Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



HUAXIN CEMENT CO., LTD.*

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

(Stock Code: 6655)

DISCLOSABLE TRANSACTION
ACQUISITION OF TARGET COMPANIES

THE ACQUISITION

The Board is pleased to announce that on 15.43EMC /P ∠

Introduction

The Board is pleased to announce that on 16 December 2024, the Purchaser, a wholly owned subsidiary of the Group, and the Vendors, Independent Third Parties, entered into a Share Purchase Agreement pursuant to which the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 100% of the shares of Target Company A and 40% of the shares of Target Company B. The estimated total purchase price for Target Company A and Target Company B is USD 186.6 million (subject to customary adjustments with

of shares of Target Company B, subject to the terms and conditions of the Share Purchase Agreement.

Target Company B is primarily engaged in aggregate production. Details of the Target Company B

B

Upon completion of the Acquisition, the Target Companies will become wholly-owned subsidiaries of the Company. Therefore, their financial results will be consolidated into those of the Group.

Closing

Closing shall be conditional on, among other matters, the following conditions having been fulfilled or waived. The long stop date is agreed to be 16 December 2025.

a. Clearance of the record filing of the Acquisition with the provincial office of the Ministry of Commerce of Hainan, .
b. Clearance of the record filing of the Acquisition with the Provincial Development and Reform Commission of Hainan, .
c. Filing of the Acquisition at the Provincial Administration of Foreign Exchange of Hainan, na, or at one authorized bank for registration.

Consideration

Pursuant to the Share Purchase Agreement, the total consideration for the Acquisition of the Target Companies is USD 186.6 million (subject to customary adjustments with respect to net cash and working capital levels as at completion). The payment in respect of 100% shares of Target Company A will be USD 112.0 million (i.e. 60% of USD 186.6 million, subject to customary adjustments with respect to net cash and working capital levels as at completion), and the payment in respect of 40% shares of Target Company B will be USD 74.6 million (i.e. 40% of USD 186.6

September 2024; (c) the Due Diligence investigations performed by the Purchaser on the Target Companies.

In view of the above, the Directors (including independent non-

rategy of geographic

Target company A is a limited liability company, headquartered in the City of São Paulo, State of São Paulo, at Rua Pedroso de Moraes, No. 240, suite 81, Pinheiros, Postal Code 05420-000, registered with the CNPJ/MF under No. 02.295.473/0001-99. The registered capital is of BRL 18,385,626. Target Company A is a holding company without any operating activities and its only asset is its 60% shareholding in Target Company B.

Target Company B: EMBU S.A. ENGENHARIA E COMÉRCIO.

Target Company B is a corporation, headquartered in the City of São Paulo, State of São Paulo, at Rua Ferreira de Araujo, No. 202, Suites 31, 42 and 61, Pinheiros, Postal Code 05428-000, registered with the CNPJ/MF under No. 61.322.558/0001-88. The registered capital is of BRL 114,292,708. The business scope of the company includes the manufacturing and selling of building materials including aggregates and sands. The company is in possession of 4 aggregate quarries in Sao Paulo.

Historical Financial Information of the Target Companies

1. Target Company A

The table below sets out the audited consolidated financial information of Target Company A according to Brazilian Accounting Standard for the three financial years ended 31 December 2021, 31 December 2022 and 31 December, 2023 and the unaudited financial information for nine months ended 30 September 2024.

	For the Financial Years Ended 31 December			For the Nine Months ended 30 September
	Audited	Audited	Audited	Unaudited
	2021	2022	2023	2024
Profit Before Tax	2,220	3,168	8,611	7,564
Net Profit	2,220	3,168	8,611	7,564

The audited net asset value of the Target Company A by 31 December 2023 is approximately USD 42.30 million.

Note: On December 31, 2021, December 31, 2022, December 31, 2023, and September 30, 2024, the exchange rates of the Brazilian real against the US dollar were 0.17946, 0.18916, 0.20609, and 0.18351 respectively.

2. Target Company B

The table below sets out the audited consolidated financial information of the Target Company B according to Brazilian Accounting Standard for the three financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 and the unaudited financial information for nine months ended 30 September 2024.

	Brazilian Reais, the legal currency of the Federative Republic of Brazil
	of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Company	Huaxin Cement Co., Ltd. (stock code: 6655), a limited liability company incorporated in China, whose H shares and

"Target Companies"	Collectively refers to Target Company A and Target Company B