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HUAXIN CEMENT CO., LTD. *

(a joint stock limited company incorporated in the Republic of China)
(Stock Code: 6655)

**DISCLOSEABLE TRANSACTION
ENTERING INTO THE TRANSFER AGREEMENT IN RESPECT OF
THE MINING RIGHTS OF THE LIMESTONE QUARRY FOR CONSTRUCTION
MATERIALS (SOLVENT, CEMENT) IN YUANGUANG-LIANGFAN MINING
AREA, YANGXIN COUNTY, HUBEI PROVINCE**

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The Board is pleased to announce that on 20 September 2022, Huangshi Huaxin Green Building Materials Co.,Ltd, a controlled subsidiary of the Company, won the bid for the mining rights of the limestone quarry for construction materials (solvent, cement) in Yuanguang-Liangfan Mining Concession, Yangxin County, Hubei Province for a transfer duration of 25 years (effective since obtaining the mining permit, including 2 years of infrastructure construction) which covers a mining area of approximately 4.4064 km² with resource reserve of approximately 2,135 million tons and planned annual production capacity of approximately 95 million tons, from the Natural Resources Bureau of Huangshi Municipality through public listing-for-sale for a consideration of RMB4,480 million. On 10 October 2022, Huangshi Huaxin Green Building Materials Co., Ltd entered into the Transfer Agreement with the Natural Resources Bureau of Huangshi Municipality, and pursuant to which, Huangshi Huaxin Green Building Materials Co.,Ltd shall pay RMB4,480 million to the Natural Resources Bureau of Huangshi Municipality for the Mining Rights according to the payment terms of the Mining Rights Consideration as set out.

TRANSFER AGREEMENT IN RESPECT OF THE MINING RIGHTS

The Board is pleased to announce

(4) Mining Rights Consideration

The Mining Rights Consideration is RMB 4,480 million, which was the listed price of the Mining Rights submitted by Huangshi Huaxin Green Building Materials Co.,Ltd. The payment will be delivered in three tranches: first payment: 30% of the Mining Right Consideration within 10 calendar days after the contract takes effect (i.e. before 20 October 2022), which equals to RMB 1,344 million; second payment: 30% of the Mining Right Consideration within 10 calendar days after 1 year the contract takes effect, which equals to RMB 1,344 million; final payment: 40% of the Mining Right Consideration within 10 calendar days after 2 years the contract takes effect, which equals to RMB 1,792 million; Huangshi Huaxin Green Building Materials Co.,Ltd will pay with the internal resources and interest-bearing loans of financial institutions.

In assessing the fairness and reasonableness of the total consideration of the project, the Board has comprehensively considered the listing starting price of the Mining Rights set by the Natural Resources Bureau of Huangshi Municipality, the regional supply and demand of limestone aggregates and active calcium products deep-processed from flux limestone, the current market prices along Yangtze River Economic Belt, as well as the recent similar limestone mine mining and other factors.

Based on the above, the Directors are of the view that the aggregate amount of consideration is fair and reasonable and in the interest of the Company and its shareholders as a whole.

(5) Other Matters

Huangshi Huaxin Green Building Materials Co.,Ltd. has finished the construction of the first phase of 100 million tons/year machine-made sand production line (50 million tons/year). In addition, the Company intends to construct the second phase of the line (50 million tons/year) and 2 million tons/year active calcium deep processing line after entering into the Transfer Agreement if conditions permit.

Huangshi Huaxin Green Building Materials Co.,Ltd

Huangshi Huaxin Green Building Materials is a limited liability company incorporated in the PRC and a controlling subsidiary of the Company. Huangshi Huaxin Green Building Materials is mainly engaged in the mining of mineral resources (non-coal mines) in China; port operations; port cargo handling activities (projects subject to approval in accordance with the law can only carry out business activities after approval by relevant departments. Approval documents or licenses shall prevail) General items: stone processing for construction; manufacturing of non-metallic mineral products; manufacturing of new building materials (excluding hazardous chemicals); manufacturing of lightweight building materials; engineering management services; labor services (excluding labor services dispatch); leasing services (excluding licensing leasing services); transportation equipment leasing services; storage equipment leasing services; manufacturing and sales of building block (apart from the licensed business, operate projects not prohibited or restricted by laws and regulations); general cargo warehousing services.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The 100 million tons/year machine-made sand production line of Huangshi Huaxin Green Building Materials is a key project demonstrating central government's post-epidemic support to Hubei province. It is a large scale machine-made sand production base drafted in the *Hubei Machine-made Sand Industry High-quality Development Plan (2020-2025)*. As a key industry project of provincial level and supervised by Hubei provincial government, it is of great social, ecological and economic value. And it is also a key project in the integral development of the Group to create core competitiveness.

Yuanguang-Liangfan has large and quality reserve of limestone for construction materials (solvent and cement). Located near to the main channel of Yangtze River, it boasts of favorable logistic conditions and convenient transportation to the core market. Against the backdrop of intensified resource protection and rare limestone resources, Huangshi Huaxin Green Building Materials's acquisition of the quarry right will guarantee stable supply to the Huangshi machine-made sand production base. The transaction will pose positive impact to the future performance of the Company.

The Directors believe that the transaction

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregate amount payable by Huangshi Huaxin Green Building Materials to Natural Resources Bureau of Huangshi Municipality in respect of the Mining Rights Consideration exceeds 5% and all the applicable percentage ratios are less than 25%, the transaction contemplated under the Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but is exempted from the independent approval requirement under the Listing Rules.

DEFINITIONS

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

/	Huaxin Cement Co.,Ltd;
	has the meaning ascribed thereto under the Listing Rules;
3	the Company and its subsidiaries;
Huangshi Huaxin Green Building Materials	Huangshi Huaxin Green Building Materials Co., Ltd* (), a company incorporated in PRC with limited liability, in which the Company holds 58.26% of its shares;
Hubei	Hubei Province of People s Republic of China;
Huangshi Municipality	Huangshi city in Hubei Province;
Huangshi Municipal Government	Huangshi People s Government;
4 7	the Hong Kong Special Administrative Region of PRC;
8	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
9	has the meaning ascribed thereto in the section headed Agreement in respect of the Mining in this announcement;

9 has the meaning ascribed thereto in the section headed
/ Agreement in respect of the Mining
in this announcement;

/ / of China, and for the purpose of
this announcement, excluding Hong Kong, the Macao
Special Administrative Region and Taiwan;

/ 3 . has the meaning ascribed thereto under the Listing
Rules;

9 . Renminbi, the lawful currency of PRC;

- the mining rights transfer agreement dated 10 October
2022 which was entered into by the contracted
parties in relation to the transfer of the Mining Rights
by the Natural Resources Bureau of Huangshi
Municipality to Huangshi Green Building Materials;
per cent.

By order of the Board
Huaxin Cement Co., Ltd
XU Yongmo
Chairman

Wuhan, Hubei, the PRC
11 October 2022

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), Ms. Geraldine Picaud, 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*