

Huaxin Cement Co., Ltd**Minutes on the Investor Relations Exchange**

Category of Investor Relations	<input type="checkbox"/> Specific survey <input type="checkbox"/> Analyst meeting <input type="checkbox"/> Media interview <input checked="" type="checkbox"/> Result Brief <input type="checkbox"/> Press Conference <input type="checkbox"/> Roadshow <input type="checkbox"/> On-site visit <input type="checkbox"/> Others
Time	Time: 10:00-12:00, 12 th , September, 2023
Venue	No.1 Meeting Room, 29F, One International Finance Center, Hongkong, China
Participants from the company	Director/CEO Li Yeqing, Vice President/Board Secretary Ye Jiaying, Vice President/CFO Chen Qian, Vice President/Overseas General Manager Xu Gang
Participants	CICC, Morgan Stanley, Harvest Fund, Citi Bank, Huatai Securities, Shenwan Hongkong, Millennium Capital, Hongding Capital, China Resources Eco, Jianming Resources and 29 analysts in the building materials industry
Key information	<p>Main questions:</p> <p>1. How does the company view the competition pattern in the RMX industry and receivables?</p> <p>As the bulk package cement exceeds 50%, RMX business will step into a period of rapid growth, also the prime time to access into the RMX industry. Huaxin entered the RMX industry in 2005. Huaxin is promoting the integrated business model to consolidate the edge of RMX business. Previously, cement and aggregate industry adopted the credit payment, which was transformed into the model of payment on delivery by leading enterprises like Huaxin. The credit model in the RMX industry should be changed by top enterprises as well. Huaxin controlled the receivables by: Using the integrated business model to promote the model of payment on delivery; choosing clients and control internal credit to reduce receivables.</p>

2. How do you see the carbon index distribution in the future?

Cement industry is bound to be included into national carbon emission trading market since carbon emission intensity and total volume control will be the problems faced by the industry. The national goal is to cut carbon, so the quota of carbon acquired by the enterprise is not enough. We could refer to the European carbon market for the trading experience. The increase of carbon price in the Europe is in proportion to the increase of cement price while the consumption of cement declined. The increase of carbon price is beneficial for environment protection and progress of industry technology.

3. How do you see the M&A in domestic cement industry?

As far as I'm concerned, the M&A is sure to happen in the future. It's a matter of time. C10 in the future may make up for 80% of capacity and C20 may account for 90%.

4. Can you introduce the market in Africa?

First of all, accumulated cement consumption per capita in Africa is not high. Currently, cement consumption per capita in many countries is below 100 kg/year, which signifies the demand for infrastructure later, but not a Chinese model. That can't be replicated in Africa. Secondly, quality mineral resources are a few in Africa, posing difficulties to construction. Thirdly, lack of infrastructure like short supply of electricity may impact the construction period. The scale of projects depends on the local market demand. Huaxin will integrate the advantages of various resources, developing business without interrupting the demand and supply balance in local market.

5. CAPEX and dividend distribution in the future?

The CAPEX is expected to go down gradually (excluding M&A). In 2-3 years, the dividend ratio will maintain as it is.

6. The integration strategy only impacts the Yangtze River?

Each line of Huaxin is designed by area consumption. Line that does not boarder the river has impact of integration.

7. The relation between cement industry's competition and carbon emission indexes?

Personally, I think the trend of the cement industry is two highs, one

low, namely, cement price and carbon price goes up while the consumption goes down. Currently, there are three lows, namely low cement price, low carbon price and low consumption, which are not sustainable. Two highs and one low will be inevitable.

8. What is the goal of overseas development?

Huaxin's overseas development is centered on three core points: firstly, to win glory for the country and respond to the national "Belt and Road"; secondly, to benefit the local community and create jobs and tax revenue for the local community; and thirdly, to expand the market and earn money for the enterprise. Overseas business will be the bright spot of Huaxin's future development, and it is our goal to build Huaxin into a world-class multinational company.