THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Dongwu Cement International Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dongwu Cement International Limited
東吳水泥國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 695)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this circular shall have the same meanings as those defined in the section headed "Definitions" in this circular unless the context otherwise requires.

A letter from the Board is set out on pages 4 to 16 of this circular.

A notice convening the extraordinary general meeting of the Company (the "**EGM**") to be held at 10:00 a.m. on Friday, 5 December 2025 at Building 11 No. 2283 Hongqiao Road, Changning District, Shanghai, People's Republic of China, or any adjournment thereof, is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the commencement of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting should you so wish.

17 October 2025

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In this circular, the following expressions have the following meanings unless the context otherwise requires:

"Announcement"	the announcement of the Company dated 12 September 2025 in relation to the Sale and Purchase Agreement
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than any Saturday or Sunday) on which banks in Hong Kong are generally open for business throughout their normal business hours
"Company"	Dongwu Cement International Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the third Business Day after the date on which all of the conditions have been fulfilled or waived or such other date as shall be mutually agreed between the Company and the Purchaser
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the total consideration of HK$10,000,000 for the Sale Shares payable by the Purchaser to the Company under the Sale and Purchase Agreement
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"Disposal Group"	the Target Company and its subsidiaries

"EGM"	the extraordinary general meeting of the Company to be held at Building 11 No. 2283 Hongqiao Road, Changning District, Shanghai, People's Republic of China at 10:00 a.m. on Friday, 5 December 2025, or any adjournment thereof
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Latest Practicable Date"	14 October 2025, being the latest practicable date for ascertaining certain information referred to in this circular prior to its publication
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	30th June 2026, or such later date as the Company and the Purchaser may agree in writing
"PRC"	the People's Republic of China
"Purchaser"	Great Ease Holdings Limited 嘉逸控股有限公司, a company incorporated in the British Virgin Islands with limited liability
"Remaining Group"	the Company and its subsidiaries (other than members of the Disposal Group)
"Sale and Purchase Agreement"	the sale and purchase agreement dated 12 September 2025 entered into between the Company and the Purchaser in respect of the Disposal
"Sale Share(s)"	10,000 shares of the Target Company, representing all the shares of the Target Company as at the Latest Practicable Date and immediately prior to Completion

"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	the ordinary share(s) of a nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Orient Chengzheng Rare Earth Co., Limited 東方誠正稀土有限公司, a company incorporated in Hong Kong with limited liability and is directly wholly-owned by the Company
"%"	per cent

Dongwu Cement International Limited
東吳水泥國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 695)

Executive Directors:	*Registered Office:*
Mr. Liu Dong *(Chairman)*	190 Elgin Avenue
Mr. Wu Junxian	George Town Grand Cayman
	KY1-9008
Non-executive Directors:	
Mr. Tseung Hok Ming	*Principal Place of Business in Hong Kong:*
Ms. Xie Yingxia	Room 4308, 43/F.,
Independent Non-executive Directors:	Far East Finance Centre
Mr. Yuan Yuan	No. 16 Harcourt Road
Mr. Yu Ronald Patrick Lup Man	Admiralty
Mr. Suo Suo	Hong Kong

17 October 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement dated 12 September 2025 issued by the Company in relation to the Disposal.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) other information as required under the Listing Rules; and (iii) the notice of the EGM.

2. THE DISPOSAL

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

12th September 2025 (after trading hours of the Stock Exchange)

Parties

(i) **Vendor**: the Company

(ii) **Purchaser**: the Purchaser

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Company as vendor conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Sale Shares, representing all the issued shares of the Target Company.

As at the Latest Practicable Date and immediately prior to Completion, all the issued shares of the Target Company, being the Sale Shares, are legally and beneficially owned by the Company.

Upon Completion, the Company will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Consideration

The Consideration in the aggregate amount of HK$10,000,000 shall be settled by the Purchaser by cashier's cheque(s) drawn in favour of the Company or in cash by wire transfer of immediately available funds to the Company's designated bank account in full at Completion Date.

The Consideration of HK$10,000,000, being an approximately 60% premium to the unaudited consolidated net asset value of the Target Company as at 30 June 2025 of approximately HK$6,149,000, was arrived at after arm's length commercial negotiations between the Company and the Purchaser and was determined with reference to the following factors:

(a) as set out in the section titled "Information on the Target Company" below, the Target Company has underperformed financially in the past two years, with the consolidated loss after taxation for each of the years ended 31 December 2023 and 31 December 2024 being at approximately HK$9,150,000 and HK$27,770,000. Furthermore, as the majority of the consolidated assets of the Target Company are comprised of current assets from its business operations and sales, the Company and the Purchaser agreed to utilise the unaudited consolidated net asset value of the Target Company as the basis for the Consideration; and

(b) given the consolidated loss after taxation of the Target Company has not improved since its acquisition in 2023, and the Board expects that in light of the general market sentiment and ongoing challenges in the rare earth segment, such as the downward trend in the profitability of existing low-end magnetic products from the Group's current operations, coupled with the practical difficulty for the Disposal Group to access mid-to-high end customer sectors with higher profitability when competing with more established producers in the rare earth industry, in particular from the perspective of economies of scale and brand recognition, the Disposal Group would require significantly more investment and longer timeframe before the Disposal Group could achieve profitability. In light of the aforementioned challenges and uncertainties, the Board is of the view that the disposal of the Target Company would enable the Group to streamline operations and improve its overall financial performance and reduce any further loss by the continued operation of the Disposal Group. On the other hand, the ultimate beneficial owner of the Purchaser, Mr. Cui Genliang, is the founder and a substantial shareholder of Hengtong Group Co., Ltd.（亨通集團有限公司）, a Top 500 Enterprise of China and a group with diverse businesses and investments which include in the field of optical fibre, power, cables, emerging materials and new energy. The Purchaser wishes to acquire the Disposal Group with the expectation that the Disposal Group will generate synergies with its ultimate owner's existing investments and businesses. As such, the Purchaser is therefore willing to acquire the Disposal Group at a premium of approximately 60% to the unaudited consolidated net asset value of the Target Company.

Based on the above, the Directors consider that the Consideration is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is subject to the following conditions being satisfied (or waived, if applicable):

(a) all necessary permission, consents and approvals in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained by the Company pursuant to applicable law or requirement of competent authority, including without limitation the shareholders of the Company (other than those who are required to abstain from voting under applicable law) passing at an extraordinary general meeting of the Company an ordinary resolution approving the entering into by the Company of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(b) the Disposal Group having collected not less than 50% of the outstanding trade receivables as set out in the unaudited consolidated balance sheet of the Disposal Group as at 30 June 2025;

(c) the Company's warranties remaining true, accurate and not misleading in all material respects as at the Completion Date; and

(d) the Purchaser's warranties remaining true, accurate and not misleading in all material respects as at the Completion Date.

The Purchaser may waive the conditions precedent set out in (b) and (c) above. The Company may waive the condition precedent set out in (d) above. The condition precedent set out in (a) above is not waivable.

As at the Latest Practicable Date, none of the conditions precedent has been satisfied and/or waived.

If any of the conditions precedent referred to above has not been satisfied on or before the Longstop Date, the parties may postpone the Longstop Date by mutual agreement, failing which the Sale and Purchase Agreement shall terminate with effect from the Longstop Date.

As at 30 June 2025, the outstanding trade receivables as set out in the unaudited consolidated balance sheet of the Disposal Group amounted to approximately HK$8,250,000.

Completion and Post-Completion Undertakings

Upon fulfillment or waiver of all the conditions precedent to the Sale and Purchase Agreement, Completion shall take place on the Completion Date. Upon Completion, the Seller will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

The Purchaser has undertaken to procure the Disposal Group to settle all outstanding amounts and/or indebtedness owed by the Disposal Group to the Remaining Group within three (3) months after the Completion Date. Upon the expiry of the three (3) months after the Completion Date, if there remains any outstanding amounts and/or indebtedness owed by the Disposal Group to the Remaining Group, the Purchaser undertakes to pay an amount equal to such outstanding amount and/or indebtedness within five (5) Business Days thereafter.

Upon thoroughly assessing the repayment ability of the Disposal Group and the Purchaser, including the factors as further set out below, the Board is of the view that the abovementioned arrangement is in the interests of the Company and its shareholders as a whole:

(i) based on the unaudited accounts of the Disposal Group as at 30 June 2025, the Disposal Group has a net current asset (excluding intra-group amounts with the Remaining Group) of approximately HK$88,413,000, a portion of which can be used to repay part of the outstanding amount and/or indebtedness owed to the Remaining Group prior to the Completion Date. The Board further believes that based on the existing financial condition and operation of the Disposal Group, the Disposal Group will have sufficient cash flow to settle the remaining amounts and/or indebtedness owed to the Remaining Group within the three-month period following the Completion Date; and

(ii) whilst the Board is satisfied that the Disposal Group alone would have the ability to settle all outstanding amounts and/or indebtedness owed by the Disposal Group to the Remaining Group within the three-month period following the Completion Date, it also notes that the Purchaser is a company wholly owned by Mr. Cui Genliang. Given Mr. Cui is the Chairman and a substantial shareholder of Hengtong Group Co., Ltd., and in turn a substantial shareholder of each of Zhejiang Hengtong Holding Co Ltd, Hengtong Optic-Electric Co., Ltd. and Tianjin Guoan Mengguli New Materials Technology Co., Limited, all of which are either listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the Board is confident that the Purchaser, when considering the identity of its sole shareholder, when combined with its ownership of the Disposal Group after Completion, would have a strong financial standing and resources to fulfil the undertaking to settle any outstanding amounts and/or indebtedness owed to the Remaining Group, should the Disposal Group be unable to do so within the prescribed timeframe.

Should the Disposal Group and the Purchaser be unable to fulfil its aforementioned repayment obligation to the Remaining Group, the Group will take all necessary actions to recover the outstanding sums promptly without any delay, which may include initially any legal proceedings or pursuing other necessary remedies under applicable laws to protect the interests of the Group. Nonetheless, taking into account the Board's current assessment of the repayment ability of the Disposal Group and the Purchaser, the Board believes that the Disposal Group and the Purchaser would have sufficient resources to repay all outstanding amounts and/or indebtedness owed by the Disposal Group to the Remaining Group during such time frame.

As at 30 June 2025, the outstanding amounts and/or indebtedness owed by the Disposal Group to the Remaining Group as set out in the unaudited consolidated balance sheet of the Disposal Group amounted to approximately RMB38,950,007.97 (equivalent to approximately HK$42,966,000).

INFORMATION ON THE PURCHASER

The Purchaser is principally engaged in investment holding and a company incorporated in the British Virgin Islands. The ultimate beneficial owner of the Purchaser is Mr. Cui Genliang, a PRC citizen. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in the production and sales of cement, the production and sales of magnetic materials and other application products, and the trading business.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability. The Target Company is the holding company of the Disposal Group, which comprises the rare earth segments of the Group's business. The Disposal Group is principally engaged in the business of the production and sales of magnetic materials and other application products, which include the production and sales of high-performance sintered NdFeB permanent magnet materials and permanent magnet motors.

The table below sets out certain unaudited consolidated financial information of the Target Company for each of the years ended 31 December 2023 and 2024:

	For the year ended 31 December 2023	**For the year ended 31 December 2024**
	HK\$'000	*HK\$'000*
Revenue	10,823	38,764
Profit/(loss) before taxation	(9,212)	(27,253)
Profit/(loss) after taxation	(9,150)	(27,770)

	As at 31 December 2023	**As at 31 December 2024**
	HK\$'000	*HK\$'000*
Net Asset Value [Note]	(5,730)	(23,345)

Note: The Group has conducted an intra-group restructuring in April 2025, pursuant to which an aggregate net amount of approximately HK$44,042,000 intra-group loan owed by the Disposal Group to the remaining members of the Group was waived.

The unaudited consolidated net asset value of the Target Company as at 30 June 2025 was approximately HK$6,149,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers the Disposal to be a strategic step which aligns with the Group's long-term objectives and current market conditions and allows for the Group to reposition itself to focus on its higher-potential businesses.

As disclosed in the announcement of the Company dated 9 June 2023, the Group has expanded into the rare earth and rare earth permanent magnets businesses in 2023 by acquiring a majority stake in a company which is involved in, among others, the production and sales of rare earth permanent magnetic materials, which subsequently develops into the Disposal Group. At the time of the acquisition of the rare earth business in 2023, the Group has considered the government policy, including the "14th Five-Year" Raw Material Industry Development Plan (「十四五」原材料工業發展規劃) published in 2021 by the Ministry of Industry and Information Technology, Ministry of Science and Technology, and Ministry of Natural Resources of PRC which indicate the PRC government's support of cultivating small and medium-sized rare earth enterprises and strengthen the connection between upstream and downstream of the rare earth industry. The Group has also conducted detailed due diligence on the Disposal Group, including engaging professional advisers to conduct legal and financial due diligence on the Disposal Group and considered independent industry report on the rare earth industry and assessed the Disposal Group against other rare earth companies, before investing in the Disposal Group. At the time of the investment, the Board has envisaged that the demand and price of rare earth products produced by the Disposal Group would improve significantly after the end of the pandemic in 2023, particularly since there was expectation that the demand for the rare earth products produced by the Disposal Group would increase with the growth in the new energy and energy conservation industries in the PRC, such as new energy vehicles, energy-saving industrial generators and wind power generators.

However, despite undertaking production optimization reforms after the acquisition of the rare earth business, the Disposal Group has continued to underperform financially in the past two years, with the loss after taxation for each of the years ended 31 December 2023 and 31 December 2024 being at approximately HK$9,150,000 and HK$27,770,000, respectively, which the Board attributes to the general market sentiment and ongoing challenges in the rare earth segment, such as the downward trend in the profitability of existing low-end magnetic products from the Disposal Group's current operations, as well as the practical difficulty for the Disposal Group to access mid-to-high end customer sectors such as new energy vehicles and wind power generators when competing with more established producers in the rare earth industry, in particular from the perspective of economies of scale and brand recognition. Furthermore, the Group had attempted to explore the possibility of expanding into the exploration and mining of rare earth with the intention of generating a synergetic vertical supply chain for the manufacturing of rare earth permanent magnetic materials and ensure stable supply of rare earth materials and optimize production costs and profitability. However, several Southeast Asian countries, including Laos, have tightened regulations on rare earth mining and exports. This has not only increased the hurdles for the Group's strategic planning and expansion and in turn led to delayed progress and an uncertain outlook, but also amplified challenges for the Group to pursue vertical expansion into rare earth mining and/or trading with the view to reduce production costs and boost profitability.

In light of the challenges above, the Group believe that the Disposal would enable the Group to streamline operations and improve its overall financial performance by focusing its financial resources on the cement business of the Group and improving cashflow liquidity and financial flexibility. The Group will proactively explore diversified investment opportunities, closely monitor and identify potential strategic collaboration opportunities, and advance the development of its international trade segment. At the same time, the Group will continue to focus on its existing core operations and enhance its profitability and operational efficiency through optimising its asset structures and capital operations, thereby comprehensively strengthening its overall competitiveness.

The Board further considers that the disposal of the Target Company and the deconsolidation of the Disposal Group would not have a negative impact on the Group's financial performance or operations nor lead to an insufficient level of operations or assets of insufficient value to support the Group's operations, particularly as (i) the core operations of the Group, being its cement segment, accounts for approximately 94% of its revenue for the six months ended 30 June 2025 whilst rare earth segment of the Group only accounted for less than 6% of the total revenue of the Group for the same period and (ii) the Group would retain a significant portion of asset in its cement segment for its continued operations. As such, upon completion of the Disposal, the Group believes that the continued focus of the Group in its core cement operation would ensure that it would retain sufficient level of operations and assets of sufficient value to support its continued operations.

The Directors (including all independent non-executive Directors) consider that the Disposal, the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, the Company will cease to hold any shares in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Based on preliminary assessment, the Group expects to recognize a gain of approximately HK$3,851,000 arising from the Disposal, calculated based on the difference between the Consideration and the consolidated net asset value of the Target Company as at 30 June 2025. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group may be different from the above and will be subject to the audit of the auditors of the Group.

The potential effect of the Disposal on the assets of the Group is expected to be a decrease in assets of approximately HK$334,129,000, mainly representing the deconsolidation of non-current assets and inventories of the Disposal Group (inclusive of non-controlling interests), and the potential effect of the Disposal on the liabilities of the Group is expected to be a decrease in liabilities of approximately HK$272,596,000, mainly representing the deconsolidation of trade and other payables and borrowings of the Disposal Group (inclusive of non-controlling interests).

Net proceeds from the Disposal, which have deducted expenses in relation to the Disposal, are estimated to be approximately HK$9,379,900. The Company intends to use the net proceeds from the Disposal as general working capital of the Group, and in particular the Group's operating cash flow for its cement business. The Group expects that such proceeds will be utilized by end of 2026.

LISTING RULES IMPLICATION

As one or more of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As disclosed in the announcement of the Company dated 12th September 2025, the Board has been informed by Goldview Development Limited, the controlling shareholder of the Company, that it has entered into two sale and purchase agreements for the disposals of 37% of the Shares in aggregate, each of which are conditional upon, among others, the completion of the Disposal. As such, Goldview Development Limited and its sole shareholder, Mr. Tseung Hok Ming, are deemed to have material interests in the Sale and Purchase Agreement and the transaction contemplated under, and therefore (i) Goldview Development Limited and its associates, including Mr. Tseung Hok Ming, will abstain from voting at the EGM in respect of the resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) Mr. Tseung Hok Ming has abstained from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Save as disclosed above:

(i) None of the Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, none of the Directors has abstained from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ii) As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

The EGM will be convened and held for the Shareholders to consider, and if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

The EGM will be convened and held on Friday, 5 December 2025 at 10:00 a.m. at Building 11 No. 2283 Hongqiao Road, Changning District, Shanghai, People’s Republic of China to consider and, if thought fit, approve the Disposal. In compliance with the Listing Rules, the resolution will be voted on by way of poll at the EGM.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote in person at the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The Shareholders who have a material interest in the Disposal and their respective associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the EGM. To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in relation to the Disposal and is required to abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to the right to attend and vote at the EGM (or any adjournment thereof), the register of member of the Company will be closed from 2 December 2025 (Tuesday) to 5 December 2025 (Friday), both days inclusive, during which period no share transfer will be effected. In order to qualify for the entitlement to attend and vote at the EGM, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 1 December 2025 (Monday).

The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is 5 December 2025 (Friday).

RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Disposal are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM for the Disposal.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Dongwu Cement International Limited
Liu Dong
Chairman

1. FINANCIAL INFORMATION

The financial information of the Group:

(i) for the year ended 31 December 2022 are set out from pages 89 to 162 in the annual report of the Company for the year ended 31 December 2022, which is published on the Stock Exchange:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042500119.pdf

(ii) for the year ended 31 December 2023 are set out from pages 100 to 176 in the annual report of the Company for the year ended 31 December 2023, which is published on the Stock Exchange:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042400494.pdf

(iii) for the year ended 31 December 2024 are set out from pages 105 to 200 in the annual report of the Company for the year ended 31 December 2024, which is published on the Stock Exchange:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201303.pdf

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025 are set out from pages 26 to 72 in the interim report of the Company for the six months ended 30 June 2025, which is published on the website of the Stock Exchange: (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0904/2025090400657.pdf).

All of the abovementioned annual reports and interim report have also been published on the website of the Company (http://www.dongwucement.com).

2. INDEBTEDNESS STATEMENT

Borrowings and lease liabilities

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the total borrowings and lease liabilities of the Group was HK$273,564,000, comprising of secured and guaranteed borrowings from banks of HK$137,606,000 with fixed interest rate ranged from 3.50% to 3.85% per annum which were secured by certain equity interest of subsidiaries of the Company, certain land use rights and property, plant and equipment of the Group and guaranteed by a controlling shareholder of the Company and non-controlling shareholders of the Group's subsidiaries; unsecured and guaranteed borrowings from banks and financial institutions of HK$81,767,000 with fixed interest rate ranged from 2.90% to 9.00% per annum which were guaranteed by a controlling shareholder of the Company and non-controlling shareholders of the Group's subsidiaries; unsecured and unguaranteed borrowings from banks of HK$53,599,000 with fixed interest rate of 3.20% per annum; and lease liabilities of HK$592,000.

Contingent liabilities

As at the close of business on 31 August 2025, the Group did not have any material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 August 2025, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances or acceptances credits or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL STATEMENT

Taking into account the Disposal and the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the production and sales of cement and other application products and the trading business.

During the first half of 2025, the cement segment of the Group recorded revenue amounted to approximately HK$118,641,000, representing an increase of approximately HKD$25,952,000 or 28.0% from approximately HKD$92,689,000 in the corresponding period in 2024. The increase is mainly due to the following reasons: the cement industry actively promoted off-peak production, and the contradiction between supply and demand eased somewhat. Although the market demand was still weak and the demand in the traditional peak season did not meet expectations, the decline in market demand narrowed compared with the same period last year, which promoted the recovery of the Company's income. As for the international trading segment, impacted by geopolitical factors, commodity prices exhibited significant volatility. Coupled with multiple uncertainties, the Group is striving to seek and expand diverse models of international trade. It focuses on seeking strategic partners with synergistic potential and continues to proactively explore potential commercial opportunities, with the aim of creating sustainable value for shareholders.

In the second half of 2025, the Group will prioritize "Enhancing Shareholder Equity and Maximizing Shareholder Value" as its core objective, optimizing the Company's development strategy across multiple dimensions. In operations, the Group will synergize process enhancements with technological improvements to boost operational efficiency, thereby achieving cost reductions and efficiency improvements. In terms of market development and talent cultivation, based on market demand dynamics, the Gorup will focus on the market and products to elevate the Company's brand awareness while exploring profit potential within our product portfolio. Regarding business development, the Group will actively explore diversified investment opportunities and advance the development of international trade segment. Meanwhile, the Group will concentrate on its core businesses, enhancing profitability and operational efficiency through optimizing its asset structure and capital operations, including disposing the rare earth segment which is underperforming through the Disposal, thereby comprehensively strengthening the Group's overall competitiveness.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and beliefs the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules ("**Model Code**") to be notified to the Company and the Stock Exchange, were as follows:

Name	Capacity	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding interest
Mr. Tseung Hok Ming *(Note)*	Interest of a controlled corporation	Long position	279,500,000	53.89%
Mr. Liu Dong	Beneficial owner	Long position	1,484,000	0.27%

Note: Goldview Development Limited ("**Goldview**") is wholly owned by Mr. Tseung Hok Ming, a non-executive Director. Accordingly, Mr. Tseung is deemed to be interested in the same Shares of the Company held by Goldview by virtue of Part XV of the SFO. Goldview is also an associated corporation of the Company. Mr. Tseung is the sole director of Goldview.

As disclosed in the announcement dated 12 September 2025, Goldview has, on 12 September 2025, entered into (i) a sale and purchase with Port & Shipping Group (HK) Investment Co., Limited ("**Port & Shipping HK**") for the disposal of 154,560,000 Shares by Goldview to Port & Shipping HK at an aggregate consideration of RMB285,600,000, representing 28% of the issued Shares as at the Latest Practicable Date and (ii) a sale and purchase agreement with Suzhou Fenyuan Capital Management Co., Limited*（蘇州汾源資本管理有限公司）("**Fenyuan Capital**") for the disposal of 49,680,000 Shares by Goldview to Fenyuan Capital (or its nominee) at an aggregate consideration of RMB91,800,000, representing 9% of the issued Shares as at the Latest Practicable Date.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor any of their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective associates had any interest in a business apart from the Company's business which competes or is likely to compete, either directly or indirectly with, the Company's business, or which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired, or disposed of, or leased to any member of the Group, or are proposed to be acquired, or disposed of, or leased to any member of the Group.

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Group or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The Sale and Purchase Agreement is the sole contract (not being contracts in the ordinary course of business) that has been entered into by members of the Group within the two years immediately preceding the date of this circular and which are or may be material.

8. GENERAL

(a) The registered office of the Company is at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is at Unit 4308, 43/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

(b) The company secretary of the Company is Ms. Lu Rulan.

(c) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

9. DOCUMENTS ON DISPLAY

Copies of the Sale and Purchase Agreement are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at http://www.dongwucement.com for a period of 14 days from the date of this circular.

Dongwu Cement International Limited
東吳水泥國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 695)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of Dongwu Cement International Limited ("**Company**") will be held at Building 11 No. 2283 Hongqiao Road, Changning District, Shanghai, People's Republic of China, on Friday, 5 December 2025 at 10:00 a.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as ordinary resolution. Unless otherwise indicated, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 17 October 2025 to which this notice forms part.

ORDINARY RESOLUTION

1. "**THAT**:

   (i) the sale and purchase agreement dated 12 September 2025 entered into between the Company and Great Ease Holdings Limited 嘉逸控股有限公司 (the "**Sale and Purchase Agreement**", a copy each of which is produced to the EGM marked "A" and initialed by the chairman of the EGM for the purpose of identification), and the terms and conditions thereof and the transactions provided or contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified;

   (ii) the directors of the Company be and are hereby authorised to do all such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Sale and Purchase Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the transactions under the Sale and Purchase Agreement and the implementation of all transactions contemplated thereby and thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company."

By Order of the Board
Dongwu Cement International Limited
Liu Dong
Chairman

Hong Kong, 17 October 2025

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.

2. Where there are joint holders of shares, any one of such persons may vote at the above meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share will alone be entitled to vote in respect thereof.

3. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.

4. The register of members of the Company will be closed from Tuesday, 2 December 2025 to Friday, 5 December 2025, both days inclusive, during which period no transfer of shares will be registered, and the record date of the EGM is 5 December 2025 (Friday). In order to be entitled to attend and vote at the forthcoming extraordinary general meeting of the Company to be held on Friday, 5 December 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 1 December 2025.

5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. All the proposed resolutions set out in this notice shall be decided by poll.

7. If there is a tropical cyclone warning signal No. 8 or above, a "black" rainstorm warning or "extreme conditions" announced by the Government of the Hong Kong Special Administrative Region is in force in Hong Kong at or at any time after 9:30 a.m. on the date of the Extraordinary General Meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the websites of the Stock Exchange and the Company (http://www.dongwucement.com) to notify Shareholders of the date, time and place of the rescheduled meeting.

   The Extraordinary General Meeting will be held as scheduled when an "amber" or "red" rainstorm warning is in force. Shareholders should make their own decision as to whether they would attend the meeting in person under bad weather conditions, taking into account their own situations.

As at the date of this notice, the Board comprises Mr. Liu Dong and Mr. Wu Junxian as executive Directors; Mr. Tseung Hok Ming and Ms. Xie Yingxia as non-executive Directors; and Mr. Yuan Yuan, Mr. Yu Ronald Patrick Lup Man and Mr. Suo Suo as independent non-executive Directors.