

Huaxin Cement Co., Ltd.

Announcement on 2022 Profit Distribution Proposal

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.

Importance:

- Distribution ratio per share

Cash dividend of 0.51 Yuan per share.

- The profit distribution is based on the total number of shares registered on the record date for implementing dividend distribution less the shares stored in the repurchase securities account. The specific date will be specified in the Announcement on 2022 Dividend Distribution. The company shares held by the repurchase securities account shall not be included in this profit distribution.
- If the total share capital of the company changes before the record date for the implementation of equity distribution, it is proposed to maintain the total distribution amount unchanged, adjust the distribution ratio per share accordingly, and the specific adjustment will be announced separately.

I. Profit Distribution Proposal

Audited by Ernst & Young Hua Ming Certified Public Accountants LLP, in 2022, the net profit of the Company in 2022 amounted to RMB 2,238,002,243, and the consolidated net profit attributable to the shareholders amounted to RMB 2,698,868,510. The profits of the Company available for distribution was RMB 8,507,891,676 as at the end of 31 December 2022.

According to the resolution of the Twenty Third Meeting of the Tenth Board of Directors of the Company, the profit distribution is based on the total number of shares registered on the record date for implementing dividend distribution less the shares stored in the repurchase securities account. The profit distribution proposal is as follows:

Based on the Company's total share capital of 2,096,599,855 shares less the shares stored in the repurchased securities account on the record date for the implementation of the profit distribution for year 2022, a cash dividend of RMB 0.51 per share (tax inclusive) was proposed to be distributed to all shareholders. The undistributed amount will be retained as undistributed profit for distribution in future years. No public reserve capitalization is provided in the profit distribution plan for the year 2022. The Company's shares held by the Company's repurchased securities account shall not be included in the profit distribution.

The profit distribution proposal shall be submitted to the Shareholders' General Meeting of the Company for review.

II. Decision-making procedures performed by the Company

(I) The convening, reviewing and voting of the Board of Directors' meetings

The Company convened the Twenty Third Meeting of the Tenth Board of Directors on March 27-28, 2023, the Meeting approved the 2022 Profit Distribution Proposal of the Company, and agreed to submit the profit distribution proposal to the Annual Shareholders' General Meeting 2022 for review.

(II) Independent Director's opinion

The Independent Directors of the Company expressed their independent opinions on the Profit Distribution Proposal, believing that the company's Profit Distribution Proposal for the end of 2022 comprehensively considers factors such as profit status, debt and cash flow levels, and capital needs for future development, and is in line with the dividend distribution policy stipulated in the *Articles of Association*, and the relevant reviewing and voting procedures comply with the requirements of laws, regulations and policies and the *Articles of Association*. We agree with the Company's 2022 profit distribution proposal and agree to submit the above proposal to the Company's General Meeting of Shareholders for consideration after approval by the Board of Directors.

III. Relevant risks

This profit distribution proposal has comprehensively considered factors such as the development stage and future fund demand of the Company, and will not pose significant impact on the operating cash flow of the Company, nor will it affect the normal operations and long term development of the Company.

It is herewith announced.

Board of Directors of Huaxin Cement Co., Ltd.

March 29, 2023