

**Huaxin Cement Co., Ltd.**  
**Announcement on Resolutions of the Twenty Second Meeting of the Tenth Board of Directors**

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.

### **I. Convening of the Board Meeting**

The Twenty Second Meeting of the Tenth Board of Directors (interim meeting) of Huaxin Cement Co., Ltd. (hereinafter referred to as “the Company”) was convened in Wuhan on 31 January, 2023 by circular resolution. In principle, there should be 9 Directors present at the Meeting, actually 9 Directors were present. The Meeting was presided by the Chairman Mr. Xu Yongmo, Secretary to the Board was present at the Meeting. Chairman of the Board of Supervisors and some senior executives attended the Meeting. The Company sent the Meeting Notification to all the Directors on 18 January, 2023 by mail. The Meeting was in compliance with the provisions contained in relevant laws, rules, regulations and the *Articles of Association of the Company*, so it was legitimate and valid.

### **II. Reviewing of the Board Meeting**

Through reviewing and voting, this Board Meeting adopted the following important resolutions

1. Proposal on Public Issue of Corporate Bonds (Voting Result: Affirmative:9; Negative:0; Abstention:0)

Please refer to the attachment 1 for details.

The proposal requires the approval of shareholders’ general meeting.

2. Proposal on the Convention of 2023 2nd Extraordinary Shareholders’ General Meeting (Voting Result: Affirmative: 9; Negative:0; Abstention:0)

For details, please refer to the Announcement 2023-005 Notice on Convening the Second Extraordinary Shareholders’ General Meeting 2023 published on the same day.

It is herewith announced.

Board of Directors of Huaxin Cement Co., Ltd  
February 1, 2023

Attachment 1:

## **Proposal on Public Issue of Corporate Bonds**

Dear directors,

In order to satisfy the Company's medium and long-term capital needs, further optimize the debt structure and reduce financing costs, in accordance with relevant laws, regulations and the 2023 Company budget report, and taking into account of the conditions of the domestic and foreign bond markets, the Company intends to make public issuance of the corporate bonds. The specific plan to be considered is as follows:

### 1. Issuing scale

The size of the corporate bonds is no more than RMB 3 billion (including RMB 3 billion), which may be issued by installments depending on the market conditions. The specific size of issuance is subject to the decision of the Board and authorized representative of the Board to be authorized at general meeting within the aforementioned range, taking into account the capital requirements of the Company and market conditions at the time of issuance.

### 2. Issuing method

The corporate bonds will be publicly issued in China by installments after being registered in the CSRC.

### 3. Arrangement of placement to shareholders of the Company

The corporate bonds are issued to professional institutional investors (other than those whose purchase is prohibited by national laws and regulations) who are eligible to participate in the subscription and transfer of the corporate bonds in accordance with the Securities Law of the People's Republic of China (revised in 2019), the Administrative Measures for Corporate Bond Issuance and Trading (revised in 2021), the Administrative Measures for the Appropriateness of Securities and Futures Investors (revised in 2022) and the Administrative Measures of Shanghai Stock Exchange for the Appropriateness of Investors in the Bond Market (revised in 2022).

There is no preferential placement arrangement to the original shareholders of the Company.

### 4. Terms of bonds

The maturity of the corporate bonds to be issued is not more than 5 years and may be of single maturity variety or a mix of maturities. The specific maturity of the issuance and the size of the issuance of each maturity variety are to be determined by the Board and the authorized representative of the Board to be proposed at the general meeting within the aforementioned range, taking into account of the market conditions and the capital requirements of the Company prior the issuance.

### 5. Face value, interest rate and repayment

The face value of the corporate bonds is 100 RMB/bond, which will be issued at par value. The coupon rate will be determined separately according to the results of the

book-entry exercise. The bonds to be issued will bear simple interest on an annual basis without compound interest. The interest shall be paid annually and the principal shall be repaid in one lump sum on the maturity date of the bond. The final installment of interest payable shall be paid together with the principal.

#### 6. Redemption terms or resale terms

Whether the bonds to be issued are subject to redemption or resale provision, and the specific terms of such provisions, will be determined by the Board and authorized representative of the Board to be authorized in general meeting.

#### 7. Use of Proceeds

The proceeds raised from the issuance of corporate bonds, after deducting the issue costs, are intended to be used for domestic and overseas investment, project construction, repayment of domestic and overseas liabilities with interest, and replenishment of working capital. The specific purposes of the proceeds raised are to be determined by the Board and authorized representative of the Board to be authorized in general meeting within the aforementioned scope according to the Company's capital needs.

#### 8. Listing venue

Subject to the satisfaction of the listing conditions, the Company will apply to SSE for the listing of corporate bonds as soon as possible after the issuance of the corporate bonds.

#### 9. Credit enhancement

The corporate bonds will be issued without any credit enhancement.

#### 10. Underwriting method

The corporate bonds to be issued shall be underwritten by the lead underwriter or the underwriting syndicate organized by the lead underwriter on a stand-by underwriting basis.

#### 11. Validity of resolutions

The resolution of the general meeting on the issue of corporate bonds shall take effect from the date of the approval by the Shareholders at general meeting until the expiry of 24 months from the date of CSRC's approval to the registration of the bonds.

#### 12. Measures of safeguard for bond repayment

It will be proposed at the general meeting to authorize the Board to take following measures when the principal and interest of the corporate bonds are not expected to be paid on time or are in default when due:

- (1) not to distribute dividends to Shareholders;
- (2) suspend the implementation of capital expenditures such as major external investments and acquisitions and mergers etc.;
- (3) reduce or suspend the salaries and bonus of the Directors and the Senior Management; and
- (4) prohibit transfer of key responsible persons.

### 13. Matters to be authorized for the bond issuance

In order to enhance the efficiency of this issuance of corporate bonds, the Board shall propose to the Shareholders at general meeting to authorize the Board, and agree that the Board to authorize Mr. Li Yeqing, a Director, as the authorized representative for the bond issuance, to handle all matters related to the issuance of corporate bonds in accordance with the resolution of the general meeting and the authorization of the Board, including but not limited to:

- (1) formulate and adjust the specific plan for the issuance of the corporate bonds in accordance with the relevant laws, regulations, the relevant provisions of the regulatory authorities and the resolution of the general meeting, taking into account the actual situation of the Company and the market, including but not limited to the specific issuance scale, maturity of the bonds, bond variety, the interest rate of the bonds and its determination method, the timing of the issuance, whether to issue by installments and the number of issuance periods, and guarantee plan etc.;
- (2) employ intermediaries for the issuance of corporate bonds;
- (3) select bond trustee, sign the Bond Trustee Management Agreement and formulate the Bondholders Meeting Rules;
- (4) handle the reporting of the issuance of the corporate bonds;
- (5) formulate, approve, sign, modify and announce various legal documents related to the issuance of the corporate bonds, and make corresponding supplements or adjustments to the reporting documents in accordance with the requirements of the approving authority;
- (6) make corresponding adjustment to matters relating to the issuance of corporate bonds in accordance with the views of the regulatory authorities in the case of any change in the policy of the regulatory authorities on the issuance of corporate bonds or changes in the market conditions, except for matters that are required to be re-voted at the general meeting as stipulated in the relevant laws, regulations and the Articles of Association;
- (7) determine the specific arrangements for use of proceeds raised based on the actual situation;
- (8) disclose the issuance of the corporate bonds in a timely manner in accordance with the relevant laws and regulations; and
- (9) handle other matters relating to the corporate bonds.

This proposal will be submitted to the Shareholders at the Extraordinary General Meeting of the Company for approval. Upon being approved by the Shareholders at general meeting, the Company will apply to CSRC and the scheme approved by CSRC for registration shall prevail.