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.

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.

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.

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 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

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.

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):

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:

[illegible] obligations, undertakings, representations and warranties [illegible] not satisfied by the long stop date [illegible] 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.

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 [illegible] days 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.

Individual and Aggregate Claim Thresholds

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.

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 fromon

[redacted]

criteria:

(1) transactions announced between 1 January 2023 and 30 June 2024;

(2) target operations located in the Philippines;

(3) targets primarily engaged in cement production;

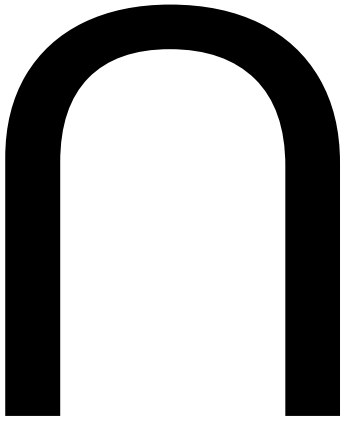
(4) publicly available information on transaction consideration, target financial data and production capacity was fully accessible.

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

Transaction 1: DM Consunji Inc. acquired 89.96% of the equity interest in Concrete Holdings Philippines Inc., with a completion date of 3 December 2024, target annual capacity of 5.7 million

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 bet ïjŵjw γ c l



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

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 TajikistanV f

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:

Holcim

Vendor

Target Company

Based on the audited financial statements prepared

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 re

despatch of the circular [illegible] Business da[illegible] from ti[illegible]te of this an[illegible]em[illegible]t is [illegible]e to the aforementioned audit and [illegible]ular [illegible]paration [illegible]dline, w[illegible]h the Compa[illegible]sid[illegible] ne[illegible]sary to ensure that the circul[illegible]ontai[illegible] complete[illegible]d ac[illegible]A[illegible]f[illegible]In[illegible]nden[illegible] Shareholders to make an informed decision.

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 coza

acquire 67.623% of the shares in the Core Target Company through the acquisition of shares in three holding compani

"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"	Minist

