THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Huaxin Building Materials Group Co., Ltd.*, you should at once hand this circular together with the accompanying proxy form and reply slip to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

華新建材集團股份有限公司
HUAXIN BUILDING MATERIALS GROUP CO., LTD.

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)

PROPOSAL ON THE DISCLOSEABLE AND CONNECTED TRANSACTION OF THE ACQUISITION OF HOLCIM PHILIPPINES INC. AND NOTICE OF THE FOURTH EXTRAORDINARY GENERAL MEETING IN 2026

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

邁時金融
MAXA FINANCIAL

All capitalised terms used on this cover have the meanings set out in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 9 to 37 of this circular.

Huaxin Building Materials Group Co., Ltd.* (華新建材集團股份有限公司) (the "**Company**") intends to hold the Fourth Extraordinary General Meeting in 2026 of the Company (the "**EGM**") at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China on Friday, 30 October 2026 at 2:00 p.m. The notice of the convening of the EGM is set out on pages 92 to 94 of this circular.

Whether or not you are able to attend the EGM, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H-share holders must return the proxy form or other authorized documents to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post not less than 24 hours before the time designated for holding the EGM or any adjournment thereof (i.e. not later than 2:00 p.m. on Thursday, 29 October 2026); otherwise, it will be deemed invalid. The completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person if you so wish. If you attend and vote at the EGM or any adjournment thereof in person, your proxy form will be deemed revoked.

* *For identification purpose only*

12 October 2026

TABLE OF CONTENTS

Definitions 1

Letter from the Board of Directors 9

Letter from the Independent Board Committee 38

Letter from Independent Financial Adviser 40

Appendix I — Valuation Report 73

Appendix II — General Information 87

Notice of the Fourth Extraordinary General Meeting in 2026 92

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

A share(s)	means	ordinary shares issued by the Company with a par value of RMB1.00 each, which are listed on the SSE and traded in RMB
A Shareholder(s)	means	holder(s) of A Shares
Acquisition	means	the acquisition by the Purchaser, in two phases, of an aggregate of approx. 99.0% of the issued shares of HPI, being (i) the indirect acquisition of 67.623% of the issued shares of HPI through the acquisition of shares in Clinco, Cemco and Union Cement in the First Phase, and (ii) the direct acquisition of approx. 31.377% of the issued shares of HPI from the Seller in the Second Phase, in each case pursuant to the Share Purchase Agreement and Shareholders' Agreement
Articles of Association	means	the articles of association of the Company (as amended from time to time)
Associate(s)	means	has the meaning ascribed to it under the Listing Rules
Board or Board of Directors	means	the board of directors of the Company
Business Day(s)	means	a day other than a Saturday or Sunday or a public holiday in England, Switzerland, Philippines, China or Hong Kong SAR, on which banks are open for general commercial business in London, Zurich, Manila, Beijing and Hong Kong
Call Option	means	the option granted to the Purchaser by the Seller under the Shareholders' Agreement to require the Seller to sell his remaining interest of approx. 31.377% of the issued shares of HPI to the Purchaser

Cash	means	in relation to the Target Companies, the aggregate of its cash (whether in hand or credited to any account with any banking, financial, acceptance credit, lending or other similar institution or organization) and its cash equivalents, including all interest accrued thereon, as at First Closing, (but, excluding any Inter-Company Non-Trading Receivables and all items included in the calculation of the Working Capital), and excluding any restricted cash
Cemco	means	Cemco Holdings, Inc., a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A1998–18641 and registered office at Unit 5A, ACT Tower, 135 H.V. Dela Costa St., Salcedo Village, Makati City, the Philippines.
China	means	the People's Republic of China, excluding, for the purpose of this circular only, Hong Kong SAR, Macao SAR and Taiwan
Claim(s)	means	any claim under or for breach of the Share Purchase Agreement
Clinco	means	Clinco Corporation, a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A200100211 and registered office at Unit 5A, ACT Tower, 135 H.V. Dela Costa St., Salcedo Village, Makati City, the Philippines
Company	means	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 China, whose H Shares and A Shares are listed on the Main Board of the Stock Exchange (stock code: 6655) and the SSE (stock code: 600801), respectively
Connected Person(s)	means	has the meaning ascribed to it under the Listing Rules
Controlling Shareholder(s)	means	has the meaning ascribed to it under the Listing Rules
Debt	means	the aggregate of the External Debt and the Inter-Company Non-Trading Payables

* *For identification purpose only*

Director(s)	means	the director(s) of the Company
EGM	means	the Fourth Extraordinary General Meeting in 2026 of the Company to be held at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan, China on Friday, 30 October 2026 at 2:00 p.m.
Enterprise Value	means	USD780 million
External Debt	means	in relation to the Target Companies, the aggregate of the Financial Debt owed by that person (as shown by the books of that person) as at First Closing (together with any accrued interest) to any third party (which, in each case, is not a member of the Seller Group), and is not an amount or item included in the calculation of the working capital
Financial Debt	means	borrowings and indebtedness in the nature of borrowing (including by way of acceptance credits, discounting or similar facilities, loan stocks, bonds, debentures, notes, overdrafts or any other similar arrangements the purpose of which is to raise money) owed to any banking, financial, acceptance credit, lending or other similar institution or organization
First Closing	means	the completion of the First Phase in accordance with the Share Purchase Agreement
First Closing Date	means	the date on which the First Closing takes place
First Phase	means	the first phase of the Acquisition, being the indirect acquisition by the Purchaser of 67.623% of the issued shares of HPI through the acquisition of shares in Clinco, Cemco and Union Cement
First Phase Consideration	means	the consideration payable for the First Phase
Group	means	the Company and its subsidiaries
H Share Registrar	means	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

H Share(s)	means	foreign shares listed on the Hong Kong Stock Exchange with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in HKD
HKD	means	Hong Kong dollars, the lawful currency of Hong Kong
HKEX or Stock Exchange	means	The Stock Exchange of Hong Kong Limited
Holcim	means	Holcim Ltd, a company incorporated in Switzerland and a Controlling Shareholder of the Company
Hong Kong	means	Hong Kong SAR of the People's Republic of China
HPI	means	Holcim Philippines, Inc., a company incorporated under the laws of the Philippines with SEC registration number 0000026126 and registered principal office at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Philippines
H-share holder(s)	means	holders of H shares
Indemnity Claim	means	any claim made by the Purchaser for indemnification under the indemnity provisions of the Share Purchase Agreement in respect of qualifying losses suffered by any of the Target Companies or their affiliates
Independent Board Committee	means	a committee comprising all the independent non-executive Directors, namely Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, established to consider the terms of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition contemplated thereunder and to make a recommendation thereon to the Independent Shareholders

Independent Financial Adviser or Maxa Capital	means	Maxa Capital Limited, a licensed corporation qualified to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders
Independent Shareholder(s)	means	shareholders other than Holcim, its associates (including the Seller) and any other shareholder with a material interest in the Acquisition
Independent Valuer or Cushman & Wakefield	means	Cushman & Wakefield Limited, the independent valuer appointed by the Company
Inter-Company Non-Trading Debt	means	The sum of Inter-Company Non-Trading Payables and Inter-Company Non-Trading Receivables
Inter-Company Non-Trading Payables	means	in relation to each Target Company, any amounts owed as at First Closing by that Target Company to any member of the Seller Group
Inter-Company Non-Trading Receivables	means	in relation to each Target Company, any amounts owed as at First Closing to that Target Company by any member of the Seller Group
Latest Practicable Date	means	8 October 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
Listing Rules	means	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
Long Stop Date	means	30 June 2027, unless extended pursuant to the Share Purchase Agreement
MOFCOM	means	the Ministry of Commerce of the People's Republic of China
NDRC	means	the National Development and Reform Commission of the People's Republic of China
Non-Tax Claim	means	a Claim other than an Indemnity Claim or a tax warranty Claim

Parties	means	the Purchaser and the Seller
PCC	means	the Philippine Competition Commission
PCC Clearance	means	the clearance or approval of the PCC in respect of the Acquisition
PFRS	means	the Philippines Financial Reporting Standards
PHP	means	the Philippine peso (₱), the official currency of the Philippines
Purchaser	means	Huaxin Central Asia Investment (Wuhan) Co., Ltd., a limited liability company incorporated in the People's Republic of China or a wholly-owned subsidiary of the Company
Put Option	means	the option granted to the Seller under the Shareholders' Agreement, exercisable from the later of 1 January 2030 and the first Business Day falling three years after the First Closing Date, to require the Purchaser to acquire the Seller's remaining interest of approx. 31.377% of the issued shares of HPI held by the Seller
RMB	means	Renminbi, the lawful currency of the People's Republic of China
SAFE	means	the State Administration of Foreign Exchange of the People's Republic of China
Second Closing	means	the completion of the Second Phase in accordance with the Share Purchase Agreement
Second Phase	means	the second phase of the Acquisition, being the acquisition by the Purchaser of the approx. 31.377% of the issued shares of HPI held by the Seller, either through the exercise of the Call Option by the Purchaser or the exercise of the Put Option by the Seller
Second Phase Consideration	means	the consideration payable for the Second Phase
Seller	means	Holderfin B.V., a company incorporated in the Netherlands and a subsidiary of Holcim

Seller Group	means	the Seller and its Affiliates from time to time but excludes the Target Companies
SFO	means	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
Share Purchase Agreement or SPA	means	the share purchase agreement dated 1 August 2026 entered into between the Purchaser and the Seller in relation to the acquisition of shares in Clinco, Cemco and Union Cement
Share(s)	means	shares of the Company with a par value of RMB1.00 each, comprising A Shares and H Shares
Shareholder(s)	means	holder(s) of Share(s) of the Company, including A Shareholders and H Shareholders
Shareholders' Agreement or SHA	means	the agreement dated 22 September 2026 entered into between the Purchaser and the Seller in relation to Put Option, Call Option, and defined how Target Company is run and outlines each Party's rights and duties
SSE	means	the Shanghai Stock Exchange
Subsidiaries	means	the operational and direct/indirect subsidiaries of HPI, namely Holcim Philippines Manufacturing Corporation, Welbourne International Group Limited, Mabini Grinding Mill Corporation, Shop and Build Corporation and Bulkcem Philippines Inc.
Target Companies	means	Clinco, Cemco, Union Cement, HPI and the Subsidiaries
Target Company	means	any of Target Companies
Target Working Capital	means	an amount agreed between the Parties as reference working capital for the calculation of the Working Capital Adjustment
Tender Offer	means	the mandatory tender offer to be made by the Purchaser to the public shareholders of HPI pursuant to the requirements of the Securities and Exchange Commission Philippines and applicable Philippine laws and regulations

Union Cement	means	Union Cement Holdings Corporation, a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A1998–0793 and registered office at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Philippines
USD	means	United States dollars, the lawful currency of the United States of America
Working Capital Adjustment	means	the amount of the difference between the aggregate working capital and the aggregate Target Working Capital

華新建材集團股份有限公司
HUAXIN BUILDING MATERIALS GROUP CO., LTD.

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)

Executive director:
Mr. Li Yeqing *(President)*

Non-executive directors:
Mr. Xu Yongmo *(Chairman)*
Mr. Martin Kriegner
Mr. Olivier Milhaud
Ms. Tan Then Hwee
Mr. Ming Jinhua

Independent non-executive directors:
Mr. Wong Kun Kau
Mr. Zhang Jiping
Mr. Jiang Hong

Headquarters and principal place of business in China:
Block B, Huaxin Building,
No. 426 Gaoxin Avenue,
East Lake High-Tech Development Zone,
Wuhan City,
Hubei Province,
China

Principal place of business in Hong Kong:
Room 1917, 19/F, Lee Garden One,
33 Hysan Avenue, Causeway Bay,
Hong Kong

To whom it may concern,

PROPOSAL ON THE DISCLOSEABLE AND CONNECTED TRANSACTION OF THE ACQUISITION OF HOLCIM PHILIPPINES INC. AND NOTICE OF THE FOURTH EXTRAORDINARY GENERAL MEETING IN 2026

A. INTRODUCTION

On behalf of the Board, I invite you to attend the EGM to be held on Friday, 30 October 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan, China.

The purpose of this circular is to give you notice of the EGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the EGM.

* *For identification purpose only*

B. AFFAIRS TO BE DEALT WITH AT THE EGM

The resolutions that the Company will propose at the EGM for the Shareholders' consideration and approval include the following:

Proposal on the Discloseable and Connected Transaction of the Acquisition of Equity Interests in Holcim Philippines, Inc.

C. PROPOSAL ON THE DISCLOSEABLE AND CONNECTED TRANSACTION OF THE ACQUISITION OF EQUITY INTERESTS IN HOLCIM PHILIPPINES INC.

Reference is made to the announcement of the Company dated 2 August 2026 in relation to the Share Purchase Agreement, Shareholders' Agreement and the Acquisition.

In light of the benefits of entering into the Share Purchase Agreement and Shareholders' Agreement, the Board hereby recommends seeking approval from Independent Shareholders pertaining to the two agreements and the Acquisition.

1. INTRODUCTION

On 1 August 2026, the Purchaser and the Seller entered into the Share Purchase Agreement, pursuant to which the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, directly or indirectly, up to 99.0% of the issued shares of HPI.

The Acquisition is structured in two phases:

- First Phase — The Purchaser will indirectly acquire 67.623% of the issued shares of HPI through the acquisition of shares in the three holding companies (Clinco, Cemco and Union Cement). The First Phase Consideration is calculated by reference to an Enterprise Value of USD780 million for HPI and is expected not to exceed USD527 million.

- Second Phase — the Purchaser may acquire the remaining approximately 31.377% of the issued shares of HPI directly held by the Seller, at the earliest three years later, either through the exercise of the Call Option by the Purchaser or the exercise of the Put Option by the Seller. The Second Phase Consideration is the greater of (i) the latest audited annual revenue of HPI (net of any incremental revenue attributable to post-First Closing capacity expansion, if any) × 2.4 × 31.377%; and (ii) USD280 million. Pursuant to the SHA, the Second Phase Consideration shall be capped at USD392 million.

Before the First Closing, the Purchaser will be required to make the Tender Offer to the public shareholders of HPI in accordance with the requirements and directives of the Securities and Exchange Commission Philippines and applicable laws and regulations.

Upon completion of the First Closing, the Target Companies will become subsidiaries of the Company, and their financial results will be consolidated into those of the Company.

2. KEY TERMS OF THE SHARE PURCHASE AGREEMENT AND THE SHAREHOLDERS' AGREEMENT

Date

1 August 2026

Parties

- Seller: Holderfin B.V.
- Purchaser: Huaxin Central Asia Investment (Wuhan) Co., Ltd. (The Purchaser may be assigned by the Company to another wholly-owned subsidiary of the Company, subject to related approval.)

Targets

The Purchaser will acquire the following interests in the three holding companies:

Target companies[3]	**Interest to be acquired (% of issued share capital)**
Clinco Corporation (Clinco)	99.9997%
Cemco Holdings, Inc. (Cemco)	36.8038%[1]
Union Cement Holdings Corporation (Union Cement)	27.51%[2]

By acquiring the above interests, the Purchaser will indirectly acquire an aggregate of 67.623% of the issued shares and voting rights in HPI (being Cemco's 7.073% direct interest and Union Cement's 60.55% direct interest in HPI).

The consideration will be paid by the Purchaser in cash and will be funded by the Company's internal resources, bank loans, bond issuance and other external financing sources.

First Phase Consideration and closing accounts adjustment

The First Phase Consideration is calculated as follows:

(Enterprise Value – Debt + Cash *and* ***Inter-Company Non-Trading Receivables + Working Capital Adjustment)*** × agreed sale proportion (67.623%)

1. Clinco holds 63.1698% equity interest in Cemco;
2. Cemco holds 72.49% equity interest in Union Cement;
3. Upon completion of the First Closing, the Purchaser will hold close to 100% equity interest in the three holding companies. Detailed information on the shareholding structure is set forth in the shareholding diagram appearing later in this circular. In accordance with applicable laws and regulations, Clinco and Cemco also have private individuals as shareholders holding shares of the Seller (before the First Closing Date) and of the Purchaser (after the First Closing Date) in trust.

The closing accounts mechanism in respect of the First Phase Consideration works as follows:

- Pre-Closing estimation: at least 5 Business Days prior to the First Closing Date, the Seller will provide an estimated closing statement/balance sheet. The initial consideration to be paid at the First Closing Date will be calculated by reference to such estimated closing statement (the "**Initial Consideration**").

- Post-Closing review: following the First Closing, an independent audit firm will establish the actual closing statement as at the First Closing Date to determine the final First Phase Consideration.

- Any difference between the Initial Consideration paid at the First Closing Date and the final First Phase Consideration determined by the independent audit firm shall be paid by the Seller to the Purchaser or by the Purchaser to the Seller, as the case may be.

Based on the financial statements as at 30 June 2026, the calculated consideration amounts to US$509 million as the closing accounts adjustment mechanism. The average monthly net cash generated over the 18-month period up to and including June 2026 was negative. Taking into account the increase in ex-factory price of US$6 per ton arising from higher import tariff barriers and a monthly sales volume of 500,000 tons, which is a historically achievable sales level, the average monthly net cash generated prior to closing is expected not to exceed US$3 million before closing. Assuming completion on 31 March 2027, the First Phase Consideration is expected not to exceed US$527 million, calculated as US$509 million plus (US$3 million × 9 months × 67.623%).

The Closing Account Adjustment mechanism protects the Purchaser from absorbing uncompensated operating losses, working capital depletion, or additional debt incurred by the Target Companies between the Valuation Date and the First Closing Date. Because HPI has been loss-making, a Locked Box mechanism would have fixed the valuation at a past date, exposing the Purchaser to the risk of overpaying if the financial condition of HPI worsens, for instance as a consequence of continued cash losses or working capital deterioration. The Closing Account mechanism ensures that every dollar of net debt increase or working capital deterioration prior to First Closing directly reduces the First Phase Consideration paid by the Purchaser on a dollar-for-dollar basis.

Payment arrangements and escrow

On the First Closing Date, the Purchaser will pay the Initial Consideration minus an amount of USD15 million to the Seller. The USD15 million will be deposited into an escrow account jointly controlled by both Parties as the final payment and will be held for 12 months after the First Closing Date to secure the Seller's liability and indemnification obligations.

Any difference between the Initial Consideration paid at the First Closing and the final First Phase Consideration determined by the independent audit firm will be settled after the determination of the First Phase Consideration.

Conditions to First Closing

The First Closing is conditional upon the fulfilment (or waiver, where permitted by law) of the following conditions:

- Shareholder approval: approval of the Shareholders in accordance with the requirements imposed by the Stock Exchange and the SSE.
- China authorities' approvals: obtaining clearance of the record filing with MOFCOM and NDRC, as well as completion of the foreign exchange registration with banks designated by SAFE.
- Philippine authorities' approval: obtaining the PCC Clearance from PCC.
- Closing of the offer period in respect of the Tender Offer.

In principle, none of the conditions precedent can be waived. However, there may be a possibility of obtaining a waiver from the Philippine authorities in respect of the requirement to conduct the Tender Offer before Closing. As of LPD, we have obtained the PCC Clearance.

Performance guarantee and liability for breach

- Bank guarantees: after signing of the Share Purchase Agreement, the Purchaser provided to the Seller a first bank guarantee in the amount of USD12.5 million; a second bank guarantee in the amount of USD27.5 million will be provided after obtaining the Shareholders' approval. After First Closing, the two bank guarantees shall be returned by the Seller to the Purchaser.
- Liquidated damages/break-up fee: If, after obtaining Shareholders' approval, the conditions precedent are not satisfied by the Long Stop Date due to a breach or default by the Purchaser, the Purchaser shall pay USD40 million to the Seller as compensation (or the Seller may draw on the relevant guarantee). If all conditions precedent have been satisfied, but the Seller fails to perform the closing acts, the Seller shall return the bank guarantees and pay USD40 million to the Purchaser.

Long Stop Date and extension

If any of the conditions have not been satisfied on or before the Long Stop Date, and neither party has extended the Long Stop Date pursuant to the relevant provisions of the Share Purchase Agreement, the Share Purchase Agreement will automatically terminate.

Each of the Seller and the Purchaser has the right to extend the Long Stop Date by written notice to the other, provided that:

- there are no more than two extensions of the Long Stop Date in total, whether by one or both of the Seller and the Purchaser;
- each extension does not exceed three months; and
- the Purchaser may only exercise its right to extend the Long Stop Date 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.

Limitation of liability

Time Limits: the Seller shall not be liable for any Claim unless the Seller receives from the Purchaser notice:

- before the date that is 12 months following the registration of the legal title to the shares that are subject to the First Closing, in the case of any Non-Tax Claim relating to the title warranties;
- before the date that is 12 months following the First Closing Date, in the case of any other Non-Tax Claim not covered by the above item;
- before the date that is 18 months following the First Closing Date, in the case of an Indemnity Claim;
- before the date that is 24 months following the First Closing Date, in the case of a tax warranty Claim; and
- before the date that is 36 months following the First Closing Date, in the case of certain specific warranty and Indemnity Claims.

Thresholds for Claims: the Seller shall not be liable for any single Claim (other than any payment or Indemnity Claim):

- unless the amount sought pursuant to that single Claim in accordance with the terms of this Agreement exceeds 0.1 per cent. of the First Phase Consideration (in which case the Purchaser shall be able to claim the whole amount of such Claim and not merely the excess); and
- unless the aggregate amount of the liability of the Seller for all Claims not excluded by above sub paragraph exceeds an amount equal to 1 per cent of the First Phase Consideration in respect of Claims other than title Claims (in which case the Purchaser shall be entitled to claim for all of the amount, not just the excess).

Governing law and dispute resolution

- Governing law: the Share Purchase Agreement is governed by and construed in accordance with English law;

- Dispute resolution: any dispute arising out of or in connection with the Acquisition shall be submitted to the International Chamber of Commerce for arbitration in London, England, in accordance with its arbitration rules. The language of the arbitration is English.

Second Phase and options arrangement

In the Second Phase, through the exercise of the Call Option by the Purchaser or the Put Option by the Seller, the Purchaser may acquire approximately 31.377% of the issued shares in HPI. The Second Phase Consideration is the greater of (i) the latest audited annual revenue of HPI (excluding incremental revenue from potential capacity expansions post First Closing) × 2.4 × 31.377%; and (ii) USD280 million. Pursuant to the SHA, the Second Phase Consideration shall be capped at USD392 million.

The Put Option may only be exercised from the later of:

(a) the first working day of January 2030, and

(b) the first working day falling three (3) years from First Closing,

(the "**Put Option Date**").

Notwithstanding any other provisions of SHA, the Seller shall not be entitled to exercise the Put Option prior to the due registration of the Purchaser as legal and beneficial owner of the sale shares (as defined in the SPA). The Call Option may only be exercised on or after the Put Option Date. The Put Option and the Call Option may be exercised concurrently and there is no order of priority. No option premium is payable by either party for the grant or exercise of the Put Option or the Call Option.

There is no expiry date for the options. Both options automatically terminate upon (a) mutual written consent, (b) insolvency of either party, or (c) completion of the Second Closing. While the options do not specify a rigid outer expiration date in the underlying agreement, the exercise window is directly anchored to the Put Option Date. The Company expects to exercise the Call Option within 1 to 2 years following the Put Option Date, which allows the Company to lock in the earnings upside at an optimal valuation stage. The Put Option Date is set as no earlier than three years after the First Closing Date, mainly to leverage the Seller Group's extensive operational experience and established local advantages in the Philippines, thereby ensuring a smooth transition of HPI and the successful integration of HPI into the Company. In addition, it effectively reduces the Company's short- to medium-term cash payment pressure.

3. MANDATORY TENDER OFFER

HPI completed its delisting process in 2023 but remains a public company under Philippine law, with approximately 1.0% of its total issued shares held by the public. The acquisition of control over HPI triggers a mandatory tender offer obligation under applicable Philippine securities laws and regulations. The offer price per share under the Tender Offer will not be lower than the effective per-share price under the First Phase Acquisition. Based on the expected maximum First Phase Consideration of USD527 million, the total consideration payable by the Purchaser for the residual public shareholding may not exceed USD7.8 million (calculated as: USD527 million ÷ 67.623% × 1.0%).

Pursuant to Rule 19.2.2 of the Implementing Rules and Regulations of the Securities Regulation Code of the Philippines (Republic Act No. 8799), the mandatory tender offer obligation is triggered only upon the initial acquisition of 35% or more of the voting shares of a target company within a 12-month period to obtain control. Since the Second Phase will take place after the Purchaser has already acquired controlling interest in HPI upon First Closing, the Second Phase does not constitute an "initial acquisition of 35% control". Consequently, the Second Phase will not trigger any mandatory tender offer obligations under Rule 19.2.2, and no second mandatory tender offer will be required to be made to minority shareholders in connection with the Second Phase.

4. VALUATION

The Company has engaged the Independent Valuer, Cushman & Wakefield Limited, to conduct a valuation of the market value of the 100% equity interest in HPI. The full text of the valuation report issued by the Independent Valuer is set out in Appendix I to this circular.

As Clinco, Cemco and Union Cement are special purpose vehicles whose principal assets are the shares they hold directly or indirectly in HPI, the valuation focuses on the value of HPI.

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

Valuation Method

The Independent Valuer has adopted the market approach — specifically the comparable transactions method — to assess the market value of the 100% equity interest in HPI as at the valuation date of 30 April 2026. Given that the trailing twelve-month EBITDA of HPI was negative as at the valuation date, the EV/EBITDA multiple was not applicable. Accordingly, the valuation adopted enterprise value per ton of annual production capacity (EV/annual production capacity, USD/ton) as the most relevant valuation multiple, given its strongest correlation with asset value in the cement industry.

The Independent Valuer identified and selected comparable transactions in the Philippine cement industry from Bloomberg Terminal, applying the following criteria: (i) transactions completed between January 2023 and April 2026; (ii) the comparable company operates in the Philippines; (iii) the comparable company operates in the cement and aggregates sector; and (iv) the equity transaction consideration, as well as the financial and production capacity information of the comparable companies, were publicly available. A total of four comparable transactions satisfying the above criteria were identified, with EV/annual production capacity multiples ranging from USD86/ton to USD207/ton. Certain of the comparable transactions involved only the transfer of minority stakes of the subject companies; for those cases, the Independent Valuer has therefore considered a control premium of 31% to gross up the EV/annual production capacity, with reference to the FactSet Mergerstat/BVR Control Premium Study.

Following arm's-length negotiations between the parties, the Enterprise Value for the First Phase has been agreed at USD780 million, representing an effective capacity-based metric of approximately USD86.67 per ton. The agreed Enterprise Value was determined with reference to:

(i) the lower end of historical comparable transactions in the Philippine cement industry (USD86 per ton applied to HPI's annual capacity of 9.0 million tons, yielding USD774 million); and

(ii) the incremental value contribution of its non-cement operations, which generated revenues of USD31.2 million in FY2024 and USD30.8 million in FY2025 (accounting for 8.24% and 8.41% of total revenue, respectively).

The agreed Enterprise Value of USD780 million represents a discount of approximately 3.70% (or USD30 million) against the Enterprise Value of USD810 million appraised by the Independent Valuer. As the value USD810 million strictly covers HPI's cement operations and does not take into account the asset value attributable to its non-cement operations, the effective discount embedded in the

agreed price would be wider than the discount of 3.70% once such non-cement operations are incorporated. The discount reflects key commercial considerations — including the temporary market downturn in the Philippines and HPI's recent net losses — which the parties took into account during negotiations. The Board considers that securing HPI's core physical assets at a capacity-based metric (USD86.67/ton effective EV) at the bottom of the industry cycle provides a substantial margin of safety. The agreed EV and the negotiated discount are fair and reasonable and in the interests of the Company and Independent Shareholders as a whole.

Having regard to the independent valuation, the nature of the assets and the strategic rationale of the Acquisition, the Board considers the agreed Enterprise Value to be fair and reasonable:

- The agreed Enterprise Value was negotiated at the bottom of the Philippine cement industry cycle. The four major domestic producers — HPI, Eagle Cement, Republic Cement (Republic), and Concreat Holdings Philippines Inc. (CHP) — collectively account for approximately 85% of the total domestic cement production capacity in the Philippines, rendering their performance fully representative of the entire national market. Driven by severe market-wide price compression from low-priced imports, the aggregate financial performance of these four major producers deteriorated from a combined net profit of PHP 13.26 billion in FY2021 to an unprecedented combined net loss of PHP 11.14 billion in FY2025 (with HPI, CHP, and Republic recording net losses of PHP 3.84 billion, PHP 3.85 billion, and PHP 3.80 billion, respectively, while Eagle Cement's net margin was compressed from 28.1% to a cycle-low of 1.4%). Following the implementation of government protective tariffs and anti-dumping measures in first half of 2026, import volumes were effectively curbed, leading to a stabilization of domestic ex-factory prices and a rebound in demand. Public financial disclosures by major cement producers in the Philippines for the first half of 2026 (1H2026) demonstrate broad-based revenue recovery across the industry on both a Year-on-Year (YoY) and sequential basis: (i) HPI recorded Year-on-Year (YoY) revenue growth of 13.6% and sequential growth of 12.1%; (ii) Concreat registered YoY revenue growth of 23.8% and sequential growth of 14.6%; and (iii) Eagle Cement achieved YoY revenue growth of 2.1% and sequential growth of 19.3%. These financial results confirm that FY2025 represented the structural trough of the current industry cycle, and the operational recovery is now firmly underway on a sequential basis. Accordingly, the Board is of the view that 2025 represents the cyclical floor with low risk of further fundamental deterioration, and acquiring HPI at this juncture allows the Company to lock in a valuation at the lowest point of the cycle prior to a sector-wide recovery, rendering the agreed Enterprise Value fair and reasonable and in the interests of the Company and its Shareholders as a whole.

- Book net asset value versus going-concern enterprise value and impact of long-term foreign exchange depreciation (PHP/USD): cement is a heavy-asset industry with long-lived physical assets. Over the past 30 years, the PHP has depreciated significantly against the USD (from approximately PHP 26/USD in 1996 to approximately PHP 61/USD in 2026, representing over 50% depreciation). HPI's core operating assets (land, plants and production lines) were acquired or constructed over the past decades and recorded at historical PHP carrying values. Converting these PHP-denominated book values into USD at current exchange rates create a severe accounting distortion that understates the actual economic value and replacement cost of the assets. The economic replacement cost of building equivalent cement capacity in the Philippines today is vastly higher than HPI's book net asset value.

Basis for adopting revenue as the pricing metric for the Second Phase

For the Second Phase, several possible pricing methodologies were considered during negotiations, including EBITDA-based multiples and earnings-based valuation metrics. The Parties concluded that annual revenue represents the most objective and practical pricing benchmark for the Second Closing.

Upon the First Closing, the Purchaser will obtain effective full control over HPI's short-, medium- and long-term operations and strategy, capital expenditure and financial accounting policies. The Board considers annual revenue to be the most objective and commercially sensible pricing benchmark for the following reasons:

- **Market-driven price, stable volume and predictable revenue attributes:** Cement products exhibit minimal differentiation with limited brand premium, and the Philippine cement market is highly competitive. Product pricing is fully market-driven and cannot be unilaterally dictated by HPI; prevailing prices are largely influenced by the cost of imported cement. Limited by production capacity constraints and capacity utilisation rates, sales volumes are inherently stable. Consequently, revenue is substantially less susceptible to manipulation, demonstrates considerable stability and predictability, is unambiguously defined, and is less likely to give rise to post-Closing disputes.

- **Protection against manipulation and information asymmetry:** Adopting earnings or EBITDA as the pricing metric would grant the Purchaser substantial operational and accounting discretion — such as adjusting accounting treatments, cost allocations, and discretionary operational expenditures — which could distort reported profitability, create information asymmetry, and undermine commercial fairness to the Seller. In contrast, revenue provides an objective, transparent, and readily ascertainable metric that is essentially immune to post-acquisition accounting discretion. In particular, revenue manipulation (e.g., premature revenue recognition or sales deferral) is virtually unfeasible due to the

following factors: *(i) Industry Characteristics:* Owing to cement's inherently low value-to-weight ratio, advance bulk purchasing or customer stockpiling is logistically and economically impractical; and *(ii) High Governance Standards:* As a publicly listed entity, the Target Company operates under transparent corporate governance and rigorous internal controls, preventing any arbitrary or non-standard revenue recognition practices.

- **Alignment of commercial incentives and operational upside:** Drawing upon the Company's extensive track record in cross-border M&A integration over the past eight years, the Board identifies substantial operational upside in HPI's EBITDA and profitability through the post-acquisition rollout of the Purchaser's proprietary technical expertise and management systems. Adopting earnings-based pricing metrics would inadvertently disincentivize the Purchaser from making capital-intensive technical upgrades and driving managerial efficiency improvements, as a portion of the value created solely by the Purchaser's post-Closing operational turn-around would be transferred to the Seller.

Furthermore, because the pricing formula is fixed at signing of SHA, the adoption of a readily ascertainable financial metric reduces the scope for future disputes between the parties and avoids the need for a further independent valuation exercise at the time of the Second Closing. Accordingly, the Board considers that revenue represents an objective and commercially appropriate pricing metric in the circumstances of the Acquisition.

Following the First Closing, capacity expansions may be undertaken by the Purchaser at its full discretion. The Second Phase pricing formula does not allow the Seller to benefit from revenue growth attributable to the volume expansion facilitated by such capacity expansions. The Board considers this exclusion to represent an equitable allocation of future value creation and a fair allocation of risk.

The Floor Consideration of USD280 million and the Cap Consideration of USD392 million were negotiated on an arm's length basis and derived directly from an objective, operational-metric-driven formula stipulated in the SHA, rather than an arbitrary financial buffer:

Mathematical Pricing Formula:
Second Phase Consideration = [cement production volume × average ex-factory selling price (ASP) + non-cement revenue] × 2.4 × 31.377%, where 2.4 represents the agreed EV/Revenue valuation multiple (calibrated against market comparables), and 31.377% represents the relevant equity interest proportion of the HPI to be acquired by the Purchaser.

Determination of the Floor Consideration (USD280 million)

The Floor Consideration is based on a valuation of HPI at the bottom of the cycle which protects the Purchaser while establishing a baseline value for HPI's physical assets:

- Historical Trough Volume: 2025 production volume reached a historical low of 5.416 million tons; volumes in the market are already recovering again thanks to the import tariffs.

- Trough Pricing: In 2025, the average ex-factory selling price (ASP) was USD60.1/ton (historical minimum). Taking the weighted average ASP for the 12 months up to June 2026, the price was USD64.0/ton.

- Non-Cement Revenue: Estimated at USD31.0 million (According to HPI's audited disclosures, the non-cement segments generated revenues of USD31.2 million in FY2024 and USD30.8 million in FY2025; the USD31.0 million figure represents the mathematical average of the two actual performances.).

- Calculation: (5.416 × 64 + 31) × 2.4 × 31.377% = 284.4 million. To further protect the Purchaser and ensure utmost prudence, the parties agreed to round down this trough-based raw calculation of USD284.4 million to a fixed floor consideration of USD280 million.

In addition, the determination of the Floor Consideration with reference to the cost of capital is based on the logic of calculating the Floor Consideration as a deferred payment, meaning the same price as that of the First Phase Consideration (pro-rated for the stake to be acquired), but escalated by the cost of capital. Over the three-year period following First Closing, approximately USD280 million will be expended on the retrofitting and expansion of production lines. As a consequence, dividend proceeds available to the Seller in its capacity as minority shareholder during such period will be very limited. Considering the remaining equity interest to be acquired in the Second Phase, the minimum consideration of USD280 million implies a 100% equity value of approximately USD892 million, representing an increase of approximately 14.36% over a three-year period compared with the equity value of approximately USD780 million (the "**First Phase Equity Value**") as implied by the projected maximum of the First Phase Consideration of USD527 million, which corresponds to a compound annual growth rate ("**CAGR**") of approximately 4.57%, broadly in line with the Company's cost of capital[4].

4. The weighted average interest rate calculated by reference to the three recent RMB bond issuances of the Company stands at 2.20%. As at the end of December 2025, the yields on 10-year Chinese government bonds and 10-year US Treasury bonds were 1.86% and 4.14% respectively, representing a spread of 2.28% between the two 10-year benchmark rates. The equivalent USD financing interest rate of the Company is therefore approximately 4.48%.

The Board is of the view that the Second Phase constitutes, in substance, a deferred payment arrangement. Having regard to the Company's USD financing cost and the trough of the industry cycle for HPI, the Board considers the Floor Consideration payable by the Purchaser, which corresponds to the cement capacity of HPI, to be fair and reasonable.

Determination of the Cap Consideration (USD392 million)

To prevent unconstrained escalation of the acquisition cost during market recovery, the SHA expressly sets a cap on the Second Phase Consideration at USD392 million:

- Sale Volume Ceiling: Assumes an achievable cement production/sales volume (based on the assets to be acquired) of 7.0 million tons within 3 years post-First Closing. During the first four years of the downcycle in the Philippine cement market (2018, 2019, 2020, and 2021), HPI cement sales volumes were 8.1 million, 7.5 million, 6.4 million, and 6.3 million, respectively. The four-year average of approximately 7.1 million is rounded down to 7.0 million and is adopted as the sales volume cap for Second Phase.

- Capped ASP: Assumes an ASP of USD70.0/ton. (HPI recorded an average ex-factory selling price of approximately USD60.1/ton in 2025, which recovered to a weighted average selling price of approximately USD64.0/ton for the 12 months ended June 2026 as market conditions improved. Pursuant to Department Administrative Order No. 25–15 (series of 2025), definitive safeguard duties of PHP 349/metric ton (approximately USD6.0/ton) were imposed on imported cement from major exporting markets (including Vietnam, Indonesia, and China) in February and May 2026. Given the lead time of 2 to 6 months for imported cement orders, more material impacts on domestic cement sales volume and selling prices are expected in the second half of this year. Adding the USD6.0/ton safeguard duty buffer to the recent baseline ASP of USD64.0/ton yields USD70.0/ton.

- Non-Cement Revenue: Maintained at USD31.0 million (flat against present level).

- Calculation: $(7 \times 70 + 31) \times 2.4 \times 31.377\% = 392.3$ million.

Conclusion on Cap: Any revenue generated beyond the cap, as well as operational efficiencies driven by the Purchaser's subsequent capital expenditure, will not increase the Second Phase Consideration beyond USD392 million, with 100% of such excess value accruing exclusively to the Purchaser. Having considered the target's historical sales volumes, historical pricing trends over the past 18 months, the protective safeguard tariff, the Board confirms that the Sale Volume Ceiling (7.00 million tons), the Capped ASP (USD70.0/ton), and the Cap Consideration for the Second Phase (USD392 million) are fair and reasonable.

The 2.4x multiple

To assess the fairness and reasonableness of the consideration, the Board, with the assistance of its advisors, performed a comparative analysis by benchmarking the agreed valuation multiple of 2.40x EV/Revenue against an exhaustive sample of 34 comparable M&A transactions retrieved from the Dealogic database covering the three-year period from 1 July 2023 to 30 June 2026.

To ensure the sample's objectivity, consistency, and global representativeness, the selection of precedent transactions was conducted strictly based on the following exhaustive criteria:

- Sector Focus: Target assets strictly falling within the global building materials sector (specifically cement and clinker manufacturing);
- Deal Size: Transactions with an Enterprise Value (EV) exceeding USD50 million in the worldwide;
- Completion Status: M&A transactions officially completed within the three-year lookback period (1 July 2023 to 30 June 2026); and
- Data Verifiability: Financial and transaction metrics are publicly available and verifiable.

To eliminate distortions from extraordinary takeover premiums while preserving the overall sample size, a 10% right-tail one-sided Winsorization was performed on the raw transaction dataset. Observations exceeding the 90th percentile threshold (5.58x) were replaced with 5.58x, while all remaining original data points were preserved. This approach retains the full observation count while mitigating the disproportionate impact of four upper-tail extreme outliers (6.44x, 6.99x, 7.76x, and 8.40x) that substantially exceeded the standard IQR upper threshold (Q3 + 1.5 times IQR = 4.59x). Post-Winsorization, the refined sample metrics are: Lower Quartile Q1 = 1.64x, Median Q2 = 2.04x, Upper Quartile Q3 = 2.83x and an Arithmetic Mean of 2.25x.

The 2.4x multiple is the midpoint of the Median and the Upper Quartile. The Board is of the view that the 2.4x valuation multiple is fair and reasonable and in the interests of the Company and its Independent Shareholders as a whole, taking into account the following commercial rationales:

(i) It locks in a favorable valuation prior to the sector-wide operational turnaround, while duly recognizing HPI's solid resource reserves and scarce strategic location;

(ii) It accommodates the substantial capital expenditure required in the three years post-First Closing, acknowledging that cash resources deployed into plant retrofitting and capacity expansion will temporarily constrain dividend distributions during the period; The second phase consideration operates

effectively as a deferred payment mechanism, allowing the Group to capture most of the operational upside resulting from its post-acquisition capital investment.

Rationale for Adopting Distinct Pricing Methodologies Across the Two Phases

(i) First Phase Pricing: Capacity-Based Valuation ($/Ton) at Cycle Floor

- Methodology: The First Phase consideration is established using a capacity-based valuation metric (USD/ton of annual capacity) that considers the transfer of control, benchmarked against the lower range of precedent comparable transactions.

- Commercial Rationale: This metric reflects the valuation of the delivered baseline assets at the bottom of the Philippine cement industry cycle in 2025.

(ii) Second Phase Pricing: Revenue-Linked Deferred Structure

- Methodology: The Second Phase consideration utilizes a revenue-linked formula together with a floor price that effectively works as a deferred payment, considering the relevant interest rates.

- Commercial Rationale: This methodology allows the Seller to benefit from the increased utilization of the delivered baseline assets but allocates the benefits from efficiency increases and potential capacity expansions to the Purchaser.

The adoption of distinct pricing methodologies for the First Phase and Second Phase reflects the fundamental shift in operational control, risk allocation, and post-completion value creation:

(i) Distinction in Transaction Objectives (Phase 1 vs. Phase 2)

- Phase 1 (Baseline Asset Handover): Prices the historical physical assets and effective control (67.623% stake) based on the Target's as-is operating capacity under the Market Approach (Enterprise Value adjusted via Completion Accounts). This represents standard market practice for static control transfer at the cycle trough.

- Phase 2 (Earn-Out & Performance Realization): Captures the incremental value unlocked post-First Closing. This incremental value stems from (a) macro market recovery in volume and pricing following government protective measures, and (b) post-acquisition operational synergies and efficiency enhancements introduced by the Purchaser.

(ii) Rationale for a Revenue-Linked Formula over Phase 1 Methodology/Profit Metrics

- Mitigation of Post-Closing Moral Hazard: Following First Closing, operational and accounting control transfers entirely to the Purchaser. Applying an EV, EBITDA, or net profit-based metric for Phase 2 would create severe information asymmetry and potential conflict of interest, as the Purchaser could exercise accounting discretion (e.g., cost allocations, depreciation policies, discretionary spending) to influence earnings.

- Transparency and Objectivity of Revenue: Revenue is fully audited, transparent, and immune to post-acquisition accounting adjustments. Premature or deferred revenue manipulation is logistically unfeasible given cement's low value-to-weight ratio (making physical bulk hoarding impractical) and HPI is a public company which is required to make disclosures pursuant to the relevant rules of the Philippine SEC and is subject to oversight by the applicable regulatory authorities.

(iii) Commercial Rationale for the Symmetrical Floor and Cap Mechanism

- Floor Consideration: Protects the Seller by establishing a guaranteed fair minimum value (including a 4.5% per annum cost-of-capital compensation for deferred payment timing). Crucially, it anchors the baseline consideration to achievable performance under current capacity, intentionally excluding unearned upside from the Purchaser's planned USD260 million+ discretionary capital expenditure program.

- Cap Consideration: Protects the Purchaser from overpayment by capping the total consideration within agreed strategic valuation limits, regardless of extraordinary post-acquisition market surges.

In summary, the Phase 1 methodology values the base assets delivered at closing, whereas the Phase 2 Revenue-linked formula combined with the Floor/Cap framework provides a transparent, anti-manipulation, and balanced mechanism that fairly shares recovery upside while shielding both parties from operational and financial distortions.

HPI owns and operates four integrated cement manufacturing facilities in the Philippines, namely the Lugait Plant (Northern Mindanao), the Davao Plant (Davao City), the La Union Plant (La Union Province), and the Bulacan Plant (Bulacan Province). To ensure the fairness and rigor of the calculation mechanism for the Second Phase Consideration (the formula set out under 'Second Phase Consideration' on page 15 of this Circular), the SHA explicitly governs and defines the annual revenue applied therein. Specifically, for purposes of distinguishing revenues generated by existing production capacities from those generated under Expansion Projects (new production lines), the SHA stipulates that the revenue of the formula shall explicitly exclude any revenues attributable to the Expansion Projects. Revenues from existing production lines at each plant are derived by multiplying the adjusted output volume

of existing lines by the weighted-average cement selling price of the relevant plant. To prevent the Purchaser from suppressing the calculated revenue base by reducing output of existing lines following commissioning of new lines under Expansion Projects, a 2025 baseline volume safeguard is adopted: for Lugait Plant and Davao Plant, if actual output of their existing lines falls below respective 2025 baseline volumes upon commissioning of new expansion lines, the corresponding 2025 baseline volumes shall apply; for La Union Plant and Bulacan Plant, if the combined actual output of their existing lines drops below the aggregated 2025 baseline volume after a new expansion line is commissioned at Bulacan, the combined 2025 baseline volume shall be used for joint calculation. The Second Phase Consideration calculated based on the aforesaid adjusted output volumes and weighted-average selling prices shall be no less than US$280 million and no more than US$392 million. As stated on page 21 under 'Determination of the Floor Consideration', the floor consideration is calculated based on metrics such as the 2025 output volume, the average cement selling price for the 12 months preceding June 2026, and the average non-cement business revenue for 2025 and 2024, and is rounded down. As mentioned above, since 2025 represents a trough in sales volume, the implementation of the 2025 baseline volume safeguard does not conflict with the Floor Consideration constraint (the 2025 baseline volume safeguard is not anticipated to push up the Second Phase Consideration or create a higher floor).

The Board considers the pricing metrics for the Second Phase (including the USD280 million Floor and USD392 million Cap) to be fair, reasonable, and in the overall interests of the Company and its Shareholders based on the following:

- Symmetrical Risk-Reward Balance: The pricing structure provides strong upside protection via the USD392 million Cap, while the USD280 million Floor is anchored at a historical trough valuation (2025 volume minimum of 5.416m tons and depressed historical prices).

- Value Capture from Operational Turnaround: Since the Purchaser acquires 100% operational control at First Closing, any technological upgrades, supply chain synergies, and cost reduction implemented by the Purchaser will directly boost HPI's profitability without inflating the Second Phase Consideration beyond the capped formula.

- Capital Preservation: The deferred payment structure combined with a 4.57% cost of capital matches the Company's strategic treasury management, preserving cash flow for immediate core operational needs.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

For more than 10 years, overseas expansion — whether by greenfield development 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 and targeted returns on overseas investments. The benefits of overseas expansion are two-fold: first, it allows the Company

to pursue growth based on its talent base and its accumulated know-how and capabilities in industrial technology and production chain integration; and second, it effectively counterbalances the decline in the domestic market.

Today, the Company has an operational presence in 14 countries. Its overseas clinker capacity has reached 26.60 million tons per year and its 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, a year-on-year increase of 57%, and achieved sales revenue of RMB8.542 billion, 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 headwinds in the domestic cement business.

HPI 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.

HPI operates four integrated cement 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 an annual cement production capacity of 9.0 million tons, abundant limestone resources and a favorable location. There is significant potential for post-acquisition optimisation in technology and operational management.

The Company 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. Already upon completion of the First Phase, the Company will be able to deploy its mature management systems and advanced production processes to continuously improve HPI's capacity utilization, reduce overall operating costs and fully unlock its earnings growth potential. The 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. Holcim will retain its shareholding in the Philippine assets for a given period, thereby making a positive contribution to brand continuity.

The Board considers that the terms of the Acquisition — including the consideration, the phased acquisition structure, the option arrangements and the mandatory tender offer obligations — are fair and reasonable and in the interests of the Company and the Shareholders as a whole, for the reasons set out below:

- First Phase Consideration — priced at the trough of the industry cycle: the agreed enterprise value of USD780 million represents 3.7% discount to the independent valuation of USD810 million and falls within the lower end of the prevailing market-implied EV/capacity range for comparable cement transactions. This pricing reflects the trough position of the Philippine cement industry cycle in

2025, during which sustained low-priced imports suppressed domestic cement prices to historically low levels and drove HPI's revenue in 2024 and 2025 to the lowest levels recorded over the past decade.

- Second Phase Consideration — cycle-aware pricing mechanism: the revenue-based pricing formula was adopted as the most objective and stable benchmark for a deferred transaction, given that earnings-based metrics are more susceptible to accounting adjustments and post-acquisition integration costs during a cyclical recovery period. The formula specifically excludes revenue generated from potential post-Closing capacity expansion projects, ensuring that value created by the Purchaser through future capital expenditure is not shared with the Seller. The USD280 million floor was set by reference to HPI's trough-level 2025 revenue and implies a CAGR of approximately 4.57% on the First Phase Enterprise Value, broadly in line with the Group's USD-denominated borrowing costs. The cap of Second Phase Consideration is USD392 million as the SHA.

- Phased structure and option arrangements — aligned with cyclical recovery: the two-phase structure transfers control of HPI to the Purchaser at the First Closing while providing a clear, pre-agreed mechanism for the acquisition of the Seller's residual interest after a minimum three-year transition period. The reciprocal put and call options provide contractual certainty as to the ultimate ownership structure and the agreed pricing mechanism allows for avoiding the need for renegotiation at a later date when market conditions may have changed materially.

- Strategic rationale and shareholder value creation: the Acquisition allows the Group to establish as strong presence in the Philippine cement market at an advantageous point in the industry cycle. Import-barrier measures introduced by the Philippine authorities in February and May 2026 are expected to support a sustained recovery in domestic cement prices and industry profitability, and prices have already begun to recover from the second quarter of 2026. The Company's due diligence has identified material upside potential in HPI's plant operations and supply-chain efficiency. The Group's ability to realise such operational improvements is demonstrated by its international M&A integration track record over the past eight years, including the post-acquisition integration of Lafarge Africa Plc, Chilanga Cement Plc and Oman Cement Company.

The Directors (excluding the independent non-executive Directors, whose views have been contained in the letter from the Independent Board Committee set out in this circular after considering the advice of the Independent Financial Adviser) consider that the Acquisition is in the interests of the Company and the Shareholders as a whole, and that the terms of the Share Purchase Agreement and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable.

6. INFORMATION ON THE PARTIES

The Company

The Company is a joint stock company incorporated in China. The A Shares and H Shares are listed and traded on the main board of the SSE and the main board of the 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 in Tajikistan, Kyrgyzstan, Uzbekistan, Cambodia, Nepal, Oman, Tanzania, Zambia, Malawi, Mozambique, Zimbabwe, South Africa, Nigeria and Brazil. It is 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.

The Purchaser

The Purchaser is a limited liability company incorporated in China on 12 August 2011 and a wholly-owned subsidiary of the Company. Its legal representative is Mr. Li Yeqing. It has a registered capital of RMB400 million and its registered office is at Room 03, 3/F, Building 5, International Enterprise Center, No. 1 Guanshan 2nd Road, East Lake New Technology Development Zone, Wuhan, China. Its principal businesses include investment in building materials projects, cement technical services, and architectural design, construction and installation. The Purchaser may be assigned by the Company to another wholly-owned subsidiary of the Company, subject to related approval.

The Seller and its ultimate beneficial owner

The Seller is a private limited liability company registered in Amsterdam under Dutch law, with registered address at Roemer Visscherstraat 41B, 1054 EW Amsterdam, the Netherlands, and registered company number 33155025 at the Dutch Chamber of Commerce. It has a registered capital of EUR3,771,500 and its business scope includes equity investment.

As at the Latest Practicable Date, the Seller directly or indirectly holds 99.9997% of the shares of Clinco, 36.8038% of the shares of Cemco and 27.51% of the shares of Union Cement and directly holds approx. 31.377% of the shares of HPI. The Seller is a subsidiary of Holcim, the Controlling Shareholder of the Company.

Holcim is a company incorporated in Switzerland in February 1912 and listed in Switzerland. Its business scope includes the manufacture and trading of building materials and related products in Switzerland and abroad, as well as financial services. According to the share register and disclosed through notifications filed with Holcim and the SIX Swiss Exchange, shareholders owning 3 percent or more are as follows:

Shareholder	Percentage of shares outstanding
Thomas Schmidheiny	5.7%
UBS Fund Management (Switzerland) AG	5.8%
BlackRock, Inc.	5.3%
Martin and Rosmarie Ebner	3.0%
FMR LLC	3.1%

Source: https://www.holcim.com/investors/shareholder-information

The Target Companies

- Clinco is a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A200100211 and registered office at Unit 5A, ACT Tower, 135 H.V. Dela Costa St., Salcedo Village, Makati City, the Philippines. Its principal business is equity investment in the cement industry.

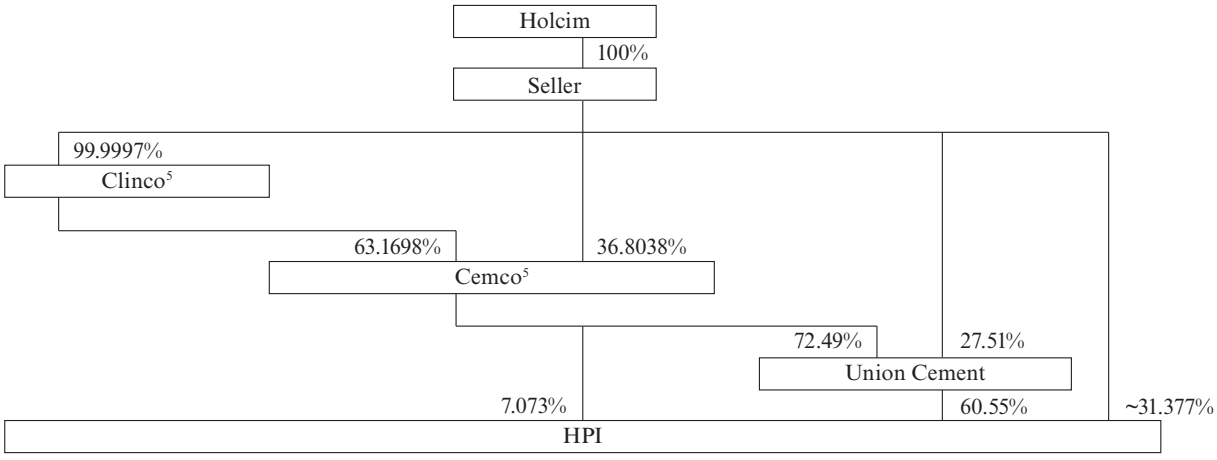
- Cemco is a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A1998–18641 and registered office at Unit 5A, ACT Tower, 135 H.V. Dela Costa St., Salcedo Village, Makati City, the Philippines. Its principal business is equity investment in the cement industry.

- Union Cement is a legal entity incorporated under the laws of the Philippines, with Philippine SEC Registration Number A1998–0793 and registered office at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Philippines. Its principal business is equity investment in the cement industry.

- HPI is a company incorporated under the laws of the Philippines on 12 November 1964, with registered number 0000026126, registered office at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Philippines, and a registered capital of PHP10 billion. Its principal business is the production and sale of clinker, cement, aggregates and dry-mix mortar. It operates 4 integrated cement plants and 1 grinding plant in the Philippines, with an annual clinker capacity of 5.2 million tons and an annual cement capacity of 9 million tons, serving the key markets of Luzon and Mindanao.

Shareholding structure

The shareholding structure among the Seller and the Target Companies prior to the Acquisition as follows:



5. In accordance with applicable laws and regulations, Clinco and Cemco also have private individuals as shareholders holding shares of the Seller (before the First Closing Date) and of the Purchaser (after the First Closing Date) in trust. Under the *Revised Corporation Code of the Philippines* (Republic Act No. 11232), every director of a corporation incorporated in the Philippines must be a natural person and must own at least one (1) share of capital stock in the corporation in their own name during their tenure as a director. In strict compliance with the statutory requirement, nominal qualifying shares are issued to the five (5) natural person directors of Cemco and Clinco, respectively, as follows (i) Each of the five (5) directors holds 100 qualifying shares (totaling 500 shares), representing an aggregate of approximately 0.0264% of Cemco's total issued share capital; and (ii) Each of the five (5) directors holds one (1) qualifying share (totaling 5 shares), representing an aggregate of approximately 0.003% of Clinco's total issued share capital. Under the relevant trust agreements, the private individuals hold legal title to the amount of shares on trust for the benefit of the Seller (prior to First Closing) and for the Purchaser (following First Closing). The beneficial ownership, dividend rights, and voting control remain fully vested in the Seller/Purchaser. Upon verification by the Company, the directors of Clinco and Cemco are independent of the Company and its Connected Persons.

7. HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANIES

Clinco

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

USD'000	FY2023	FY2024	FY2025	4 months ended 30 April 2026
Net profit before taxation	–15	–11	–16	–5
Net profit after taxation	–15	–11	–16	–5

Note: The exchange rates of the PHP against the 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.

The net asset value of Clinco as at 31 December 2025 and 30 April 2026, as extracted from its management accounts (audited), was USD1.425 million and USD1.358 million, respectively.

Cemco

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

USD'000	FY2023	FY2024	FY2025	4 months ended 30 April 2026
Net profit before taxation	–2,179	3,073	–130	–1,627
Net profit after taxation	–2,179	3,071	–130	–1,627

Note: The exchange rates of the PHP against the 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.

The net asset value of Cemco as at 31 December 2025 and 30 April 2026, was USD269.072 million and USD255.628 million, respectively.

Union Cement

Based on the standalone financial statements of Union Cement prepared by its management in accordance with PFRS (of which the financial years ended 31 December 2023 and 2024 are unaudited, while the financial year ended 31 December 2025 and the four months ended 30 April 2026 are audited), the major financial information for the three financial years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026 is set out below:

USD'000	FY2023	FY2024	FY2025	4 months ended 30 April 2026
Net profit before taxation	220	26,679	–102	–17
Net profit after taxation	149	26,660	–98	–17

Note: The exchange rates of the PHP against the 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.

The net asset value of Union Cement as at 31 December 2025 and 30 April 2026, was USD148.902 million and USD142.346 million, respectively.

HPI

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

USD'000	FY2023	FY2024	FY2025	4 months ended 30 April 2026
Profit before taxation	22,949	–17,775	–71,054	–3,457
Net profit	16,371	–20,915	–65,271	–5,191

USD'000	31 Dec 2023	31 Dec 2024	31 Dec 2025	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

Notes:

- The exchange rates of the PHP against the 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.

- The financial statements of HPI for the financial year ended 31 December 2025 and the four months ended 30 April 2026 are prepared in accordance with PFRS and have been audited by SyCip Gorres Velayo & Co., a member firm of Ernst & Young Global Limited.

HPI's net loss expansion in FY2025 was driven by: (a) Significant increases in local energy and imported coal costs in the region. (b) Temporary local market price suppression due to dumped imports. (c) Underinvestment and deterioration of maintenance and production practices. (d) One-off non-cash impairment charges on older equipment totaling US$24 million in year 2025.

The Board emphasizes that HPI's valuation was heavily discounted (using the lower-bound USD86.67/ton multiple) specifically to account for this historical loss period. Furthermore, following First Closing, the Company will (a) integrate HPI into its global procurement network, (b) upgrade maintenance and production practices based on its vast experience from over 50 cement plants in China and abroad, (c) undertake investments to lower fuel and other production costs of existing production lines, and (d) invest selectively in expansions to recapture market share from imports. The Board is confident that these measures of self-help will allow to reverse HPI's loss-making trend and bring the company back on the path of profitability and growth. Therefore, the Board considers the consideration fair and reasonable, and regards the acquisition of HPI as highly advantageous for the Company's long-term strategy.

8. 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 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

The Seller is a subsidiary of Holcim, a Controlling Shareholder of the Company, and is therefore an associate of Holcim and a Connected Person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, under 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.

The grant of the Put Option and the Call Option constitutes a transaction under Rules 14.73, 14.74 and 14.75 of the Listing Rules. The Company has treated the grant of the options as a single transaction together with the First Phase Acquisition and the mandatory Tender Offer. For the purpose of calculating the applicable percentage ratios under Chapter

14 and Chapter 14A of the Listing Rules, the Company has adopted the maximum Second Phase Consideration of approximately USD392 million. This amount has been aggregated with:

(i) the estimated maximum First Phase Consideration of USD527 million; and

(ii) the estimated maximum Tender Offer consideration of approximately USD7.8 million.

On this basis, the highest applicable percentage ratio in respect of the Acquisition remains more than 5% but less than 25%. Accordingly, no additional classification as a major transaction arises under Chapter 14, and no additional classification arises under Chapter 14A of the Listing Rules.

Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. Tan Then Hwee (each a Director) abstained from voting on the board resolutions in respect of the Acquisition due to their office held within Holcim. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Director has any material interest in the Acquisition.

9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee, comprising all the 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, the Shareholders' Agreement and the transactions contemplated thereunder are on normal commercial terms, whether such terms and transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders accordingly.

The Company has appointed Maxa Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Share Purchase Agreement and the Shareholders' Agreement are on normal commercial terms and whether such terms and transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Friday, 30 October 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan, China, to consider and, if thought fit, pass the resolution set out in the notice of the EGM, which is set out on pages 92 to 94 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H Shareholders must return the proxy form or other authorised documents

to the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post not less than 24 hours before the time designated for holding the EGM or any adjournment thereof; otherwise, it will be deemed invalid. For the EGM, the proxy form must be returned not later than 2:00 p.m. on Thursday, 29 October 2026. The completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person if you so wish. In the event that you subsequently attend and vote at the EGM in person, your proxy appointment will be deemed to be revoked.

11. CLOSURE OF H SHARE REGISTER

To determine the list of H Shareholders eligible to attend the EGM, the register of members of the H Shares will be closed from Tuesday, 27 October 2026 to Friday, 30 October 2026 (both days inclusive). In order to be eligible to attend and vote at the EGM, all transfer documents together with the relevant share certificates must be lodged with the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 26 October 2026.

12. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, the resolution proposed at the EGM will be voted on by poll. The voting results will be published on the website of the Company **(https://www.huaxin.com)** and the website of HKEX **(https://www.hkexnews.hk)** after the EGM.

Pursuant to Rule 14A.36 of the Listing Rules, the Acquisition must be conditional on approval by Independent Shareholders, and any Shareholder with a material interest in the Acquisition must abstain from voting on the resolution. Accordingly, the Seller, Holcim and its associates (namely, Holchin B.V. and Holpac Limited), a party acting in concert with the Seller, will abstain from voting on the resolution approving the Acquisition at the EGM. As at the Latest Practicable Date, the Seller, Holcim and its associates (namely, Holchin B.V. and Holpac Limited) are interested in an aggregate of 451,333,201 A Shares and 417,902,467 H Shares in the Company, comprising 451,333,201 A Shares and 384,210,624 H Shares beneficially held by Holchin B.V. and 33,691,843 H Shares beneficially held by Holpac Limited. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there was no voting trust or other agreement, arrangement or understanding (other than an outright sale) entered into by or binding upon the Seller, Holcim and any of its associates, and each of them was not subject to any obligation or entitlement, whereby control over the exercise of the voting rights in respect of their Shares has been temporarily or permanently passed to a third party, and each of them is entitled to exercise control over the voting rights in respect of all of its Shares. There is no discrepancy between their beneficial interests in the Company and the number of Shares in respect of which they are entitled to exercise control over the voting rights at the EGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief, no other Shareholder has any material interest in the resolution to be proposed at the EGM and is therefore required to abstain from voting.

13. DIRECTORS' RESPONSIBILITY

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 giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

14. RECOMMENDATION

Having considered the matters set out above, the Board (excluding the independent non-executive Directors, whose recommendation is set out in the letter from the Independent Board Committee) considers that the resolution to be proposed at the EGM is in the interests of the Company and the Shareholders as a whole, and recommends that the Independent Shareholders vote in favour of the resolution set out in the notice of the EGM.

Yours faithfully,
By order of the Board of Directors
Huaxin Building Materials Group Co., Ltd.
Xu Yongmo
Chairman

Wuhan, China
12 October 2026

華新建材集團股份有限公司
HUAXIN BUILDING MATERIALS GROUP CO., LTD.

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)

Dear Sir or Madam,

PROPOSAL ON DISCLOSEABLE AND CONNECTED TRANSACTION OF THE ACQUISITION OF HOLCIM PHILIPPINES INC.

We refer to the circular of the Company dated 12 October 2026 (the "**Circular**") dispatched to the Shareholders of which this letter forms a part. Unless the context otherwise requires, capitalised terms and expressions used in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the entering into of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Maxa Capital has been appointed to advise the Independent Board Committee and Independent Shareholders in respect of the abovementioned matters.

We wish to draw your attention to the letter from the Board set out on pages 9 to 37 of the Circular and the letter from Maxa Capital set out on pages 40 to 72 of the Circular.

Having considered the terms of the Share Purchase Agreement, Shareholders' Agreement and the advice given by Maxa Capital, we are of the opinion that (i) the terms of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition are fair and reasonable; and (ii) although not in the ordinary and usual course of business of the Company, the Acquisition is on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the entering into of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition at the EGM.

Yours faithfully,
Independent Board Committee

Mr. Wong Kun Kau	**Mr. Zhang Jiping**	**Mr. Jiang Hong**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

12 October 2026

* *For identification purpose only*

The following is the full text of the letter from Maxa Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition, which has been prepared for the purpose of inclusion in this circular.



Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

12 October 2026

To the Independent Board Committee and the Independent Shareholders

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ACQUISITION OF HOLCIM PHILIPPINES INC.

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 12 October 2026 issued by the Company ("the **Circular**") of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 1 August 2026, the Purchaser and the Seller entered into the Share Purchase Agreement and the Shareholders' Agreement in relation to the Acquisition, which is structured in two phases. Under the first phase, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the relevant interests in Clinco, Cemco and Union Cement, through which the Purchaser will indirectly acquire approximately 67.623% of HPI. The First Phase Consideration will be determined based on an enterprise value ("**EV**") of USD780 million for HPI and adjusted by reference to the Debt, Cash and Inter-Company Non-Trading Receivables and Working Capital Adjustment of HPI, and is estimated not to exceed approximately USD527 million.

Under the second phase, the Purchaser may acquire the remaining approximately 31.377% interest in HPI directly held by the Seller pursuant to the exercise of the Call Option or the Put Option under the Shareholders' Agreement. The Second Phase Consideration will be calculated based on the latest audited annual revenue of HPI, net of any Incremental Revenue attributable to Production Expansion, multiplied by 2.4 and 31.377%, and shall be no less than USD280 million. Pursuant to the Shareholders' Agreement, the Second Phase Consideration shall be capped at USD392 million.

Before the First Closing, the Purchaser will be required to make the Tender Offer to the public shareholders of HPI in respect of approximately 1.0% interest in HPI held by such public shareholders in accordance with the requirements and directives of the Philippines SEC and the applicable laws and regulations of the Philippines.

Upon completion of the First Closing, the Target Companies will become subsidiaries of the Company and their financial results, assets and liabilities will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

The grant of the Put Option and the Call Option constitutes a transaction under Rules 14.73, 14.74 and 14.75 of the Listing Rules. The Company has treated the grant of the options as a single transaction together with the First Phase Acquisition and the mandatory Tender Offer. For the purpose of calculating the applicable percentage ratios under Chapter 14 and Chapter 14A of the Listing Rules, the Company has aggregated the following amounts:

i. the estimated maximum First Phase Consideration of USD527 million;

ii. the estimated maximum Tender Offer consideration of approximately USD7.8 million; and

iii. the maximum Second Phase Consideration of approximately USD392 million, being the contractual cap under the Shareholders' Agreement.

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

As at the Latest Practicable Date, the Seller 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.

The Independent Board Committee comprising Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, being all of the independent non-executive Directors, has been established to advise the Independent Shareholders on the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition. We, Maxa Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition. In the past two years, we were appointed by the Company as the independent financial adviser in respect of the acquisition of Holcim's assets in Nigeria, details of which were set out in the circular of the Company dated 27 February 2025. The aforesaid previous appointment was limited to providing one-off independent advisory service, for which we received normal professional fees. Accordingly, we do not consider that the previous appointment gives rise to any conflict for us in acting as the Independent Financial Adviser in respect of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition. Apart from normal advisory fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among other things: (i) the Share Purchase Agreement and the Shareholders' Agreement; (ii) the annual reports of the Company for the year ended 31 December 2024 (the "**2024 AR**") and the year ended 31 December 2025 (the "**2025 AR**"); (iii) the interim results announcement of the Company for the six months ended 30 June 2026 (the "**2026 IRA**"); (iv) the financial statements of Clinco for the three years ended 31 December 2025 and the four months ended 30 April 2026; (v) the financial statements of Cemco for the three years ended 31 December 2025 and the four months ended 30 April 2026; (vi) the financial statements of Union Cement for the three years ended 31 December 2025 and the four months ended 30 April 2026; (vii) the audited financial statements of HPI for the three years ended 31 December 2025 and the four months ended 30 April 2026; and (viii) the valuation report of HPI (the "**Valuation Report**"). We consider that we have reviewed sufficient and relevant information and documents, and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Group (the "**Management**"). We have reviewed, *inter alia*, the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM.

We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers, the Directors and the Management. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Company, Holcim, the Target Companies and each of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Acquisition, we have taken into consideration the following principal factors and reasons:

1. Background information of the Group

The Group mainly engages in the production and sales of cement, ready-mixed concrete, aggregates, and cement-based high-tech building materials, cement technical services, research, manufacturing, installation, and maintenance of cement equipment, and cement import-export trade. It has also ventured into environmental businesses such as cement kiln co-processing of wastes, domestic and international cement engineering general contracting, and equipment and engineering contracting for cement kiln co-processing technology. Set out below is the summarised consolidated financial information of the Group for the three years ended 31 December 2023, 2024, and 2025 ("**FY2023**", "**FY2024**", and "**FY2025**", respectively) and for the six months ended 30 June 2025 and 2026 ("**1H2025**" and "**1H2026**", respectively), as extracted from the 2024 AR, 2025 AR and 2026 IRA:

	For the year ended 31 December			For the six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB million (audited)	*RMB million* (audited)	*RMB million* (audited)	*RMB million* (unaudited)	*RMB million* (unaudited)
Revenue	33,757	34,217	35,348	16,047	19,497
— Cement	18,332	18,031	20,587	8,755	12,722
— Concrete	7,652	8,415	7,183	3,457	2,970
— Aggregates	5,364	5,642	5,483	2,763	2,812
— Clinker	947	760	698	397	260
— Others	1,462	1,368	1,397	676	734
Gross profit	9,016	8,447	10,682	4,641	6,152
Net profit	3,218	2,953	3,538	1,400	2,254

The revenue of the Group was approximately RMB34.2 billion for FY2024, representing an increase of approximately RMB0.5 billion or 1.4% as compared to approximately RMB33.8 billion for FY2023, whereas its gross profit was approximately RMB8.4 billion for FY2024, representing a decrease of approximately RMB0.6 billion or 6.3% as compared with approximately RMB9.0 billion for FY2023. The net profit was approximately RMB3.0 billion for FY2024, representing a decrease of approximately RMB0.3 billion or 8.2% as compared to approximately RMB3.2 billion for FY2023. Such increase in revenue was primarily attributable to the year-on-year increase in sales volume of ready-mix concrete (RMX) and aggregate. The decreases in gross profit and net profit were primarily attributable to the year-on-year decrease in sales volume of cement and the decrease in the Group's overall gross profit margin from approximately 26.7% for FY2023 to approximately 24.7% for FY2024.

The revenue of the Group was approximately RMB35.3 billion for FY2025, representing an increase of approximately RMB1.1 billion or 3.3% as compared to approximately RMB34.2 billion for FY2024, whereas its gross profit was approximately RMB10.7 billion for FY2025, representing an increase of approximately RMB2.2 billion or 26.5% as compared with approximately RMB8.4 billion for FY2024. The net profit was approximately RMB3.5 billion for FY2025, representing a significant increase of approximately RMB0.6 billion or 19.8% as compared to approximately RMB3.0 billion for FY2024. Such increase in revenue was primarily attributable to the increase in revenue generated from the sales of cement and clinker by approximately RMB2.5 billion, primarily due to the year-on-year increase in the sales volume of cement and clinker of approximately 1.7 million tons. The increases in gross profit and net profit were primarily attributable to (i) the expansion of the overseas business; and (ii) the recovery in unit profitability of major products in the domestic market, which benefited from lower fuel costs and intensified cost-reduction and efficiency-enhancement measures. Accordingly, the Group's overall gross profit margin increased from approximately 24.7% for FY2024 to approximately 30.2% for FY2025.

The revenue of the Group was approximately RMB19.5 billion for 1H2026, representing an increase of approximately RMB3.5 billion or 21.5% as compared to approximately RMB16 billion for 1H2025, whereas its gross profit was approximately RMB6.2 billion for 1H2026, representing an increase of approximately RMB1.5 billion or 32.6% as compared with approximately RMB4.6 billion for 1H2025. The net profit was approximately RMB2.3 billion for 1H2026, representing a significant increase of approximately RMB0.9 billion or 61% as compared to approximately RMB1.4 billion for 1H2025. Such significant increases in revenue, gross profit and net profit were primarily attributable to the continued stable growth of overseas operations, a year-on-year increase in the average selling price of cement products, and enhanced cost control measures. Accordingly, the Group's overall gross profit margin increased from approximately 28.9% for 1H2025 to approximately 31.6% for 1H2026.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB million (restated)	*RMB million* (restated)	*RMB million* (audited)	*RMB million* (unaudited)
Current assets	15,220	15,792	18,410	19,485
— Cash and bank balances	5,849	6,809	8,535	8,841
Non-current assets	53,528	53,721	62,663	62,030
Total assets	68,748	69,513	81,073	81,515
Current liabilities	18,989	18,169	18,954	18,728
Non-current liabilities	16,443	16,446	24,719	24,444
Total liabilities	35,433	34,615	43,674	43,171
Total equity	33,315	34,898	37,399	38,344

The Group's total assets increased by approximately RMB0.8 billion or 1.1% from approximately RMB68.7 billion as at 31 December 2023 to approximately RMB69.5 billion as at 31 December 2024, while the Group's total liabilities decreased by approximately RMB0.8 billion or 2.3% from approximately RMB35.4 billion as at 31 December 2023 to approximately RMB34.6 billion as at 31 December 2024. The Group's total equity increased from approximately RMB33.3 billion as at 31 December 2023 to approximately RMB34.9 billion as at 31 December 2024, representing an increase of approximately RMB1.6 billion or 4.8%. Its cash and bank balances increased from approximately RMB5.8 billion to approximately RMB6.8 billion during the same period.

The Group's total assets increased significantly by approximately RMB11.6 billion or 16.6% from approximately RMB69.5 billion as at 31 December 2024 to approximately RMB81.1 billion as at 31 December 2025, while the Group's total liabilities increased significantly by approximately RMB9.1 billion or 26.2% from approximately RMB34.6 billion as at 31 December 2024 to approximately RMB43.7 billion as at 31 December 2025. The Group's total equity increased from approximately RMB34.9 billion as at 31 December 2024 to approximately RMB37.4 billion as at 31 December 2025, representing an increase of approximately RMB2.5 billion or 7.2%. The significant increase in total assets was primarily attributable to the increase in non-current assets, particularly goodwill, fixed assets, intangible assets and other non-current assets, mainly following the consolidation of the Group's overseas acquisitions. The significant increase in total liabilities was primarily attributable to the increase in non-current liabilities, mainly comprising increased long-term borrowings raised to finance overseas acquisitions, increased deferred tax liabilities associated with the overseas acquisitions, as well as increased bonds payable following the issuance of high-growth industry bonds and technology innovation bonds. The Group's cash and bank balances increased by approximately RMB1.7 billion, or 25.3%, from approximately RMB6.8 billion as at 31 December 2024 to approximately RMB8.5 billion as at 31 December 2025, mainly attributable to the increase in time deposits and the cash and bank balances consolidated following the completion of overseas acquisitions.

The Group's total assets increased by approximately RMB0.4 billion or 0.5% from approximately RMB81.1 billion as at 31 December 2025 to approximately RMB81.5 billion as at 30 June 2026, while the Group's total liabilities decreased by approximately RMB0.5 billion or 1.2% from approximately RMB43.7 billion as at 31 December 2025 to approximately RMB43.2 billion as at 30 June 2026. The Group's total equity increased from approximately RMB37.4 billion as at 31 December 2025 to approximately RMB38.3 billion as at 30 June 2026, representing an increase of approximately RMB0.9 billion or 2.5%. Its cash and bank balances increased by approximately 3.6% from approximately RMB8.5 billion to approximately RMB8.8 billion as at 30 June 2026.

2. Background information of the Target Companies

2.1 Clinco

Clinco 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. It holds 63.1698% of the shares in Cemco.

Set out below is the key financial information of Clinco on a stand-alone basis for FY2023, FY2024, FY2025 and the four months ended 30 April 2026 prepared in accordance with PFRS:

	For the financial years ended 31 December			**For the four months ended 30 April**
	2023	**2024**	**2025**	**2026**
	PHP thousand (unaudited)	*PHP thousand* (unaudited)	*PHP thousand* (audited)	*PHP thousand* (audited)
Total income	2	3	152	1
Total expenses	823	650	1,079	316
— Professional fees	562	547	938	235
Net profit/(loss) before taxation	(821)	(646)	(927)	(315)
Net profit/(loss) after taxation	(821)	(646)	(927)	(315)

Clinco principally operates as an investment holding company and does not carry out any cement production or sales activities. It recorded net losses after taxation of approximately PHP0.8 million, PHP0.6 million and PHP0.9 million for FY2023, FY2024 and FY2025, respectively, and approximately PHP0.3 million for the four months ended 30 April 2026. Such losses were mainly attributable to professional fees and other expenses incurred in connection with its investment holding activities.

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	PHP thousand	*PHP thousand*	*PHP thousand*	*PHP thousand*
	(unaudited)	(unaudited)	(audited)	(audited)
Total assets	86,556	85,888	84,771	84,142
— Due from a related party	85,203	84,175	82,896	82,898
— Investment in subsidiaries	1,200	1,200	1,200	1,200
Total liabilities	1,170	1,148	959	645
Total equity	85,386	84,739	83,812	83,497

Clinco's total assets mainly comprised amounts due from Cemco, which represented approximately 98% of its total assets throughout the reviewed periods. Such amounts mainly comprised a deposit for future subscription of shares in Cemco and fund transfers to Cemco. Clinco's investment in Cemco was recorded at cost of approximately PHP1.2 million and remained unchanged throughout the periods under review. The audited net asset value of Clinco as at 31 December 2025 and 30 April 2026 was PHP 84 million and PHP 83 million, respectively.

2.2 Cemco

Cemco is 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. It holds 72.49% of the shares in Union Cement and 7.073% of the shares in HPI.

Set out below is the key financial information of Cemco on a stand-alone basis for FY2023, FY2024, FY2025 and the four months ended 30 April 2026 prepared in accordance with PFRS:

	For the financial years ended 31 December			For the four months ended 30 April
	2023	**2024**	**2025**	**2026**
	PHP thousand (unaudited)	*PHP thousand* (unaudited)	*PHP thousand* (audited)	*PHP thousand* (audited)
Revenue	6,259	188,288	153	283
— Dividend income	—	180,392	—	—
Net profit/(loss) before taxation	(121,060)	178,299	(7,651)	(100,077)
Net profit/(loss) after taxation	(121,089)	178,147	(7,651)	(100,077)

Cemco principally operates as an investment holding company and does not carry out any cement production or sales activities. Its financial results mainly reflect dividend income received or receivable from its subsidiaries and expenses incurred in connection with its investment holding activities. The turnaround from a net loss for FY2023 to a net profit for FY2024 was mainly attributable to dividend income of approximately PHP180.4 million declared by HPI during FY2024. Cemco did not record any dividend income for FY2025 or the four months ended 30 April 2026 and therefore recorded net losses during the respective periods. The net loss for the four months ended 30 April 2026 was mainly attributable to a provision of PHP100.0 million in respect of a tax assessment.

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	PHP thousand	*PHP thousand*	*PHP thousand*	*PHP thousand*
	(unaudited)	(unaudited)	(audited)	(audited)
Total assets	16,031,285	15,975,587	15,938,878	15,937,454
— Investment in subsidiaries	15,930,422	15,687,922	15,687,922	15,687,922
Total liabilities	379,019	145,174	116,117	214,769
Total equity	15,652,266	15,830,413	15,822,762	15,722,684

Cemco's total assets mainly comprised its investments in Union Cement and HPI, and its investment in subsidiaries decreased by approximately PHP242.5 million during FY2024 following the redemption of preference shares in Union Cement and remained unchanged thereafter. The audited net asset value of Cemco as at 31 December 2025 and 30 April 2026 was PHP 15,823 million and PHP 15,723 million, respectively.

2.3 Union Cement

Union Cement is 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. It holds 60.55% of the shares in HPI.

Set out below is the key financial information of Union Cement on a stand-alone basis for FY2023, FY2024, FY2025 and the four months ended 30 April 2026 prepared in accordance with PFRS:

	For the financial years ended 31 December			For the four months ended 30 April
	2023	**2024**	**2025**	**2026**
	PHP thousand	*PHP thousand*	*PHP thousand*	*PHP thousand*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	15,456	1,551,067	315	438
— Dividend income	—	1,543,038	—	—
Total expense	3,215	3,319	6,330	1,480
Net profit/(loss) before taxation	12,241	1,547,748	(6,015)	(1,042)
Net profit/(loss) after taxation	8,278	1,546,673	(5,742)	(1,042)

Union Cement principally operates as an investment holding company and does not carry out any cement production or sales activities. Its financial results mainly reflect dividend income received or receivable from HPI and expenses incurred in connection with its investment holding activities. The significant increase in its net profit after taxation from approximately PHP8.3 million for FY2023 to approximately PHP1,546.7 million for FY2024 was mainly attributable to dividend income of approximately PHP1,543.0 million declared by HPI during FY2024. Union Cement did not record any dividend income for FY2025 or the four months ended 30 April 2026 and therefore recorded net losses of approximately PHP5.7 million and PHP1.0 million, respectively.

	As at 31 December			As at 30 April
	2023	**2024**	**2025**	**2026**
	PHP thousand (unaudited)	*PHP thousand* (unaudited)	*PHP thousand* (audited)	*PHP thousand* (audited)
Total assets	8,995,039	9,543,304	8,757,161	8,755,698
— Due from a related party	248,508	787,835	—	—
— Investment in subsidiaries	8,735,101	8,735,101	8,735,101	8,735,101
Total liabilities	2,062	1,372	971	549
Total equity	8,992,977	9,541,932	8,756,190	8,755,148

Union Cement's total assets mainly comprised its investment in HPI, which was recorded at cost of approximately PHP8,735.1 million and remained unchanged throughout the periods under review. Its total assets increased to approximately PHP9,543.3 million as at 31 December 2024, mainly due to the outstanding dividend receivable from HPI of approximately PHP787.8 million. Following the settlement of such dividend receivable and the redemption of shares by Union Cement during FY2025, its total assets and total equity decreased to approximately PHP8,757.2 million and PHP8,756.2 million, respectively. The audited net asset value of Union Cement as at 31 December 2025 and 30 April 2026 was PHP 8,756 million and PHP 8,755 million, respectively.

2.4 HPI

HPI is a company incorporated under the laws of the Philippines on 12 November 1964, with registered number 0000026126, registered office at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Philippines, and registered capital of PHP10 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.

Set out below is the key consolidated financial information of HPI for FY2023, FY2024, FY2025 and the four months ended 30 April 2026 prepared in accordance with PFRS:

	For the year ended 31 December			For the four months ended 30 April
	2023	**2024**	**2025**	**2026**
	PHP million (audited)	*PHP million* (audited)	*PHP million* (audited)	*PHP million* (audited)
Total revenue	24,305	21,908	22,029	8,082
— Clinker and cement	22,344	20,104	20,175	7,402
— Other construction materials and services	1,962	1,804	1,853	680
Gross profit/(loss)	2,556	1,223	(1,366)	380
Net profit/(loss) after taxation	910	(1,213)	(3,838)	(319)

HPI's total revenue was approximately PHP21,908 million for FY2024, representing a decrease of approximately PHP2,397 million, or 9.9%, as compared with approximately PHP24,305 million for FY2023. Its gross profit decreased by approximately PHP1,333 million, or 52.2%, from approximately PHP2,556 million for FY2023 to approximately PHP1,223 million for FY2024, while its gross profit margin decreased from approximately 10.5% to approximately 5.6%. HPI also changed from a net profit after taxation of approximately PHP910 million for FY2023 to a net loss after taxation of approximately PHP1,213 million for FY2024, representing a decrease of approximately PHP2,123 million. The decrease in total revenue was primarily attributable to the decrease in cement sales volume and average selling prices as a result of weaker market demand. HPI's cost of sales also decreased during FY2024 following the optimisation of its manufacturing and logistics operations and the increased use of alternative fuels and raw materials. However, the decrease in cost of sales was less than the decrease in revenue, resulting in lower gross profit and gross profit margin. The turnaround from profit to loss was also attributable to the share of loss of an associate of approximately PHP433 million and impairment loss and loss on write-off of assets of approximately PHP348 million.

HPI's total revenue was approximately PHP22,029 million for FY2025, representing a slight increase of approximately PHP121 million, or 0.6%, as compared with approximately PHP21,908 million for FY2024. However, its financial performance changed from a gross profit of approximately PHP1,223 million for FY2024 to a gross loss of approximately PHP1,366 million for FY2025. Its net loss after taxation increased by approximately PHP2,625 million, or 216.4%, from approximately PHP1,213 million for FY2024 to approximately PHP3,838 million for

FY2025. The gross loss for FY2025 was mainly attributable to higher cost of sales, as the average selling prices of cement continued to decline while transportation and certain variable costs per unit did not decrease at the same rate. The increase in net loss was also attributable to the impairment loss of approximately PHP1,421 million on machinery and equipment at the Mabini plant and certain terminals.

For the four months ended 30 April 2026, HPI recorded total revenue of approximately PHP8,082 million, gross profit of approximately PHP380 million and a loss after taxation of approximately PHP319 million. HPI's gross profit margin was approximately 4.7%, while its net loss margin decreased to approximately 3.9%, as compared with approximately 17.4% for FY2025, indicating an improvement in its financial performance from the relatively low level recorded in FY2025.

	As at 31 December			As at 30 April
	2023	**2024**	**2025**	**2026**
	PHP million (audited)	*PHP million* (audited)	*PHP million* (audited)	*PHP million* (audited)
Current assets	12,537	9,466	7,240	7,964
— Cash and cash equivalents	5,180	4,077	1,332	860
Non-current assets	30,474	30,703	29,146	28,692
— Property, plant and equipment	18,300	17,270	15,128	14,813
Total assets	43,011	40,169	36,385	36,656
Current liabilities	10,003	10,931	10,679	11,308
Non-current liabilities	1,931	2,023	1,683	1,795
Total liabilities	11,934	12,955	12,361	13,104
Total equity	31,076	27,214	24,024	23,553

HPI's total assets decreased by approximately PHP2,842 million, or 6.6%, from approximately PHP43,011 million as at 31 December 2023 to approximately PHP40,169 million as at 31 December 2024, while its total liabilities increased by approximately PHP1,021 million, or 8.6%, from approximately PHP11,934 million to approximately PHP12,955 million. HPI's total equity decreased from approximately PHP31,076 million as at 31 December 2023 to approximately PHP27,214 million as at 31 December 2024, representing a decrease of approximately PHP3,862 million, or 12.4%, mainly as a result of the total comprehensive loss recorded for FY2024 and the declaration of cash dividends.

HPI's total assets further decreased by approximately PHP3,784 million, or 9.4%, from approximately PHP40,169 million as at 31 December 2024 to approximately PHP36,385 million as at 31 December 2025, mainly due to decreases in cash and cash equivalents and property, plant and equipment. Its total liabilities decreased by approximately PHP594 million, or 4.6%, from approximately PHP12,955 million to

approximately PHP12,361 million. HPI's total equity decreased from approximately PHP27,214 million as at 31 December 2024 to approximately PHP24,024 million as at 31 December 2025, representing a decrease of approximately PHP3,190 million, or 11.7%, mainly attributable to the total comprehensive loss recorded for FY2025.

HPI's total assets increased slightly by approximately PHP271 million, or 0.7%, from approximately PHP36,385 million as at 31 December 2025 to approximately PHP36,656 million as at 30 April 2026, while its total liabilities increased by approximately PHP743 million, or 6.0%, from approximately PHP12,361 million to approximately PHP13,104 million. HPI's total equity decreased from approximately PHP24,024 million as at 31 December 2025 to approximately PHP23,553 million as at 30 April 2026, representing a decrease of approximately PHP471 million, or 2.0%.

3. Background information of the Seller and Holcim

The Seller is a private limited liability company registered in Amsterdam under Dutch law, with registered address at Roemer Visscherstraat 41B, 1054 EW Amsterdam, the Netherlands, and registered company number 33155025 at the Dutch Chamber of Commerce. It has a registered capital of EUR3,771,500 and its business scope includes equity investment. As at the Latest Practicable Date, the Seller directly or indirectly holds 99.9997% of the shares of Clinco, 36.8038% of the shares of Cemco and 27.51% of the shares of Union Cement and directly holds approximately 31.377% of the shares of HPI. The Seller is a subsidiary of Holcim, a Controlling Shareholder of the Company.

Holcim is a company incorporated in Switzerland in February 1912 and listed on the SIX Swiss Exchange. Its business scope includes the manufacture and trading of building materials and related products in Switzerland and abroad, as well as financial services.

4. Reasons for and benefits of the Acquisition

As disclosed in the Letter from the Board, overseas expansion through greenfield developments or acquisitions has been one of the key strategies of the Company for more than 10 years. The Company has established a track record in integrating and developing acquired companies, improving their post-acquisition performance and achieving targeted returns on overseas investments. Such strategy enables the Company to pursue growth by leveraging its experience in industrial technology and production chain integration, while mitigating the impact of the challenging domestic cement market. As at the Latest Practicable Date, the Company had an operational presence in 14 countries, with overseas clinker production capacity and cement grinding capacity of approximately 26.60 million tons and 36.15 million tons per annum, respectively. From January to June 2026, the Group's overseas cement and clinker sales volume reached approximately 13.18 million tons, representing a year-on-year increase of approximately 57%, while its overseas sales revenue reached approximately RMB8.542 billion, representing a year-on-year increase of approximately 107%. The overseas business has thus become a strong contributor to the performance of the Company, which is facing headwinds in the domestic cement business.

HPI is located in the Philippines. As part of our due diligence work, we have reviewed data released by the Philippine Statistics Authority[1] and noted that the population of the Philippines was approximately 112.7 million as at 1 July 2024 (being the latest available census data as at the Latest Practicable Date). We further noted that the Philippines' GDP grew by approximately 5.7% in 2024 and approximately 4.4% in 2025, and continued to record year-on-year growth of approximately 2.8% and 2.3% in the first and second quarters of 2026, respectively. Although the pace of economic growth has moderated, the Philippine economy has continued to expand. We have also reviewed information published by the Department of Budget and Management[2] of the Philippines and noted that approximately PHP1.645 trillion, representing approximately 5.7% of the Philippines' GDP in 2025, was allocated to the Build Better More Infrastructure Program in 2025, while approximately USD27.3 billion, representing approximately 5.0% of the Philippines' GDP in 2026, was proposed to be allocated for such program in 2026. Having also considered that, as disclosed in the Letter from the Board, per capita cement consumption in the Philippines remains at a relatively low level of approximately 290 kilograms, we consider that continued infrastructure investment and relatively low per capita cement consumption provide long-term growth potential for cement demand in the Philippines.

As part of our due diligence work, we have reviewed Department Administrative Order No. 25–15, series of 2025[3] (the "**Safeguard Order**"), issued by the Department of Trade and Industry of the Philippines[4]. We noted that, based on the investigation covering the period from 2019 to 2024, imports of ordinary Portland cement and blended cement increased materially beginning in 2023 and caused serious injury to the domestic cement industry. In particular, the market share, sales, production and capacity utilisation of the domestic cement industry deteriorated to their lowest levels during the investigation period, while domestic cement producers incurred considerable operating losses. The Safeguard Order accordingly provides for the imposition of a definitive safeguard duty for a period of three years, with the duty for the first year set at PHP349 per metric ton. We consider that such findings indicate that the Philippine cement industry had experienced a material downturn.

Against this industry background, as set out in section headed "2.4 HPI" above, HPI's net loss after taxation increased from approximately PHP1,213 million for FY2024 to approximately PHP3,838 million for FY2025, while its net loss margin increased from approximately 5.5% to approximately 17.4%. For the four months ended 30 April 2026, HPI recorded revenue of approximately PHP8,082 million and a net loss after taxation of approximately PHP319 million, representing a substantially lower net loss margin of

[1] Philippine Statistics Authority ("**PSA**") is the central statistical authority of the Philippine government responsible for collecting, compiling, analysing and publishing statistical information, as well as conducting national censuses. As advised by the Management, PSA is independent of the Company and its connected persons.

[2] The Department of Budget and Management ("**DBM**") is an executive department of the Philippine government responsible for the formulation and implementation of national budget policies and the effective management of government resources. As advised by the Management, DBM is independent of the Company and its connected persons.

[3] https://www.dti.gov.ph/dti-advisories/dti-sg_final_cement

[4] The Department of Trade and Industry ("**DTI**") is an executive department of the Philippine government responsible for the advancement, promotion, governance, regulation, management and growth of industry and trade. As advised by the Management, DTI is independent of the Company and its connected persons.

approximately 3.9%. We have also reviewed HPI's monthly selling price information and noted that its weighted average selling price was approximately PHP3,696 per ton in 2025, while its weighted average selling price for the six months ended June 2026 was approximately PHP3,759 per ton. The higher weighted average selling price, together with the reduction in HPI's net loss margin, indicates that HPI's operating performance had begun to improve from the relatively low level recorded in FY2025. Having also considered that the safeguard measure is expected to alleviate pressure from imported cement, we consider that the Acquisition is being undertaken at a relatively low point in HPI's operating cycle and provides the Group with an opportunity to benefit from the improvement in HPI's operating performance and any further recovery of the Philippine cement market.

HPI operates four integrated cement plants and one cement grinding station strategically located in the key regions of Luzon and Mindanao, with annual clinker production capacity of approximately 5.2 million tons and annual cement production capacity of approximately 9.0 million tons. It also has abundant limestone resources and favourable locations. Accordingly, the Acquisition will provide the Group with an established production platform and sizeable additional production capacity in the Philippines. We have discussed with the Management the intended post-acquisition measures and understood that the Company expects to apply its experience in production technology, cost control, supply chain management and marketing to improve HPI's capacity utilisation, operating efficiency and profitability. The Acquisition is also expected to strengthen the Group's presence in Southeast Asia, expand its global production capacity and enhance its geographical diversification and resilience against cyclical fluctuations in individual markets. In addition, the two-phase arrangement of the Acquisition would allow Holcim to retain its remaining shareholding in HPI for a minimum of three years, which is positive to the operation of HPI in terms of brand continuity and smooth transition.

Having considered that (i) the Acquisition is in line with the Company's long-standing overseas expansion strategy and its track record in overseas cement acquisitions and operations; (ii) continued infrastructure investment and relatively low per capita cement consumption provide long-term growth potential for cement demand in the Philippines; (iii) the Acquisition is being undertaken at a relatively low point in HPI's operating cycle, while HPI's financial performance began to show improvement in early 2026 and the safeguard measure is expected to alleviate pressure from imported cement; and (iv) HPI has an established production platform, sizeable production capacity and potential for operational improvement, we are of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole.

5. Principal Terms of the Share Purchase Agreement and the Shareholders' Agreement

Date: 1 August 2026

Parties:

a. Seller;

b. Purchaser

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

- Clinco: 99.9997% of issued share capital
- Cemco: 36.8038% of issued share capital
- Union Cement: 27.51% of issued share capital

By acquiring the above interests, the Purchaser will indirectly acquire an aggregate of 67.623% of the issued shares and voting rights in HPI (being Cemco's 7.073% direct interest and Union Cement's 60.55% direct interest in HPI).

The consideration will be paid by the Purchaser in cash and will be funded by the Company's internal resources, bank loans, bond issuance and other external financing sources.

First Phase Consideration and closing accounts adjustment: The First Phase Consideration is calculated as follows:

(Enterprise Value – Debt + Cash and Inter-Company Non-Trading Receivables + Working Capital Adjustment) × agreed sale proportion (67.623%)

The closing accounts mechanism in respect of the First Phase Consideration works as follows:

- Pre-Closing estimation: at least 5 Business Days prior to the First Closing Date, the Seller will provide an estimated closing statement/balance sheet. The initial consideration to be paid at the First Closing Date will be calculated by reference to such estimated closing statement (the "**Initial Consideration**").
- Post-Closing review: following the First Closing, an independent audit firm will establish the actual closing statement as at the First Closing Date to determine the final First Phase Consideration.

- Any difference between the Initial Consideration paid at the First Closing Date and the final First Phase Consideration determined by the independent audit firm shall be paid by the Seller to the Purchaser or by the Purchaser to the Seller, as the case may be.

Based on the financial statements as at 30 June 2026, the calculated consideration amounts to US$509 million as the closing accounts adjustment mechanism. The average monthly net cash generated over the 18-month period up to and including June 2026 was negative. Taking into account the increase in ex-factory price of US$6 per ton arising from higher import tariff barriers and a monthly sales volume of 500,000 tons, which is a historically achievable sales level, the average monthly net cash generated prior to closing is expected not to exceed US$3 million before closing. Assuming completion on 31 March 2027, the First Phase Consideration is expected not to exceed US$527 million, calculated as US$509 million plus (US$3 million × 9 months × 67.623%).

The Closing Account Adjustment mechanism protects the Purchaser from absorbing uncompensated operating losses, working capital depletion, or additional debt incurred by the Target Companies between the Valuation Date and the First Closing Date. Because HPI has been loss-making, a Locked Box mechanism would have fixed the valuation at a past date, exposing the Purchaser to the risk of overpaying if the financial condition of HPI worsens, for instance as a consequence of continued cash losses or working capital deterioration. The Closing Account mechanism ensures that every dollar of net debt increase or working capital deterioration prior to First Closing directly reduces the First Phase Consideration paid by the Purchaser on a dollar-for-dollar basis.

Payment arrangements and escrow:

On the First Closing Date, the Purchaser will pay the Initial Consideration minus an amount of USD15 million to the Seller. The USD15 million will be deposited into an escrow account jointly controlled by both Parties as the final payment and will be held for 12 months after the First Closing Date to secure the Seller's liability and indemnification obligations.

Any difference between the Initial Consideration paid at the First Closing and the final First Phase Consideration determined by the independent audit firm will be settled after the determination of the First Phase Consideration.

Conditions to closing: The First Closing is conditional upon the fulfilment (or waiver, where permitted by law) of the following conditions:

- Shareholder approval: approval of the Shareholders in accordance with the requirements imposed by the Stock Exchange and the SSE;
- Chinese authority approval: obtaining clearance of the record filing with MOFCOM and NDRC, as well as completion of the foreign exchange registration with banks designated by SAFE;
- Philippines authority approval: obtaining the PCC Clearance from the PCC;
- Closing of the offer period in respect of the Tender Offer.

In principle, none of the conditions precedent can be waived. However, there may be a possibility of obtaining a waiver from the Philippine authorities in respect of the requirement to conduct the Tender Offer before First Closing. As of the Latest Practicable Date, the Purchaser has obtained the PCC Clearance.

Performance Guarantee and Liability for Breach: Bank guarantees: after signing of the Share Purchase Agreement, the Purchaser provided to the Seller a first bank guarantee in the amount of USD12.5 million; a second bank guarantee in the amount of USD27.5 million will be provided after obtaining the Shareholders' approval. After First Closing, the two bank guarantees shall be returned by the Seller to the Purchaser.

Liquidated damages/break-up fee: If, after obtaining Shareholders' approval, the conditions precedent are not satisfied by the Long Stop Date due to a breach or default by the Purchaser, the Purchaser shall pay USD40 million to the Seller as compensation (or the Seller may draw on the relevant guarantee). If all conditions precedent have been satisfied, but the Seller fails to perform the closing acts, the Seller shall return the bank guarantees and pay USD40 million to the Purchaser.

Second Phase and options arrangement:

In the Second Phase, through the exercise of the Call Option by the Purchaser or the Put Option by the Seller, the Purchaser may acquire approximately 31.377% of the issued shares in HPI. The Second Phase Consideration is the greater of (i) the latest audited annual revenue of HPI (excluding incremental revenue from potential capacity expansions post First Closing) x 2.4 x 31.377%; and (ii) USD280 million. Pursuant to the Shareholders' Agreement, the Second Phase Consideration shall be capped at USD392 million.

The Put Option may only be exercised from the later of:

(a) the first working day of January 2030, and

(b) the first working day falling three (3) years from First Closing, (the "**Put Option Date**").

Notwithstanding any other provisions of the Shareholders' Agreement, the Seller shall not be entitled to exercise the Put Option prior to the due registration of the Purchaser as legal and beneficial owner of the sale shares (as defined in the Share Purchase Agreement). The Call Option may only be exercised on or after the Put Option Date. The Put Option and the Call Option may be exercised concurrently and there is no order of priority. No option premium is payable by either party for the grant or exercise of the Put Option or the Call Option. There is no expiry date for the options. Both options automatically terminate upon (a) mutual written consent, (b) insolvency of either party, or (c) completion of the Second Closing.

For further details of the terms of the Share Purchase Agreement, such as long stop date and extension, limitation of liability, governing law and dispute resolution, please refer to the section headed "Key terms of the Share Purchase Agreement and the Shareholders' Agreement" in the Letter from the Board.

6. Assessment of the consideration

We have discussed with the Management regarding the basis of the consideration and understood that, as the First Phase Consideration and the Second Phase Consideration are determined using different pricing methodologies and relate to acquisitions taking place at different times, we have assessed the pricing of the two phases separately.

6.1 First Phase Consideration

We have obtained and reviewed the calculation of the estimated First Phase Consideration prepared by the Company, HPI's balance sheet as at 30 June 2026 and the relevant underlying information and assumptions. Based on HPI's financial position as at 30 June 2026, the First Phase Consideration was calculated to be approximately USD509 million.

We have also reviewed HPI's monthly cash flow, sales volume and average selling price information for the 18 months ended 30 June 2026. We noted that HPI's average monthly net cash generation during such period was negative. In estimating the potential cash generation prior to the First Closing, the Company assumed an increase in ex-factory selling price of USD6 per ton and a monthly sales volume of 500,000 tons. We noted that HPI's monthly sales volume exceeded 500,000 tons in only three out of the 18 months reviewed, with the highest monthly sales volume being approximately 564,000 tons. Accordingly, we consider that 500,000 tons represents a historically achievable monthly sales volume. We also understood from the Management that the assumed price increase of USD6 per ton was mainly determined with reference to the definitive safeguard duty of PHP349 per metric ton, as further discussed in the section headed "4. Reasons for and benefits of the Acquisition" above. The Management considered that the safeguard duty would support domestic cement prices. On this basis, the estimated maximum monthly incremental cash generation attributable to the assumed price increase was approximately USD3 million.

Assuming that the First Closing will take place on 31 March 2027, the projected maximum First Phase Consideration was calculated as USD509 million plus USD3 million multiplied by nine months and 67.623%, resulting in approximately USD527 million. We have cross-checked the above calculation and did not identify any material discrepancy. As the assumed increase in ex-factory selling price of USD6 per ton was determined with reference to the definitive safeguard duty and the assumed monthly sales volume of 500,000 tons represents a historically achievable level, we consider that both assumptions provide a reasonable basis for estimating the maximum First Phase Consideration.

We also noted that the Initial Consideration payable at the First Closing will be determined by reference to an estimated closing statement provided by the Seller before the First Closing. Following the First Closing, an independent audit firm will establish the actual closing statement as at the First Closing Date, based on which the final First Phase Consideration will be determined. Any difference between the Initial Consideration and the final First Phase Consideration will be settled between the Seller and the Purchaser.

Under the closing accounts adjustment mechanism, any increase in net debt or deterioration in working capital prior to the First Closing will reduce the First Phase Consideration accordingly. We consider that such adjustment provides reasonable

protection to the Purchaser as the final First Phase Consideration will reflect the actual financial position of HPI as at the First Closing Date. Based on the above, we consider that the closing accounts adjustment mechanism is reasonable.

Valuation Report

The Company has engaged the Independent Valuer to assess the market value of the 100% equity interest in HPI as at 30 April 2026 (the "**Valuation**"). We have reviewed the Valuation Report and noted that the market value of the 100% equity interest in HPI was approximately USD860 million, deriving from an EV of approximately USD809.6 million and the relevant adjustments from EV to equity value.

In assessing the qualifications and independence of the Independent Valuer, we have reviewed its engagement letter and the qualifications and experience of the persons responsible for the Valuation Report. We have also discussed with the Independent Valuer its experience in conducting valuations of similar businesses, the scope of its engagement, the principal information relied upon and the procedures undertaken in preparing the Valuation Report. We noted that the valuation exercise was led and signed by Mr. Bruce Oong, a Chartered Professional Accountant of Canada with over 15 years of experience in business valuation, and reviewed and signed by Ms. Grace Lam, a member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors and a registered professional surveyor with over 30 years of valuation experience. We further noted that the Independent Valuer has experience in conducting equity valuations for transaction and circular purposes, including the valuation of cement producers. The Independent Valuer has confirmed that it is independent from the Company, HPI, the Seller and their respective connected persons and has no conflict of interest in relation to the Acquisition. Based on the above, we consider that the Independent Valuer is appropriately qualified and possesses relevant experience in conducting the Valuation.

We noted from the Valuation Report that the Independent Valuer considered three generally accepted valuation approaches, namely the market approach, the income approach and the asset based approach. The asset based approach was not adopted as it would not adequately reflect the future earning potential of HPI as a going concern, while the income approach was not adopted as it would require detailed financial forecasts involving comparatively subjective assumptions. The Independent Valuer therefore adopted the market approach and, specifically, the guideline transaction method. We further understood that the guideline public company method was not adopted as the Independent Valuer was unable to identify a sufficient number of listed cement companies with business profiles, operating markets, production capacities and competitive environments sufficiently comparable to those of HPI. The Independent Valuer also considered that differences in the supply and demand conditions and competitive landscapes across other Southeast Asian markets would limit the comparability of listed cement companies operating in those markets.

As HPI's trailing twelve-month earnings before interest, tax, depreciation and amortization ("**EBITDA**") was negative as at 30 April 2026 (the "**Valuation Date**"), the Independent Valuer considered that the enterprise value/EBITDA (the "**EV/EBITDA**") multiple was not applicable and adopted EV/annual production capacity (the "**EV/Annual Production Capacity**") as the principal valuation multiple.

We have also considered EV/Revenue and price-to-book multiples as alternative valuation benchmarks. However, EV/Revenue does not take into account differences in operating costs and profitability of target companies involved in the comparable transactions, while a price-to-book multiple may not fully reflect the value of HPI's production assets, which were acquired or constructed over different periods and recorded at historical cost. Annual production capacity is directly linked to the scale of HPI's installed production assets and is less affected by short-term fluctuations in utilisation and profitability. Having considered HPI's loss-making position and the asset-intensive nature of its business, we consider that EV/Annual Production Capacity is an objective and appropriate valuation multiple in the circumstances.

The Independent Valuer identified four comparable transactions (the "**Comparable Transactions**") involving cement businesses operating in the Philippines based on a search covering transactions completed between January 2023 and April 2026. The EV/Annual Production Capacity multiples of the Comparable Transactions ranged from approximately USD86/ton to USD207/ton. We have reviewed the selection criteria adopted by the Independent Valuer and cross-checked the transaction consideration, equity interest acquired, EV and annual production capacity of the target company involved in each Comparable Transaction against publicly available information. We noted that the four Comparable Transactions represented the transactions identified which satisfied the criteria of operating in the Philippines, engaging principally in the cement and aggregates sector and having sufficient publicly available information. Based on the disclosed multiples, the average and median were approximately USD124 per ton and USD102 per ton, respectively. We noted that the Comparable Transactions were completed at different times and involved different equity interests and target circumstances. The first and third Comparable Transactions both involved Concreat Holdings Philippines, Inc. as the target company, but were completed at different times, involved different acquirers and equity interests and were separate transactions. We therefore consider that it is reasonable to retain both transactions as the Comparable Transactions. For completeness, we also considered the adjusted range after excluding each of these transactions separately to assess the impact of including such two transactions involving the same target company. We noted that the adopted multiple remained at or close to the low end of the adjusted range in either case.

For those Comparable Transactions involving minority interests, the Independent Valuer applied a control premium of 31% by reference to the FactSet Mergerstat/BVR Control Premium Study. We have reviewed the relevant extract covering the first quarter of 2026 provided by the Independent Valuer and understood that the study contains control premium data derived from publicly announced transactions. We noted that the control premium was determined with reference to the "Stone, Clay, Glass, and Concrete Products" industry category, which most closely corresponds to HPI's principal business. Given (i) the study provides recent market data for the relevant industry of HPI; and (ii) the Independent Valuer confirmed that such study is a commonly used reference for valuation adjustment purpose, we consider that it provides an appropriate reference for adjusting the minority-interest Comparable Transactions to a controlling-interest basis. We have also discussed with the Independent Valuer the basis for adopting such control premium and confirmed that it was applied only to the minority-interest Comparable Transactions. We have recalculated the adjusted multiples and did not identify any material discrepancy. Having considered the above, we consider that the control premium adopted by the Independent Valuer is reasonable.

The Independent Valuer adopted an EV/Annual Production Capacity multiple of approximately USD89.96/ton, being the adjusted multiple implied by a historical transaction involving HPI in 2023 and close to the low end of the range of the Comparable Transactions' multiples. Although the adopted multiple is below the average and median of the Comparable Transactions, the relevant transaction involved HPI itself and therefore provides a more direct reference to HPI's business, production assets and operating conditions. The adopted multiple is also close to the low end of the Comparable Transactions. We therefore consider that the adopted multiple represents a prudent basis for the Valuation.

Applying the adopted multiple to HPI's annual cement production capacity of approximately 9.0 million tons resulted in an EV of approximately USD809.6 million. After adding HPI's net debt adjustment of approximately USD46.65 million as at the Valuation Date, the market value of the 100% equity interest in HPI was approximately USD860 million. We have cross-checked the key inputs and calculation process adopted in deriving the Valuation and noted that the calculation is consistent with the methodology set out in the Valuation Report.

The agreed EV of USD780 million implies an EV/Annual Production Capacity multiple of approximately USD86.67/ton, which represents a discount of approximately 3.7% to the EV of approximately USD809.6 million derived by the Independent Valuer and is almost equal to the low end of the range of the Comparable Transactions' multiples. As discussed with the Management, the agreed EV was determined with reference to the low-end multiple of approximately USD86/ton, which results in an EV of approximately USD774 million based on HPI's annual cement production capacity of approximately 9.0 million tons, together with the contribution from HPI's non-cement operations. Given (i) the implied multiple of approximately USD86.67/ton remains within,

and close to the low end of, the range of the Comparable Transactions' multiples; (ii) the discount of approximately 3.7% was not determined as a separate valuation adjustment but represents the difference between the EV derived by the Independent Valuer and the agreed EV based on an arm's length negotiation between the parties, we consider that such discount is reasonable and beneficial to the Company as the purchaser.

Having considered that (i) EV/Annual Production Capacity is an appropriate valuation multiple having regard to HPI's financial performance and the nature of its business; (ii) the adopted multiple is based on a historical transaction involving HPI and is below the average and median of the Comparable Transactions; (iii) the agreed EV represents a discount to the EV assessed by the Independent Valuer; (iv) the projected maximum First Phase Consideration of USD527 million assumes an increase in ex-factory selling price of USD6 per ton determined with reference to the definitive safeguard duty and a monthly sales volume of 500,000 tons, which was exceeded in only three out of the 18 months ended 30 June 2026; and (v) the final First Phase Consideration will be adjusted based on HPI's actual financial position as at the First Closing Date, we consider that the First Phase Consideration is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

6.2 Second Phase Consideration

Basis of the Second Phase pricing methodology

Unlike the First Phase Consideration, the Second Phase Consideration is not determined directly by reference to the Valuation Report but by reference to a revenue-based pricing formula agreed between the parties for a transaction expected to take place no earlier than three years after the First Closing. We have therefore assessed the basis and commercial rationale of the pricing formula separately.

Under the First Phase, the Purchaser will obtain control over HPI and the consideration is determined by reference to HPI's existing production capacity and financial position at the First Closing. Given HPI's loss-making position, the capacity-based valuation reflects the value of its existing production assets without being materially affected by its short-term profitability.

By contrast, the Second Phase Consideration is determined by reference to the revenue generated by HPI's existing business. As discussed above, the Acquisition is being undertaken at a relatively low point in HPI's operating cycle and HPI is on the recovery trend in terms of unit selling price. In addition, it would be at least three years before the Second Closing since the First Closing. The revenue-based formula allows the Seller to benefit from any increase in the selling prices and utilisation of HPI's existing production assets during such period, while revenue attributable to capacity expansion undertaken by the

Purchaser will be excluded. The Purchaser will therefore retain the benefit of revenue generated from post-First Closing capacity expansion and any value above the contractual cap of USD392 million.

We also noted from the Letter from the Board, for purposes of distinguishing revenues generated by existing production capacities from those generated under expansion projects (new production lines) for the calculation of the Second Phase Consideration, and to prevent the Purchaser from suppressing the calculated revenue base by reducing output of existing lines following commissioning of new lines under expansion projects, a 2025 baseline volume safeguard is adopted. Given the 2025 baseline volumes for the four plants of HPI are based on the actual output volume of such plants in 2025, when HPI was at a relatively low point in its operating cycle, we consider that it is a fair and reasonable basis to adopt. In addition, since the Floor Consideration is also calculated based on, among others, the actual 2025 output volume of HPI, the adoption of the baseline volume safeguard would not create a higher floor.

Accordingly, the First Phase methodology reflects the value of HPI's existing production assets and financial position at the First Closing, while the Second Phase methodology allows the Seller to share any subsequent improvement in HPI's existing business and hence encourage the Seller, being a minority shareholder of HPI then, to facilitate a smooth transition of control and normal operation of HPI following the First Closing, but subject to the exclusion of revenue attributable to capacity expansion contributed by the Purchaser and the contractual cap. Having considered the different timing and commercial purpose of the two phases, we consider that the adoption of different pricing methodologies provides a reasonable allocation of the risks and benefits between the Purchaser and the Seller and is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We have discussed with the Management the basis for adopting revenue as the pricing metric and understood that EBITDA- and earnings-based metrics were also considered during the negotiations. We have reviewed HPI's historical revenue, gross profit and net profit or loss for FY2023, FY2024, FY2025 and the four months ended 30 April 2026. We noted that HPI's revenue dropped in FY2024 as compared with FY2023 and remained broadly stable in FY2025, while its profitability was affected by increases in cost of sales and impairment losses. Notwithstanding that HPI recorded net losses in FY2024 and FY2025, revenue continued to reflect the sales volume and selling prices achieved by its existing production assets. We understood that revenue was not adopted simply because HPI was loss-making. Rather, it was adopted because it reflects the sales volume and selling prices achieved by HPI's existing production assets and is less affected by fluctuations in costs and other non-revenue items.

Following the First Closing, the Purchaser will control HPI's operations, capital expenditure, cost allocation and accounting policies, and HPI's earnings may be affected by integration expenses, technical upgrades, major maintenance and other expenditure undertaken by the Purchaser. In comparison, revenue is a more objective and readily ascertainable financial measure and is less affected by changes in cost allocation, depreciation, financing arrangements and discretionary expenditure. In addition, as the Second Phase Consideration is not linked to earnings, any improvement in HPI's profitability arising from cost savings and operational improvements implemented by the Purchaser will not increase the consideration payable to the Seller. Having considered the above, we consider that revenue is an appropriate pricing metric for determining the Second Phase Consideration notwithstanding HPI's current loss-making position.

Floor Consideration and EV/Revenue multiple

In assessing the reasonableness of the Floor Consideration, we have principally considered its underlying operational basis, including HPI's production volume, selling price and non-cement revenue. We have also considered the Company's synthetic USD financing cost only as an additional reference to the time value of the deferred payment, rather than as a measure of HPI's equity risk or expected equity return.

The Floor Consideration was determined using HPI's 2025 production volume of approximately 5.416 million tons, the weighted average selling price of approximately USD64 per ton for the 12 months ended June 2026 and non-cement revenue of approximately USD31 million. Applying the EV/Revenue multiple of 2.4 times and the 31.377% equity interest results in approximately USD284.4 million, which was rounded down to USD280 million. We have reviewed the underlying production, selling price and revenue information and recalculated the above amount. As the calculation is based on HPI's actual production volume for 2025 and its weighted average selling price for the 12 months ended June 2026, we consider that it provides a reasonable basis for determining the Floor Consideration.

We have also considered that payment for the Seller's remaining interest will be deferred for at least three years following the First Closing. As disclosed in the Letter from the Board, over the three-year period following First Closing, approximately USD280 million will be expended on the retrofitting and expansion of production lines. As a consequence, dividend proceeds available to the Seller in its capacity as minority shareholder during such period will be very limited. In considering the time value of such deferred payment, we have compared the equity values implied by the First Phase Consideration and the Floor Consideration. Based on the rounded Floor Consideration of USD280 million, the implied equity value for 100% of HPI is approximately USD892 million. Compared with the equity value of approximately USD780 million implied by the projected maximum First Phase Consideration, this represents an increase of approximately 14.36% over a three-year period, equivalent to a compound annual growth rate of

approximately 4.57% calculated over a three-year period. Such compound annual growth rate is broadly in line with the Company's synthetic USD financing cost of approximately 4.5%. We have reviewed the terms of three recent RMB bond issuances of the Company and cross-checked the weighted average interest rate and the relevant PRC and US government bond yields used in the calculation. We did not identify any material discrepancy. As the calculation was based on the Company's recent borrowing costs and the relevant government bond yields, we consider that the Company's synthetic USD financing cost of approximately 4.5% is reasonable. Having considered the deferred payment arrangement and the limited dividends expected to be available to the Seller during such period, we consider that such financing cost provides a reasonable additional reference for assessing the time value of the deferred payment.

According to the Company, the multiple of 2.4x was determined with reference to 34 comparable cement and clinker merger and acquisition transactions retrieved from the Dealogic database and completed between 1 July 2023 and 30 June 2026. The selection criteria included completed transactions involving targets principally engaged in cement or clinker production and with EV exceeding USD50 million. As advised by the Management, the 34 comparable transactions represented all transactions identified from the Dealogic database which met the above selection criteria during the relevant period and the list was exhaustive on this basis. The EV/Revenue multiples of these transactions range from 0.69x to 8.40x, with an average of approximately 2.70x.

We have obtained from the Company the list of the comparable transactions and the relevant transaction information. We have reviewed the selection criteria and recalculated the relevant EV/Revenue multiples, average, median and quartiles based on the information provided. We noted that the multiples showed a relatively wide dispersion, which was not unexpected given that the comparable transactions involved targets operating in different markets and were completed under different transaction circumstances. Notwithstanding such dispersion, the 34 comparable transactions were selected based on the same criteria and provide a broad reference for transactions involving cement and clinker businesses.

We noted that the adopted multiple of 2.4 times was above the median of approximately 2.04 times and below the upper quartile of approximately 2.82 times, and therefore fell within the middle 50% of the comparable transactions. We also noted that 15 of the comparable transactions had multiples above 2.4 times and 19 had multiples below 2.4 times. Accordingly, the adopted multiple was within the central range of the comparable transactions and was not affected by the extreme multiples at either the higher or lower end of the range. Having considered the selection criteria, the number of comparable transactions and the position of the adopted multiple within the overall distribution, we consider that the comparable transactions provide a reasonable market reference and that the adoption of the multiple of 2.4 times for determining the Second Phase Consideration is fair and reasonable.

Contractual cap

In respect of the contractual cap of USD392 million, the calculation assumes an annual cement sales volume of 7.0 million tons, an average selling price of USD70 per ton and annual non-cement revenue of approximately USD31 million. As advised by the Management, HPI's annual cement sales volumes were approximately 8.1 million tons, 7.5 million tons, 6.4 million tons and 6.3 million tons from 2018 to 2021, respectively, representing an average of approximately 7.1 million tons per year. The Management considered that the definitive safeguard duty would reduce the pressure from imported cement and support the recovery of HPI's sales volume towards its previous levels. The assumed sales volume of 7.0 million tons was therefore determined with reference to HPI's historical sales performance. We have also discussed with the Management whether the assumed sales volume could be supported by HPI's existing production facilities. HPI had an annual cement production capacity of approximately 9.0 million tons and annual clinker production capacity of approximately 5.2 million tons. Based on a clinker-to-cement ratio of approximately 0.7, which is broadly in line with the estimated global ratio of approximately 0.71[5] reported by the International Renewable Energy Agency[6], the production of 7.0 million tons of cement would require approximately 4.9 million tons of clinker, which is within HPI's existing clinker production capacity. Having also considered that the Second Closing will take place no earlier than three years after the First Closing and that the volume of 7.0 million tons is used to determine the contractual cap rather than as a guaranteed sales volume, we consider that it provides a reasonable basis for determining the contractual cap.

HPI's average ex-factory selling price was approximately USD60.1 per ton in 2025, while its weighted average selling price for the 12 months ended June 2026 was approximately USD64 per ton. The USD70 per ton adopted for determining the contractual cap represents an increase of approximately USD6 per ton over the weighted average selling price of approximately USD64 per ton. We have reviewed HPI's monthly selling price information and the relevant import protection measures introduced by the Philippine authorities in 2026, as further discussed in the section headed "4. Reasons for and benefits of the Acquisition" above. Having considered HPI's recent selling price trend and the period of at least three years before the Second Closing, we consider that the selling price of USD70 per ton provides a reasonable basis for determining the contractual cap. We have also reviewed the basis of the non-cement revenue of approximately USD31 million by reference to HPI's historical financial information and noted that it is broadly consistent with HPI's historical non-cement revenue.

[5] According to International Renewable Energy Agency ("**IRENA**"), with reference to sources published in 2024, the global clinker-to-cement ratio is estimated at approximately 71%.

[6] IRENA is an intergovernmental organisation that supports countries in their transition to a sustainable energy future. As advised by the Management, IRENA is independent of the Company and its connected persons.

Based on the assumed annual cement sales volume of 7.0 million tons, average selling price of USD70 per ton and non-cement revenue of approximately USD31 million, the application of the EV/Revenue multiple of 2.4 times and the 31.377% equity interest results in approximately USD392.3 million. The Second Phase Consideration is contractually capped at USD392 million. We have recalculated the above amount and did not identify any material discrepancy.

We noted that if HPI's performance materially deteriorates after the First Closing, the Seller may exercise the Put Option and the Purchaser would be required to pay the Floor Consideration. However, as discussed above, the Floor Consideration was determined with reference to HPI's actual production volume for 2025 and its weighted average selling price for the 12 months ended June 2026, which reflected HPI's operating performance at a relatively low point in its operating cycle. As set out in sections headed "2.4 HPI" and "4. Reasons for and benefits of the Acquisition" above, HPI's financial performance showed improvement during the four months ended 30 April 2026, while the definitive safeguard duty is expected to support domestic cement prices and sales volume. Therefore, the likelihood to apply the Floor Consideration as the Second Phase Consideration is remote.

The Purchaser will obtain control over HPI upon the First Closing, while payment for the remaining interest will be deferred for at least three years. During such period, the Purchaser will benefit from any improvement in HPI's profitability arising from cost savings and operational improvements without increasing the Second Phase Consideration. As discussed above, revenue attributable to capacity expansion undertaken by the Purchaser will also be excluded and the Second Phase Consideration will be subject to the contractual cap of USD392 million. Taking into account the above, we consider that the Second Phase pricing structure allows the Purchaser to benefit from the improvement in HPI's operations while capping the consideration payable for the remaining interest. Accordingly, we consider that the Second Phase Consideration is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Taking into account our separate assessments of the First Phase Consideration and the Second Phase Consideration above, we consider that the basis and methodology for determining the consideration of the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

7. Assessment of other key terms of the Share Purchase Agreement and the Shareholders' Agreement

As discussed with the Management, we understood that the other key terms of the Share Purchase Agreement and the Shareholders' Agreement were negotiated on an arm's length basis between the Seller and the Purchaser on normal commercial terms, with the aim of safeguarding their respective interests in the Acquisition. In assessing the fairness and reasonableness of such terms, we have principally considered the two-phase transaction structure, the escrow arrangement and the performance protection provided to the parties.

Under the two-phase structure, the Purchaser will obtain control over HPI upon completion of the First Closing, while the Seller will continue to hold approximately 31.377% of HPI during the transitional period. As discussed with the Management, the Put Option Date is set no earlier than three years after the First Closing Date to allow the Seller Group's operational experience and local knowledge to support the transition and integration of HPI, while reducing the Company's short- to medium-term cash payment pressure. Having considered the intended transition and integration arrangements and the benefit of deferring payment for the remaining interest, we consider that the three-year period is reasonable. The reciprocal Put Option and Call Option provide both parties with a pre-agreed mechanism for completing the transfer of the Seller's remaining interest after the relevant exercise date, without requiring the principal pricing terms to be renegotiated at that time. No option premium is payable by either party. Although the options do not have a fixed expiry date, we noted that the Company expects to exercise the Call Option within one to two years following the Put Option Date. We consider that such an arrangement provides the Purchaser with certainty over the ultimate ownership of HPI while facilitating business and brand continuity during the transitional period.

On the First Closing Date, USD15 million of the Initial Consideration will be deposited into an escrow account jointly controlled by the Seller and the Purchaser and held for 12 months after the First Closing Date to secure the Seller's liability and indemnification obligations. We consider that the escrow arrangement provides the Purchaser with reasonable protection against qualifying claims arising after the First Closing.

We also noted that the Purchaser has provided a bank guarantee of USD12.5 million and will provide a further bank guarantee of USD27.5 million after obtaining Shareholders' approval. If the relevant conditions are not satisfied by the Long Stop Date due to a breach or default by the Purchaser, or if the Purchaser fails to complete after the conditions have been satisfied, the Seller may claim compensation of USD40 million or draw on the relevant bank guarantees. Conversely, if the conditions have been satisfied but the Seller fails to complete, the Seller is required to return the bank guarantees and pay USD40 million to the Purchaser. Given that the Seller and the Purchaser are subject to an identical maximum payment obligation of USD40 million in the event that their respective breach or default causes the Acquisition not to complete, we consider that the performance protection is reciprocal and provides both parties with an incentive to proceed with completion in good faith.

In view of the above, and taking into account that the two-phase structure and reciprocal option arrangements provide certainty over the ultimate ownership of HPI, while the escrow and performance protection arrangements safeguard the respective interests of the Seller and the Purchaser, we consider that such terms of the Share Purchase Agreement and the Shareholders' Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

8. Financial effects of the Acquisition on the Group

Upon completion of the First Closing, the Target Companies will become subsidiaries of the Company and their financial results, assets and liabilities will be consolidated into the financial statements of the Group. As Clinco, Cemco and Union Cement principally operate as holding companies, their investments in the downstream Target Companies and the relevant intra-group balances and transactions will be eliminated upon consolidation.

Effect on assets and liabilities

Following the consolidation of the Target Companies, the Group's total assets are expected to increase, principally due to the operating assets of HPI. The Group's total liabilities are also expected to increase due to the consolidation of the external liabilities of the Target Companies and any additional borrowings incurred to finance the consideration of the Acquisition.

The precise effect of the Acquisition on the Group's net assets cannot be determined at this stage, as it will depend on the financial position of the Target Companies at Closing and the purchase price allocation, including any fair value adjustments, goodwill and non-controlling interests recognised upon consolidation.

Effect on cash and working capital

The consideration of the Acquisition will be settled in cash and funded by a combination of internal resources and external financing resources. The use of internal resources will reduce the Group's cash balance and may affect its liquidity and working capital, while the use of external financing resources will increase its borrowings and related finance costs. The extent of such effects will depend on the final consideration and funding arrangements adopted by the Group.

Effect on earnings

Given that HPI and the other Target Companies recorded losses for FY2025 and the four months ended 30 April 2026, the Acquisition may have an adverse effect on the Group's earnings in the short term. Any additional finance costs arising from the financing of the consideration of the Acquisition may also adversely affect the Group's profitability.

Nevertheless, the Acquisition is expected to enlarge the Group's revenue scale and asset base and expand its cement operations into the Philippines. In addition, the definitive safeguard duty on imported cement implemented by the Philippine

government is expected to foster a more balanced competitive landscape for domestic producers, which may facilitate a recovery in domestic cement selling prices and support a potential turnaround in HPI's business. Its longer-term effect on the Group's earnings will depend on the future operating performance of HPI and the extent to which the anticipated operational efficiencies and strategic benefits of the Acquisition can be realised.

RECOMMENDATION

Taking into account the above factors and reasons, we are of the view that (i) the terms of the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although not conducted in the ordinary and usual course of business of the Group, the Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Purchase Agreement, the Shareholders' Agreement and the Acquisition.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Dian Deng
Managing Director

Ms. Dian Deng is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in corporate finance industry.

The following contains the full text of the Valuation Report issued by the Independent Valuer for the purpose of incorporation in this circular on the valuation of the 100% equity interest of the HPI as at 30 April 2026.

CUSHMAN & WAKEFIELD
戴 德 梁 行

27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

12 October 2026

The Directors
Huaxin (Hong Kong) International Holdings Limited
Room 402, Jardine House,
1 Connaught Place, Central, Hong Kong

Dear Sirs,

Re: The market value of 100 percent equity interest in Holcim Philippines, Inc. (the "Target Company")

INSTRUCTIONS, PURPOSE & VALUATION DATE

We refer to the instructions from Huaxin (Hong Kong) International Holdings Limited (the "**Company**") to us to conduct a valuation of the market value of 100 percent equity interest in the Target Company. We are pleased to report that we have made relevant enquiries and obtained necessary information for the purpose of providing you with our market value estimate of 100 percent equity interest in the Target Company as at April 30, 2026 (the "**Valuation Date**").

The purpose of this valuation is for regulatory circular reference for the Company.

DEFINITION OF MARKET VALUE

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset and/or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

METHOD OF VALUATION

In arriving at our assessed value for the equity interest, we have considered three generally accepted approaches, namely, the Market Approach, the Asset Based Approach and the Income Approach. The selection of a valuation approach is based on, among others, the quantity and quality of the information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and

objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that the Market Approach is more appropriate for this valuation.

SOURCE OF INFORMATION

We have relied to a considerable extent on information provided by the management of the Company (the "**Management**") in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. In the implementation of the valuation, we adhere to the principles of independence, objectivity and fairness. According to the information we collected during the course of valuation, the contents of the valuation report are objective. The evaluation conclusion should not be regarded as any guarantee for the valuation object's achievable price.

Unless otherwise stated, all monetary amounts stated in this valuation report are in United States Dollars ("**USD**").

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

Valuation Date	**April 30, 2026**
Market value of 100% Equity Interest in the Target Company	USD860,000,000 (UNITED STATES DOLLARS EIGHT HUNDRED AND SIXTY MILLION ONLY)

The following pages outline the factors considered, methodologies and assumptions employed in formulating our opinions and conclusions. All opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited



Bruce Oong
CPA
Senior Director
Valuation & Advisory Services, Greater China

This report has been reviewed by



Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Table of Contents

1. INTRODUCTION 77

2. PURPOSE OF VALUATION 77

3. BASIS OF VALUE 77

4. BACKGROUND 77

5. QUALIFICATION 78

6. SCOPE OF WORK 78

7. SOURCE OF INFORMATION 79

8. VALUATION METHODOLOGY 79

9. MAJOR ASSUMPTIONS 81

10. LIMITING CONDITION 84

11. REMARKS 85

12. OPINION OF VALUE 86

1. INTRODUCTION

This report has been prepared in accordance with instructions from Huaxin (Hong Kong) International Holdings Limited to express an independent opinion of the market value of 100 percent equity interest in the Target Company as at April 30, 2026.

2. PURPOSE OF VALUATION

The purpose of this valuation is for regulatory circular reference for the Company.

3. BASIS OF VALUE

Our valuation has been carried out on a market value basis. Market value is defined as *"the estimated amount for which an asset and/or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the Target Company. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

4. BACKGROUND

The Target Company was established in the Philippines and is primarily engaged in the manufacture, sale and distribution of cement and cementitious products.

The Target Company was majority-owned by Union Cement Holdings Corporation ("**UCHC**"), a group incorporated in the Philippines. Clinco Corporation ("**Clinco**"), a company incorporated in the Philippines, was an intermediate parent company of The Target Company. The ultimate parent of the Target Company was Holcim Ltd., a company incorporated in Switzerland.

Holcim Ltd's shares of stocks were listed in the Philippine Stock Exchange ("**PSE**") on June 17, 1996. On November 20, 2023, the PSE approved the Company's application for the voluntary delisting of its shares in the PSE effective November 27, 2023. After the Company's shares were delisted, the Company became a private company.

According to the audited financial report provided by the Company, the financial results of the Target Company were illustrated below:

(In Philippine Peso, in Thousands)	April 30, 2026	December 31, 2025
Revenue	8,081,552	22,028,685
Net Profit	–319,297	–3,838,239
Total Assets	36,656,371	36,385,227
Net Assets	23,552,858	24,023,904

5. QUALIFICATION

The subject valuation exercise is led and signed by Mr. Bruce Oong, and reviewed by Ms. Grace Lam.

Mr. Oong is a Senior Director of Cushman & Wakefield Limited. He is a Chartered Professional Accountant of Canada and has over 15 years' experience in business valuation.

Ms. Lam is a Senior Director of Cushman & Wakefield Limited. She is a registered professional surveyor and also is a member of the Royal Institution of Chartered Surveyors as well as a member the Hong Kong Institute of Surveyors, and has over 30 years' experience in property valuation.

6. SCOPE OF WORK

In the course of our valuation work, the following processes had been conducted to evaluate the reasonableness of the adopted bases and assumptions provided by the Management:

- Discussed with the Management and obtained relevant financial information in respect of the Target Company;
- Examined the relevant bases and assumptions of the financial information in respect of the Target Company;
- Conducted appropriate research to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and
- Presented the purpose and basis of valuation, scope of work, overview of the Target Company, related key business descriptions, source of information, major assumptions, valuation methodology and our opinion of value in this report.

7. SOURCE OF INFORMATION

To perform our valuation of the market value of the Target Company' equity interest, we have relied on the following information provided by the Management, as well as other publicly available information that we have gathered through our own research, including, but not limited to, the following:

- Audited financial report of the Target Company as at December 31, 2025 and April 30, 2026;
- The annual production capacity information of the Target Company provided by the Management;
- Publicly available information of comparable transactions;
- Financial information obtained from Bloomberg Terminal^{TM}; and
- Other public information relating to the valuation.

We have not independently verified any of the information which has been provided to us. In analyzing the information, we have held discussions with the Management. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

8. VALUATION METHODOLOGY

There are generally three accepted approaches to obtain the market value of 100 percent equity interest in the Target Company, namely the Market Approach, the Income Approach and the Asset Based Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

Market Approach

The Market Approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. The Market Approach comprises two methods namely the Guideline Public Company Method and the Guideline Transaction Method.

The Guideline Public Company Method focuses on analyzing the data and valuation multiples of companies that can be considered comparable to those being valued. Adjustments are made to the comparable companies to compensate for

differences between those companies and the Target Company. Finally, appropriate valuation multiples are applied to the subject company's normalized financial data to arrive at an indication of the value of the subject company.

The Guideline Transaction Method measures value based on what other purchasers in the market have paid for companies that can be considered reasonably similar to those being valued. When the Guideline Transaction Method is utilized, data are collected on the prices paid for reasonably comparable companies. Adjustments are made to the comparable companies to compensate for differences between those companies and the Target Company being valued. The application of the Guideline Transaction Method results in an estimate of the price reasonably expected to be realized from the sale of the Target Company.

Income Approach

The Income Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the Income Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this present value can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

Asset Based Approach

The Asset Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and is equal to the value of its invested capital. In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed. This money comes from investors who buy stocks of the business entity and investors who lend money to the business entity. After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

Selection of Valuation Methodology

The selection of a valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise.

While useful for certain purposes, the Asset Based Approach is not considered applicable to the valuation of the Target Company, as it does not capture future earning potential of the business. Also, we consider that the Income Approach is inappropriate as it requires detailed financial forecast of the Target Company, which involves adoption of much more subjective assumptions than the other two approaches, not all of which can be easily quantified or ascertained.

Among the three approaches, we consider that the Market Approach is more appropriate for this valuation. Under the Market Approach, the Guideline Public Company Method is not considered applicable in this valuation due to the lack of sufficient public comparable company information. Thus, we consider the Guideline Transaction Method to be more appropriate for valuing the 100 percent equity interest in the Target Company as it is the most direct valuation approach which reflects the value obtained as a result of a consensus of what others in the market place have judged it to be.

9. MAJOR ASSUMPTIONS

In determining the market value of 100 percent equity interest of the Target Company, the following principal assumptions have been adopted:

- The information provided has been prepared on a reasonable basis after due and careful consideration by the Management;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operate or intend to operate would be officially obtained and renewable upon expiry;
- There will be no major change in the current taxation laws in the localities in which the Target Company operate or intend to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic, or financial conditions in the localities in which the Target Company operate or intend to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- Interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;
- The core business operation of the Target Company will not differ materially from those of present or expected; and
- The information regarding the Target Company provided by the Management is true and accurate.

The valuation result as at the Valuation Date is mainly based on the following assumptions:

Selection Criteria for Comparable Transactions

In the valuation, we used the Market Approach by referring to companies engaging in cement manufacturing business. Selection criteria for comparable transactions were formulated with reference to the operating location, core business nature, market environment and actual transaction of the Target. We are of the view that the selection approach adopted is appropriate. Comparable transactions were identified and selected from Bloomberg Terminal^{TM} based on the following criteria:

- Transactions were completed in between 2023 and April 2026;
- The comparable company operates in the Philippines;
- The comparable company operates in the cement and aggregates sector; and
- Equity transaction consideration, as well as financial and production capacity information of the comparable companies, were publicly available.

Comparable Transactions

A list of four comparable transactions (referred to as individually the "**Comparable Transaction**" or collectively the "**Comparable Transactions**") satisfying the above selection criteria were identified. We have, on a best-efforts basis, identified the comparable transactions representing an exhaustive list. Details of the Comparable Transactions are as follows:

Transaction	1
Acquirer	DM Consunji Inc
Transaction Completion Date	2024/12/3
Subject Company	Concreat Holdings Philippines, Inc.
Annual Production Capacity (10,000 tons)	570
Equity Interest	89.86%
Consideration (USD10,000)	27,150
100% Equity Interest (USD10,000)	30,213
Enterprise Value (USD10,000)	48,794
EV (USD)/Annual Production Capacity (tons)	86

Transaction	2
Acquirer	Holcim Philippines, Inc.
Transaction Completion Date	2023/11/27
Subject Company	Holcim Philippines, Inc.
Annual Production Capacity (10,000 tons)	900
Equity Interest	5.05%
Consideration (USD10,000)	3,122
100% Equity Interest (USD10,000)	61,822
Enterprise Value (USD10,000)	61,673
EV (USD)/Annual Production Capacity (tons)	90

Transaction	3
Acquirer	CEMEX Asia BV
Transaction Completion Date	2023/3/30
Subject Company	Concreat Holdings Philippines, Inc.
Annual Production Capacity (10,000 tons)	570
Equity Interest	11.96%
Consideration (USD10,000)	3,837
100% Equity Interest (USD10,000)	32,082
Enterprise Value (USD10,000)	55,324
EV (USD)/Annual Production Capacity (tons)	115

Transaction	4
Acquirer	San Miguel Corporation
Transaction Completion Date	2023/2/28
Subject Company	Eagle Cement Corp
Annual Production Capacity (10,000 tons)	860
Equity Interest	88.50%
Consideration (USD10,000)	166,123
100% Equity Interest (USD10,000)	187,710
Enterprise Value (USD10,000)	177,844
EV (USD)/Annual Production Capacity (tons)	207

Selection of Value Multiples

In this valuation task, we have considered various commonly used value multiples, including (i) enterprise value/annual production capacity (the "**EV/Annual Production Capacity**") multiple; (ii) enterprise value to earnings before interest, tax, depreciation and amortization (the "**EV/EBITDA**") multiple. As the trailing twelve months EBITDA of the Target Company was negative as at the Valuation Date, the EV/EBITDA multiple was not applicable. Annual production capacity is a core operation driver for cement assets and EV/Annual Production Capacity multiple correlates strongly with the underlying asset value in relation to the production capacity. We consider the EV/Annual Production Capacity multiple as the most relevant and therefore has been adopted in this valuation task.

The adopted multiple of USD89.96/ton represents a multiple of a historical transaction of the Target, and in our view, best reflects the actual circumstances of the Target.

Control Premium

A control premium is the premium an investor is willing to pay in addition to a marketable minority equity value to obtain controlling interest in a business subject. The published market price of some of the identified comparable companies was on a minority stake of the subject company, therefore adjustment has been made to reflect the degree of control associated with the 100% equity interest in the subject companies. The 31% equity control premium adopted in the valuation was derived with primary reference to the control premium of the "Stone, Clay, Glass, and Concrete Products" industry category, which is the industry classification most closely corresponding to the business of the Target, published in **FactSet Mergerstat/BVR Control Premium Study**, a widely-recognized empirical database compiling publicly-announced change-of-control transactions globally.

Applying the EV/Annual Production Capacity Multiple to the Annual Production Capacity of the Target Company to Derive Equity Value

USD		**EV/Annual Production Capacity**
Annual Production Capacity (tons)	a	9,000,000
Adopted Multiple	b	89.96x
Enterprise Value	c = a*b	809,611,582
Net Debt Adjustment	d	46,648,538
100% Equity Value	e = c + d	856,260,121
100% Equity Value (Round)	**100%**	**860,000,000**

Net Debt

Net Debt was calculated based on the audited financial statements of the Target Company as of 30 April, 2026, including cash, non-operating assets and liabilities, and interest-bearing liabilities.

10. LIMITING CONDITION

The valuation reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability is assumed for their accuracy.

We have relied to a considerable extent on information provided by the Management of the Company in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Sustainability and Environmental, Social, and Governance ("**ESG**") factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Target Company as observed from information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists' advice beyond the scope of the valuer.

Neither the whole nor any part of this report or any reference hereto may be included in any published document, circular or statement, or published in any way, without our prior written approval of the form and context in which it may appear.

Finally and in accordance with our standard practice, we must state that this report and valuation are for the exclusive use only of the addressee and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of the contents.

11. REMARKS

We hereby confirm that we have neither present nor prospective interests in the Target Company.

12. OPINION OF VALUE

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

Valuation Date	**April 30, 2026**
Market value of 100% Equity Interest in the Target Company	USD860,000,000 (UNITED STATES DOLLARS EIGHT HUNDRED AND SIXTY MILLION ONLY)

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited



Bruce Oong
CPA
Senior Director
Valuation & Advisory Services, Greater China

This report has been reviewed by



Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

1. DISCLAIMER

This circular is prepared in accordance with the requirements of the Listing Rules to provide information about the Company. The Directors collectively and individually accept full responsibility for the information in this circular. The Directors have confirmed, after making all reasonable inquiries, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects, and does not contain any misleading or fraudulent elements, nor does it omit any material fact that would make this circular or any statements herein misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Last Practicable Date, the interests and short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); recorded in the register required to be kept under Section 352 of the SFO; or notified to the Company and HKEX pursuant to the Model Code set out in Appendix C3 to the Listing Rules were as follows:

Unit: share

Name	Nature of interest	Class of shares	Number of shares	Approximate % of shares held in the relevant class	Approximate % of shares held in the total amount of share capital
Mr. Li Yeqing	Beneficial owner	A shares	1,424,534	0.1060	0.06858
		H shares	1,435,296	0.1954	0.06901
Mr. Ming Jinhua	Beneficial owner	H shares	259,800	0.0354	0.0125

Save as disclosed above, as at the Last Practicable Date, none of the Directors, supervisors or chief executives of the Company 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) which were notified to the Company and HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and HKEX pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Last Practicable Date, the following persons (other than the Directors, supervisors or chief executives of the Company) had interests in the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and HKEX under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Unit: share

Full name of shareholders	Nature of interest	Class of shares	Number of shares	Approximate % of shares held in the relevant class	Approximate % of shares held in the total amount of share capital
Holcim Ltd	Interest of controlled corporation	A shares	451,333,201	33.57	21.71
		H shares	417,902,467	56.88	20.10
		Total	869,235,668		41.81
Holderfin B.V.	Interest of controlled corporation	A shares	451,333,201	33.57	21.71
		H shares	384,210,624	52.29	18.48
		Total	835,543,825		40.19
Holchin B.V.	Beneficial owner	A shares	451,333,201	33.57	21.71
		H shares	384,210,624	52.29	18.48
		Total	835,543,825		40.19
State-owned Assets Supervision and Administration Commission of Huangshi Municipal People's Government	Interest of controlled corporation	A shares	356,201,639	26.50	17.13
Huangshi State-owned Assets Management Company Limited	Interest of controlled Corporation and Beneficial owner	A shares	356,201,639	26.50	17.13
Huaxin Group Co., Ltd	Beneficial owner	A shares	354,801,639	26.39	17.13

Save as disclosed above, as at the Last Practicable Date, no other persons (other than the Directors, supervisors and the chief executives of the Company) had interests in the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and HKEX under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As of the Latest Practicable Date, the Directors did not enter into or intend to enter into any service contracts with any member company of the Group that would not expire within a year or could not be terminated by the Group without compensation (excluding statutory compensation).

5. DIRECTORS' COMPETING INTERESTS

As of the Latest Practicable Date, the Directors or any of their respective associates did not have any business interests related to the Group (whether directly or indirectly) that constitute or may constitute competition, and such interests are required to be disclosed in accordance with the Listing Rules.

6. DIRECTORS' INTEREST IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS OF THE GROUP

As of the Latest Practicable Date, the Directors did not have any direct or indirect interest in any assets acquired, sold, leased, contemplated for acquisition or sale, or leased in any member company of this Group since 31 December 2025 (the date of the most recent audited consolidated financial statements of the Company).

As of the Latest Practicable Date, the Directors did not have any significant interest in any contracts or arrangements related to the Group's business and still in existence as of the Latest Practicable Date.

7. EXPERT CONSENT AND QUALIFICATIONS

The qualifications of the experts who provided opinions or advice in this circular are as follows:

Name	Qualification
Cushman & Wakefield Limited	Independent property valuer
Maxa Capital	A licensed corporation qualified to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under Securities and Futures Ordinance

As of the Latest Practicable Date, the above experts did not hold any shares or have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities of any member company in this Group.

As at the Latest Practicable Date, the above experts did not have any direct or indirect interests in any assets which had been acquired, disposed of or leased to, or were proposed to be acquired, disposed of or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The above experts have issued consent letters for publication in this circular, agreeing to the replication of their letters or reports (as the case may be) in the form and content as shown in this circular, with the inclusion of their names, and to date, no consent has been withdrawn.

The letter and recommendation from the above experts are given as of the date of this circular for incorporation herein.

8. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there has been no material adverse change in the financial or operating position of the Company since 31 December 2025 (the date of the most recent audited consolidated financial statements of the Company).

9. OTHERS

Mr. Ye Jiaxing and Ms. Lee Mei Yee are the joint company secretaries of the Company, and Ms. Lee Mei Yi is a member of the Hong Kong Institute of Certified Public Accountants.

The Company's registered office in China is located at 600 Daqi Avenue East, Huangshi City, Hubei Province, China. The Company's share registrar in Hong Kong is Tricor Investor Services Limited at, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The Company's principal office in China is located at Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China. The Company's principal place of business in Hong Kong is Room 1917, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

This circular is issued in both English and Chinese. In the event of any discrepancy between the Chinese and English versions of this circular, the English version shall prevail.

10. DOCUMENTS ON DISPLAY

The electronic texts of the following documents will be displayed and uploaded on the websites of HKEX **(www.hkexnews.hk)** and the Company **(www.huaxin.com)** for not less than fourteen days from the date of this circular:

(1) the Share Purchase Agreement;

(2) the Shareholders' Agreement;

(3) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 38 to 39 in this circular;

(4) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 40 to 72 in this circular;

(5) the Valuation Report, the text of which is set out on pages 73 to 86 in this circular;

(6) the written consents referred to in the section headed "7. Expert Consent and Qualifications" in this circular.

華新建材集團股份有限公司
HUAXIN BUILDING MATERIALS GROUP CO., LTD.

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)

Notice of the Fourth Extraordinary General Meeting in 2026

Notice is hereby given that the Fourth Extraordinary General Meeting in 2026 ("**EGM**") of HUAXIN BUILDING MATERIALS GROUP CO., LTD.* (the "**Company**") will be held on 30 October 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 12 October 2026.

Ordinary Resolutions

Proposal on the Discloseable and Connected Transaction of the Acquisition of Holcim Philippines Inc..

By Order of the Board of Directors
HUAXIN BUILDING MATERIALS GROUP CO., LTD.*
Xu Yongmo
Chairman

Wuhan, China
12 October 2026

* *For identification purpose only*

Notes:

1. Eligibility to attend the EGM and suspension of H shares transfer registration

H-share holders of the Company whose names appear on the H Share register of members of the Company on Friday, 30 October 2026 are entitled to attend and vote at the EGM. H-share holders who wish to attend the EGM but have not registered their share transfer documents shall lodge their transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Monday, 26 October 2026.

The Company will announce separately on the website of the SSE on the details of A-share holders' eligibility to attend the EGM.

2. Proxy appointment

The proxy form for the resolution as set out in the Circular of the EGM will be sent to shareholders on the same day. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (A proxy may not be a shareholder of the Company) to attend and vote in his/her stead. The instrument appointing a proxy must be in writing under the hand of the shareholder or of his/her agent duly authorized in writing. If the shareholder is a legal person, the proxy form must be either under the seal of the legal person or under the hand of his/her legal representative or director or duly authorized person. If the proxy form is signed by an agent authorized by the shareholder, the authorization or other document authorizing the signing must be notarized.

In order to be valid, for H-share holders, the proxy form together with a notarized authorization or other authorization documents (if any) must be delivered, by hand delivery or post, no later than 24 hours before the EGM or any adjournment thereof (in the case of the EGM, it shall be delivered before 2:00 p.m. on Thursday, 29 October 2026 to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

A shareholder who has filled in and submitted the proxy form may at that time attend and vote in person at the EGM or any adjournment thereof as he/she wishes.

3. Procedures of registration for attending the EGM

Shareholders or their proxies shall present their identification documents when attending the EGM. If the shareholder present at the meeting is a legal person, his/her legal representative, director or other person authorized by a decision-making body shall present a copy of the resolution of the Board of Directors or other decision-making body appointing such person to attend the EGM.

4. Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the EGM must be taken by poll. Accordingly, the Chairman of the EGM shall, in accordance with the powers conferred by the Articles of the Association, require a vote by poll on all resolutions presented at the EGM.

5. Miscellaneous

The EGM is expected to take no more than half a day. Shareholders of the Company who attend the EGM shall bear their own traveling and accommodation expenses.

Contact information of the Company:

Address:	Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China
Postal code:	430074
Tel.:	(86) 27 8777 3898
Fax:	(86) 27 8777 3992
Contact person:	Mr. Ye Jiaxing (Secretary to the Board of Directors), Ms. Wang Xiaoqiong (Securities Affairs Representative)

6. All dates and times in this circular refer to Hong Kong dates and times.

As of the date of this Notice, 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.