The Board is pleased to announce that on 7 November 2026, the Purchaser (the Company) and the Vendor (Independent Third Parties) entered into a Share Purchase Agreement pursuant to which, on the basis of the agreed enterprise value of BRL 12.700 billion (equivalent to approximately USD 2.5085 billion), the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 99.99% of the shares of Target Company at the total consideration of approximately BRL 9.0337 billion (equivalent to about USD 1.642 billion, subject to adjustment based on the net debt and working capital in the financial statements at the closing date).

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

The principal terms of the Share Purchase Agreement are set out below.

7 November 2026

a. Vendor: COMPANHIA SIDERÚRGICA NACIONAL; and

b. Purchaser: HUAXIN BUILDING MATERIALS GROUP CO., LTD., The Company may also designate a wholly-owned subsidiary to act as the direct purchaser to take up the transfer of the

The Target Company mainly engages in the production and sale of cement, aggregate and

The Purchaser established the Enterprise Value range based on financial projections, taking into consideration:

(a) the audited financial statements of the Target Company for 2024 and 2025 and the unaudited financial statements for the period up to June 2026;

(b) the Purchaser's due diligence of the Target Company;

(c) the Purchaser's analysis and evaluation of the market in which the Target Company operates,

(d) the Target Company's position in the market and its growth potential, and

(e) the synergy potential between the Target Company and the Purchaser.

For comparison purposes, the Purchaser used completed M&A transactions in the Brazilian cement industry over the past ten years for which transaction consideration, and target financial data are publicly available.

For comparable transactions, the EV/EBITDA multiples range is from 7.1x to 11.9x, with a median of 9.4x.

Based on most recent financial information, the agreed enterprise value of BRL 12.700 billion corresponds to an EV/EBITDA multiple that is below the market median.

The equity value of the Target Company of BRL 9.0337 billion (as calculated based on the agreed Enterprise Value of BRL 12.700 billion) differs from its net assets of BRL 6.721 billion as at 31 December 2025. However, the valuation of the Target Company reflects its strength and potential:

- Strong position in the market
- Positive market outlook
- Locations and quality of the assets; substantial raw material reserves
- Skilled and experienced staff and management
- Growth potential based on developed greenfield and brownfield expansion opportunities

The Target Company has significant growth potential, and there is considerable synergy potential between the Target Company and the Purchaser.

The Board is of the view that the agreed Enterprise Value of BRL12.700 billion is a fair reflection of the value of the Target Company, that the comparison with EV/TTM EBITDA multiples is a relevant cro

In the event that the Closing fails to occur by 8 November 2027 due to fault of the Purchaser, the Purchaser shall pay to the Vendor a break-up fee of BRL750 million.

In the event that the Closing fails to occur by 8 November 2027 due to fault of the Vendor, the Vendor shall pay to the Purchaser a break-up fee of BRL750 million.

For more than 10 years, overseas expansion (including greenfield construction or acquisition) 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 27.50 million tons per year, and the cement grinding capacity has reached 36.80 million tons per year. In 2026, the overseas business has become a strong contributor to the performance of the Company when the domestic cement business is facing severe headwinds.

The Target Company is located in Brazil, the largest economy in Latin America and the fifth-largest country in the world by area. Its GDP reached USD 2.28 trillion in 2025, ranking eleventh globally. Brazil has abundant natural resources and a

The project is a key step in the Company's strategy to expand its overseas businesses and enter promising emerging markets. It marks a milestone in the Company's expansion

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

"A share(s)"	means	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(s)"	means	Any person who holds one or more A shares
"Board"	means	The Board of Directors of the Company
"BRL"	means	the lawful currency of the Federative Republic of Brazil
"China" or "PRC"	means	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
"The Company" or "Company" or "Huaxin"	means	Huaxin Building Materials Group Co., Ltd. (stock code: 6655), a joint stock company registered in China, whose H shares and A shares are listed on the Mainla

"Hong Kong Stock Exchange"	means	The Stock Exchange of Hong Kong Limited
"Listing Rules"	means	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
"Purchaser"	means	The purchaser under the Share Purchase Agreement, being the Company or one of its wholly-owned subsidiaries designated by the Company
"Net Debt"	means	The net amount of an enterprise's total debt after deducting cash and cash equivalents
"RMB"	means	Renminbi, the lawful currency of the PRC
"SSE"	means	Shanghai Stock Exchange
"Share"	means	The ordinary share(s) of RMB1.00 each in the share capital of the Company, A share and H share included.
"Shareholder(s)"	means	The shareholders of the Company, including any A shareholders and H shareholders
"Share Purchase Agreement"	means	The share purchase agreement entered into between the Purchaser and the Vendor on 7 November 2026 in respect of the acquisition by the Purchaser of an equity interest in the Target Company
"Target Company"	means	CSN Cimentos Brasil S.A., a privately held corporation duly incorporated and validly existing under the laws of the Federative Republic of Brazil
"USD"	means	U.S. Dollar, the lawful currency of the United States of America
"Vendor"	means	The vendor under the Share Purchase Agreement, being Companhia Siderúrgica Nacional, a publicly listed corporation duly incorporated and validly existing under the laws of the Federative Republic of Brazil
"Working Capital"	means	The net amount of an enterprise's total current assets less its total current liabilities
"%"	means	per cent