, the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in Dujiangyan City, approximately 65 kilometers from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 65 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately upscale leisure travel and residential area.

iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable properties that have been selected include street front shop with monthly rental rates ranging RMB33 to RMB40 per square meter and transaction price ranges from RMB10,000 to RMB11,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the size, location and decoration conditions, etc. to determine the unit price of the Property.

v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	N/A
Business License	Yes

vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 May 2024
28 6F, Hongzheng Plaza (宏正廣場) No. 388, Section 3 North, Second Ring Road, Jinniu District, Chengdu, Sichuan Province, PRC	<p>The Property is a 6-storey commercial building completed in 1997.</p> <p>According to the information provided by the Company, the Property comprises portion of sixth floor of Hongzheng Plaza completed in 1997.</p> <p>The Property has a total gross floor area (GFA) of approximately 395.07 sq.m.</p> <p>Pursuant to a Real Estate Title Certificates provided by the Company, the land-use rights of the Property have been granted for a term expiring on 3 July 2035 for commercial use.</p>	At the time of our inspection, one unit of the Property is in bare shell conditions and currently vacant.	RMB2,700,000 (RENMINBI TWO MILLION AND SEVENTY HUNDRED THOUSAND)

Notes:

- i) Pursuant to a Real Estate Ownership Certificates Chuan (2022) Cheng Du Shi Bu Dong Chan Quan Nos. 0059535, the apportion land use rights and the ownership of the Property has been granted to Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司).
- ii) Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) is an indirect subsidiary company wholly owned by the Company.
- iii) The general description and market information of the Property are summarized below:

Location	The Property is located in Hehuachi business district, second ring road, Jinniu District, approximately 5 kilometers from the Chengdu city center.
Transportation	Chengdu Shuangliu Airport is located approximately 22 kilometres away from the Property. Also, metro station, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately commercial area.

- iv) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same development with similar conditions, size and tenure, etc. Comparable that had been selected include monthly rental rates ranges from RMB38 to RMB48 per square meter and transaction price ranges from RMB7,000 to RMB8,000 per square meter. In the course of our valuation, we have considered the relevant adjustment factors such as the age, size, location and decoration conditions, etc. to determine the unit price of the Property.

- v) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Tenancy Contract	N/A
Business License	Yes

- vi) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Commerce & Finance Law Office (通商律師事務所) which contains, inter alia, the following information:

1. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has obtained the real estate ownership certificate related to the Property. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and property ownership of the Property, and its rights are protected by PRC law.
2. Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) has legally owned the relevant land use rights and ownership rights for the Property. During the term of the above-mentioned land use rights, the Sichuan Ya Dong Cement Co., Ltd. (四川亞東水泥有限公司) shall have the right to occupy and use the Property in accordance with the PRC law, and also have the right to dispose the Property by transferring, leasing, mortgaging or other legal means.

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

Cause No. FSD 202 of 2024 (DDJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT
(AS REVISED)
AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023
(AS REVISED)
AND IN THE MATTER OF ASIA CEMENT (CHINA) HOLDINGS CORPORATION
SCHEME OF ARRANGEMENT
BETWEEN
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
AND
THE SCHEME SHAREHOLDERS
(AS DEFINED BELOW)

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Companies Act”	the Companies Act of the Cayman Islands (As Revised)
“Company”	Asia Cement (China) Holdings Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 743)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “3. Conditions of the Proposal and the Scheme” in the Explanatory Memorandum
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at 3:00 p.m. on Monday, 26 August 2024 at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company

“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be convened at 3:30 p.m. on Monday, 26 August 2024 (or, if later, immediately after the Court Meeting has been concluded or adjourned) at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan, for the purpose of approving all necessary resolutions for the implementation of the Proposal, including any reduction of the issued share capital of the Company as a result of the cancellation of the Scheme Shares; and the implementation of the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum set out in Part VII of the Scheme Document
“Grand Court”	the Grand Court of the Cayman Islands
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent committee of the Board, comprising Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming (being all of the independent non-executive Directors)
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee who will advise the Independent Board Committee as to: (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM

“Latest Practicable Date”	30 July 2024, being the latest practicable date for ascertaining certain information contained in the Scheme Document
“Long Stop Date”	5 June 2025, or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive and consented to by UBS
“Offer Price”	the offer price of HK\$3.22 for the cancellation of each Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Offeror”	Asia Cement Corporation, a company incorporated on 21 March 1957 in Taiwan with limited liability under the Taiwan Company Law with its shares listed on the Taiwan Stock Exchange (stock code: 1102) and the controlling shareholder of the Company
“Offeror Concert Parties”	persons who are acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code, including: (a) each of the Offeror Group Shareholders; (b) each of Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. CHEN Ruey-long, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen and Ms. WU Ling-ling (each also a director of the Offeror) and Mr. LIN Seng-chang; and (c) members of the UBS Group (excluding members of the UBS Group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and are connected for the sole reason that they control, are controlled by or are under the same control as UBS)
“PRC” or “China”	the People’s Republic of China and, for the purpose of this Scheme Document only, excluding Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange, on the terms and subject to the Conditions set out in the Scheme Document

“Record Date”	Tuesday, 10 September 2024 or such other time and date as shall have been announced to the Shareholders, being the record date for determining the entitlements of the Scheme Shareholders under the Scheme
“Scheme”	the scheme of arrangement under Section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document (of which the Scheme forms part) jointly issued by the Offeror and the Company containing, among other things, further details of the Proposal and the Scheme, including a letter from the Board, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the recommendations of the Independent Board Committee and notices to convene the Court Meeting and EGM together with forms of proxy in relation thereto
“Scheme Share(s)”	the Share(s) in issue on the Record Date other than the Shares directly held by the Offeror
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s) as at the Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC in Hong Kong as amended from time to time
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the financial adviser to the Offeror in connection with the Proposal. UBS AG is incorporated in Switzerland with limited liability

- (B) The Company was incorporated as an exempted company with limited liability on 7 April 2004 in the Cayman Islands.
- (C) As at the Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares. As at the Latest Practicable Date, the issued share capital of the Company was 1,566,851,000 Shares, with the remainder being unissued. Since 20 May 2008, the issued shares of the Company have been listed and traded on the Main Board of the Hong Kong Stock Exchange.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company by cancelling all of the Scheme Shares in consideration of the Offer Price so that the Company will be wholly owned by the Offeror. Contemporaneously with the cancellation of the Scheme Shares, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.
- (F) The Offeror and Offeror Concert Parties will procure that any Shares in respect of which it is legally or beneficially interested will not be represented or voted at the Court Meeting.
- (G) The Offeror and Offeror Concert Parties have undertaken to the Grand Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme.

THE SCHEME**PART I****CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES**

1. On the Effective Date:
 - (a) the Scheme Shares shall be cancelled and the Scheme Shareholders shall cease to have any rights with respect to the Scheme Shares except the right to receive the Offer Price;
 - (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained by the issuance to the Offeror, credited as fully paid, of an aggregate number of Shares which is equal to the number of Scheme Shares cancelled; and
 - (c) the Company shall apply the reserve created in its books of account as a result of the cancellation of the Scheme Shares in paying up in full at par the new Shares issued to the Offeror.

PART II**CONSIDERATION FOR CANCELLATION AND
EXTINGUISHMENT OF THE SCHEME SHARES**

2. In consideration of the cancellation of the Scheme Shares, the Offeror shall pay or cause to be paid the Offer Price to each Scheme Shareholder.

PART III**GENERAL**

3.
 - (a) As soon as possible but in any event no later than seven business days (as defined in the Takeovers Code) following the Effective Date, the Offeror shall post or cause to be posted cheques to the Scheme Shareholders in respect of the sums payable to such Scheme Shareholders pursuant to paragraph 2 of the Scheme.
 - (b) All such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Scheme Shareholders at their respective registered addresses as appearing in the register of members of the Company as at the Record Date, or in the case of joint holders, at the registered address appearing in the register of members of the Company as at the Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.
 - (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of the Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.

- (d) All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, UBS, the Independent Financial Adviser and the share registrar of the Company and their respective nominees, directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (e) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph 3(b) of the Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank selected by the Offeror. The Offeror shall hold such monies until the expiry of six years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of the Scheme to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme, and are subject to, if applicable, the deduction of interest, tax or any withholding tax or any other deduction required by law. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of the Scheme, including accrued interest subject to any deduction required by law and any expenses incurred.
- (g) Paragraph 3 shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:
 - (a) all certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, as applicable, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme under Section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act.
6. Unless the Scheme shall have become effective on or before the Long Stop Date, the Scheme shall lapse.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to the Scheme or to any condition which the Grand Court may see fit to approve or impose.
8. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

Cause No. FSD 202 of 2024 (DDJ)

IN THE MATTER OF SECTIONS 86 OF THE COMPANIES ACT
(AS REVISED)
AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023
(AS REVISED)
AND IN THE MATTER OF ASIA CEMENT (CHINA) HOLDINGS CORPORATION
NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order (the “**Order**”) dated 24 July 2024 (Cayman time) made in the above matter, Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting (the “**Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme mentioned below) to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) a scheme of arrangement (the “**Scheme**”) proposed to be made between Asia Cement (China) Holdings Corporation (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at 3:00 p.m. on Monday, 26 August 2024 (Hong Kong time) at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of the explanatory memorandum explaining the effect of the Scheme are incorporated in the composite scheme document of which this notice forms part (the “**Scheme Document**”), which has been despatched to the Scheme Shareholders. A copy of the Scheme Document can be obtained by the Scheme Shareholders from the Company’s Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, as their proxy to attend and vote in their stead. A **PINK** form of proxy for use at the Court Meeting is enclosed with the Scheme Document. The completion and return of the **PINK** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting, or any adjournment thereof, if he/she so wishes and in such event, the **PINK** form of proxy previously submitted will be revoked by operation of law.

In the case of joint registered holders of a Scheme Share (as defined in the Scheme), the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding. In the case of a Scheme Shareholder which is a corporation, the Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder of the Company.

The **PINK** form of proxy for use at the Court Meeting, together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be lodged at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof. Alternatively, the **PINK** form of proxy may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it).

The Company wishes to advise all of the Scheme Shareholders that the only ways to vote for the proposed resolution in the Court Meeting are (i) to attend the physical Court Meeting at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan or (ii) to appoint any person or the chairman of the Court Meeting as a proxy to attend and vote on the resolution by completing and lodging the PINK form of proxy in accordance with the instructions contained therein. Scheme Shareholders are reminded to mark their voting decision (for or against, as the case may be) on the relevant proxy form(s).

By the Order, the Court has appointed any one of the independent non-executive Directors, or failing whom, any other person who is an officer of the Company as at the date of the Court Meeting to act as chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Grand Court.

The Scheme is subject to the subsequent sanction of the Grand Court as set out in the Explanatory Memorandum contained in the Scheme Document.

By order of the Board
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
TSIM Tak-lung Dominic
Director

Dated: 2 August 2024

Registered office:
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Portion of Unit B, 11th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong

Note

1. Voting at the Court Meeting will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Hong Kong Code on Takeovers and Mergers.
2. For the purpose of determining the entitlements of the Shareholders to attend and vote at the Court Meeting, the register of members of the Company will be closed from Tuesday, 20 August 2024 to Monday, 26 August 2024 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 19 August 2024.
3. If the Court Meeting is seriously affected by a typhoon or a bad weather condition in Taipei, the Company may postpone the Court Meeting to a later date as agreed between the Company and the Offeror, and the Company will publish an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the new date, time and place of the rescheduled Court Meeting. For the avoidance of doubt, the Court Meeting may still be held as scheduled during a typhoon or a bad weather condition in Taipei. Shareholders should decide on their own whether they would attend the Court Meeting under bad weather condition bearing in mind their own situations.



ASIA CEMENT (CHINA) HOLDINGS CORPORATION
亞洲水泥(中國)控股公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 743)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Asia Cement (China) Holdings Corporation (the “**Company**”) will be held at 3:30 p.m. on Monday, 26 August 2024 at Conference Room, 39/F, Taipei Metro Tower, No. 207, Tun Hwa South Road, Section 2, Taipei, Taiwan (or, if later, as soon as practicable after the conclusion or the adjournment of the Court Meeting (as defined in the Scheme Document (as defined below)) for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the scheme document of the Company dated 2 August 2024 (the “**Scheme Document**”) of which this notice forms part.

SPECIAL RESOLUTION

1. “**THAT**, for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (the “**Scheme**”) as set out in the Scheme Document and subject to the approval of the Scheme by the Scheme Shareholders at the Court Meeting, on the Effective Date, (i) any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and (ii) contemporaneously with (i) above, the issuance to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and the application of the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares, be and are hereby approved.”

ORDINARY RESOLUTION

2. “**THAT** any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by any of them to be necessary or desirable in connection with the implementation of the Proposal and the Scheme, including (without limitation) (i) the making of an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange, subject to the Scheme taking effect; (ii) any reduction of the issued share capital of the Company; (iii) the allotment and issue of the Shares referred to in Resolution No. 1 of this notice; and (iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose and to do all other acts and things and/or sign such documents considered by them to be necessary for or desirable in connection with the implementation of the Proposal and the Scheme and in relation to the proposed privatisation of the Company by the Offeror by way of the Scheme as a whole.”

By order of the Board
ASIA CEMENT (CHINA) HOLDINGS CORPORATION
TSIM Tak-lung Dominic
Director

Hong Kong, 2 August 2024

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Portion of Unit B, 11th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules and the articles of association of the Company.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him or her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him or her.
3. In order to be valid, the **WHITE** form of proxy for use at the EGM, together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof, must be lodged at the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event no later than 48 hours before the time appointed for holding the EGM (i.e., 3:30 p.m. on Saturday, 24 August 2024) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 20 August 2024 to Monday, 26 August 2024 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Monday, 19 August 2024.
5. All resolutions put to vote at the EGM will be decided by way of poll as required by the Listing Rules and the Takeovers Code.
6. If the EGM is seriously affected by a typhoon or a bad weather condition in Taipei, the Company may postpone the EGM to a later date as agreed between the Company and the Offeror, and the Company will publish an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the new date, time and place of the rescheduled EGM. For the avoidance of doubt, the EGM may still be held as scheduled during a typhoon or a bad weather condition in Taipei. Shareholders should decide on their own whether they would attend the EGM under bad weather condition bearing in mind their own situations.
7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises three executive Directors, namely Mr. HSU Shu-ping, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang; four non-executive Directors, namely Mr. HSU Shu-tong (Chairman), Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling; and four independent non-executive Directors, namely Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. LEE Kao-chao and Dr. WANG Kuo-ming.