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HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

**MAJOR TRANSACTION AND CONNECTED TRANSACTION
ACQUISITION OF THE TARGET COMPANIES**

THE ACQUISITION

The Board is pleased to announce that on 1 December 2024, the Purchasers and the Vendor entered into a Share Purchase Agreement. Accordingly, subject to and in accordance with the terms and conditions of the Share Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchasers conditionally agreed to acquire, 100% of the issued shares of the Target Companies for an aggregate purchase price of USD 838.13 million (subject to customary downward adjustment for any leakage pursuant to the terms of the Share Purchase Agreement). According to the Share Purchase Agreement, upon completion of the Acquisition, the Purchasers shall collectively and indirectly hold 83.81% of the issued shares of the Ultimate Target Company.

As the Ultimate Target Company is listed on the Nigerian Stock Exchange, under the relevant rules of the Securities and Exchange Commission of Nigeria, the completion of the Acquisition will trigger the obligation to make a MTO to the other shareholders of the Ultimate Target Company. The MTO may result in the Company indirectly holding up to 100% shares of the Ultimate Target Company.

Upon completion of the Acquisition, the Target Companies and the Ultimate Target Company will become subsidiaries of the Company. Therefore, the financial results of the Target Companies and the Ultimate Target Company will be consolidated into those of the Group.

LISTING RULES IMPLICATIONS

The Vendor is a subsidiary of Holcim, the Controlling Shareholder of the Company, and hence an associate of Holcim and a Connected Person of the Company under Rule 14A.07 of the Listing Rules. Therefore, in accordance with Chapter 14A of the Listing Rules, the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of reporting, announcement, circular, and independent shareholders' approval thereunder.

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

Independent Directors Committee and Independent Financial Adviser

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

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

General

The Company shall convene the EGM to consider and, if thought fit, approve, the Share Purchase Agreement and the transactions contemplated thereunder.

The Company will dispatch a circular containing (among other things) (i) details of the Share Purchase Agreement and the Acquisition; (ii) a letter from the Independent Directors Committee, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Directors Committee and Independent Shareholders; (iv) a valuation report of the Ultimate Target Company; (v) audit reports of the Target Companies and the Ultimate Target Company, (vi) other information required by the Listing Rules; and (vii) a notice of the EGM with a proxy form for use at the EGM. As the financial statements of the Target Companies and the Ultimate Target Company for the nine months ended 30 September 2024 or twelve months ended 31 December 2024 are required to be audited, the circular will be dispatched to Shareholders no later than 31 May 2025.

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

Introduction

The Board is pleased to announce that on 1 December 2024, the Purchasers and the Vendor entered into a Share Purchase Agreement. Accordingly, subject to and in accordance with the terms and conditions of the Share Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchasers conditionally agreed to acquire, 100% of the issued shares of the Target Companies for an aggregate purchase price of USD 838.13 million (subject to customary downward adjustment for any leakage pursuant to the terms of the Share Purchase Agreement). According to the Share Purchase Agreement, upon completion of the Acquisition, the Purchasers shall collectively and indirectly hold 83.81% of the issued shares of the Ultimate Target Company.

As the Ultimate Target Company is listed on the Nigerian Stock Exchange, under the relevant rules of the Securities and Exchange Commission of Nigeria, the completion of the Acquisition will trigger the obligation to make a MTO to the other shareholders of the Ultimate Target Company. The MTO may result in the Company indirectly holding up to 100% shares of the Ultimate Target Company.

Upon completion of the Acquisition, the Target Companies and the Ultimate Target Company will become subsidiaries of the Company. Therefore, the financial results of the Target Companies and the Ultimate Target Company will be consolidated into those of the Company.

Key terms of the Share Purchase Agreement

Date

1 December 2024

Parties

- a. Vendor
- b. Purchaser A
- c. Purchaser B

Targets

Purchaser A conditionally agreed to acquire, and the Vendor conditionally agreed to sell 100% of the issued shares of Target Company A, subject to the terms and conditions of the Share Purchase Agreement. Target Company A holds 56.04% of the issued shares of Ultimate Target Company.

On the pre-condition that the Vendor procures the transfer of 27.77% of the issued shares of the Ultimate Target Company held (as at the date of this announcement) by AICL to Target Company B, Purchaser B conditionally agreed to purchase, and the Vendor conditionally agreed to sell, 100% of the issued shares of Target Company B, subject to the terms and conditions of the Share Purchase Agreement.

Consideration

Pursuant to the Share Purchase Agreement, the total consideration for the acquisition of Target Company A and Target Company B is USD 838.13 million (subject to customary downward adjustments for any leakage pursuant to the terms of the Share Purchase Agreement), of which the consideration in respect of Target Company A will be up to USD 560.44 million, and the consideration in respect of Target Company B will be up to USD 277.69 million, which shall be paid by the Purchasers to the Vendor on the Closing of the Acquisition under the Share Purchase Agreement.

The consideration was determined through arm's length negotiations between the Vendor's ultimate controller Holcim and the Company (the Purchasers' ultimate controller) based on fair commercial terms, and finalized with reference to the valuation of the EBITDA multiple of the Ultimate Target Company.

The consideration is to be funded by the Group's internal funds, bank loans and other external financing sources such as the issuance of bonds.

Payment Terms

The Purchasers shall pay the consideration to the Vendor in cash in USD.

Closing and Payment Arrangement

Closing shall take place on the date which is the first to occur of:

- a. if the Reorganization is completed prior to the Unconditional Date, the tenth Business Day after the Unconditional Date;
- b. if the Reorganization is not completed prior to the Unconditional Date but occurs prior to the expiry of the Closing Deferral Period, the tenth Business Day after the date on which the Vendor notifies the Purchasers in writing that the Reorganization has been completed;
- c. if the Reorganization is not completed prior to the expiry of the Closing Deferral Period, the tenth Business Day after the expiry of the Resolution Period;

or such other date as the Purchasers and the Vendor may agree in writing.

At Closing, the Purchasers shall:

- a. pay the sum of USD 20 million into a designated escrow account in the joint names of the Purchasers and the Vendor in accordance with the terms set out in the Share Purchase Agreement and the Escrow Agreement; and
- b. pay the purchase price (to be adjusted downward for any leakage, pursuant to the terms of the Share Purchase Agreement) minus the USD 20 million paid into the escrow account and any amount paid to the Vendor in respect of any Earnest Money Bank Guarantee, to the Vendor's bank account.

The funds in the escrow account shall be retained for a period of 12 months from Closing. At the end of the escrow period, the Purchasers and the Vendor shall issue joint written instructions to the Escrow Agent to release to the Vendor the funds in the escrow account.

Conditions to Closing

Closing shall be conditional on the following conditions having been fulfilled or waived:

- a. clearance of the record filing of the Acquisition with the Ministry of Commerce of the People's Republic of China;
- b. clearance of the record filing of the Acquisition with the National Development and Reform Commission of the People's Republic of China;
- c. filing of the overseas direct investment foreign exchange registration of the Acquisition with a bank under the State Administration of Foreign Exchange of the People's Republic of China;
- d. Shareholder Approval being obtained; and
- e. clearance of the Acquisition by the Federal Competition and Consumer Protection Commission of the Federal Republic of Nigeria.

Reorganization

Prior to Closing, the Vendor shall procure that all the shares of the Ultimate Target Company held by AICL be transferred to Target Company B, such that immediately prior to Closing, the Vendor shall hold 100% of the issued shares of Target Company B and Target Company B shall hold 27.77% of the issued shares of the Ultimate Target Company (the "**Reorganization**").

If the Reorganization is not completed prior to the Unconditional Date, the Vendor shall have the right to defer Closing to a date not later than six months after 31 August 2025 (the "**Closing Deferral Period**"). If the Reorganization is not completed prior to the expiry of the Closing Deferral Period, the Purchasers and the Vendor shall work together in good faith for a period of 15 Business Days following the Closing Deferral Period (the "**Resolution Period**") to identify and agree on a mutually acceptable alternative to the transfer of the remaining shares in the Ultimate Target Company held by AICL through an MTO ("an **MTO Alternative**").

If the Purchasers and the Vendor are unable to agree on an MTO Alternative within this Resolution Period, the Purchasers and the Vendor shall proceed to Closing with respect to Target Company A only. Where Closing has occurred in respect of Target Company A, the Purchasers shall proceed to conduct the MTO and shall acquire the shares in the Ultimate Target Company held by AICL in the course of the MTO (and the Vendor has undertaken to procure that such shares are tendered as part of the MTO).

Pre-Closing Undertakings

From the effective date of the Share Purchase Agreement until Closing, in order to preserve the

value of the Target Companies and the Ultimate Target Company, the Vendor, as the sole shareholder of each of the Target Companies, shall procure that the business of the Ultimate Target Company is operated in the ordinary course of business (in the manner conducted as at the date of the Share Purchase Agreement) and consistent with past practice. In particular, the Ultimate Target Company must not, without approval by the Purchasers, engage in specific conducts stipulated in the Share Purchase Agreement.

Performance Guarantee

Within 3 Business Days of the date of the Share Purchase Agreement, Purchaser B shall provide the Vendor with an irrevocable on-demand bank guarantee, in the amount of USD 25.14 million (the "**Earnest Money Bank Guarantee**").

If Shareholder Approval is not obtained by the Long Stop Date, the Purchasers shall, immediately pay to the Vendor an amount equal to the Earnest Money Bank Guarantee.

If Shareholder Approval is obtained prior to the Long Stop Date the Purchasers shall procure that Purchaser B shall provide the Vendor with a further irrevocable on-demand bank guarantee in the amount of USD 24.86 million (together with the Earnest Money Bank Guarantee, the "**Bank Guarantees**").

If, after Shareholder Approval has been obtained, the Share Purchase Agreement terminates as a result of one or several of the conditions to Closing of the Share Purchase Agreement not being fulfilled by the Long Stop Date, the Purchasers shall pay the Vendor an amount equal to the amount under the Bank Guarantees, failure of which the Vendor shall be entitled to exercise the Bank Guarantees.

Immediately after Closing, the Bank Guarantees shall be returned by the Vendor to Purchaser B.

Long Stop Date and Termination

If any of the conditions to Closing has not been satisfied by the Long Stop Date, Long Stop Date shall be automatically extended by 15 Business Days. If, following the end of this 15 Business Day period, neither party has subsequently extended the Long Stop Date, the Share Purchase Agreement shall automatically terminate.

Each of the Purchasers and the Vendor shall have the right to extend the Long Stop Date through written notice to the other, provided that:

- a. there shall be no more than two extension of the Long Stop Date;
- b. each extension shall not exceed 3 months for each; and
- c. the Purchasers may only exercise their right to extend the Long Stop Date if:
 - a) only one condition to Closing remains outstanding;
 - b) there is a reasonable likelihood of satisfying such condition within the extended period; and
 - c) Shareholder Approval has already been obtained.

Leakage and Liability Breach

The Vendor shall indemnify the Purchasers with respect to any leakage that has occurred in the period between 31 December 2023 and the Closing Date which is not taken into account in the consideration paid and which is notified to the Vendor by the Purchasers within 6 months after the Closing Date.

If, upon Closing,

- a. despite being able to do so, the Vendor does not fulfill its obligation to transfer the shares of the Target Companies to the Purchasers;
- b. such failure by the Vendor to transfer such shares to the Purchasers is not a consequence of any actions or omissions of the Purchasers; and
- c. the Purchasers have fulfilled all of their obligations in connection with Closing:

the Purchasers may terminate the Share Purchase Agreement with immediate effect and the Vendor shall: (i) return the Bank Guarantees to Purchaser B; and (ii) pay an amount of USD 50 million to the Purchasers.

Governing Law

The Share Purchase Agreement shall be governed in accordance with English law.

Valuation Method

As the Target companies are special purpose vehicles, their main assets are the shares they hold in the Ultimate Target Company. Therefore, the valuation mainly analyzes the value of the Ultimate Target Company.

The valuation is based on EBITDA multiples and enterprise value per ton of cement capacity for comparable transactions as well as a comparison and cross-checked with a replacement value assessment. Applying an EBITDA multiple of 7 times and taking the 2023 EBITDA of USD 151 million, an enterprise value of USD 1,057 million is reached.

Based on historical transactions, the enterprise value per ton cement capacity in the African market is in the range of 100 to 150 USD per ton of cement capacity per year. The Ultimate Target Company owns a cement production capacity of 10.6 million tons/year, the enterprise value may therefore be estimated as between USD 1,060 to 1,590 million.

A replacement value assessment has to consider multiple factors including but not limited to the overall set-up of the company's assets as well as the size, technology, and age of the installed facilities. Considering only the production lines with modern technology as well as the captive power plant in the plant with the biggest capacity of the Ultimate Target Company, a replacement value in the range of USD 1,200 to 1,400 million may be calculated.

Taking into account the above methods, the enterprise value of the Ultimate Target Company is in

the range of USD 1.06 billion to USD 1.59 billion. Given the Ultimate Target Company's cash position of USD 53 million and debt of USD 1 million as of 30 September 2024, the value of 100% shares of the Ultimate Target Company would accordingly be in the range of USD 1.1 to 1.6 billion.

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

Reasons for, and Benefits of the Acquisition

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

Today, the Company has an operational presence 12 countries, the Company's overseas clinker capacity has reached 15.4 million tons per year, and the cement grinding capacity has reached 22.5 million tons per year. From January to September 2024, the Company's overseas cement and clinker sales volume reached 12.0 million tons, constituting a year-on-year increase of 41%, and achieved sales revenues of RMB 5.936 billion, constituting a year-on-year increase of 49%; with a net profit of RMB 847 million, constituting a year-on-year increase of 32%. The overseas business has thus become a strong contributor to the performance of the Company which is facing severe headwinds in the domestic cement business.

The Ultimate Target Company is located in Nigeria, a country with the largest population in Africa. Nigeria produces and exports the most oil of any country in Africa, is endowed with an abundance of other natural resources and is the most developed economy in West Africa. With its low per capita consumption of cement of only 140 kilograms, the favorable industry structure, and the positive outlook of the construction industry, Nigeria offers attractive growth perspectives for the cement industry. The Ultimate Target Company in Nigeria has four large cement plants in key markets of Nigeria, and holds vast high-quality limestone resources. Leveraging its significant experience in successfully integrating acquired companies as well as its industrial, technological, and management abilities, the Company is poised to further improve the operational performance of the Ultimate Target Company and achieve substantial benefits from the Acquisition.

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

Information about the Parties

The Company

The Company is a joint stock company incorporated in the People's Republic of China. The Company's A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively. The Company has nearly 300 subsidiaries which are mainly located in 14 provinces and cities in China and 12 overseas countries being Tajikistan, Kyrgyzstan, Uzbekistan, Cambodia, Nepal, Oman, Tanzania, Zambia, Malawi, Zimbabwe, Mozambique and South Africa making it 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.

Purchasers

Purchaser A:

Hainan Huaxin Pan-Africa Investment Co. Ltd, a limited liability company registered in China on 30 May 2024, is a wholly-owned subsidiary of the Company. The legal representative of the company is Mr. Xu Gang. The registered capital of the company is RMB 10 million. The registered address is 705 Window to Global Trade, Lantian sub-district, Meilan District, Haikou, Hainan Province, China. The business scope of the company includes investment, financing counseling and assets management.

Purchaser B:

Huaxin (Hong Kong) International Holdings Limited, a private company limited by shares registered in Hong Kong, is a wholly-owned subsidiary of the Company, and was registered in Hong Kong on September 17, 2012. The registered company number is 1801251. The registered address is 402 Jardine House, 1 Connaught Place, Central, Central District, Hong Kong. The business scope of the company includes investment, engineering, trading and environmental protection.

Vendor

Holderfin B.V, a limited liability private company registered in Amsterdam under Dutch law. The registered address is Roemer Visscherstraat 41B, EW 1054 Amsterdam, Netherlands. The registered company number at the Dutch Chamber of Commerce is 33155025, with a registered capital of EUR 3,771,500. The business scope of the company includes equity investment. As of the date of this announcement, the Vendor holds 100% of the issued shares of Target Company A

and Target Company B. The Vendor is the Controlling Shareholder of the Company.

The Ultimate Beneficial Owner of the Vendor

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

Investor	Number of shares	Percentage of shares outstanding
Thomas Schmidheiny	37,140,253	6.41%
UBS Fund Management (Switzerland) AG	32,692,833	5.65%
Black Rock, Inc.	29,875,786	5.16%
Martin and Rosmarie Ebner	18,120,000	3.13%

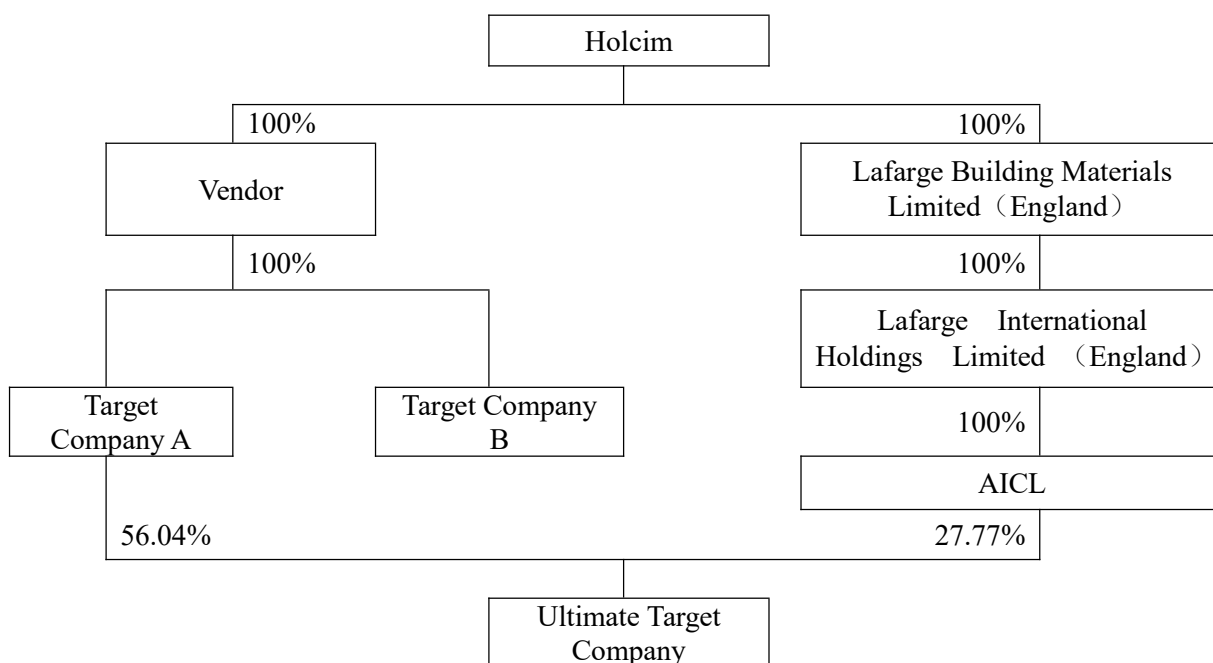
Information of the Target Companies

Target Company A: Caricement B.V., a limited liability private company registered in Amsterdam under Dutch Law. The registered address is Roemer Visscherstraat 41B, EW 1054 Amsterdam, Netherlands, with a registered capital of EUR 20,000. The registered company number at the Dutch Chamber of Commerce is 34111988. The business scope of the company concludes investment related to cement.

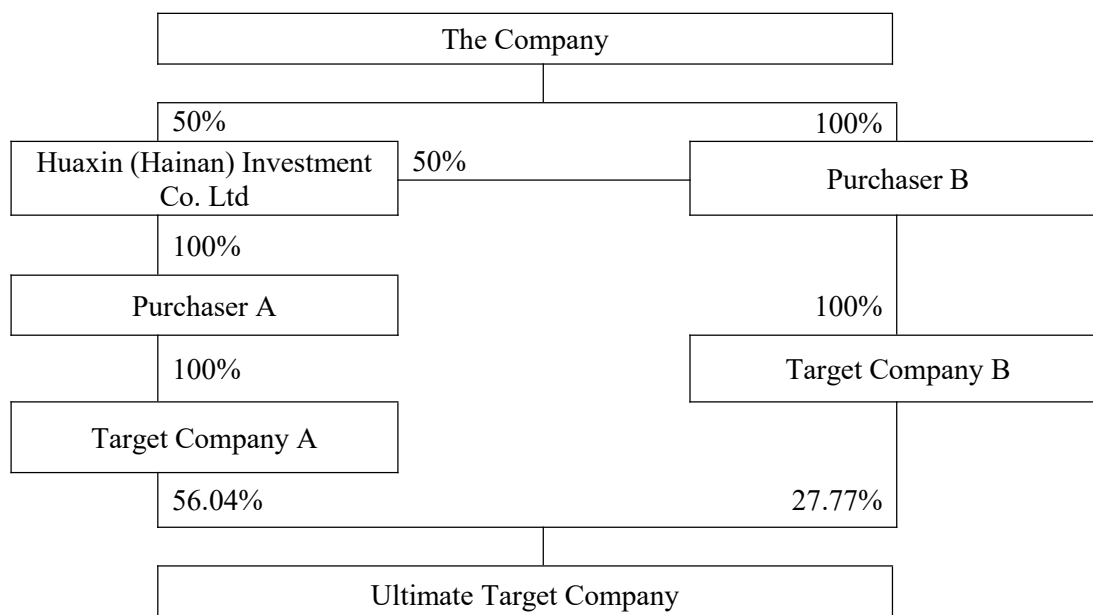
Target Company B: Davis Peak Holding Limited, a private company limited by shares incorporated in Hong Kong on 12 November 2024. The registered address is 5/F, Manulife Place 348 Kwun Tong Road, Kowloon, Hong Kong, with a registered capital of EUR 1. Its registration number at the Hong Kong Companies Registry is 77312559. The business scope of the company is that of a holding company.

Ultimate Target Company: Lafarge Africa PLC is a public limited company incorporated in Nigeria on 26 February 1959 and listed in 1979 in Nigeria. The registered address of the company is 27B Gerrard Road, Ikoyi, Lagos, Nigeria. The business scope of the company includes the manufacturing and selling of building materials including cement and concrete. The company is in possession of 4 major cement factories and 6 concrete factories in Nigeria, with a cement production capacity of 10.6 million tons per year and a concrete production capacity of 0.4 million cubic meter per year.

The shareholder structure of the Target Companies and the Ultimate Target Company as of the date of this announcement is as follows:



The shareholder structure of the Target Companies and the Ultimate Target Company after Closing will be as follows:



Historical Financial Information of the Target Companies and the Ultimate Target Company

1. Target Company A

The table below sets out the unaudited financial information of Target Company A presented in accordance with the IFRS for the three consecutive financial years ended 31 December 2023 and the nine months ended 30 September 2024.

	For the Financial Years Ended 31 December			USD'000 For the Nine Months ended 30 September
	2021	2022	2023	2024
	Net Profit Before Taxation	-167,447	-37,500	42,100
Net Profit After Taxation	-167,613	-37,644	42,327	13,400

The unaudited net asset value of Target Company A is approximately USD 840 million as of 31 December 2023, and approximately USD 710 million as of 30 September 2024 as extracted from its management accounts.

The Company has commissioned Ernst & Young Hua Ming to audit the accounts of Target Company A and will publish the audit report together with the circular.

2. Target Company B

Target Company B was incorporated in Hong Kong on 12th November 2024. The Company has commissioned Ernest & Young Hua Ming to audit the accounts of Target Company B and will publish the audit report together with the circular.

3. Ultimate Target Company

The table below sets out the audited consolidated financial accounts according to IFRS for the three consecutive financial years ended 31 December 2023 and unaudited consolidated financial accounts for the nine months ended 30 September 2024 of Lafarge Africa Plc.

	For the Financial Years Ended 31 December			USD'000 For the Nine Months Ended 31 September
	2021	2022	2023	2024
	Revenue	712,786	833,829	451,730
Profit Before Taxation	150,268	152,607	87,763	57,067
Net Profit	124,041	119,848	56,971	36,346
	As of 31 Dec 2021	As of 31 Dec 2022	As of 31 Dec 2023	As of 30 Sept 2024
Total Assets	1,281,270	1,341,989	759,048	490,196
Total Liabilities	360,611	412,418	274,400	209,160
Shareholders' Equity	920,659	929,571	484,648	281,036

PS: Applied exchange rates for NGN against USD: 0.002432 on 31 December 2021, 0.002234 on 31 December 2022, 0.001114 on 31 December 2023, and 0.000605 on 30 September 2024.

Listing Rules Implications

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

Independent Directors Committee and Independent Financial Adviser

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

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

General

The Company shall convene the EGM to consider and, if thought fit, approve, the Share Purchase Agreement and the transactions contemplated thereunder.

The Company will dispatch a circular containing (among other things) (i) details of the Share Purchase Agreement and the Acquisition; (ii) a letter from the Independent Directors Committee, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser, setting out its advice on the terms of the Share Purchase Agreement and the transactions contemplated thereunder to be provided to the Independent Directors Committee and Independent Shareholders; (iv) a valuation report of the Ultimate Target Company;

(v) audit reports of the Target Companies and the Ultimate Target Company, (vi) other information required by the Listing Rules; and (vii) a notice of the EGM with a proxy form for use at the EGM. As the financial statements of the Target Companies and the Ultimate Target Company for the nine months ended 30 September 2024 or twelve months ended 31 December 2024 are required to be audited, the circular will be dispatched to Shareholders no later than 31 May 2025.

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

DEFINITIONS

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

"Acquisition"	The acquisition by Purchaser A and Purchaser B of 100% of the issued shares of Target Company A and Target Company B respectively in accordance with the Share Purchase Agreement, following which (subject to Closing) the Purchasers shall collectively and indirectly hold 83.81% of issued shares of the Ultimate Target Company
"A share(s)"	The Company issued ordinary shares with a par value of RMB 1.00 per share in China, listed on the Shanghai Stock Exchange and traded in RMB
"A shareholder"	Any person who holds one or more A shares
"AICL"	Associated International Cement Limited, registered in England and Wales, which as of the date hereof holds 27.77% of issued shares of the Ultimate Target Company
"Associate(s)"	As that ascribed to it under the Listing Rules
"Board"	The Board of Directors of the Company
"Business Days"	A day other than a Saturday or Sunday or public holiday in England, Switzerland, Nigeria, Hong Kong SAR, China or the Netherlands on which banks are open in London, Zurich, Abuja, Hong Kong SAR, Beijing and Amsterdam for general commercial business
"China" or "PRC"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Closing Date"	Date of Closing

"Closing"	The completion of the Acquisition in accordance with the provisions of the Share Purchase Agreement
"Closing Deferral Period"	A date not later than six months after the 31 August 2025 which the Vendor shall have the right to defer Closing to if the Reorganization is not completed prior to the Unconditional Date
"Connected Person(s)"	As that ascribed to it under the Listing Rules
"Controlling Shareholders"	As that ascribed to it under the Listing Rules
"Director(s)"	The directors of the Company
"Earnest Money Bank Guarantee"	Within 3 Business Days of the date of the Share Purchase Agreement, the Purchaser B shall provide the Vendor with an irrevocable on-demand bank guarantee, in the amount of USD 25,140,000.
"EGM"	An extraordinary general meeting of the Company to approve the Acquisition
"Ernst & Young Hua Ming"	Ernst & Young Hua Ming Accounting Firm (Special General Partnership)
"Escrow Agent"	The applicable agent to provide the escrow services to the Purchasers and the Vendor pursuant to the Escrow Agreement.
"Escrow Agreement"	The escrow agreement to be entered into between the Vendor, the Purchasers and the Escrow Agent, in the agreed form, to be executed and effective at Closing
"H share holder"	Any person who holds one or more H shares
"H share(s)"	The company issued foreign share(s), with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HKD
"HKD"	Hong Kong Dollar, the lawful currency of Hong Kong
"Holcim"	Holcim Limited, A limited liability company registered in Switzerland and the Controlling Shareholder of the Company
"Hong Kong"	Hong Kong Special Administrative Region of PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Independent Directors Committee"	A committee comprising all the independent non-executive Directors (namely Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong) of the Company, to consider the terms of the Share Purchase Agreement and the transactions contemplated under it and to make recommendations thereon to the Independent Shareholders
"Independent Financial Adviser" or "Maxa Capital"	Maxa Capital Limited, a licensed corporation qualified to conduct Type 1 and Type 6 regulated activities under Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), to be the independent financial adviser for the Independent Directors Committee and Independent Shareholders on matters regarding the Share Purchase Agreement and the Acquisition
"Independent Shareholder(s)"	Shareholders excluding Holcim, its associates and persons with major interests, any interests in the Share Purchase Agreement or participating in the Acquisition and the Connected Persons of such persons
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which could be amended, supplemented or altered in time or ways
"Long Stop Date"	31 August 2025, unless extended pursuant to the Share Purchase Agreement
"MTO"	A mandatory takeover offer to be made by a Purchaser (or one of its affiliates) in respect of shares in the Ultimate Target Company not otherwise acquired pursuant to the Share Purchase Agreement, in accordance with the applicable law in Nigeria and the requirements of the Nigerian Stock Exchange
"NGN"	Nigerian Naira, the lawful currency of Nigeria
"Purchaser A"	Hainan Huaxin Pan-Africa Investment Co. Ltd., a limited liability company registered in China as a purchaser under the Share Purchase Agreement
"Purchaser B"	Huaxin (Hong Kong) International Holdings Limited, a private company limited by shares registered in Hong Kong as a purchaser under the Share Purchase Agreement
"Purchaser(s)"	Collectively refers to Purchaser A and Purchaser B, and "Purchaser" refers to either Purchaser A or Purchaser B

"Reorganization"	The transfer of the entire authorized and issued share capital and voting rights of the Ultimate Target Company then held by AICL from AICL to Target Company B, such that immediately prior to Closing, Target Company B will own 27.77% of the Ultimate Target Company.
"RMB"	Renminbi, the lawful currency of the PRC
"Share"	The ordinary share(s) of RMB1.00 each in the share capital of the Company, A share and H share included.
"Share Purchase Agreement"	The share purchase agreement concluded between Purchasers and Vendor on 1 December 2024, regarding the acquisition of 100% of issued shares of Target Company A and 100% of issued shares of Target Company B by Purchaser A and Purchaser B respective, which shall result in the Purchasers collectively and indirectly holding 83.81% of issued shares of Ultimate Target Company
"Shareholder(s)"	The shareholders of the Company, include any A shareholders and H shareholders
"Shareholder Approval"	Approval of the Acquisition by the Shareholders in accordance with the requirements imposed by the Hong Kong Stock Exchange and Shanghai Stock Exchange
"SSE"	Shanghai Stock Exchange
"Target Companies"	Collectively refers to Target Company A and Target Company B
"Target Company A"	Caricement B.V., a limited liability company registered in the Netherlands
"Target Company B"	Davis Peak Holdings Limited, a limited liability company registered in Hong Kong
"The Company" or "Company"	Huaxin Cement Co., Ltd, a joint stock company registered in China, with it's A shares and H shares are listed and traded on the main board of the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively
"The Group"	The Company and its subsidiaries
"Ultimate Target Company"	Lafarge Africa Plc., a company incorporated in Nigeria, listed on the Nigerian Exchange Limited

"Unconditional Date"	The first Business Day on or by which all conditions to Closing have been fulfilled
"USD"	U.S. Dollar, the lawful currency of the United State of America
"Vendor"	Holderfin B.V., the seller under the Share Purchase Agreement as a limited liability company registered in the Netherlands, who holds 100% of the issued shares of Target Company A, indirectly holds 56.04% of issued shares of the Ultimate Target Company, and will immediately prior to Closing indirectly hold 83.81% of the Ultimate Target Company

By Order of the Board
Huaxin Cement Co., Ltd.
Xu Yongmo
Chairman

Wuhan, Hubei Province, the PRC

1 December 2024

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Lo Chi Kong and Ms. Tan Then Hwee, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.

** For identification purpose only*