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Asia Cement (China) Holdings Corporation

亞洲水泥(中國)控股公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 743)

CONTINUING CONNECTED TRANSACTIONS

(1) SALE OF CLINKER TO ASIA CEMENT CORPORATION

**(2) PURCHASE OF CEMENT AND SLAG POWDER FROM
ASIA CEMENT (SINGAPORE) PTE. LTD.**

**(3) SALE OF CEMENT AND SLAG POWDER TO
ALLIANCE CONCRETE SINGAPORE PTE. LTD.**

References are made to the announcements of the Company dated 20 June 2025 and 25 June 2025 in relation to the existing agreement for the sale of cement and clinker to Asia Cement.

The Board is pleased to announce that, since the Existing Agreements will expire on 31 December 2025, to renew the continuing connected transactions contemplated under the Existing Agreements, on 30 December 2025, Jiangxi Yadong, a subsidiary of the Company, entered into the Sale and Purchase Agreement I with Asia Cement, pursuant to which Jiangxi Yadong, a subsidiary of the Company, will sell to Asia Cement, and Asia Cement has agreed to buy clinker in bulk for a total amount not exceeding US\$22,000,000 for the period from 1 January 2026 to 31 December 2026 (both dates inclusive). On the same date, (1) Oriental Industrial, a subsidiary of the Company, entered into the Sale and Purchase Agreement II with Asia Cement Singapore, pursuant to which, Oriental Industrial, a subsidiary of the Company, will purchase from Asia Cement Singapore, and Asia Cement Singapore has agreed to sell cement and slag powder in bulk for a total amount not exceeding S\$27,000,000 for the period from 1 January 2026 to 31 December 2026 (both dates inclusive); and (2) Oriental Industrial, a subsidiary of the Company, entered into the Sale and Purchase Agreement III with Alliance, pursuant to which Oriental Industrial, a subsidiary of the Company, will sell to Alliance, and Alliance has agreed to buy cement and slag powder in bulk for a total amount not exceeding S\$28,000,000 during the period from 1 January 2026 to 31 December 2026 (both dates inclusive).

As at the date of this announcement, Asia Cement holds approximately 73.07% of the entire issued share capital of the Company, and Asia Cement Singapore is a wholly-owned subsidiary of Asia Cement and holds 50% equity interest in Alliance, and thus Asia Cement, Asia Cement Singapore and Alliance are connected persons of the Company as defined in the Listing Rules. Accordingly, each of the relevant transactions constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Cap for the Transaction I, Transaction II and Transaction III calculated individually under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, each of the Transaction I, Transaction II and Transaction III is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement.

INTRODUCTION

References are made to the announcements of the Company dated 20 June 2025 and 25 June 2025 in relation to the existing sale and purchase agreements for the sale of cement and clinker to Asia Cement (the “**Existing Agreements**”).

The board of directors (the “**Board**”) of Asia Cement (China) Holdings Corporation (the “**Company**”) is pleased to announce that, since the Existing Agreements will expire on 31 December 2025, to renew the continuing connected transactions contemplated under the Existing Agreements, on 30 December 2025, Jiangxi Yadong Cement Co., Ltd. (“**Jiangxi Yadong**”), a subsidiary of the Company entered into the sale and purchase agreement (the “**SPA I**”) with Asia Cement Corporation (“**Asia Cement**”), pursuant to which Jiangxi Yadong will sell to Asia Cement, and Asia Cement has agreed to buy clinker in bulk (the “**Transaction I**”). On the same date, (1) Oriental Industrial Holdings Pte., Ltd. (“**Oriental Industrial**”), a subsidiary of the Company, entered into the sale and purchase agreement (the “**SPA II**”) with Asia Cement (Singapore) Pte. Ltd. (“**Asia Cement Singapore**”), pursuant to which Oriental Industrial will purchase from Asia Cement Singapore, and Asia Cement Singapore agreed to sell cement and slag powder in bulk (the “**Transaction II**”); (2) Oriental Industrial entered into the sale and purchase agreement (the “**SPA III**”) with Alliance Concrete Singapore Pte. Ltd. (“**Alliance**”), pursuant to which Oriental Industrial will sell to Alliance, and Alliance has agreed to buy cement and slag powder in bulk (the “**Transaction III**”).

The principal terms of the related transactions are as follows:

Transaction I

(A) Date:

30 December 2025

(B) Parties:

- (i) Jiangxi Yadong, as the seller; and
- (ii) Asia Cement, as the buyer

(C) Term:

Effective from 1 January 2026 and valid until 31 December 2026 (both dates inclusive).

(D) Quantity of Clinker to be Sold and Delivery Schedule:

Jiangxi Yadong shall sell clinker to Asia Cement for the period from 1 January 2026 to 31 December 2026 and sell a small quantity of cement depending on the market conditions, and the sales quantity of clinker and cement shall be determined based on the market conditions during the period.

(E) Price and Payment Terms:

Such unit price was determined by the parties at arm's length with reference to and based on the market price of clinker and cement.

When Asia Cement purchases clinker and cement under the transactions, the Group shall compare the price of the transactions by Asia Cement with prices charged to the independent third-party customers which purchase clinker and cement with similar quality and the prevailing market price, to ensure that the price charged to Asia Cement is comparable to the prices charged to other independent third-party customers, and is no more favourable than the prices offered to independent third-party customers and the prevailing market price.

Asia Cement shall make full payment within 30 working days upon the receipt of invoice after completion of loading against the bill of lading date.

(F) Annual Cap

It is expected that the transaction amount of the Transaction I for the period from 1 January 2026 to 31 December 2026 (the "**Annual Cap**") will not exceed US\$22,000,000. The Annual Cap is determined with reference to, among others: (i) the historical transaction amounts; (ii) the anticipated scope and scale of cooperation between the parties in 2026; (iii) the relevant unit price determined by the parties on an arm's length basis with reference to the market price, and the sales quantity determined according to the market conditions during the period.

Transaction II

(A) Date:

30 December 2025

(B) Parties:

- (i) Asia Cement Singapore, as the seller; and
- (ii) Oriental Industrial, as the buyer

(C) Term:

Effective from 1 January 2026 and valid until 31 December 2026 (both dates inclusive).

(D) Quantity of Cement and Slag Powder to be Purchased and Delivery Schedule:

Oriental Industrial shall purchase cement and slag powder from Asia Cement Singapore during the period from 1 January 2026 to 31 December 2026 in quantities determined based on market conditions during the period.

(E) Price and Payment Terms:

Such unit price was determined by the parties at arm's length with reference to and based on the market prices of the cement and slag powder.

When Asia Cement Singapore sells cement and slag powder under the transactions, the Group shall compare the price of the transactions by Asia Cement Singapore with the prices charged to the independent third-party suppliers which sell cement and slag powder with similar quality and the prevailing market price, to ensure that the price paid to Asia Cement Singapore is comparable to the prices charged by other independent third-party suppliers, and is not higher than the prices offered to independent third-party suppliers and the prevailing market price.

Oriental Industrial shall make full payment within 60 working days upon the receipt of invoice after completion of loading against the bill of lading date.

(F) Annual Cap

It is expected that transaction amount of the Transaction II for the period from 1 January 2026 to 31 December 2026 (the “**Annual Cap**”) will not exceed S\$27,000,000. The Annual Cap is determined with reference to, among others: (i) the historical transaction amounts; (ii) the anticipated scope and scale of cooperation between the parties in 2026; (iii) the relevant unit price determined by the parties on an arm's length basis with reference to the market price, and the sales quantity determined according to the market conditions during the period.

Transaction III

(A) Date:

30 December 2025

(B) Parties:

- (i) Oriental Industrial, as the seller; and
- (ii) Alliance, as the buyer

(C) Term:

Effective from 1 January 2026 and valid until 31 December 2026 (both dates inclusive).

(D) Quantity of Cement and Slag Powder to be Sold and Delivery Schedule:

Oriental Industrial shall sell cement and slag powder to Alliance during the period from 1 January 2026 to 31 December 2026 in quantities determined based on market conditions during the period.

(E) Price and Payment Terms:

Such unit price was determined by the parties at arm's length with reference to and based on the market prices of the cement and slag powder.

When Alliance purchases cement and slag powder under the transactions, the Group shall compare the price of the transactions by Alliance with the prices charged to independent third-party customers which purchase cement and slag powder with similar quality and the prevailing market price, to ensure that the price charged to Alliance is comparable to the prices charged to other independent third-party customers, and is no more favourable than the prices offered to independent third-party customers and the prevailing market price.

Alliance shall make full payment within 60 working days upon the receipt of invoice after completion of loading against the bill of lading date.

(F) Annual Cap

It is expected that the transaction amount of the Transaction III for the period from 1 January 2026 to 31 December 2026 (the "**Annual Cap**") will not exceed S\$28,000,000. The Annual Cap is determined with reference to, among others: (i) the historical transaction amounts; (ii) the anticipated scope and scale of cooperation between the parties in 2026; (iii) the relevant unit price determined by the parties on an arm's length basis with reference to the market price, and the sales quantity determined according to the market conditions during the period.

In conclusion, the Board (including the independent non-executive Directors) is of the view that the above transactions have been entered into after arm's length negotiations and on normal commercial terms or better terms and in the ordinary and usual course of business, and that the determination of the Annual Cap for the transactions is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

HISTORICAL TRANSACTION AMOUNT

During the year ending 31 December 2025 and as of the date of this announcement, the Group had historical transaction amount of US\$14,908,000 for the transaction conducted under the Existing Agreements.

INFORMATION ON JIANGXI YADONG, ASIA CEMENT, ORIENTAL INDUSTRIAL, ASIA CEMENT SINGAPORE AND ALLIANCE

Jiangxi Yadong is a company established in the PRC with limited liability. The Company holds 95% equity interest in Jiangxi Yadong and thus, Jiangxi Yadong is a subsidiary of the Company. Jiangxi Yadong is principally engaged in manufacturing and sale of cement products, clinker, slag powder and related products.

Asia Cement is a joint stock company incorporated in Taiwan with limited liability under the Company Law of Taiwan with its shares listed on the Taiwan Stock Exchange. Asia Cement is principally engaged in the production and sale of cement, concrete and related products through its self-built production lines, and diversified investment.

Oriental Industrial is a company established in Singapore with limited liability. The Company holds 100% equity interest in Oriental Industrial and thus, Oriental Industrial is a subsidiary of the Company. Oriental Industrial is principally engaged in the distribution of cement, slag powder and related products through trading in the Singapore market, as well as investment business.

Asia Cement Singapore is a company established in Singapore with limited liability and is a wholly-owned subsidiary of Asia Cement. Asia Cement Singapore is principally engaged in the distribution of cement, slag powder and related products through trading in the Singapore market.

Alliance is a company established in Singapore with limited liability and is a 50%-owned company by Asia Cement Singapore. Alliance is principally engaged in the sale of concrete products in the Singapore market.

The principal activity of the Company is investment holding. The Group's principal business activities are the manufacture and sale of cement, concrete and related products. There were no significant changes in the nature of the Group's principal activities during the year.

INTERNAL CONTROL MEASURES

The Group has implemented comprehensive internal control measures to oversee the continuing connected transactions contemplated under the sale and purchase agreements, including but not limited to:

- When Asia Cement purchases cement and clinker under the transactions, the Group shall compare the price of the transactions by Asia Cement with prices charged to the independent third-party customers which purchase cement and clinker with similar quality and the prevailing market price, to ensure that the price charged to Asia Cement is comparable to the prices charged to other independent third-party customers, and is no more favourable than the prices offered to independent third-party customers and the prevailing market price;
- When Asia Cement Singapore sells cement and slag powder under the transactions, the Group shall compare the price of the transactions by Asia Cement Singapore with the prices charged to the independent third-party suppliers which sell cement and slag powder with similar quality and the prevailing market price, to ensure that the price paid to Asia Cement Singapore is comparable to the prices charged by other independent third-party suppliers, and is not higher than the prices offered to independent third-party suppliers and the prevailing market price;
- When Alliance purchases cement and slag powder under the transactions, the Group shall compare the price of the transactions by Alliance with the prices charged to independent third-party customers which purchase cement and slag powder with similar quality and the prevailing market price, to ensure that the price charged to Alliance is comparable to the prices charged to other independent third-party customers, and is no more favourable than the prices offered to independent third-party customers and the prevailing market price;
- The finance department of the Group is required to aggregate the total amount of each of the transactions under the transactions at the end of each calendar month to determine whether the Annual Cap for the term of the transactions has been exceeded, and compare such aggregated amount with the corresponding Annual Cap; and
- The independent non-executive Directors and the auditors of the Company will conduct an annual review of the transactions contemplated under the transactions to ensure that such transactions are conducted in accordance with the terms of the transactions and on normal commercial terms or better terms without exceeding the relevant Annual Cap.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The directors of the Company (the “**Directors**”) decided to supply clinker to Asia Cement as they consider Asia Cement as a valuable customer of the Group in light of Asia Cement’s wealth of experience in exporting cement in Taiwan, and its loyal and stable customer base. As the Group’s principal business is the manufacture and sale of cement and related products, the Directors believe that supplying clinker through its subsidiary to Asia Cement will allow the Group to receive a steady, reliable and relatively large income. Furthermore, in light of the considerable clinker export price at the moment, the Directors are of the view that selling clinker to overseas markets in the off-season at such fair export price will not only effectively alleviate the pressure on the Group’s stock of clinker but will also enable the Group to gain a satisfactory profit.

Given that the Group and Asia Cement have similar cement business operations in Singapore, to facilitate the Group’s expansion of its business scale in Singapore and elimination of unnecessary overlap and inadvertent competition in similar customers and resources, the Group will act as the distributor of Asia Cement in Singapore. Asia Cement has transferred its sales business in Singapore to Oriental Industrial, which in turn resold the business to Asia Cement and the Group’s final customer such as Alliance. In this way, the Group may fully leverage on Asia Cement’s customer base and sales network, and secure a stable and sustained supply source of cement products for its Singapore business segment, thus providing a greater certainty in terms of sales or revenue performance.

Having considered the above reasons and taking into account that the selling price of the cement products and the terms of the transactions are determined with reference to the market price and the Company’s previous similar transactions with other independent third parties, the Board (including the independent non-executive Directors) is of the view that the relevant transactions were entered into on normal commercial terms or better terms and in the ordinary and usual course of business of the Company; that the transactions contemplated thereunder were negotiated on an arm’s length basis; and that the terms of the transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Asia Cement holds approximately 73.07% of the entire issued share capital of the Company, and Asia Cement Singapore is a wholly-owned subsidiary of Asia Cement and holds 50% equity interest in Alliance, and thus Asia Cement, Asia Cement Singapore and Alliance are connected persons of the Company as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Accordingly, the relevant transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Cap for the Transaction I, Transaction II and Transaction III calculated individually under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the relevant transactions are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders’ approval requirement.

Save for Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Mr. CHEN Ruey-long and Ms. WU Ling-ling who also serve as board members of Asia Cement, all of the Directors have confirmed that none of them has any material interest in the relevant transactions; and therefore no Director (except Mr. HSU Shu-tong, Mr. HSU Shu-ping, Mr. LEE Kun-yen, Mr. CHANG Chen-kuen, Mr. CHEN Ruey-long and Ms. WU Ling-ling) is required to abstain from voting at the meeting of the Board to approve the relevant transactions.

By Order of the Board
Asia Cement (China) Holdings Corporation
HSU Shu-tong
Chairman

Hong Kong, 30 December 2025

As at the date of this announcement, the executive Directors are Mr. HSU Shu-ping, Mr. CHANG Chen-kuen and Mr. LIN Seng-chang; the non-executive Directors are Mr. HSU Shu-tong (Chairman), Mr. LEE Kun-yen, Mr. CHEN Ruey-long and Ms. WU Ling-ling; the independent non-executive Directors are Mr. TSIM Tak-lung Dominic, Mr. WANG Wei, Mr. WU Chun-pang and Ms. HO LIN Mei-hsueh.