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西部水泥

WEST CHINA CEMENT LIMITED

中國西部水泥有限公司

(Incorporated in Jersey with limited liability, with registered number 94796)

(Stock Code: 2233)

**MAJOR DISPOSALS AND CONNECTED TRANSACTIONS
DISPOSAL OF COMPANIES AND ASSETS IN XINJIANG**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



THE DISPOSALS

The Board hereby announces that on 25 June 2025 (after trading hours):

- (1) **Transaction A:** Vendor A and the Purchasers entered into the Equity Transfer Agreement, pursuant to which, Vendor A has conditionally agreed to sell and the Purchasers have conditionally agreed to purchase the entire equity interest in each of the Target Companies at a consideration of RMB398 million, subject to adjustment;
- (2) **Transaction B:** Vendor B, the Purchasers and Vendor A (as guarantor) entered into the APA B, pursuant to which, Vendor B has conditionally agreed to sell and the Asset Purchaser B has conditionally agreed to purchase Assets B at a consideration of RMB161.5 million, subject to adjustment;
- (3) **Transaction C:** Vendors C, the Purchasers and Vendor A (as guarantor) entered into the APA C, pursuant to which, Vendors C has conditionally agreed to sell and the Asset Purchaser C has conditionally agreed to purchase Assets C at a consideration of RMB920.5 million, subject to adjustment; and
- (4) **Transaction D:** Vendors D, the Purchasers and Vendor A (as guarantor) entered into the APA D, pursuant to which, Vendors D has conditionally agreed to sell and the Asset Purchaser D has conditionally agreed to purchase Assets D at a consideration of RMB170 million, subject to adjustment.

Upon Completion, the Company will no longer have any equity interest in the Target Companies and each of the Target Companies will cease to be a subsidiary of the Company.

IMPLICATION UNDER THE LISTING RULES

Major Transactions

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals exceeds 25% but is less than 75%, the Disposals constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Connected Transactions

As at the date of this announcement, Conch International is a substantial shareholder of the Company, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, each of Conch International and Purchaser B is wholly-owned by Purchaser A. As such, each of Purchaser A and Purchaser B is an associate of Conch International and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Transfer Agreement and each of the APAs constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

Each of Purchaser A and Purchaser B, its respective associates and any Shareholder who has material interest in the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder.

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder.

The EGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other matters, the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder.

A circular containing, among other matters, further information on (i) the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 17 July 2025.

Shareholders and potential investors of the Company should note that the transactions contemplated under the Equity Transfer Agreement and the APAs are inseparable, if any of them does not become effective, then none of the Equity Transfer Agreement and the APAs shall become effective. Furthermore, Completion is subject to satisfaction of certain conditions precedent. As the Disposals may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board hereby announces that on 25 June 2025 (after trading hours):

- (1) **Transaction A:** Vendor A and the Purchasers entered into the Equity Transfer Agreement, pursuant to which, Vendor A has conditionally agreed to sell and the Purchasers have conditionally agreed to purchase the entire equity interest in each of the Target Companies at a consideration of RMB398 million, subject to adjustment;
- (2) **Transaction B:** Vendor B, the Purchasers and Vendor A (as guarantor) entered into the APA B, pursuant to which, Vendor B has conditionally agreed to sell and the Asset Purchaser B has conditionally agreed to purchase Assets B at a consideration of RMB161.5 million, subject to adjustment;
- (3) **Transaction C:** Vendors C, the Purchasers and Vendor A (as guarantor) entered into the APA C, pursuant to which, Vendors C has conditionally agreed to sell and the Asset Purchaser C has conditionally agreed to purchase Assets C at a consideration of RMB920.5 million, subject to adjustment; and
- (4) **Transaction D:** Vendors D, the Purchasers and Vendor A (as guarantor) entered into the APA D, pursuant to which, Vendors D has conditionally agreed to sell and the Asset Purchaser D has conditionally agreed to purchase Assets D at a consideration of RMB170 million, subject to adjustment.

TRANSACTION A

Principal terms of the Equity Transfer Agreement are set out as below:

- Date : 25 June 2025 (after trading hours)
- Parties : (a) Vendor A (an indirect wholly-owned subsidiary of the Company)
(b) Purchaser A
(c) Purchaser B

Subject Matter

Vendor A has conditionally agreed to sell and the Purchasers have conditionally agreed to purchase the entire equity interest in each of the Target Companies. Among the Purchasers, Purchaser A and Purchaser B have agreed to acquire 90% and 10% of the entire equity interest in each of the Target Companies, respectively.

Consideration and Payment Terms

The consideration for the transfer of the entire equity interest in the Target Companies is RMB398 million, subject to the adjustment.

The consideration shall be paid by the Purchasers to Vendor A by instalment in the following manner:

- (i) **First instalment:** within 10 working days from the date on which Vendor A completes all of the following conditions, 40% of the consideration shall be settled by the Purchasers:
- (a) the shareholders' approval of each of the Target Companies, and the board's approval of Vendor A, approving the transfer of the entire equity interest of the relevant Target Company having been provided by Vendor A to the Purchasers, and the Shareholders' approval approving the transfer of the entire equity interest of the relevant Target Company having been obtained;
 - (b) a letter of guarantee having been issued by Vendor A guaranteeing its obligations and liabilities under the Equity Transfer Agreement and the APAs, on a joint and several liability basis;
 - (c) an unconditional and irrevocable bank guarantee in the amount of not less than RMB100 million to guarantee the obligations and liabilities under the Equity Transfer Agreement and the APAs having been issued and obtained;
 - (d) within seven days after the Equity Transfer Agreement become effective, the Target Companies having obtained and delivered to the Purchasers the written consents of its respective top 10 creditors;

- (e) the handover of the management rights of the Target Companies, the issuance of the audited report of the Target Companies for the Transitional Period, the determination of the adjustment and the signing of any handover memorandum and/or supplementary agreement in accordance with the terms and conditions of the Equity Transfer Agreement having been completed;
 - (f) within 10 working days after the Equity Transfer Agreement become effective, an announcement in relation to the transactions contemplated under the Equity Transfer Agreement having been published by Vendor A on nationally circulated newspaper at the provincial level or above, as well as on the National Enterprise Credit Information Publicity System (國家企業信息公示系統); and
 - (g) the Equity Transfer Agreement having been signed and become effective, and the approval from the state anti-monopoly agency (國家反壟斷機構) having been obtained, and industrial and commercial registration procedures for the necessary changes in relation to the transfer of the entire equity interest in the Target Companies having been completed.
- (ii) **Second instalment:** within 10 working days from the date on which Vendor A completes all of the following conditions, 40% of the consideration shall be settled by the Purchasers:
- (a) with the assistance of Vendor A, the evaluation of the employees by the Target Companies having been completed within 1 month after the Management Transfer Date, and entering into new labour contract by the Target Companies with those employees who have passed such evaluation; Vendor A having procured the termination of the labour contract with its employees, settled the related social security, overtime wages, and compensation for work-related injuries and deaths with such employees, and Vendor A having provided to the Purchasers the relevant supporting evidence for such termination and settlement (such as letter of termination, proof of payment of compensation and/or employees undertaking etc.), all of which shall be conducted in accordance with the terms and conditions of the Equity Transfer Agreement;
 - (b) all encumbrances on those assets which is within the scope of the Equity Transfer Agreement having been fully discharged (if any), and evidence of the relevant discharge having been provided by Vendor A to the Purchasers;
 - (c) termination of existing contract(s) and/or the entering into supplemental agreement(s) for contracts of the Target Companies in relation to mining, logistics, security and sale and purchase orders having been completed; and
 - (d) the conditions as specified in sub-paragraph (i) above having been completed.

- (iii) **Third instalment:** within 10 working days from the date on which Vendor A completes all of the following conditions, 14% of the consideration shall be settled by the Purchasers:
- (a) within 10 working days after the Equity Transfer Agreement become effective, the joint appointment of an intermediary organisation with professional testing qualifications to conduct sampling tests on steel reinforcement spacing, concrete strength and structural safety of the existing silos and sheds of clinker storage, cement storage, raw material storage etc., of the Target Companies, by Vendor A and the Purchasers having been completed. Based on the conclusion of such testing results, an reinforcement plan for silos and sheds in need of reinforcement jointly formulated by Vendor A and the Purchasers having been completed, and engagement of contractor to complete the silos reinforcement works within six months after the Management Transfer Date having been completed;
 - (b) mining licence for the Target Companies for the expanded area of the Cangyinggou limestone mine in Huocheng County (霍城縣蒼英溝石灰岩礦) having been obtained;
 - (c) within the period of 10 months from the Management Transfer Date, no situation that causes or may cause economic losses or attracts legal liabilities to the Purchasers as a result of (1) any matters prior to the Management Transfer Date (including, but not limited to, liabilities, business, labour relations, taxation, environmental protection, project construction, construction, etc.); or (2) the acquisition of the entire equity interest in the Target Companies, having occurred, save and except for those situation that have been resolved at the expense of Vendor A. If the settlement is actually resolved by the Purchasers, the Purchasers shall deduct such settlement amount from the consideration for the transfer of the entire equity interest in the Target Companies, and any shortfall shall be made up by Vendor A in cash;
 - (d) within the period of 10 months from the Management Transfer Date, no former or current employee has applied for labour arbitration or filed a lawsuit or petition due to (1) the transfer of the entire equity interest in the Target Companies; or (2) matters prior to the Management Transfer Date; or (3) matters occurring prior to the Management Transfer Date but continuing after such date, having occurred, save and except for those labour arbitration or disputes that have been resolved at the expense of Vendor A. If the settlement is actually resolved by the Purchasers, the Purchasers shall deduct such settlement amount from the consideration for the transfer of the entire equity interest in the Target Companies, and any shortfall shall be made up by Vendor A in cash;
 - (e) all receivables which is within the scope of the list to the Equity Transfer Agreement having been recovered or disposed of in a manner as agreed by the Purchasers;
 - (f) the real estate rights certificate for the land, with floor area of approximately 84 mu, occupied by 伊犁堯柏水泥有限公司 (Yili Yaobai Cement Co., Ltd.*), a Target Company, having been obtained by such Target Company; and
 - (g) the conditions as specified in sub-paragraph (ii) above having been completed.

- (iv) **Final instalment:** within 10 working days from the date on which all of the following conditions having been completed, all of the remaining consideration shall be settled by the Purchasers:
- (a) the Management Transfer Date having been elapsed for 18 months;
 - (b) approval for the mine safety facility design plan for the Target Companies for the expanded area of the Cangyinggou limestone mine in Huocheng County (霍城縣蒼英溝石灰岩礦) having been obtained;
 - (c) the specified obligations and responsibilities of Vendor A as stipulated in the Equity Transfer Agreement having been completed in accordance with the terms and conditions thereof; and
 - (d) the conditions as specified in sub-paragraph (iii) above having been completed.

Adjustment of the consideration

The consideration for the transfer of the entire equity interest in the Target Companies shall be adjusted by (i) adding the amount equal to the difference between the amount of current assets of the Target Companies as at the Management Transfer Date and the Accounts Date; and (ii) deducting the amount equal to the difference between the amount of total liabilities of the Target Companies as at the Management Transfer Date and the Accounts Date to be taken up, as audited and confirmed by the parties.

Basis of the Consideration

The consideration was determined after arm's length negotiations between Vendor A and the Purchasers, after (i) considering various factors, including the investment costs of similar companies, resources, location and market of the Target Companies; and (ii) the valuation of the entire equity interest in the Target Companies as assessed by an independent valuer of approximately RMB261.6 million as at 31 January 2025 using the asset based approach.

Condition precedent

The Equity Transfer Agreement shall only become effective upon satisfaction of the following conditions:

- (i) the Equity Transfer Agreement having been signed and sealed by Vendor A and the Purchasers;
- (ii) the passing of the necessary resolutions by the Independent Shareholders at the EGM approving the Equity Transfer Agreement and the transactions contemplated thereunder;
- (iii) the shareholders' approval of each of the Target Companies, and the board's approval of Vendor A, approving the transfer of the entire equity interest of the relevant Target Company having been provided by Vendor A to the Purchasers;
- (iv) the Purchasers having completed its internal decision-making and approval procedures in accordance with the terms of the Equity Transfer Agreement;

- (v) the board and shareholders' approval of Vendor A approving the transfer of the entire equity interest of the Target Companies, and the letter of guarantee as set out under the paragraph headed "Transaction A — Consideration and Payment Terms — (i)(b)", having been provided by Vendor A to the Purchasers; and
- (vi) the approval from the state anti-monopoly agency (國家反壟斷機構) having been obtained.

Completion

Within seven working days after the Equity Transfer Agreement become effective, Vendor A and the Purchasers shall determine the Management Transfer Date. Completion shall take place on a date within 10 days after the Management Transfer Date.

Under the Equity Transfer Agreement and the APAs, it was agreed between the parties that the transactions contemplated under the Equity Transfer Agreement and the APAs are inseparable, if any of them does not become effective, then none of the Equity Transfer Agreement and the APAs shall become effective. Hence, if any of the Equity Transfer Agreement and the APAs is canceled or terminated within one year from their respective effective date (other than due to reason of force majeure or State Anti-monopoly Committee or its subordinate bodies), parties to the Equity Transfer Agreement and the APAs (where applicable) shall have the right to request for the cancellation or termination of all the Equity Transfer Agreement and the APAs.

Upon Completion, the Company will no longer have any equity interest in the Target Companies and each of the Target Companies will cease to be a subsidiary of the Company.

Bank guarantee and others

To secure the obligation of Vendor A under the Equity Transfer Agreement, Vendor A shall provide an unconditional and irrevocable bank guarantee in the amount of not less than RMB100 million to the Purchasers to guarantee the obligations and liabilities under the Equity Transfer Agreement and the APAs for a term of 42 months from the Management Transfer Date.

Vendor A agrees that, within 42 months from the Management Transfer Date, if the aggregate amount under the utilised bank guarantee and the remaining consideration under the final instalment of the Equity Transfer Agreement and the APAs is less than RMB20 million, Vendor A shall obtain additional unconditional and irrevocable bank guarantee, so that the aggregate amount of bank guarantee and the remaining consideration under the final instalment of the Equity Transfer Agreement and the APAs shall not be less than RMB80 million.

In the event of change in shareholding, assets or other material change of Vendor A, Vendor A shall procure the Company to guarantee, all obligations and liabilities of Vendor A under the Equity Transfer Agreement and the APAs.

Use of brand and trademarks

In order to maintain the stability of the sales market and customer channels after Completion, Purchaser A may use the brand and trademark of Vendor A at nil consideration for a period of 12 months after the Management Transfer Date. During the period in which the Purchasers uses the trademark of Vendor A, if the quality of the cement and clinker manufactured by the Purchasers causes losses to Vendor A, such related losses shall be borne by the Purchasers.

TRANSACTION B, TRANSACTION C AND TRANSACTION D

Principal terms of each of the APAs are set out as below:

Parties

Transaction B

- Date : 25 June 2025 (after trading hours)
- Parties : (a) Vendor B (an indirect wholly-owned subsidiary of the Company)
- (b) the Purchasers
- (c) Vendor A (as guarantor)

The Purchasers intend to establish a joint venture in Yutian County, Xinjiang, as an investment vehicle, in respect of the purchase of Assets B, among which Purchaser A and Purchaser B will own as to 90% and 10% of the entire equity interest in such investment vehicle. The Purchasers and the investment vehicle as aforesaid are collectively referred to as the purchasers under the APA B (“**Asset Purchaser B**”). Pursuant to the APA B, upon establishment of the investment vehicle, the rights and obligations of the Purchasers under the APA B shall be enjoyed and assumed by the above mentioned investment vehicle.

Transaction C

- Date : 25 June 2025 (after trading hours)
- Parties : (a) Vendors C (each an indirect wholly-owned subsidiary of the Company)
- (b) the Purchasers
- (c) Vendor A (as guarantor)

The Purchasers intend to establish a joint venture in Moyu County, Xinjiang, as an investment vehicle, in respect of the purchase of Assets C, among which Purchaser A and Purchaser B will own as to 90% and 10% of the entire equity interest in such investment vehicle. The Purchasers and the investment vehicle as aforesaid are collectively referred to as the purchasers under the APA C (“**Asset Purchaser C**”). Pursuant to the APA C, upon establishment of the investment vehicle, the rights and obligations of the Purchasers under the APA C shall be enjoyed and assumed by the above mentioned investment vehicle.

Transaction D

- Date : 25 June 2025 (after trading hours)
- Parties : (a) Vendors D (each an indirect wholly-owned subsidiary of the Company)
- (b) the Purchasers
- (c) Vendor A (as guarantor)

The Purchasers intend to establish a joint venture in Hetian County, Xinjiang, as an investment vehicle, in respect of the purchase of Assets D, among which Purchaser A and Purchaser B will own as to 90% and 10% of the entire equity interest in such investment vehicle. The Purchasers and the investment vehicle as aforesaid are collectively referred to as the purchasers under the APA D (“**Asset Purchaser D**”). Pursuant to the APA D, upon establishment of the investment vehicle, the rights and obligations of the Purchasers under the APA D shall be enjoyed and assumed by the above mentioned investment vehicle.

Subject Matter

Transaction B

Vendor B has conditionally agreed to sell and the Asset Purchaser B has conditionally agreed to purchase Assets B.

The assets to be sold under the APA B (collectively, “**Assets B**”), comprise of (i) non-current assets including property, plant and equipment, right-of-use assets and mining rights owned by Vendor B; and (ii) receivables, inventories and cash and cash equivalents as at the Asset Transfer Date of Vendor B.

Transaction C

Each of the Vendors C has conditionally agreed to sell and the Asset Purchaser C has conditionally agreed to purchase Assets C owned by the respective Vendors C.

The assets to be sold under the APA C (collectively, “**Assets C**”), comprise of (i) non-current assets including property, plant and equipment, right-of-use assets and/or mining rights owned by the relevant Vendors C; and (ii) receivables, inventories and cash and cash equivalents as at the Asset Transfer Date of the relevant Vendors C.

Transaction D

Each of the Vendors D has conditionally agreed to sell and the Asset Purchaser D has conditionally agreed to purchase Assets D owned by the respective Vendors D.

The assets to be sold under the APA D (collectively, “**Assets D**”), comprise of (i) non-current assets including property, plant and equipment, right-of-use assets and/or mining rights owned by the relevant Vendors D; and (ii) receivables, inventories and cash and cash equivalents as at the Asset Transfer Date of the relevant Vendors D.

Consideration

Transaction B

The consideration for the transfer of Assets B is RMB161.5 million, subject to adjustment.

Transaction C

The consideration for the transfer of Assets C is RMB920.5 million, subject to adjustment.

Transaction D

The consideration for the transfer of Assets D is RMB170 million, subject to adjustment.

Payment Terms

The consideration under the relevant APA shall be paid by the relevant Asset Purchaser to the relevant Asset Transfer Vendor, by instalment in the following manner:

- (i) **First instalment:** within 10 working days from the date on which all of the following conditions having been completed, 40% of the consideration under the relevant APA shall be settled by the relevant Asset Purchaser:
 - (a) the board and shareholders’ approval of the relevant Asset Transfer Vendor approving the transfer of the relevant Target Assets in accordance with the terms and conditions of the relevant APA having been provided by the relevant Asset Transfer Vendor to the relevant Asset Purchaser;
 - (b) the letter of guarantee having been issued by the relevant Asset Transfer Vendor and Vendor A guaranteeing its respective obligations and liabilities under the APAs and the Equity Transfer Agreement, on a joint and several liability basis;
 - (c) an unconditional and irrevocable bank guarantee in the amount of not less than RMB100 million to guarantee the obligations and liabilities under the Equity Transfer Agreement and the APAs having been issued and obtained by the relevant Asset Transfer Vendor or its related entity;
 - (d) of the liabilities which will not be assumed by the relevant Asset Purchaser, within seven days after the relevant APA become effective, the relevant Asset Transfer Vendor having obtained and delivered to the relevant Asset Purchaser the written consents of its respective creditors (which are related parties to such relevant Asset Transfer Vendor);

- (e) the stocktaking, confirmation on such stocktaking, and transfer procedures, the issuance of the audited report of the relevant Asset Transfer Vendor for the Transitional Period, the determination of the adjustment and the signing of any handover memorandum and/or supplementary agreement in accordance with the terms and conditions of the relevant APA having been completed;
 - (f) within 10 working days after the relevant APA become effective, an announcement in relation to the transactions contemplated under the relevant APA having been published by the relevant Asset Transfer Vendor on nationally circulated newspaper at the provincial level or above, as well as on the National Enterprise Credit Information Publicity System (國家企業信息公示系統);
 - (g) the entering into (1) lease agreement and mortgage by the relevant Asset Transfer Vendor with the relevant Asset Purchaser in respect of the lease and mortgage of the mineral resources within the scope of the relevant APA; (2) mortgage by the relevant Asset Transfer Vendor with the relevant Asset Purchaser in respect of the mortgage of the land and other immovable properties within the scope of the relevant APA; and (3) pledge agreement by Vendor A and the relevant Asset Transfer Vendor with the relevant Asset Purchaser in respect of the pledge of the entire equity interest in the relevant Asset Transfer Vendor, having been completed, and the registration and filing of the aforesaid agreements having been completed; and
 - (h) the relevant APA become effective, and the approval from the state anti-monopoly agency (國家反壟斷機構) having been obtained.
- (ii) **Second instalment:** within 10 working days from the date on which all of the following conditions having been completed, 40% of the consideration under the relevant APA shall be settled by the relevant Asset Purchaser:
- (a) with the assistance of the relevant Asset Transfer Vendor, the evaluation of the employees by the relevant Asset Purchaser within 1 month after the Asset Transfer Date, and entering into new labour contract by the relevant Asset Purchaser with those employees who meet the conditions of employment of the relevant Asset Purchaser having been completed; and the relevant Asset Transfer Vendor having provided to the relevant Asset Purchaser the relevant supporting evidence for the termination of employment with such employees who have passed the evaluation and employees undertaking etc., all of which shall be conducted in accordance with the terms and conditions of the relevant APA;
 - (b) all encumbrances on those assets which is within the scope of the relevant APA having been fully discharged (if any), and evidence of the relevant discharge having been provided by the relevant Asset Transfer Vendor to the relevant Asset Purchaser;
 - (c) of the liabilities which will not be assumed by the relevant Asset Purchaser, the relevant Asset Transfer Vendor having obtained and delivered to the relevant Asset Purchaser the written consents of its respective top 10 creditors (which are not related parties to such relevant Asset Transfer Vendor);

- (d) termination of existing contract(s) and/or amendments of existing contracts of the relevant Asset Transfer Vendor in relation to mining, logistics, security and sale and purchase orders having been completed; and
 - (e) all the conditions as specified in sub-paragraph (i) above in respect of the relevant APA having been completed.
- (iii) **Third instalment:** within 10 working days from the date on which all of the following conditions having been completed, 14% of the consideration under the relevant APA shall be settled by the relevant Asset Purchaser:
- (a) within 10 working days after the relevant APA become effective, the joint appointment of an intermediary organisation with professional testing qualifications to conduct sampling tests on steel reinforcement spacing, concrete strength and structural safety of the existing silos and sheds of clinker storage, cement storage, raw material storage etc., which falls within the scope of the relevant Target Asset, by the relevant Asset Transfer Vendor and the relevant Asset Purchaser having been completed. Based on the conclusion of such testing results, an reinforcement plan for silos and sheds in need of reinforcement jointly formulated by the relevant Asset Transfer Vendor and the relevant Asset Purchaser having been completed, and engagement of contractor to complete the silos reinforcement works within six months after the Asset Transfer Date having been completed;
 - (b) within the period of 10 months from the Asset Transfer Date, no situation that causes or may cause economic losses or attracts legal liabilities to the relevant Asset Purchaser as a result of (1) any matters prior to the Asset Transfer Date (including, but not limited to, liabilities, business, labour relations, taxation, environmental protection, project construction, construction, etc.); or (2) the acquisition of the assets under the relevant APA, having occurred, save and except for those situation that have been resolved at the expense of the relevant Asset Transfer Vendor. If the settlement is actually resolved by the relevant Asset Purchaser, the relevant Asset Purchaser shall deduct such settlement amount from the consideration for the transfer of the relevant Target Asset, and any shortfall shall be made up by the relevant Asset Transfer Vendor in cash;
 - (c) within the period of 10 months from the Asset Transfer Date, no former or current employee has applied for labour arbitration or filed a lawsuit or petition due to (1) the transfer of the assets under the relevant APA; or (2) matters prior to the Asset Transfer Date; or (3) matters occurring prior to the Asset Transfer Date but continuing after such date, having occurred, save and except for those labour arbitration or disputes that have been resolved at the expense of the relevant Asset Transfer Vendor. If the settlement is actually resolved by the relevant Asset Purchaser, the relevant Asset Purchaser shall deduct such settlement amount from the consideration for the transfer of the relevant Target Asset, and any shortfall shall be made up by the relevant Asset Transfer Vendor in cash;

- (d) the amendment or transfer of, or approval for the change of, existing certificate(s) or approval(s) underlying the assets of the Target Assets in relation to land and/or real estate rights certificate(s); mining rights certificate(s); product production licence(s), safety production licence(s), construction enterprises qualification(s) (where applicable), sewage licence(s) and other approval(s) or licence(s) required for the cement and/or clinker and/or commercial concrete production lines, from the relevant Asset Transfer Vendor to the relevant Asset Purchaser having been completed;
 - (e) all receivables which is within the scope of the list to the relevant APA having been recovered or disposed of in a manner as agreed by the relevant Asset Purchaser; and
 - (f) the conditions as specified in sub-paragraph (ii) above in respect of the relevant APA having been completed.
- (iv) **Final instalment:** within 10 working days from the date on which all of the following conditions having been completed, all of the remaining consideration shall be settled by the relevant Asset Purchaser:
- (a) the Asset Transfer Date having been elapsed for 18 months;
 - (b) the specified obligations and responsibilities of the relevant Asset Transfer Vendor as stipulated in the relevant APA having been completed in accordance with the terms and conditions thereof;
 - (c) the date of publication of the announcement as set out under the paragraph headed “Transaction B, Transaction C and Transaction D — Payment Terms — (i)(f)” having been elapsed for three years, and during such period no dispute arise in connection with any liabilities due to non-related parties of the relevant Asset Transfer Vendor in which the relevant Asset Transfer Vendor has yet to resolve pursuant to the terms of the relevant APA; and
 - (d) the conditions as specified in sub-paragraph (iii) above in respect of the relevant APA having been completed.

Adjustments of the consideration

The consideration for the transfer of the relevant Target Asset shall be adjusted by (i) adding the amount equal to the difference between the amount of current assets of the relevant Asset Transfer Vendor as at the Asset Transfer Date and the Accounts Date; and (ii) deducting the amount of total liabilities of the relevant Asset Transfer Vendor as at the Asset Transfer Date to be taken up, as audited and confirmed by the parties.

Basis of the consideration

The consideration was determined after arm's length negotiations between the relevant Asset Transfer Vendor and the Purchasers, after (i) considering various factors, including the investment costs of similar types of project, licences involved and the relevant market; and (ii) the valuation (excluding cash and cash equivalents) of the Target Assets as assessed by an independent valuer of approximately RMB1,451.4 million as at 31 January 2025 using the cost method and/or the market approach.

Conditions precedent

The APAs shall only become effective upon satisfaction of the following conditions:

- (i) the relevant APA having been signed and sealed by the relevant Asset Transfer Vendor and the Purchasers;
- (ii) the passing of the necessary resolutions by the Independent Shareholders at the EGM approving the relevant APA and the transactions contemplated thereunder;
- (iii) the board and shareholders' approval of the relevant Asset Transfer Vendor approving the transfer of the relevant Target Asset having been provided by the relevant Asset Transfer Vendor to the relevant Asset Purchaser;
- (iv) the relevant Asset Purchaser having completed its internal decision-making and approval procedures in accordance with the terms of the APAs;
- (v) the board and shareholders' approval of Vendor A and the relevant Asset Transfer Vendor, respectively, approving the transfer of the relevant Target Asset, and the letter of guarantee as set out under the paragraph headed "Transaction B, Transaction C and Transaction D — Payment Terms — (i)(b)", having been provided to the relevant Asset Purchasers; and
- (vi) the approval from the state anti-monopoly agency (國家反壟斷機構) having been obtained.

Completion

Within seven working days after the relevant APA become effective, the relevant Asset Transfer Vendor and the relevant Asset Purchaser shall determine the Asset Transfer Date. Completion shall take place within 10 days after the Asset Transfer Date.

Under the Equity Transfer Agreement and the APAs, it was agreed between the parties that the transactions contemplated under the Equity Transfer Agreement and the APAs are inseparable, if any of them does not become effective, then none of the Equity Transfer Agreement and the APAs shall become effective. Hence, if any of the Equity Transfer Agreement and the APAs is canceled or terminated within one year from their respective effective date (other than due to reason of force majeure or State Anti-monopoly Committee or its subordinate bodies), parties to the Equity Transfer Agreement and the APAs (where applicable) shall have the right to request for the cancellation or termination of all the Equity Transfer Agreement and the APAs.

Bank guarantee and others

To secure the obligation of the Asset Transfer Vendors under the relevant APAs, the relevant Asset Transfer Vendor or its related entity shall provide to the relevant Asset Purchaser an unconditional and irrevocable bank guarantee in the amount of not less than RMB100 million to guarantee the obligations and liabilities under the Equity Transfer Agreement and the APAs for a term of 42 months from the Asset Transfer Date.

The relevant Asset Transfer Vendor agrees that, within 42 months from the Asset Transfer Date, if the aggregate amount under the utilised bank guarantee and the remaining consideration under the final instalment of the Equity Transfer Agreement and the APAs is less than RMB20 million, the relevant Asset Transfer Vendor shall obtain additional unconditional and irrevocable bank guarantee, so that the aggregate amount of bank guarantee and the remaining consideration under the final instalment of the Equity Transfer Agreement and the APAs shall not be less than RMB80 million.

In the event of change in shareholding, assets or other material change of Vendor A, Vendor A shall procure the Company to guarantee, all obligations and liabilities of the Asset Transfer Vendors under the Equity Transfer Agreement and the APAs.

Use of brand and trademarks

In order to maintain the stability of the sales market and customer channels after Completion, the relevant Asset Purchaser may use the brand and trademark of the relevant Asset Transfer Vendor at nil consideration for a period of 12 months after the Asset Transfer Date. During the period in which the relevant Asset Purchaser uses the trademark of the relevant Asset Transfer Vendor, if the quality of the cement and clinker manufactured by the relevant Asset Purchaser causes losses to the relevant Asset Transfer Vendor, such related losses shall be borne by the relevant Asset Purchaser.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is primarily engaged in the manufacture and sales of cement and cement products, with cement production lines in the PRC and more recently in the faster growing overseas development markets of sub-Saharan Africa and Central Asia. The main rationale for the Disposals is to redirect the Group's financial and management resources to focus on development in these overseas markets and the Board believes that the net proceeds from the Disposals will be better utilised in strengthening the financial position of the Group. This will include the partial repayment of overseas debt, thus freeing up operating cash flow for the Group's current overseas expansion projects.

The Group's cement production has traditionally been geared towards the economic development of Western China, driven by the Chinese Government's "Western Development Policy." The Group is one of the leading cement producers in Shaanxi Province, with a strong market position in eastern and southern Shaanxi Province and has a presence in Xinjiang and Guizhou Province in western China. As at 31 December 2024, the Group had a total cement production capacity in China of 27 million tons, comprising 16 cement production lines, with 21.7 million tons in Shaanxi Province, 3.5 million tons in Xinjiang and 1.8 million tons in Guizhou Province.

Since 2020, the Group has expanded its production into sub-Saharan Africa and central Asia, supplying cement products to infrastructure, urban and rural development markets in these geographies. As at 31 December 2024, the Group had a total cement production capacity outside of China of 12.3 million tons, comprising 5 production lines, with 6.3 million tons in Ethiopia, 2.5 million tons in Uzbekistan, 2.0 million tons in Mozambique and 1.5 million tons in the Democratic Republic of Congo (DRC), as well as 1 million tons of cement grinding capacity in Rwanda. Following the closing of the acquisition of the Cimenterie de Lukala SA (CILA) cement plant, with production capacity of 1.2 million tons in the DRC, as announced on 27 January 2025 and 8 May 2025, this Group's total cement production capacity outside of China is expected to rise to 13.5 million tons.

The Group believes its cement plant construction and production expertise is uniquely positioned to support and benefit from economic and cement industry development in sub-Saharan Africa and central Asian. The Group's modern New Suspension Preheater cement production lines in these areas, are mostly located in close proximity to their respective limestone reserves which minimizes emissions from transportation, and are well suited to helping raise emission standards in these areas of relatively backward capacity.

Africa, in particular, has the world's fastest population growth profile, with total population expected to reach close to 2.5 billion in 2050, from 1.5 billion in 2024 and some of the fastest GDP growth rates in the world. Infrastructure development and urbanization in these markets are benefiting from domestic and international growth initiatives, including the Chinese Government's Belt and Road Initiative. Sub-Saharan Africa has some of the lowest per capita cement consumption rates in the world, at a fraction of those in developed markets and cement production in many countries is backward, under supplied and highly fragmented.

The Group's focus on overseas development has been validated by its recent financial performance. In FY2024, while cement and clinker sales volumes in Africa and Uzbekistan only amounted to 4.03 million tons out of total Group sales of approximately 20.0 million tons, representing approximately 20% of the total sales of the Group, income from these overseas markets made up approximately 38% of the Group's total revenue and approximately 67% of the Group's gross profit. This outperformance came as a result of average gross profit per ton (GP/Ton) in excess of RMB323 in Africa and RMB64 in Uzbekistan, compared with RMB42 in China.

The Target Companies and the Target Assets in Xinjiang that are to be disposed were acquired and constructed between 2011 and 2020 and have been positive contributors to the Group's profitability over the intervening years. They are, however, non-core assets outside of the Group's Shaanxi Province core market and the Directors believe that the net proceeds from the Disposals will be better utilised going towards partly repaying the 4.95% senior notes issued by the Company and freeing up operating cash flow for the Group's expansion projects, particularly in Africa.

The Board remains very optimistic about the Group's growth potential in its areas of overseas development. In Ethiopia, the Group's plants enjoy a very strong market position and will continue to benefit from urban, airport, road and railway infrastructure development. The Group's current capacity next to Mozambique's capital Maputo benefits from domestic demand as well as exports to Madagascar, South Africa and Zimbabwe. A

new 1.5 million ton plant in northern Mozambique is due to be commissioned in 2026 and is expected to benefit from Mozambique's offshore Liquefied Natural Gas production plans. In the DRC, the Great Lakes plant supplies the east of the country, which faces serious clinker shortages, as well as exporting to Rwanda, Burundi and Tanzania. The Group has also been able to secure the only significant limestone resource in North-eastern Uganda, a country with strong economic growth potential and cement supply shortages. Current cement prices in Uganda exceed RMB1,200 per ton and the Group's new Moroto Plant in North-eastern Uganda is also expected to be commissioned at the end of 2025.

The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) consider that the terms of the Equity Transfer Agreement and each of the APAs are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Subject to the final audit, it is expected that the Group will record an unaudited gain on disposal of approximately RMB189.2 million. Such unaudited gain is estimated after taking into account the aggregate consideration of the Disposals of RMB1,650 million and the audited carrying value of the Target Companies and the Target Assets as at 31 January 2025.

Shareholders should note that the actual amount of the gain or loss on the Disposals to be recognised in the consolidated financial statements of the Group depends on the net assets/liabilities of the Disposals and the incidental transaction costs upon completion of the Disposals. Therefore the actual amount of the gain or loss on the Disposals will be subject to audit and may be different from the amount mentioned above.

Upon Completion, the Company will no longer have any equity interest in the Target Companies and each of the Target Companies will cease to be a subsidiary of the Company, and the financial results, assets and liabilities of the Target Companies will cease to be consolidated into the consolidated financial statements of the Group.

The proceeds from the Disposals are intended to be used by the Group for repayment of the 4.95% senior notes issued by the Company which is due in July 2026 (stock code: 40756).

INFORMATION OF THE PARTIES

The Company is a company incorporated in Jersey with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is primarily engaged in the manufacture and sales of cement and cement products.

Each of Asset Transfer Vendors is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Each of the Asset Transfer Vendors is principally engaged in manufacture and sales of cement and cement products, and sale of construction materials.

Purchaser A is a joint stock company incorporated in the PRC with limited liability, its H shares (foreign listed shares) of which are listed on the main board of the Stock Exchange (stock code: 914) and A shares (domestic listed shares) are listed on the Shanghai Stock Exchange (stock code: 600585).

Purchaser B is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Purchaser A.

Purchaser A and its subsidiaries (including Purchaser B) are principally engaged in the manufacture and sales of cement, commodity clinker, aggregate and concrete.

INFORMATION OF THE TARGET COMPANIES AND THE TARGET ASSETS

Target Companies

Each of the Target Companies is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Vendor A. Each of the Target Companies is principally engaged in the manufacture and sales of cement and cement products, sale of limestones and construction materials as well as provision of waste treatment service.

Set out below is the key audited financial information for the financial years ended 31 December 2023 and 2024 of each of the Target Companies, both prepared according to the PRC accounting standards.

	For the year ended	
	31 December	
	2023	2024
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
<i>Net profits/(loss) before tax:</i>		
伊犁堯柏水泥有限公司 (Yili Yaobai Cement Co., Ltd.*) (“ Target Company A ”) (Note)	82,693,852	79,794,464
新疆柏航環保科技有限公司 (Xinjiang Baihang Environmental Protection Technology Co. Ltd.*) (“ Target Company C ”)	(5,903,850)	(3,535,866)
<i>Net profits/(loss) after tax:</i>		
Target Company A (Note)	71,413,341	68,025,634
Target Company C	(5,903,850)	(3,526,103)

Note: As at 31 December 2024, 霍城縣南崗西鑫礦業有限責任公司 Huocheng County Nangang Xixin Mining Industry Co. Ltd.) (“**Target Company B**”) was a subsidiary of Target Company A. Internal restructuring took place on 15 May 2025, when the entire equity interest of Target Company B was transferred to Vendor A.

As at 31 January 2025, the net asset value of each of Target Company A (including Target Company B) and Target Company C was approximately RMB148.2 million and RMB79.5 million, respectively.

The value of the entire equity interest in respect of Target Company A (including Target Company B) and Target Company C as at 31 January 2025 as assessed by an independent valuer was approximately RMB180.3 million and RMB81.3 million, respectively.

Target Assets

Set out below is the key audited profit/(loss) attributable to each of the Target Assets for the financial years ended 31 December 2023 and 2024.

	For the year ended/ as at 31 December	
	2023 RMB	2024 RMB
<i>Net profits/(loss) before tax:</i>		
Assets B	(4,075,934)	(1,109,078)
Assets C	66,423,937	54,526,847
Assets D	29,004,970	16,296,898
<i>Net profits/(loss) after tax:</i>		
Assets B	(4,068,513)	(1,109,078)
Assets C	63,116,074	53,135,223
Assets D	24,721,511	12,472,830

As at 31 January 2025, the audited total asset value (excluding cash and cash equivalents) of each of Assets B, Assets C and Assets D was approximately RMB157.7 million, RMB920.4 million and RMB155.1 million, respectively.

The value (excluding cash and cash equivalents) of the each of Assets B, Assets C and Assets D as at 31 January 2025 as assessed by an independent valuer was approximately RMB227.1 million, RMB966.6 million and RMB257.7 million, respectively.

IMPLICATION UNDER THE LISTING RULES

Major Transactions

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals exceeds 25% but is less than 75%, the Disposals constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Connected Transactions

As at the date of this announcement, Conch International is a substantial shareholder of the Company, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, each of Conch International and Purchaser B is wholly-owned by Purchaser A. As such, each of Purchaser A and Purchaser B is an associate of Conch International and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Transfer Agreement and each of the APAs constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

Each of Purchaser A and Purchaser B, its respective associates and any Shareholder who has material interest in the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder.

GENERAL

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder.

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The Independent Board Committee will formally provide their views in the circular to be sent to the Independent Shareholders after considering the advice of the Independent Financial Adviser.

The EGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other matters, the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder.

A circular containing, among other matters, further information on (i) the Equity Transfer Agreement and each of the APAs and the respective transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder; and (iv) a notice of the EGM, will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 17 July 2025.

Shareholders and potential investors of the Company should note that the transactions contemplated under the Equity Transfer Agreement and the APAs are inseparable, if any of them does not become effective, then none of the Equity Transfer Agreement and the APAs shall become effective. Furthermore, Completion is subject to satisfaction of certain conditions precedent. As the Disposals may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Accounts Date”	31 January 2025
“APA B”	the asset transfer agreement dated 25 June 2025 entered into between Vendor B, the Purchasers and Vendor A (as guarantor) for the disposal of Assets B by Vendor B
“APA C”	the asset transfer agreement dated 25 June 2025 entered into between each of the Vendors C, the Purchasers and Vendor A (as guarantor) for the disposal of Assets C owned by the relevant Vendors C
“APA D”	the asset transfer agreement dated 25 June 2025 entered into between each of the Vendors D, the Purchasers and Vendor A (as guarantor) for the disposal of Assets D owned by the relevant Vendors D
“APAs” and each a “APA”	APA B, APA C and APA D
“Asset Purchaser B”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Parties” in this announcement
“Asset Purchaser C”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Parties” in this announcement
“Asset Purchaser D”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Parties” in this announcement
“Asset Purchasers” and each a “Asset Purchaser”	Asset Purchaser B, Asset Purchaser C and Asset Purchaser D
“Asset Transfer Date”	the date on which the relevant Asset Transfer Vendor delivers the relevant assets and interests pursuant to the terms and conditions of the relevant APA to the appointed personnel as designated by the relevant Asset Purchaser
“Asset Transfer Vendors”, and each a “Asset Transfer Vendor”	Vendor B, Vendors C and Vendors D
“Assets B”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Subject Matter” in this announcement

“Assets C”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Subject Matter” in this announcement
“Assets D”	has the meaning as defined in the paragraph headed “Transaction B, Transaction C and Transaction D — Subject Matter” in this announcement
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	West China Cement Limited, a company incorporated in Jersey under the Companies (Jersey) Law 1991, the shares of which are listed on the main board of the Stock Exchange (stock code: 2233)
“Completion”	(in respect of the Equity Transfer Agreement) the disposal of the entire equity interest in the Target Companies by Vendor A; or (in respect of each of the APAs) the disposal of the relevant Target Asset by the relevant Asset Transfer Vendor
“Conch International”	Conch International Holdings (HK) Limited (海螺國際控股(香港)有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Purchaser A
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Disposals”	the disposal of the entire equity interest in the Target Companies by Vendor A, and the disposal of the Target Assets by the Asset Transfer Vendors
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, <i>inter alia</i> , the Equity Transfer Agreement and the APAs, and the respective transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement dated 25 June 2025 entered into between Vendor A and the Purchasers for the disposal of the entire equity interest in each of the Target Companies by Vendor A
“FY2024”	the financial year ended 31 December 2024

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Lee Kong Wai Conway, Mr. Tam King Ching Kenny, Mr. Zhu Dong, Mr. Feng Tao and Mr. Lau Ka Keung) established to advise the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder
“Independent Financial Adviser”	CMBC International Capital Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the APAs and the respective transactions contemplated thereunder, which is a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Management Transfer Date”	the date on which Vendor A delivers the management rights of the production and operation of, and the assets, relevant certificates and approvals and company seal of, the Target Companies to the appointed personnel as designated by the Purchasers
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser A”	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock company incorporated in the PRC with limited liability, its H shares (foreign listed shares) of which are listed on the main board of the Stock Exchange (stock code: 914) and A shares (domestic listed shares) are listed on the Shanghai Stock Exchange (stock code: 600585)
“Purchaser B”	Conch (Shaanxi) Holding, Ltd. (海螺(陝西)控股有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Purchaser A
“Purchasers”	Purchaser A and Purchaser B

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”, and each a “Target Asset”	Assets B, Assets C and Assets D
“Target Companies”, and each a “Target Company”	collectively, (1) 伊犁堯柏水泥有限公司 (Yili Yaobai Cement Co., Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Vendor A; (2) 霍城縣南崗西鑫礦業有限責任公司 (Huocheng County Nangang Xixin Mining Industry Co. Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Vendor A; and (3) 新疆柏航環保科技有限公司 (Xinjiang Baihang Environmental Protection Technology Co. Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Vendor A
“Transitional Period”	the period between the Accounts Date and (in respect of the Equity Transfer Agreement) the Management Transfer Date; and (in respect of each of the APAs) the Asset Transfer Date
“Vendor A”	堯柏特種水泥集團有限公司 (Yaobai Special Cement Group Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendor B”	和田堯柏水泥有限公司 (Hetian Yaobai Cement Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendors C”	collectively, (1) 墨玉堯柏水泥有限公司 (Moyu Yaobai Cement Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; (2) 墨玉堯柏建材有限公司 (Moyu Yaobai Building Materials Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Vendors D”	collectively, (1) 和田魯新建材有限公司 (Hetian Luxin Building Materials Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; (2) 和田堯柏建材有限公司 (Hetian Yaobai Building Materials Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Xinjiang”	the Xinjiang Uygur Autonomous Region of the PRC
“%”	per cent

By the order of the Board
West China Cement Limited
Zhang Jimin
Chairman

Hong Kong, 25 June 2025

As at the date of this announcement, the executive Directors are Mr. Zhang Jimin, Mr. Cao Jianshun, Mr. Chu Yufeng and Ms. Wang Rui, the non-executive Directors are Mr. Ma Zhaoyang, Mr. Wang Zhixin and Mr. Wang Manbo, and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Tam King Ching, Kenny, Mr. Zhu Dong, Mr. Feng Tao and Mr. Lau Ka Keung.

* *For identification purposes only*