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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 97.5% EQUITY INTEREST IN
KANGDING PAOMASHAN CEMENT LTD***

The Board is pleased to announce that after trading hours on 31 July 2020, Yaobai Special Cement (as purchaser), an indirect wholly-owned subsidiary of the Company, entered into (1) the Share Purchase Agreement (I) with Shaanxi Ningxin (as seller) and (2) the Share Purchase Agreement (II) with Ronglian Cement and Mr. Wang (each as seller).

Pursuant to the Share Purchase Agreement (I), Yaobai Special Cement conditionally agreed to acquire from Shaanxi Ningxin 55% of equity interest in the Target for a consideration of RMB420 million. Pursuant to the Share Purchase Agreement (II), Yaobai Special Cement conditionally agreed to acquire from Ronglian Cement and Mr. Wang 12% and 30.5% of equity interest in the Target respectively and assumption of certain liabilities of the Target involving an aggregate consideration of RMB309.4 million.

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE TRANSACTION

After trading hours on 31 July 2020, the Yaobai Special Cement entered into (1) the Share Purchase Agreement (I) with Shaanxi Ningxin and (2) the Share Purchase Agreement (II) with Ronglian Cement and Mr. Wang, which together constitute the Transaction.

A. Share Purchase Agreement (I)

The principal terms of the Share Purchase Agreement (I) are set out as follows:

Date

31 July 2020

Parties

- (1) Yaobai Special Cement (as purchaser); and
- (2) Shaanxi Ningxin (as seller).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shaanxi Ningxin and its ultimate beneficial owners are Independent Third Parties.

Subject matter

On and subject to the terms and conditions of the Sale and Purchase Agreement (I), Shaanxi Ningxin agrees to sell and Yaobai Special Cement agrees to acquire 55% of equity interest in the Target (the "**Target Interest (I)**") for a consideration of RMB420 million. It is also agreed that, existing debt obligations and liabilities of the Target incurred before the Completion Date (I) (as defined below) shall be assumed by its original shareholders, while debt obligations and liabilities of the Target incurred after the Completion Date (I) shall be assumed by the then shareholders of the Target on a pro-rata basis.

Consideration

The consideration for the Target Interest (I) shall be RMB420 million which will be settled in cash and paid by two instalments: (a) RMB100 million shall be payable within 15 business days upon completion of due diligence work conducted by Yaobai Special Cement; (b) RMB320 million shall be payable within 15 business days upon completion of registration of the equity transfer in the Target with the relevant PRC regulatory authority (the "**Completion Date (I)**").

The consideration of the transaction was determined on normal commercial terms between Shaanxi Ningxin and Yaobai Special Cement after arm's length negotiations. The consideration was determined primarily with reference to the audited asset value of the Target and the expected production capacity of the cement plant as part of the Target's asset.

The payment of the consideration will be funded by internal resources of the Group.

Completion

The transaction contemplated under the Sale and Purchase Agreement (I) is subject to, among others, (1) the completion of due diligence work to the satisfaction of Yaobai Special Cement, which shall be commenced within 5 business days from the date of signing of the Sale and Purchase Agreement (I) and (2) the completion of registration of the equity transfer in the Target with the relevant PRC regulatory authority, which shall be a date to be specified by Yaobai Special Cement upon completion of step (1) above.

On or before the Completion Date (I), Shaanxi Ningxin shall pass such properties and documents related to the Target (and actually owned by Shaanxi Ningxin) to Yaobai Special Cement, including, but not limited to, original and copies of operating licence, financial records, contracts with any governmental bodies, land use permit, and other governmental approvals and permits.

Representations and warranties

The Sale and Purchase Agreement (I) contains certain representations and warranties given by Shaanxi Ningxin in favour of Yaobai Special Cement including its capacity to enter into the agreement and those related to the Target such as due incorporation, validity and authenticity of land use permit and environmental permit granted to the Target etc. Yaobai Special Cement has also given customary representations and warranties under the Sale and Purchase Agreement (I).

Termination

If any party breaches any obligation under the Sale and Purchase Agreement (I), the defaulting party shall be liable to compensate for all direct economic loss suffered by the non-breaching party. If the obligations under Sale and Purchase Agreement (I) cannot be further performed due to the breach, the non-breaching party has the right to terminate the Sale and Purchase Agreement (I).

In addition, Yaobai Special Cement shall have the right to terminate the agreement and demand Shaanxi Ningxin to return all payment made to it and compensate for all losses suffered by Yaobai Special Cement if:

- I. the Completion Date (I) does not take place by 31 August 2020 and the failure of completion of registration of the equity transfer in the Target with the relevant PRC regulatory authority is not attributable to the default of Yaobai Special Cement, or
- II. Shaanxi Ningxin fails to perform all its obligations under contemplated under the Sale and Purchase Agreement (I) which leads to the revocation of business licence of the Target or disruption of the Project.

B. Share Purchase Agreement (II)

The principal terms of the Share Purchase Agreement (II) are set out as follows:

Date

31 July 2020

Parties

- (1) Yaobai Special Cement (as purchaser);
- (2) Ronglian Cement (as seller); and
- (3) Mr. Wang (as seller) (Ronglian Cement and Mr. Wang, collectively, the “**Selling Parties**”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Ronglian Cement and its ultimate beneficial owners and Mr. Wang are Independent Third Parties.

Subject matter

On and subject to the terms and conditions of the Sale and Purchase Agreement (II), each of Ronglian Cement and Mr. Wang agrees to sell 12% and 30.5% of equity interest in the Target (collectively, the “**Target Interest (II)**”) and Yaobai Special Cement agrees to acquire the same for an aggregate consideration of RMB309.4 million.

As of the date of the Sale and Purchase Agreement (II), the Target Interest (II) has been pledged as security in favour of certain third party creditors and frozen pursuant to court orders. Furthermore, the Target has provided certain security (including corporate guarantee and asset pledges) in relation to external debts of the Selling Parties and their related parties (together with the pledged Target Interest (II), the “**Target Liabilities**”). Accordingly, Yaobai Special Cement also agrees that it shall assume the Target Liabilities as part of the transaction.

Scope of the Target Liabilities

It is agreed that the scope of the Target Liabilities shall include certain external debt obligations of the Target as of the Completion Date (II) (as defined below), and all external debts of the Selling Parties which have been secured by the Target (including by way of corporate guarantee and asset pledges) and/or the pledge of the Target Interest (II).

Within 10 business days from the signing of the Sale and Purchase Agreement (II), the Selling Parties shall provide a list of the Target Liabilities which shall include details of such debt or liabilities and the underlying documents. Yaobai Special Cement will verify the details provided and prepare a finalized list of Target Liabilities (the “**Agreed List**”) which shall be confirmed by Yaobai Special Cement and the Selling Parties.

Save for the amount of debt obligations and liabilities set out in the Agreed List, any debt obligations or liabilities of the Target incurred before or survived after the Completion Date (II), including, but not limited to, tax payment, bank borrowings, trade payables or administrative fines etc. (collectively, the “**Additional Liabilities**”) shall be assumed and payable by the Selling Parties. Yaobai Special Cement and the Target shall not be liable for any such Additional Liabilities. If normal operation of the Target is affected due to the Additional Liabilities (such as being involved in any dispute or litigation), Yaobai Special Cement shall have the right to directly deduct from the Equity Purchase Price to settle such Additional Liabilities without the consent of the Selling Parties.

All other guarantee obligations in favour of external parties (the “**External Guarantee**”) assumed by the Target or covered by the Target Interest (II) as of the Completion Date (II) shall be assumed by the Selling Parties. The Selling Parties shall provide a complete list of such External Guarantee (“**External Guarantee List**”) and relevant supporting documents to Yaobai Special Cement. The Selling Parties shall also provide written record of release or termination of the External Guarantee to Yaobai Special Cement. For External Guarantee where no such evidence can be provided, such obligations shall be part of the Agreed List and dealt with in accordance with the relevant provisions under the Sale and Purchase Agreement (II). Yaobai Special Cement and the Target shall not be liable for all other undisclosed external guarantee obligations. If normal operation of the Target is affected due to such undisclosed obligations (such as being involved in any dispute or litigation), Yaobai Special Cement shall have the right to directly deduct from the Equity Purchase Price to settle such liabilities without the consent of the Selling Parties.

Equity pledge in Wudang Cement

To secure the performance by the Selling Parties in respect of settlement of the Additional Liabilities and the External Guarantee, Mr. Wang agrees to pledge all his equity interest held in Wudang Cement in favour of Yaobai Special Cement. The equity pledge shall be released upon the completion of, among others, the release of pledge in the Target Interest (II) and the External Guarantee.

Consideration

The aggregation consideration of the transactions contemplated under the Sale and Purchase Agreement (II) shall be RMB309.4 million, which shall be allocated for (1) payment of the Target Liabilities as set out in the Agreed List; and (2) an amount representing the purchase price of the Target Interest (II) (the “**Equity Purchase Price**”). In respect of (1), Yaobai Special Cement shall, at its sole discretion, make such payment at such time and in accordance with the Agreed List and pay to the Target and/or relevant creditors. In respect of (2), its amount shall be determined upon the completion of due diligence work by Yaobai Special Cement and the date of mutual agreement to the Agreed List (the “**Confirmation Date**”) and shall be equal to the aggregate consideration minus the final amount of the Target Liabilities under the Agreed List.

In respect of payment of the Equity Purchase Price, Yaobai Special Cement shall pay 50% of the Equity Purchase Price in cash to Mr. Wang within 15 business days upon completion of registration of the equity transfer in the Target with the relevant PRC regulatory authority (the “**Completion Date (II)**”) and the remainder of the Equity Purchase Price (after adjustment due to the Additional Liabilities and/or External Guarantee shall be paid to the Selling Parties 6 months after the Completion Date (II) and the complete settlement of the liabilities set out in the Agreed List.

The consideration of the transaction was determined on normal commercial terms between the Selling Parties and Yaobai Special Cement after arm’s length negotiations. The consideration was determined primarily with reference to the audited asset value of the Target, value of the Target Liabilities based on preliminary assessment by Yaobai Special Cement and the expected production capacity of the cement plant as part of the Target’s asset.

The payment of the consideration will be funded by internal resources of the Group.

Provision and set-off of interim loans

As of the date of the Sale and Purchase Agreement (II), the Target Interest (II) is frozen pursuant to court orders. Within 10 business days from the Confirmation Date, the Selling Parties and Yaobai Special Cement will enter into a loan agreement pursuant to which the latter will provide an amount of loan required to unfreeze the Target Interest (II) and shall be paid by Yaobai Special Cement on behalf of the Selling Parties to the relevant creditors. The Selling Parties shall be responsible to lift all compulsory court orders in respect of the Target Interest (II). The amount of loan shall be set off from the consideration of the transaction. If the registration of transfer of equity interest in respect of Target Interest (II) cannot be completed before the Completion Date (II), the Selling Parties shall immediately repay all loan advanced by Yaobai Special Cement in accordance with the terms of the loan agreement.

As of the date of the Sale and Purchase Agreement (II), the Target Interest (II) is also pledged in favour of third party creditors. Within 5 business days from the Confirmation Date, the Selling Parties and Yaobai Special Cement will enter into a loan agreement pursuant to which the latter will provide an amount of loan required to release the relevant equity pledge of the Target Interest (II) and shall be paid by Yaobai Special Cement on behalf of the Selling Parties to the relevant creditors. The Selling Parties shall then be responsible for, among others, completing the release of all equity pledge within 3 business days from the lifting of court orders and payment by Yaobai Special Cement. If the registration of transfer of equity interest in respect of Target Interest (II) cannot be completed before the Completion Date (II), the Selling Parties shall immediately repay all loan advanced by Yaobai Special Cement in accordance with the terms of the loan agreement.

Completion

The transaction contemplated under the Sale and Purchase Agreement (II) is subject to, among others, (1) the completion of due diligence work to the satisfaction of Yaobai Special Cement, which shall be commenced within 5 business days from the date of signing and (2) approval by existing shareholders of the Target in respect of the transfer of the Target Interest (II).

On or before Completion Date (II), the Selling Parties shall pass such properties and documents related to the Target (and actually owned by them) to Yaobai Special Cement, including, but not limited to, original and copies of operating licence, financial records, contracts with any governmental bodies, land use permit, and other governmental approvals and permits.

Representations and warranties

Similar to the Sale and Purchase Agreement (I), the Sale and Purchase Agreement (II) contains certain representations and warranties given by the Selling Parties in favour of Yaobai Special Cement including its/his capacity to enter into the agreement and those related to the Target such as due incorporation, validity and authenticity of land use permit and environmental permit granted to the Target etc. Yaobai Special Cement has also given customary representations and warranties under the Sale and Purchase Agreement (II).

Termination

If any party breaches any obligation under the Sale and Purchase Agreement (II), the defaulting party shall be liable to compensate for all direct economic loss suffered by the non-breaching party. If the obligations under Sale and Purchase Agreement (II) cannot be further performed due to the breach, the non-breaching party has the right to terminate the Sale and Purchase Agreement (II).

In addition, Yaobai Special Cement shall have the right to terminate the agreement and demand the Selling Parties to return all payment made to them and compensate for all losses suffered by Yaobai Special Cement if:

- I. the Completion Date (II) does not take place by 10 August 2020 and the failure of completion of registration of the equity transfer in the Target with the relevant PRC regulatory authority is not attributable to the default of Yaobai Special Cement,
- II. The Selling Parties fail to perform all their obligations under contemplated under the Sale and Purchase Agreement (II) which leads to the revocation of business licence of the Target or disruption of the Project.

INFORMATION ON VALUE OF TARGET

As at 31 December 2019, the audited total asset value of Target amounted to RMB566,314,021 and the book value of the total liabilities of the Target amounted to approximately RMB582,021,659.

Based on the audited book value of the total asset and total liabilities of the Target, the net liabilities value of the Target as at 31 December 2019 is approximately RMB15,707,638.

The net profit of the Target for the two financial years ended 31 December 2018 and 2019 is as follows:

	For the year ended 31 December 2019 (audited)¹	For the year ended 31 December 2018 (audited)^{1,2}
Net profits (before taxation and extraordinary items)	5,653,738	N/A
Net profits (after taxation and extraordinary items)	5,653,738	N/A

Notes:

- (1) The financial information of the Target is prepared in accordance with PRC GAAP.
- (2) The Target has not commenced or conducted any operating activities during the financial year ended 31 December 2018 and no revenue or profits was recorded.

INFORMATION OF THE PARTIES

The Company is principally engaged in investment holding and the Group is principally engaged in the production and sale of cement in the western part of the PRC.

Yaobai Special Cement is a company incorporated under the laws of the PRC, which is an indirect wholly-owned subsidiary of the Company and is principally engaged in the production and sales of cement in Shaanxi province, the PRC.

Shaanxi Ningxin is a company incorporated under the laws of the PRC and is principally engaged in the business of investment management related to project construction and mining. The ultimate beneficial owner of Shaanxi Ningxin is Mr. Zhang Jukun (張菊坤) who beneficially own 100% interest of Shaanxi Ningxin.

Ronglian Cement is a company incorporated under the laws of the PRC and is principally engaged in the production and sales of cement in Sichuan province, the PRC. The ultimate beneficial owners of Ronglian Cement are Mr. Wang, Mr. Chen Daoming (陳道明), Mr. Bi Yongsheng (畢永生), Mr. Li Tonggen (李同根), Mr. Hu Daian (胡代安), Mr. Chang Jie (常捷), Mr. Li Yulin (李玉林), Mr. Yang Shuixiang (楊水祥) and Mr. Li Xingquan (黎興全) who together beneficially own 100% interest of Ronglian Cement.

Mr. Wang is a businessman who invests and operates businesses in, among others, cement industry in the PRC.

Wudang Cement is a company incorporated under the laws of the PRC and is principally engaged in the production and sales of cement in Hubei province, the PRC. Its ultimate beneficial owner is Mr. Wang.

The Target is a company incorporated under the laws of the PRC which is in the process of construction of a cement production line with an expected annual cement production capacity of 1.5 million tons upon completion. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the remaining individual shareholder of the Target is an Independent Third Party.

Reasons for and benefits of the Transaction

The Project takes the entire Ganzi Prefecture as its key target market, while by leveraging on its prime location in the northwest of Ganzi Prefecture and its equipment advantages, it spreads and develops to the west, north and south of Ganzi Prefecture, covering the intersection of Sichuan, Yunnan, Tibet and Qinghai. In the future, with the Sichuan-Tibet line, it can cover the Sichuan-Tibet Railway. The market region of the Project will mainly cover the entire territory of the Ganzi Tibetan Autonomous Prefecture, the southern area of the Aba Tibetan Autonomous Prefecture, and Tianquan County and Hanyuan County in the west and south of Ya'an.

In addition, in terms of cement demand for key projects, during the period of "13th Five-Year Plan", construction projects were carried out in the northwest area of Sichuan and at the intersection of Sichuan, Yunnan, Tibet and Qinghai, creating a transportation hub. By linking the intersection of Sichuan-Gansu-Qingdao and Sichuan-Yunnan-Tibet and focusing on the construction of highways, national and provincial trunk lines, outbound channels, economic trunk lines and railway, the PRC government planned to accelerate the construction of transportation infrastructure, promote the effective connection of roads, airports and railways, enhance the function of the main transportation hub in Kangding, speed up the construction of secondary transportation hubs in Litang, Daocheng and Ganzi regions, comprehensively improve the standard of roads, strengthen the interconnection with surrounding areas, and improve the backbone network of the Sichuan-Gansu-Qingdao and Sichuan-Yunnan-Tibet intersections, so as to promote better exchanges and integration with surrounding areas, creating a regional comprehensive transportation hub that covers the whole prefecture and the surrounding area. Among them, the Sichuan-Tibet Railway crossing the territory of Ganzi Prefecture is a key project of the national "13th Five-Year Plan". The total length of the line is 1,838 kilometers, starting from Chengdu and passing through Ya'an, Ganzi, Qamdo, Nyingchi to Lhasa, with the total investment of approximately 216.6 billion, and it is planned to be completed in 2028. Moreover, Ganzi Prefecture is rich in water resources and hydraulic works are planned to be constructed at Batang Southeast (巴塘東南), Jiulong Sanya (九龍三亞), Litang Chama Ridong (理塘查瑪日東), Daocheng Eyatong (稻城俄牙同), Daofu Nicuo (道孚尼措), Degwentuo (德格溫拖), Xinlong Tongye (新龍通宵), etc. Meanwhile, three reservoirs, including Litang Duoquhe Reservoir (理塘奪曲河水庫), Shiqu Nixia Town (石渠尼呷鎮) and Odoma Township (俄多馬鄉), as well as water diversion projects in Litang Mulati (理塘木拉提) and Jiulong County (九龍縣城) will be constructed. These key projects will greatly drive cement demand and increase the gap between supply and demand in the future.

Taking into account the geographical location of the Project in the northwest of Ganzi Prefecture and its equipment advantages and the increased cement supply and demand gap in the northern and western Sichuan region in the future, this investment will provide the Group with a great opportunity to expand its cement business from Shaanxi Province to Ganzi Prefecture, which will benefit the long-term growth and future development plans of the Group and help the Group effectively diversify its geographic investment risks.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement (I) and the Sale and Purchase Agreement (II) are on normal commercial terms and fair and reasonable and the Transaction contemplated thereunder is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transaction contemplated under the Sale and Purchase Agreement is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“Additional Liabilities”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Subject Matter — Scope of the Target Liabilities” of this announcement;
“Agreed List”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Subject Matter — Scope of the Target Liabilities” of this announcement;
“Board”	the board of Directors;
“Company”	West China Cement Limited (中國西部水泥有限公司), a company incorporated in Jersey with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Completion Date (I)”	the date upon which the transaction contemplated under the Sale and Purchase Agreement (I) is completed in accordance with its terms;
“Completion Date (II)”	the date upon which the transaction contemplated under the Sale and Purchase Agreement (II) is completed in accordance with its terms;

“Confirmation Date”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Consideration” of this announcement;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Equity Purchase Price”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Consideration” of this announcement;
“External Guarantee”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Subject Matter — Scope of the Target Liabilities” of this announcement;
“External Guarantee List”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Subject Matter — Scope of the Target Liabilities” of this announcement;
“GBP”	British pound sterling, the legal currency of the United Kingdom;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons;
“Listing Rules”	the rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Wang”	Mr. Wang Xijiu (黃四九), a seller under the Sale and Purchase Agreement (II);
“PRC”	the People’s Republic of China;
“PRC GAAP”	the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and other relevant accounting principles and financial regulations as promulgated in the PRC;
“Project”	the construction of a cement production line with an expected annual cement production capacity of 1.5 million tons upon completion by the Target;
“RMB”	Renminbi, the lawful currency of the PRC;

“Ronglian Cement”	Chengdu Ronglian Cement Ltd* (成都蓉聯水泥有限公司), a company incorporated under the laws of the PRC and a seller under the Sale and Purchase Agreement (II);
“Sale and Purchase Agreement (I)”	the sale and purchase agreement dated 31 July 2020 entered into between Yaobai Special Cement and Shaanxi Ningxin in respect of the Target Interest (I);
“Sale and Purchase Agreement (II)”	the sale and purchase agreement dated 31 July 2020 entered into between Yaobai Special Cement and the Selling Parties in respect of the Target Interest (II) and Target Liabilities;
“Selling Parties”	collectively, Ronglian Cement and Mr. Wang;
“Shaanxi Ningxin”	Shaanxi Ningxin Investment Management Ltd* (陝西凝鑫投資管理有限公司), a company incorporated under the laws of the PRC and the seller under the Sale and Purchase Agreement (I);
“Share(s)”	ordinary share(s) having a par value of GBP0.002 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target”	Kangding Paomashan Cement Ltd* (康定跑馬山水泥有限責任公司), a company incorporated under the laws of the PRC;
“Target Liabilities”	has the meaning given to it in the section “B. Sale and Purchase Agreement (II) — Subject Matter” of this announcement;
“Target Interest (I)”	55% of equity interest held by Shaanxi Ningxin in the Target, being the subject matter under the Sale and Purchase Agreement (I);
“Target Interest (II)”	collectively, 42.5% of equity interest held by the Selling Parties in the Target, being part of the subject matter under the Sale and Purchase Agreement (II);
“Transaction”	collectively, the transactions contemplated under the Sale and Purchase Agreement (I) and the Sale and Purchase agreement (II);

“Wudang Cement”	Hubei Wudang Cement Ltd.* (湖北武當水泥有限公司), a company incorporated under the laws of the PRC and the equity interest of which will be pledged in favour of Yaobai Special Cement in accordance with the terms of the Sale and Purchase Agreement (II);
“Yaobai Special Cement”	Yaobai Special Cement Group Co., Ltd., a company incorporated under the laws of the PRC and an indirectly wholly owned subsidiary of the Company; and
“%”	per cent

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

Hong Kong, 31 July 2020

As at the date of this announcement, the executive Directors are Mr. Zhang Jimin and Dr. Ma Weiping, the non-executive Directors are Mr. Ma Zhaoyang, Ms. Liu Yan and Mr. Fan Changhong and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Zhu Dong and Mr. Tam King Ching, Kenny.

** for identification purpose only*