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HUAXIN BUILDING MATERIALS GROUP CO., LTD.*

華新建材集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 6655)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ACQUISITION OF THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on 1 August 2026, the Purchaser and the Vendor entered into a Share Purchase Agreement. Accordingly, subject to and in accordance with the terms and conditions of the Share Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the shares of the Core Target Company directly or indirectly. The transaction is structured in two phases. In the first phase (this transaction), the purchase consideration will be based on an enterprise value of USD 780 million for the Core Target Company on a 100% equity basis. The Company will indirectly acquire 67.623% of the shares in the Core Target Company through the acquisition of shares in three holding companies, with a consideration of approximately USD 527 million (subject to adjustment under a closing accounts mechanism pursuant to the cash, debt, non-trade transaction, and working capital of HPI at closing); in the second phase, the Company will acquire 31.377% shares in the Core Target Company directly held by the Vendor three years later either through the exercise of a call option by the Purchaser or a put option by the Vendor. The consideration for such part shall be the latest audited annual revenue of the Core Target Company (net of any incremental revenue attributable to production expansion) $\times 2.4 \times 31.377\%$, and shall be no less than USD 280 million.

Following the completion of the first phase, the Purchaser will be required to make a mandatory general offer to the other shareholders of the Core Target Company in accordance with the requirements and directives of the Philippines SEC and applicable laws and regulations.

Upon completion of the Acquisition, the Target Company will become a controlling subsidiary of the Company. Therefore, the financial results of the Target Company will be consolidated into those of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the Vendor is a subsidiary of Holcim, the Controlling Shareholder of the Company, and hence an associate of Holcim and a Connected Person of the Company under Rule 14A.07 of the Listing Rules. Therefore, in accordance with Chapter 14A of the Listing Rules, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. Tan Then Hwee (each a Director of the Company) have abstained from voting in respect of resolutions regarding the Acquisition due to their office in Holcim. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Director, save for the aforementioned, were found to have any material interest with respect to the Acquisition.

Independent Directors Committee and Independent Financial Adviser

The Company has set up an Independent Directors Committee consisting of all independent non-executive directors (namely Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong) to consider whether the terms of the Share Purchase Agreement and the transactions contemplated thereunder will be conducted on general commercial terms, whether such terms and transactions are fair and reasonable while befitting the overall interests of the Company and its shareholders, and advise the Independent Shareholders upon such basis.

The Company has commissioned Maxa Capital Limited to be the Independent Financial Adviser, to advise the Independent Directors Committee and Independent Shareholders on whether the terms of the Share Purchase Agreement are on general commercial terms and whether such terms and transaction are fair and reasonable while befitting the overall interests of the Company and its shareholders.

General

The Company shall convene the EGM for the Shareholders to consider and, if thought fit, approve, the Share Purchase Agreement and the transactions contemplated thereunder. Shareholders with a material interest in the Share Purchase Agreement and the transactions contemplated thereunder will be required to abstain from voting at the EGM. Holcim and its associates (including the Vendor) have a material interest in the Acquisition and will abstain from voting on the resolution at the EGM.

The Company will dispatch a circular containing (among other things) (i) details of the Share Purchase Agreement and the Acquisition; (ii) a letter from the Independent Directors Committee, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Directors Committee and Independent Shareholders; (iv) a valuation report of the Core Target Company; (v) other information required by the Listing Rules; and (vi) a notice of the EGM with a proxy form for use at the EGM. As the financial statements of the Target Companies for the twelve months ended 31 December 2025 or four months ended 30 April 2026 are required to be audited, taking into account the time required for the auditors to complete their audit work and for finalization of the circular, the circular will be dispatched to Shareholders no later than 31 December, 2026. The despatch of the circular beyond 15 business days from the date of this announcement is due to the aforementioned audit and circular preparation timeline, which the Company considers necessary to ensure that the circular contains complete and accurate information for the Independent Shareholders to make an informed decision.

The Acquisition will only be completed subject to the fulfillment or waiver (if applicable) of the conditions precedent to Closing stated in the Share Purchase Agreement; the Acquisition may or may not proceed. Therefore, the shareholders and potential investors should be cautious when investing in the securities of the Company.

Introduction

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consideration of approximately USD 527 million (subject to adjustment under a closing accounts mechanism pursuant to the cash, debt, non-trade transaction, and working capital of HPI at closing); in the second phase, the Company will acquire 31.377% shares in the Core Target Company directly held by the Vendor three years later either through the exercise of a call option by the Purchaser or a put option by the Vendor. The consideration for such part shall be the latest audited annual revenue of the Core Target Company (net of any incremental revenue attributable to production expansion) $\times 2.4 \times 31.377\%$, and shall be no less than USD 280 million.

Following the completion of the first phase, the Purchaser will be required to make a mandatory general offer to the other shareholders of the Core Target Company in accordance with the requirements and directives of the Philippines SEC and applicable laws and regulations.

Upon completion of the Acquisition, the Target Company will become a subsidiary of the Company. Therefore, the financial results of the Target Company will be consolidated into those of the Company.

Key terms of the Share Purchase Agreement

Date

1 August 2026

Parties

- a. Vendor
- b. Purchaser

Targets

The Purchaser will acquire a specific portion of shares in the following three holding companies:

Target Company A Clinco Corporation 99.9997% issued share capital

Target Company B Cemco Holdings, Inc. 36.8038% issued share capital

Target Company C Union Cement Holdings Corporation 27.51% issued share capital

By acquiring the above shares, the Purchaser will indirectly acquire an aggregate of 67.623% of the issued shares and voting rights in the Core Target Company.

The consideration will be paid by the Purchaser in cash and is expected to be funded by the Group's internal funds, bank loans, bond issuance and other external financing sources.

Payment and payment terms

Enterprise Value: The enterprise value of the Core Target Company agreed between the Vendor and the Purchaser is USD 780 million.

Final Consideration Calculation Formula: The final transaction consideration = (enterprise value of the Core Target Company – debt + cash and intercompany non-trade receivables + working capital adjustments) × the agreed sale proportion (67.623%).

Payment Arrangements: On the Closing Date, the Purchaser shall pay an estimated consideration of approximately 527 million in cash in US dollars to the bank account designated by the Vendor. Of this amount, USD 15 million (the Vendor's holdback amount) will be deposited into an escrow account jointly controlled by both parties as the final payment and will be held for 12 months after closing to secure the Vendor's potential indemnification obligations. The final purchase price will be adjusted after closing based on actual financial data, with any difference to be settled between the parties.

Conditions to closing

Closing shall be conditional on the following Conditions having been fulfilled or, where permitted by Law, waived by the Parties in accordance with this Agreement:

Chinese authority approval: obtaining clearance of the record filing with MOFCOM and NDRC, as well as the foreign exchange registration handled by State Administration of Foreign Exchange designated banks;

Philippines authority approval: obtaining the PCC Clearance from the Philippine Competition Commission (PCC);

Mandatory general offer: completion of the Tender Offer if required by and pursuant to the directives of the SEC (if applicable);

Shareholders' General Meeting approval: approval of the shareholders in accordance with the requirements imposed by the HKEX and the SSE (the Shareholder Approval);

Performance Guarantee and Liability for Breach

Bank Guarantees: The Purchaser shall provide to the Vendor a first phase bank guarantee in the amount of USD 12.5 million on the signing date of the Agreement, and a second phase bank guarantee in the amount of USD 27.5 million within 5 business days after obtaining shareholders' general meeting's approval. The total amount of guarantees shall be USD 40 million.

Long Stop Date: 30 June 2027 (each of the Purchaser and the Vendor has the right to extend, with a maximum of two extensions, each not exceeding 3 months).

Liquidated Damages / Break up Fee:

Purchaser's liability:

If, after obtaining shareholders' general meeting's approval, the conditions precedent are not satisfied by the long stop date due to breach or default by the Purchaser, or if the Purchaser refuses to close after the conditions are satisfied, the Purchaser shall pay USD 40 million to the Vendor as compensation (or the Vendor may directly draw on the guarantee).

Vendor's liability: If the Purchaser is ready to close and all conditions have been satisfied, but the Vendor fails to perform, the Vendor shall refund the guarantee and pay USD 40 million to the Purchaser in return.

Long Stop Date and extension

If any of the Conditions have not been satisfied on or before 23:59 Philippines time on 30 June, 2027 (the Long Stop Date), and neither party has extended the Long Stop Date pursuant to relevant clause in this Agreement, this Agreement shall automatically terminate (other than the Surviving Provisions).

The Vendor and the Purchaser shall each have the right to extend the Long Stop Date, through written notice to the other, provided that:

- (a) there shall be no more than two extensions of the Long Stop Date in total, whether by one or both of the Vendor and the Purchaser;
- (b) each extension shall not exceed 3 months for each; and
- (c) the Purchaser may only exercise its right to extend the Long Stop Date pursuant to the relevant clause in this Agreement if:
 - (i) only one Condition for which the Purchaser is responsible remains outstanding;
 - (ii) there is a reasonable likelihood of satisfying such Condition within the extended period; and
 - (iii) Shareholder Approval has already been obtained.

Limitation of Liability

Individual and Aggregate Claim Thresholds: A claim for breach may only be brought if the amount of the individual claim exceeds 0.1% of the final consideration, and the aggregate amount of all claims exceeds 1% of the final consideration.

Maximum Liability Cap: The aggregate liability of the Vendor under this Agreement shall not exceed USD 30 million in total (except for claims arising from fraud or fraudulent misrepresentation).

Governing Law and Dispute Resolution

Governing Law: This Agreement shall be governed by and construed in accordance with English Law.

Dispute Resolution: Any dispute arising out of or in connection with this Agreement shall be submitted to the International Chamber of Commerce (ICC) for arbitration in London, England, in accordance with its arbitration rules. The language of the arbitration shall be English.

Basic information of the second phase transaction

In the second phase, through the exercise of a call option by the Purchaser or a put option by the Vendor, the Purchaser may acquire approximately 31.377% of the shares in the Core Target Company. The consideration shall be calculated as the latest audited annual revenue of the Core Target Company (excluding incremental revenue from capacity expansion) $\times 2.4 \times 31.377\%$, and shall be no less than USD 280 million.

Option Mechanism

Initial Exercise Date: The day following the third year of the closing of the first phase(this transaction), provided that such date is no earlier than 1 January 2030.

Call Option and Put Option: Holcim may require Huaxin to acquire the remaining 31.377% issued shares in the Core Target Company held by Holcim, and Huaxin may require Holcim to sell such 31.377% shares (subject to the shares actually held by the Vendor at the second phase closing).

Valuation Method

The Company has engaged Cushman & Wakefield Limited as the independent valuation advisor to conduct a valuation of the enterprise value of the Core Target Company. The independent valuation advisor has submitted a valuation overview of the Core Target Company to the Company and will issue a detailed valuation report.

As the Target company A, Target company B, Target company C are special purpose vehicles, their main assets are the shares they hold in the Core Target Company directly or indirectly. Therefore, the valuation mainly analyzes the value of the Core Target Company.

The pricing of this transaction has been determined on an arm's length basis following fair negotiations between Holcim Limited (the ultimate controlling party of the Vendor) and the Company (the ultimate controlling party of the Purchaser), and with reference to the assessed value of the 100% shares in the Core Target Company.

The independent valuation advisor has adopted the market approach-specifically the comparable transactions method-to assess the fair value of the equity interest in the Core Target Company as at the valuation date (30 April, 2026). Given that the Target Company was in a loss-making position as at the valuation date, the EV/EBITDA multiple was not considered comparable. Accordingly, the valuation adopted enterprise value per ton of annual cement production capacity (EV/annual

capacity, USD/ton) as the core valuation multiple, given its strongest correlation with asset value in the cement industry.

The valuation advisor screened completed M&A transactions in the Philippine cement industry during the period from 2023 to June 2026 via Bloomberg, applying the following screening criteria:

- (1) transactions completed between 1 January 2023 and 30 June 2026;
- (2) target operations located in the Philippines;
- (3) targets primarily engaged in cement production;
- (4) publicly available information on transaction consideration, target financial data and production capacity was fully accessible.

A total of four comparable transactions meeting all the screening criteria were identified.

Transaction 1: DM Consunji Inc. acquired 89.86% of the equity interest in Concreat Holdings Philippines Inc., with a completion date of 3 December 2024, target annual capacity of 5.7 million tons, implied 100% equity value of USD 302,130,000, EV of USD 487,940,000, and an unadjusted EV/annual capacity multiple of USD 86/ton.

Transaction 2: Holcim Group acquired a 5.05% minority interest in Holcim (Philippines) Inc., with a completion date of 27 November 2023, target annual capacity of 9 million tons, implied 100% equity value of USD 618,220,000, EV of USD 616,673,000, an unadjusted EV/annual capacity multiple of USD 68.52/ton, and an adjusted multiple of USD 89.76/ton after applying a 31% control premium.

Transaction 3: CEMEX Asia BV acquired an 11.96% minority interest in CEMEX Holdings Philippines Inc., with a completion date of 30 March 2023, target annual capacity of 5.7 million tons, implied 100% equity value of USD 320,820,000, EV of USD 553,240,000, an unadjusted EV/annual capacity multiple of USD 97/ton, and an adjusted multiple of USD 127/ton after applying a 31% control premium.

Transaction 4: San Miguel Corporation acquired an 88.50% controlling stake in Eagle Cement Corp., with a completion date of 28 February 2023, target annual capacity of 8.6 million tons, implied 100% equity value of USD 1,877,100,000, EV of USD 1,778,440,000, and an EV/annual capacity multiple of USD 207/ton.

The comparable transactions involve only minority stake transfers, the pricing of which merely reflects the value of scattered floating shares and does not capture the full value associated with obtaining operational control, asset integration and strategic deployment over the target business. The valuation advisor has therefore applied a 31% control premium adjustment to the minority transaction samples, based on data from FactSet M&A statistics and BVR's authoritative research on control premiums, to reflect the full enterprise value attributable to a 100% controlling stake in

the Target Company. After adjusting for the control premium, the EV/annual capacity multiples of the four comparable transactions range from USD 86/ton to USD 207/ton.

The valuation was conducted using the comparable transactions method, which references the valuation multiples per ton of cement capacity derived from historical comparable transactions in the same industry. A reasonable multiple was selected based on the specific circumstances of the Target, and was applied to the Target's annual cement production capacity, taking into account a control premium. This yielded an enterprise value of approximately USD 810 million for the Target. Following negotiations between the parties, the enterprise value for this transaction has been agreed at USD 780 million, which is considered to be in the interests of the independent shareholders.

Taking into account the Target Company's own operating conditions, historical valuation levels of its equity transactions, the regional competitive landscape and long-term earnings projections, the corresponding value of the Target Assets lies at the reasonably lower end of the comparable transaction range.

The Acquisition involves purchasing assets from Connected Persons, and is conducted by international practices. The Company has assessed the connected transaction risks and taken relevant safeguard measures in the Share Purchase Agreement to safeguard and protect the interests and legitimate rights of the Company and minority shareholders. Considering the above valuation results, the Board views the pricing of the Acquisition as fair and reasonable, and in compliance with relevant laws, regulations, and the Articles of Association of the Company.

Reasons for, and Benefits of the Acquisition

This transaction constitutes a connected transaction. It's still an asset optimization and reallocation initiated by the largest shareholder Holcim Group leveraging Huaxin's technological and supply chain integration capabilities, which will facilitate the development of Huaxin's overseas business and expansion of new markets.

For more than 10 years, overseas expansion - by greenfield developments or acquisitions has been one of the key strategies of the Company. The Company has established a track record in successfully integrating and developing acquired companies, achieving post-acquisition performance improvements of acquired companies, and achieving targeted returns on overseas investments. The benefits of the overseas expansion are two-fold. First, this strategy allows the Company to pursue growth based on its talent base and on the accumulated know-how and abilities with regard to industrial technology and production chain integration. Second, it effectively counter balances the decline in the domestic market.

Today, the Company has an operational presence in 14 countries, the Company's overseas clinker capacity has reached 26.60 million tons per year, and the cement grinding capacity has reached 36.15 million tons per year. From January to June 2026, the Company's overseas cement and clinker sales volume reached 13.18 million tons, constituting a year-on-year increase of 57%, and

achieved sales revenues of RMB 8.542 billion, constituting a year-on-year increase of 107%. The overseas business has thus become a strong contributor to the performance of the Company which is facing severe headwinds in the domestic cement business.

The Target Company is located in the Philippines, a country with a population of over 110 million, abundant labour resources, a high private consumption-to-GDP ratio, and strong domestic demand. The country's GDP has maintained a stable growth rate of over 5.5% in recent years, with continued infrastructure expansion and steady release of cement consumption demand, providing ample long-term growth headroom for the cement industry. Per capita cement consumption in the Philippines remains at a relatively low level of approximately 290 kg.

The Core Target Company of the transaction operates four cement clinker plants and one cement grinding station strategically located in the core regions of Luzon and Mindanao, with an annual clinker production capacity of 5.2 million tons and annual cement production capacity of 9.0 million tons, with abundant limestone resources and favorable location. There is significant potential for post-acquisition optimization in technology and operational management.

The Group has a strong track record in the building materials markets of multiple countries and extensive experience in overseas cement M&A and operation, with comprehensive advantages in production technology, cost control, supply chain management and marketing. Upon completion of this acquisition, the Group will be able to deploy its mature management systems and advanced production processes to continuously improve the Target Company's capacity utilization, reduce overall operating costs, and fully unlock its earnings growth potential, thereby ensuring favourable returns on this overseas investment. In the meantime, this acquisition will further strengthen the Group's business presence in Southeast Asia, expand its global production capacity, and enhance its international market influence and resilience against cyclical fluctuations. The original shareholder Holcim still holds shares in the Philippines assets within a given timeframe, thereby making a positive contribution to brand continuity.

The Directors (excluding the independent non-executive Directors whose views will be contained in the circular to be issued by the Company after considering the advice from the Independent Financial Adviser) are of the view that the Acquisition is in the interests of the Company, and the terms of the Share Purchase Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

Information about the Parties

The Company

The Company is a joint stock company incorporated in the People's Republic of China. The Company's A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively. The business of the Company covers 17 provinces and cities in China and 22 overseas countries, with nearly 300 subsidiaries in China and overseas including Tajikistan, Kyrgyzstan, Uzbekistan, Cambodia, Nepal, Oman, Tanzania, Zambia, Malawi, Mozambique, Zimbabwe, South Africa, Nigeria and Brazil. It's a global building materials corporation with integrated development of the entire industry chain in the fields of cement, concrete, aggregates, environmental protection, equipment manufacturing and engineering, and new building materials.

Purchaser

Purchaser: Huaxin Central Asia Investment (Wuhan) Co., LTD, a limited liability company incorporated in the People's Republic of China on 12 August 2011, is a wholly-owned subsidiary of the Company. Its legal representative is Mr. Li Yeqing. It has a registered capital of RMB 400 million and its registered office is Room 03, 3/F, Building 5, International Enterprise Center, No. 1 Guanshan 2nd Road, East Lake New Technology Development Zone, Wuhan, Hubei Province, the People's Republic of China. Its principal businesses include investment in building materials projects, cement technical services, and architectural design, construction and installation.

Vendor

Holderfin B.V. is a limited liability private company registered in Amsterdam under Dutch law. The registered address is Roemer Visscherstraat 41B, EW 1054 Amsterdam, Netherlands. The registered company number at the Dutch Chamber of Commerce is 33155025, with a registered capital of EUR 3,771,500. The business scope of the company includes equity investment. As of the date of this announcement, the Vendor directly or indirectly holds 99.9997% of the shares of Target Company A, 36.8038% of the shares of Target Company B and 27.51% of the shares of Target Company C, holding 31.15% of the shares of the Core Target Company. The Vendor is also the Controlling Shareholder of the Company.

Ultimate Beneficial Owner of the Vendor

Holcim Limited is a company incorporated and listed in Switzerland in February 1912 with issued shares of 566,875,513. The business scope of the company includes manufacturing, trading of building materials and products in related fields of business in Switzerland and abroad, as well as financial services. Its major shareholders and number of shares are as follows:

Investor	Percentage of shares outstanding
Black Rock, Inc.	7.7%
UBS Fund Management (Switzerland) AG	6.2%
Schweizerische Cement-Industrie AG	5.5%
FMR LLC	4.1%
Vanguard Group, Inc.	3.9%
Patinex AG	3.0%

Target Company

Target Company A: Clinco Corporation is a legal entity incorporated under the laws of the Philippines, with the Philippines SEC Registration Number A200100211, having its registered office at Unit 5A ACT Tower 135, H.V. Dela Costa St., Salcedo Village, Makati City, Philippines. Its principal business is equity investment in the cement industry and holds shares in the Target Company. It holds 63.1698% of the shares in Target Company B.

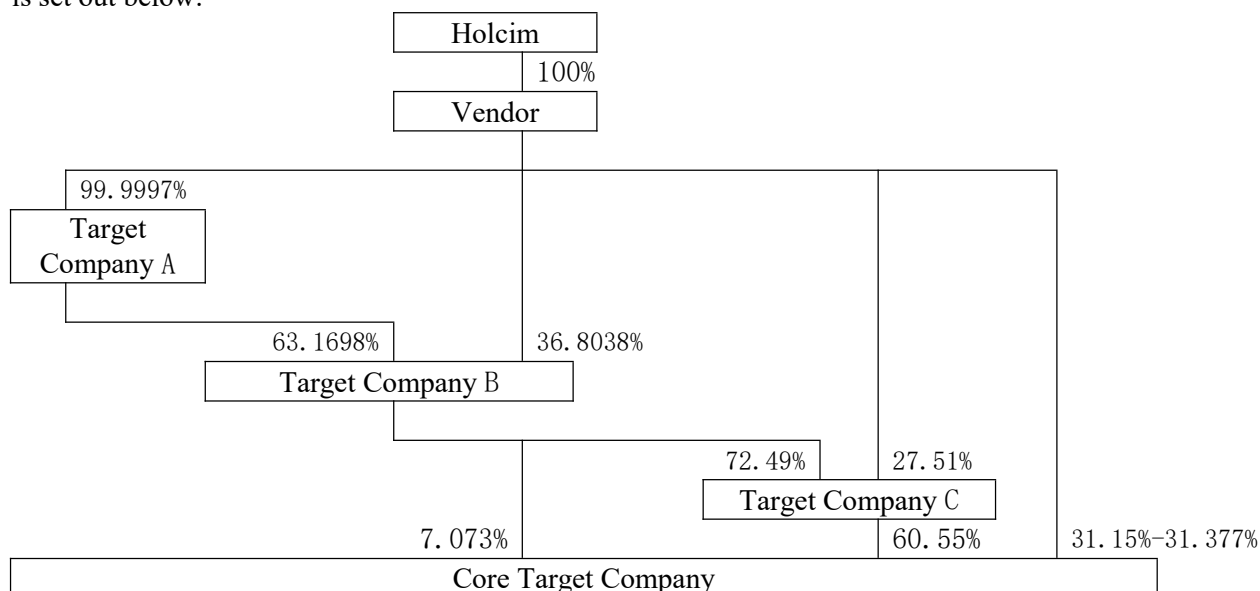
Target Company B: Cemco Holdings, Inc., a legal entity incorporated under the laws of the Philippines with the Philippines SEC Registration Number A1998-18641, having its registered office at Unit 5A, ACT Tower 135, H.V. Dela Costa St., Salcedo Village, Makati City, Philippines. Its principal business is equity investment in the cement industry and holds shares in the Target Companies. It holds 72.49% of the shares in Target Company C and 7.073% of the shares in the Core Target Company.

Target Company C: Union Cement Holdings Corporation, a legal entity incorporated under the laws of the Philippines, with the Philippines SEC Registration Number A1998-0793, having its registered office at 7th Floor, Two World Square, Mckinley Hill, Fort Bonifacio, Taguig City, Philippines. Its principal business is equity investment in the cement industry and holding shares in the Target Company. It holds 60.55% of the shares in the Core Target Company and is one of the principal target entities in this transaction.

Core Target Company: Holcim Philippines Inc., a company incorporated under the laws of the Philippines on 12 November 1964, with registered number 0000026126, whose registered principal office is at 7th Floor, Two World Square, Mckinley Hill, Fort Bonifacio, Taguig City, Philippines, and a registered capital of Philippine Peso 10 billion. Its principal business is the production and sale of clinker, cement, aggregates and dry-mix mortar. It operates four integrated cement plants and one grinding plant in the Philippines, with an annual clinker production capacity of 5.2 million tons

and an annual cement production capacity of 9 million tons, serving the key markets of Luzon and Mindanao. Its revenue for 2025 was approximately USD 380 million.

The shareholding structure between the Vendor and the Target Companies prior to this acquisition is set out below:



As of 30 June, 2026, the Vendor directly holds 31.15% of the shares in the Core Target Company. According to the delisting process of the Core Target Company, the Vendor has been continuously acquiring additional public shares, which may reach up to 31.377%.

Historical Financial Information of the Target Companies

1. Target Company A

Based on the financial statements prepared by the management of Target Company A in accordance with IFRS (of which, FY2023 and FY2024 are unaudited, while FY2025 and the first four months of 2026 are audited), the major financial information for the three financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the four months ended 30 April 2026 is set out below:

	For the Financial Years Ended 31 December			USD'000 For the Four Months ended 30 April
	2023	2024	2025	2026
Net Profit Before Taxation	-15	-11	-16	-5
Net Profit After Taxation	-15	-11	-16	-5

The net asset value of Target Company A as at 31 December 2025 and 30 April 2026, as extracted from its management accounts (audited), was USD 1.425 million and USD 1.358 million,

respectively.

2. Target Company B

Based on the financial statements prepared by the management of Target Company B in accordance with IFRS (of which, FY2023 and FY2024 are unaudited, while FY2025 and the first four months of 2026 are audited), the major financial information for the three financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the four months ended 30 April 2026 is set out below:

	For the Financial Years Ended 31 December			USD'000 For the Four Months ended 30 April
	2023	2024	2025	2026
Net Profit Before Taxation	-2,179	3,073	-130	-1,627
Net Profit After Taxation	-2,179	3,071	-130	-1,627

The net asset value of Target Company B as at 31 December 2025 and 30 April 2026, as extracted from its management accounts (audited), was USD 269.072 million and USD 255.628 million, respectively.

3. Target Company C

Based on the financial statements prepared by the management of Target Company C in accordance with IFRS (of which, FY2023 and FY2024 are unaudited, while FY2025 and the first four months of 2026 are audited), the major financial information for the three financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the four months ended 30 April 2026 is set out below:

	For the Financial Years Ended 31 December			USD'000 For the Four Months ended 30 April
	2023	2024	2025	2026
Net Profit Before Taxation	220	26,679	-102	-17
Net Profit After Taxation	149	26,660	-98	-17

The net asset value of Target Company C as at 31 December 2025 and 30 April 2026, as extracted from its management accounts (audited), was USD 148.902 million and USD 142.346 million, respectively.

4. Core Target Company

Based on the audited financial statements prepared by the management of the Target Company in accordance with IFRS, the major financial information for the three financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the four months ended 30 April 2026 is set out below:

			USD'000	
For the Financial Years Ended 31 December			For the Four Months ended 30 April	
	2023	2024	2025	2026
Profit before taxation	22,949	-17,775	-71,054	-3,457
Net profit	16,371	-20,915	-65,271	-5,191
	As of 31 December 2023	As of 31 December 2024	As of 31 December 2025	As of 30 April 2026
Total assets	774,035	692,399	618,744	595,980
Total liabilities	214,773	223,303	210,209	213,044
Shareholders' Equity	559,261	469,096	408,535	382,936

Note:

1. The exchange rates of Philippine Peso against USD as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 April 2026 were 0.017996, 0.017237, 0.017005 and 0.016259, respectively.
2. The financial statements of the Target Company for FY2025 and the first four months of 2026 are prepared in accordance with IFRS and have been audited by SYCIP GORRESVELAYO & CO., a professional audit firm.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As at the date of this announcement, the Vendor is a subsidiary of Holcim, the Controlling Shareholder of the Company, and hence an associate of Holcim and a Connected Person of the Company under Rule 14A.07 of the Listing Rules. Therefore, in accordance with Chapter 14A of

the Listing Rules, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. Tan Then Hwee (each a Director of the Company) have abstained from voting in respect of resolutions regarding the Acquisition due to their office in Holcim. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Director, save for the aforementioned, were found to have any material interest with respect to the Acquisition.

Independent Directors Committee and Independent Financial Adviser

The Company has set up an Independent Directors Committee consisting of all independent non-executive directors (namely, Mr. Wong Kun Kau, Mr. Zhang Jiping, and Mr. Jiang Hong) to consider whether the terms of the Share Purchase Agreement and the transactions contemplated thereunder will be conducted on general commercial terms, whether such terms and transactions are fair and reasonable while befitting the overall interests of the Company and its shareholders, and advise the Independent Shareholders upon such basis.

The Company has commissioned Maxa Capital to be the Independent Financial Adviser, to advise the Independent Directors Committee and Independent Shareholders on whether the terms of the Share Purchase Agreement are on general commercial terms and whether such terms and transactions are fair and reasonable while benefiting the overall interests of the Company and its shareholders.

General

The Company shall convene the EGM for the Shareholders to consider and, if thought fit, approve, the Share Purchase Agreement and the transactions contemplated thereunder. Shareholders with a material interest in the Share Purchase Agreement and the transactions contemplated thereunder will be required to abstain from voting at the EGM. Holcim and its associates (including the Vendor) have a material interest in the Acquisition and will abstain from voting on the resolution at the EGM.

The Company will dispatch a circular containing (among other things) (i) details of the Share Purchase Agreement and the Acquisition; (ii) a letter from the Independent Directors Committee, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Directors Committee and Independent Shareholders; (iv) a valuation report of the Core Target Company; (v) other information required by the Listing Rules; and (vi) a notice of the EGM with a proxy form for use at the EGM. As the financial statements of the Target Company for the twelve months ended 31 December 2025 or four months ended 30 April 2026 are required to be audited, taking into account the time required for the auditors to complete their audit work and for finalization of

the circular, the circular will be dispatched to Shareholders no later than 31 December, 2026. The despatch of the circular beyond 15 business days from the date of this announcement is due to the aforementioned audit and circular preparation timeline, which the Company considers necessary to ensure that the circular contains complete and accurate information for the Independent Shareholders to make an informed decision.

The Acquisition will only be completed subject to the fulfillment or waiver (if applicable) of the conditions precedent to Closing stated in the Share Purchase Agreement; the Acquisition may or may not proceed. Therefore, the shareholders and potential investors should be cautious when investing in the securities of the Company.

DEFINITIONS

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

"Acquisition"	The Purchaser will acquire, in two phases, an aggregate of the shares in Holcim Philippines Inc. held indirectly and directly by the Vendor in accordance with the Share Purchase Agreement
"A share(s)"	The Company issued ordinary shares with a par value of RMB 1.00 per share in China, listed on the Shanghai Stock Exchange and traded in RMB
"A shareholder"	Any person who holds one or more A shares
"Associate(s)"	As that ascribed to it under the Listing Rules
"Board"	The Board of Directors of the Company
"Business Days"	A day other than a Saturday or Sunday or public holiday in England, Switzerland, the Philippines, Hong Kong SAR, or China on which banks are open in London, Zurich, Manila, Hong Kong SAR, and Beijing for general commercial business
"China" or "PRC"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Closing Date"	Date of Closing
"Closing"	The completion of the Acquisition in accordance with the provisions of the Share Purchase Agreement
"Connected Person(s)"	As that ascribed to it under the Listing Rules
"Consideration"	In the first phase, the purchase consideration will be based on an enterprise value of USD 780 million for the Core Target Company on a 100% equity basis. The Company will indirectly

acquire 67.623% of the shares in the Core Target Company through the acquisition of shares in three holding companies, with a consideration of approximately USD 527 million (subject to adjustment under a closing accounts mechanism pursuant to the cash, debt, non-trade transaction, and working capital of HPI at closing); in the second phase, the Company will acquire 31.377% shares in the Core Target Company directly held by the Vendor three years later either through the exercise of a call option by the Purchaser or a put option by the Vendor. The consideration for such part shall be the latest audited annual revenue of the Core Target Company (net of any incremental revenue attributable to production expansion) $\times 2.4 \times 31.377\%$, and shall be no less than USD 280 million

"Controlling Shareholders"	As that ascribed to it under the Listing Rules
"Director(s)"	The directors of the Company
"EGM"	An extraordinary general meeting of the Company to approve the Acquisition
"EV/EBITDA"	Enterprise Value / Earnings Before Interest, Taxes, Depreciation, and Amortization
"H share(s)"	The company issued foreign share(s), with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
"H share holder"	Any person who holds one or more H shares
"HKD"	Hong Kong Dollar, the lawful currency of Hong Kong
"Holcim"	Holcim Limited, A limited liability company registered in Switzerland and the Controlling Shareholder of the Company
"Hong Kong"	Hong Kong Special Administrative Region of PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Directors Committee"	A committee comprising all the independent non-executive Directors (namely Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong) of the Company, to consider the terms of the Share Purchase Agreement and the transactions contemplated under it and to make recommendations thereon to the Independent Shareholders

"Independent Financial Adviser" or "Maxa Capital"	Maxa Capital Limited, a licensed corporation qualified to conduct Type 1 and Type 6 regulated activities under Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), to be the independent financial adviser for the Independent Directors Committee and Independent Shareholders on matters regarding the Share Purchase Agreement and the Acquisition
"Independent Shareholder(s)"	Shareholders excluding Holcim, its associates and persons with major interests, any interests in the Share Purchase Agreement or participating in the Acquisition and the Connected Persons of such persons
"Independent Valuation Advisor"	Cushman & Wakefield Limited
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which could be amended, supplemented or altered in time or ways
"Long Stop Date"	30 June 2027 unless extended pursuant to the Share Purchase Agreement
"MOFCOM"	Ministry of Commerce of the People's Republic of China
"NDRC"	National Development and Reform Commission
"Purchaser"	Huaxin Central Asia Investment (Wuhan) Co., Ltd, a limited liability company incorporated in the People's Republic of China
"Vendor"	Holderfin B.V., a company incorporated in the Netherlands
"Peso"	The lawful currency of the Philippines
"RMB"	Renminbi, the lawful currency of the PRC
"Share Purchase Agreement"	The share purchase agreement and attached agreements concluded between Purchaser and Vendor on 1 August 2026, regarding the acquisition of the shares of the Core Target Company
"Share"	The ordinary share(s) of RMB1.00 each in the share capital of the Company, A share and H share included.
"Shareholder(s)"	The shareholders of the Company, include any A shareholders and H shareholders
"Shareholder Approval"	Approval of the Acquisition by the Shareholders in accordance with the requirements imposed by the Hong Kong Stock Exchange and Shanghai Stock Exchange

The Philippines SEC	The Philippines Securities and Exchange Commission
"SSE"	Shanghai Stock Exchange
"Target Companies"	Collectively, Target Company A, B, C and Core Target Company
"Target Company A"	Clinco Corporation, a limited liability corporation incorporated in the Philippines
"Target Company B"	Cemco Holdings, Inc., a limited liability corporation incorporated in the Philippines
"Target Company C"	Union Cement Holdings Corporation, a limited liability corporation incorporated in the Philippines
"Core Target Company"	Holcim Philippines Inc., a limited liability corporation incorporated in the Philippines
"The Company" or "Company" or "Huaxin"	Huaxin Building Materials Group Co., Ltd., a joint stock company registered in China, with its A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively
"The Group"	The Company and its subsidiaries
"USD"	U.S. Dollar, the lawful currency of the United States of America

By Order of the Board

Huaxin Building Materials Group Co., Ltd.

Xu Yongmo

Chairman

Wuhan, Hubei Province, the PRC

2 August 2026

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Li Yeqing (President), as executive Director; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Olivier Milhaud, Ms. Tan Then Hwee and Mr. Ming Jinhua, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.

** For identification purpose only*