

Huaxin Cement Co., Ltd.
Announcement on the Investors Reception Meeting

The board of directors and all directors of the Company confirm that there are no false records, misleading statements or material omissions in the content of this announcement, and assume individual and joint responsibility for the authenticity, accuracy and completeness of its content.

Huaxin Cement Company held an investor reception meeting on March 15th. The content of the meeting is as followed:

I. Meeting details:

March 15th

Teleconference

Participants: China International Finance Company Research Department

Participants from the Company: Ye Jiaying (Vice President, Board Secretary)

II. Response to the questions raised by analysts

1. The company's aggregate production capacity under operation and progress is close to 270 million tons. What is the production plan for the production capacity under construction? What's the proportion of non-cement business in the future?

The 10 aggregate projects under construction, including the Yangxin 100 million-ton machine-made sand project, are expected to be completed and put into operation this year and next year. The company's current cement business revenue accounts for 70%+, and it is planned that the non-cement business revenue will account for 40%+ by the end of the 14th Five-Year Plan.

2. Can a large-scale project like Yangxin 100 million tons of machine-made sand be replicated in the future?

With the protection of the Yangtze River, it is very difficult to find a project with

resource advantages, location advantages, and market demands. Yangxin 100 million ton machine-made sand project is located in Fuchi Town, Yangxin County, Huangshi City, Hubei Province. It is about 2 kilometers away from the Yangtze River coastline. Ships over 5,000 tons can be navigable all year round. And the ore resources and mineral rights can reach 2 billion tons, only more than 3 kilometers away with large resource reserves and high quality. The cities along the middle and lower reaches of the Yangtze River (Shanghai, Nanjing, Suzhou, Wuhan, etc.) are imported markets with huge market demand.

The super-large project of Yangxin 100 million tons of machine-made sand is unique and difficult to replicate. This project is an opportunity for the company to seize the opportunity of Hubei's economic revival after the epidemic. It is a provincial key project in Hubei Province in 2020, and is supported by the Ministry of Industry and Information Technology of the People's Republic of China.

After the project is put into production, it will significantly enhance the company's competitiveness.

3. What measures does the company have in reducing power consumption and electricity prices?

In 2021, after the National Development and Reform Commission's "Notice on Further Deepening the Market-Based Reform of on-grid Electricity Price for Coal-fired Power Generation" came into effect, various electricity price policies are applied in different provinces in China.

In response to the rise in electricity prices, the company has taken the following countermeasures:

- (1) All plants have chosen to purchase electricity from power generation companies to avoid excessively rising electricity prices caused by purchasing electricity from power grid companies;
- (2) Lean production management, reduce power consumption, and obtain as many national "green factory" or "energy efficiency leader" certifications as possible to obtain favorable price as being "non-high energy consumption

enterprises";

(3) Improve the waste heat thermal efficiency of all lines, especially the municipal waste co-processing production line; try to replace the electric drive with steam drive to reduce the purchase of electricity;

(4) Establish and strictly implement the time-of-use electricity price management system: the production "avoids peaks and uses valleys", uses enough low-priced valley electricity, and strictly controls the use of peak electricity, thereby reducing the settlement electricity price;

(5) Invest in the development of green energy projects when appropriate, and reduce purchased electricity consumption through wind power and photovoltaic projects.

4. The means of reducing coal consumption?

In 2022, the company will continue to increase the proportion of co-processing alternative fuels. The company's overall TSR is to reach more than 10%. Plants with sufficient RDF and alternative fuels should reach 15% or even more than 20%. The comprehensive energy consumption of clinker in all cement plants must be lower than 117Kgce/t, of which kiln lines (inclusive) below 2500t/d and core plants of RDF disposal must be lower than 100 Kgce/t.

5. The advantages of overseas development after B-to-H, why are B-share shareholders optimistic about Huaxin?

The total number of B shares that finally exercised the cash option accounted for 12.63% of the total number of B shares of the company. Seen from our communication with investors, most B-share shareholders are optimistic about the company's fundamentals and are willing to follow and support the company's B-share conversion to H-shares. In addition, Huaxin B shares have a high dividend payout rate, which is why shareholders remain optimistic. The company hopes an overseas capital platform can increase our capital operation efficiency and overseas reputation, and help the company to expand overseas projects.

6. Does the situation in Russia and Ukraine adversely affect the company's overseas plants?

The company's overseas production lines are located in Central Asia Tajikistan, Kyrgyzstan, Uzbekistan, Southeast Asia, Nepal, Cambodia, East Africa Zambia, Tanzania, Malawi and other places. The situation in Russia and Ukraine has little impact on the company's overseas factories. Overseas plants operation is good, no large fluctuations.

III. Risk Warning

Any relevant content of this communication with investors involves the company's current development strategy planning and other intentional goals cannot be regarded as a guarantee for the company's development or performance by the company or the management. The company will timely perform relevant information disclosure obligations according to relevant requirements. Investors should pay attention to investment risks.

Investors are advised to pay attention to investment risks.

It is herewith announced.

Board of Directors
Huaxin Cement Co., Ltd.
16th March 2022