

**SOCIETE LIBANAISE DES
CIMENTS BLANCS S.A.L.**

**SPECIAL REPORT IN ACCORDANCE
WITH ARTICLE 158 OF THE
LEBANESE CODE OF COMMERCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

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To the Shareholders
Société Libanaise des Ciments
Blancs S.A.L.
Chekka, Lebanon

SPECIAL REPORT IN ACCORDANCE WITH
ARTICLE 158 OF THE CODE OF COMMERCE
YEAR ENDED DECEMBER 31, 2020

Dear Sirs,

We present to you this report pursuant to the requirements of the Article 158 of the Lebanese Code of Commerce. This Article requires that every transaction, whether directly or indirectly or under the cover of a third party, in relation to every contract, agreement or commitment intended to be conducted between the Company and the chairman and members of its board of directors, general manager, assistant general manager, and every shareholder, directly or indirectly, having voting rights in excess of five percent (5%) of the Company's share capital, shall be subject to the prior authorization from the board of directors, with the exception of those transactions in relation to contract, agreement or commitment conducted within the normal course of business.

Furthermore, each agreement between the Company and another company shall be subject to the prior authorization of the board of directors, if any of the persons mentioned above is:

- i. A partner who directly or indirectly owns voting rights of more than five percent (5%) in the capital of that company,
- ii. or a joint partner or authorized partner in that company, regardless of the percentage of its shares in its capital in the event that it is a partnership or a limited company,
- iii. or a manager of that company or a member of its board of directors.

In all cases, the authorization of the board of directors shall be ratified by the general assembly in order to be considered valid.

Taking into account the provisions of the laws and regulations of banks and financial institutions, Article 158 prohibits the chairman and members of the board, the general manager, the assistant general manager, the Company's external auditors, and any shareholder who directly or indirectly has voting rights in excess of five percent (5%) of the Company's share capital, to obtain from the Company, in whatever manner, a loan, a facility, a guarantee, or any collateral in favor of third parties.

The board of directors must inform the external auditors of the contracts, agreements, and commitments that have been authorized within fifteen days of the board decision, and both the board and the external auditors must report to the first general assembly of shareholders on those contracts and agreements.

Accordingly, we list below the details of the existing transactions between the Company and its board members and the other parties mentioned above, based on the written statements provided to us by the board of directors and based on our testing performed during our audit of the financial statements for the year ended December 31, 2020.

RELATED PARTIES BALANCES

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Due From</u> <u>LBP'000</u>	<u>Due To</u> <u>LBP'000</u>	<u>Due From</u> <u>LBP'000</u>	<u>Due To</u> <u>LBP'000</u>
<u>Current:</u>				
Holcim Liban S.A.L. – Parent Company	4,241,379	-	4,883,962	3,672,371
Societe Carriere de Jieh S.A.R.L.				
Other related party	-	13,007	-	13,007
	<u>4,241,379</u>	<u>13,007</u>	<u>4,883,962</u>	<u>3,685,378</u>

Above related party balances do not carry any interest.

LOAN TO PARENT COMPANY

	<u>December 31,</u>	
	<u>2020</u> <u>LBP'000</u>	<u>2019</u> <u>LBP'000</u>
<i>Loan to the Parent Company:</i>		
Holcim Liban S.A.L.	12,060,000	12,060,000
Accrued interest receivable	<u>3,500,058</u>	<u>4,883,962</u>
	<u>15,560,058</u>	<u>16,943,962</u>

The loan to the Parent Company matures on December 31, 2024. The loan was subject to an average interest rate of 5% during the year 2020 (7.2% in 2019).

Interest income for the year 2020 amounted to LBP775million (LBP1.3billion during 2019).

RELATED PARTIES TRANSACTIONS

Holcim Liban S.A.L. – Parent Company

The Parent Company provides technical assistance to the Company on the basis of 4% of sales amounting to LBP493million during 2020.

Moreover, the Parent Company offers other services amounting to LBP759million during 2020.

During 2020, the Parent Company sold raw materials and combustibles to the Company in the amount of LBP651million.

The information mentioned above is presented to you for the purpose of taking the necessary resolution with respect thereto.

Beirut, Lebanon
July 30, 2021


Deloitte & Touche