

Huaxin Cement Co., Ltd.
Announcement on the Progress of the Matters Related to the
Domestically Listed Foreign Shares Changing the Listing Venue and
Listed on the Main Board of Hong Kong Stock Exchange Limited By Way
of Introduction

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false or misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

Special notice:

1. Through applying to the Shanghai Stock Exchange (hereinafter referred to as the "SSE"), the company's B shares will be suspended from trading on March 3, 2022, and the last trading day of the company's B shares will be March 2, 2022, the trading day before the suspension. After that, the company's B shares will be subject to cash option exercise declaration, exercise clearing and settlement, and will no longer be traded.
2. The registration date of B share cash option is the third trading day after the last trading day, namely March 7, 2022. The declaration period for B share cash option is from the first trading day to the third trading day after the registration date, namely 9:30-11:30, 1:00-3:00 from March 8 to March 10. The deadline for declaration is 3:00 pm on March 10, 2022. The Company will provide the platform for all B shareholders to exercise the cash option through the trading system of Shanghai Stock Exchange. Exercise price is US\$ 1.945/share.
3. After the declaration of the exercise of the cash option is completed, when one of the following circumstances occurs, the cash option will not be executed and the whole plan will be terminated, and the company's B shares will continue to be traded in the B-share market of the Shanghai Stock Exchange: (1) The number of shares declared to exercise the cash option exceeds 154,408,766 shares, or the top three B-share public shareholders will hold the total shares after the exercise of the option. (2) The number of public shareholders in Hong Kong is less than 300.
4. After the implementation of the cash option is completed and the number of overseas public shareholders who have opened accounts in Hong Kong is confirmed to be no less than 300, the company will apply to the Stock Exchange for the delisting of B shares, and B shares will be listed and traded on the main board of the Hong Kong Stock Exchange in the form of H shares after obtaining the official approval of the Hong Kong Stock Exchange for the listing of the company's H shares.
5. The company has obtained the hearing approval by the Listing Committee of the Hong Kong Stock Exchange, but after the hearing, it still has to meet the listing requirements of the Hong Kong Stock Exchange. Investors are reminded to be aware of the investment risks.

I. Progress of the project

On December 27, 2021, the company has received the "Approval for the Listing of Huaxin Cement Co., Ltd. on the Main Board of the Hong Kong Stock Exchange" (Zheng Jian Xu Ke [2021] No. 4054) from the China Securities Regulatory Commission, which approved the company's domestic listing of foreign shares listing on the main board of the Hong Kong Stock Exchange (hereinafter referred to as the "B-to-H Project"), and a letter approved by the Listing Committee of the Hong Kong Stock Exchange was received on February 25, 2022.

The Company has applied to suspend B share trading from March 3, 2022. The day before the suspension is the last trading day, March 2, 2022. Afterwards, B share will be subject to exercise declaration, settlement and will no longer be traded.

II. Cross-border transfer custody

Shares held by foreign investors can apply for transferring the custody from domestic securities companies to overseas securities companies (i.e. "cross-border transfer custody"). Investors trading in China (including domestic investors and foreign investors who do not choose cross-border transfer custody) can only sell, not buy the company's H shares. After foreign investors complete the cross-border transfer of custody, they can buy or sell the company's H shares in accordance with the general H share trading rules without transaction restrictions.

Reminder: For the sake of H share buy and sell, those who can meet the cross-border transfer custody requirements and wish to transfer to the Hong Kong market for direct transactions, please submit an application for cross-border transfer of custody to CSFC Shanghai Branch as soon as possible through its designated trading securities company or designated settlement custodian bank.

(I) Cross-border transfer custody process

Before applying for cross-border custody transfer, foreign investors should open a securities trading account with any securities company or custodian bank in Hong Kong, and need to fill in the relevant information of the securities account when applying for custody transfer. The specific process of cross-border transfer custody is as follows:

(1) The investor shall submit the application for cross-border transfer of H shares to the securities company designated for trading or the designated custodian bank for settlement

If the investor's securities account balance is less than the number of cross-border transfer custody applications, the cross-border transfer custody application becomes invalid and will be cancelled.

If the investor continues to declare the cash option after submitting the cross-border transfer custody, the declaration of the cash option will be invalid.

For specific cross-border transfer custody details, please refer to the above-mentioned

