

## Huaxin Cement Co., Ltd.

### Announcement on Providing the Financing Guarantee for Some Subsidiaries

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.

#### Key notes:

- Guaranteed subject: Huaxin Cement (Huangshi) Co., Ltd. and other wholly-owned subsidiaries and holding subsidiaries
- The guarantee for Huaxin Cement (Huangshi) Co., Ltd. and other wholly-owned subsidiaries and holding subsidiaries amounted to RMB 19.049 billion. As of the end of 2023, the actual guarantee balance provided to the above companies was RMB 10.016 billion.
- Any counter guarantee for this new guarantee: Joint shareholders of Huaxin Green Building Materials (Wuxue) Co., Ltd. to provide counter guarantee, no other counter guarantee.
- Cumulative number of overdue external guarantees of the company: None

#### I. Brief introduction

On March 25-28, 2024, the 31<sup>st</sup> meeting of the Tenth Board of Directors of Huaxin Cement Co., Ltd approved the Proposal on Providing Financing Guarantees for Some Subsidiaries.

By December 31, 2023, the total guarantee approved by the Board of Directors for wholly owned and controlling subsidiaries is 18.693 billion RMB, the actual utilized guarantee amount is RMB 10.016 billion (including 6.813 billion RMB and 0.448 billion USD), accounting for 30.08% of the latest audited net assets and 53.58% of the approved total guarantee amount. No overdue guarantee occurs.

Due to the expiration of the guarantee amount approved at the 2021 Annual Shareholders' General Meeting on May 20, 2022, and in accordance with the needs of the company's business development, the application for updating the guarantee amount is as follows:

Unit: 10,000 RMB

Category of guarantee	Working capital loan	Fixed asset loan (including bond)	Total
Last approved limit	373,900	1,495,453	1,869,353
Actual utilized	164,183	837,418	1,001,601
To be increased	68,400	258,728	327,128
To be reduced	-56,000	-235,628	-291,628
New total approved	386,300	1,518,553	1,904,853

## II. Subsidiaries and guarantee amount

(1) Guarantee for the working capital loans (includes establishing letters of credit, bank acceptances, letters of guarantee)

Unit: 10,000 RMB

NO.	Guarantee	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023	Net profit 2023
1	Huaxin Cemet (Wuxue) Ltd.	10,000	30,000	100%	282,204	86,629	195,575	241,504	45,470
2	Huaxin Cement (Huangshi) Ltd.	10,000	111,600	94%	321,565	205,120	116,445	91,461	-13,069
3	Huaxin Cemet (Macheng) Ltd.	1,000	6,500	100%	7,547	2,584	4,964	2,436	-925
4	Huaxin Cemet (Yangxin) Ltd.	6,000	50,000	100%	102,382	26,951	75,431	98,058	3,648
5	Huaxin Cemet (Chibi) Ltd.	5,000	14,000	100%	54,270	23,385	30,885	57,212	6,561
6	Huaxin Cemet (Daye) Ltd.	5,000	32,700	70%	92,005	27,691	64,315	48,657	-3,651
7	Huaxin Cemet (Henan xinyang) Ltd.	13,000	20,000	100%	45,908	22,109	23,799	21,548	-4,224
8	Huaxin Aggregate (Yangxin) Ltd.	3,000	14,000	100%	51,728	21,137	30,591	64,636	18,181
9	Huaxin Cement (Ezhou) Ltd.	2,000	50,000	70%	26,718	10,068	16,650	31,975	-1,079
10	Huaxin Cement (Xiangyang) Ltd.	13,000	14,000	100%	102,963	51,044	51,919	108,782	9,051
11	Huaxin Cement Xiangyang Xiangcheng Ltd.	2,000	4,000	100%	9,246	2,177	7,069	16,276	815
12	Huaxin Cement (Yichang) Ltd.	14,000	15,000	100%	97,685	36,566	61,119	76,341	10,222

NO.	Guarantee	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023	Net profit 2023
13	Huaxin Cement (Changyang) Ltd.	16,000	24,900	100%	82,921	47,958	34,964	46,806	126
14	Huaxin New Materials (Changyang) Ltd	5,000	39,300	100%	114,555	74,179	40,376	27,121	2,285
15	Huaxin Cement (Zigui) Ltd.	13,000	24,000	100%	94,334	40,732	53,603	51,126	7,775
16	Huaxin New Materials (Zigui) Ltd	5,000	10,000	100%	29,071	18,497	10,573	15,182	3,767
17	Huaxin New Materials (Yidu) Ltd	2,000	2,500	100%	9,609	5,286	4,323	20,900	2,181
18	Huaxin Cement (Enshi) Ltd.	5,000	6,000	100%	34,345	20,667	13,677	26,451	310
19	Huaxin Cement (Hefeng) Minzu Building Materials Ltd.	2,000	4,764	51%	19,212	6,159	13,053	19,663	-556
20	Huaxin Jinlong Cement (Yunxian) Ltd.	5,000	8,000	80%	83,500	38,516	44,984	68,819	5,921
21	Huaxin Cement (Fangxian) Ltd.	5,000	8,000	70%	35,950	12,267	23,683	25,895	579
22	Chongqing Huaxin Yanjing Cement Ltd.	4,000	21,000	100%	69,530	30,761	38,769	50,329	8,382
23	Huaxin Cement (Quxian) Ltd.	5,000	24,000	100%	101,917	42,890	59,027	72,877	13,559
24	Huaxin Cement (Wanyuan) Ltd.	6,000	20,200	100%	48,181	17,743	30,438	38,430	7,247
25	Huaxin Cement (Chenzhou) Ltd.	8,000	22,000	100%	72,409	31,113	41,296	57,478	6,695
26	Huaxin Cement (Zhuzhou) Ltd.	18,000	34,000	100%	145,717	95,421	50,296	61,332	-1,881
27	Huaxin Aggregate (Zhuzhou) Ltd	3,000	10,000	100%	43,433	31,786	11,647	22,766	1,845

NO.	Guarantee	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023	Net profit 2023
28	Huaxin Cement (Daoxian) Ltd.	3,000	18,000	100%	35,324	13,042	22,282	26,911	-405
29	Huaxin Cement (Enping) Ltd.	3,000	280M HKD	65%	68,472	67,927	545	15,762	-7,272
30	Huaxin Cement (Sangzhi) Ltd.	8,000	15,000	80%	47,366	16,377	30,989	30,321	507
31	Huaxin Cement (Zhaotong) Ltd.	7,500	10,000	100%	48,516	24,905	23,611	60,030	7,965
32	Huaxin Cement (Kunming dongchuan) Ltd.	4,000	14,000	100%	41,155	19,435	21,720	31,930	2,748
33	Huaxin Cement (Lincang) Ltd.	2,000	36,090	100%	36,773	5,984	30,789	23,221	1,860
34	Huaxin Cement (Lijiang) Ltd.	7,000	10,000	100%	48,839	17,604	31,235	37,348	1,840
35	Huaxin Cement (Honghe) Ltd.	2,000	50,000	100%	97,666	27,141	70,525	37,349	1,856
36	Huaxin Cement (Fuming) Ltd.	5,000	39,000	100%	95,539	51,844	43,695	38,695	337
37	Huaxin Cement (Yunlong) Ltd.	3,000	30,000	100%	36,773	5,984	30,789	11859	-1293
38	Yunwei Baoshan Organic Chemical Co., LTD	5,000	10,000	80%	51,136	48,485	2,651	23,350	1,019
39	Huaxin Cement (Diqing) Ltd.	6,000	9,500	61%	35,586	9,785	25,801	30,883	2,258
40	Huaxin Cement (Jianchuan) Ltd.	5,000	27,000	100%	58,758	18,871	39,887	27,770	1,808
41	Huaxin Cement (Huangshi) Equipment Manufacture Ltd.	3,000	13,000	100%	45,158	22,448	22,710	16,463	462

NO.	Guarantee	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023	Net profit 2023
42	Huaxin Environmental Engineering Ltd. (including its subsidiaries)	60,000	100,000	100%	237,655	105,312	132,343	16,036	10,432
43	Huaxin New Building Materials Co., Ltd. (including its subsidiaries)	4,000	5,000	100%	19,257	11,266	7,991	0	-661
44	Hainan Baihuitong Supply Chain Technology Ltd	14,000	1,000	100%	34,125	29,747	4,378	121,263	1,549
45	Huaxin Concrete (Wuhan) Ltd (including its subsidiaries)	30,000	12,330	100%	129,807	70,113	59,694	3,900	4,154
46	Huaxin (HK) International Holding Ltd (including its subsidiaries)	40M USD	30,194	100%	613,858	424,330	189,528	765	8,723
<b>TOTAL</b>		<b>386,300</b>							

(2) Guarantee for the fixed assets loan

Unit: 10,000 RMB

NO	Guarantee	project name	Total project investment	Last approval	increase or decrease	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023
1	Huaxin Cement (Huangshi) Ltd.	cement clinker production line with annual output of 2.85 million tons	184,757	120,000	-	120,000	111,600	94%	321,565	205,120	116,445	91,461
2	Huaxin Cement (Huangshi) Ltd.	Mining rights, reclamation, certificates, etc	61,133	20,000	-	20,000	111,600	94%	321,565	205,120	116,445	91,461
3	Huaxin (Wuxue) Environment protecting building materials Co., Ltd	Annual production of 30 million tons of machine-made sand and gravel project	231,063	132,000	-62,000	70,000	50,000	59%	144,013	59,467	84,546	108,062
4	Huangshi Huaxin Green Building Materials Industry Co., Ltd	Construction of aggregate production line	995,690	570,000	-	570,000	430,000	60%	954,803	725,885	228,918	119,059

NO	Guarantee	project name	Total project investment	Last approval	increase or decrease	Guarantee amount	Registered capital	Share holding	Assets by the end of 2023	Liabilities by the end of 2023	Net assets by the end of 2023	Operating revenue 2023
5	Huaxin Jiaotou (Chibi) New Building Materials Co., LTD	annual production line of 3 million tons of aggregate, sand and gravel	33,690	10,200	-	10,200	10,000	51%	54,270	233,849	-179,579	1,655
6	Huaxin Aggregate Co., Ltd	Tieshan Taiping Mountain Project (Acquisition)	10,000	-	6,000	6,000	5,000	100%	41,306	3	41,304	0
7	Huangshi Huaxin East Optical Valley New Building Materials Co., Ltd	Tieshan Taiping Mountain Project (Construction)	27,000	-	14,000	14,000	15,000	100%	-	-	-	-
8	Huaxin Cement (Xiangyang) Ltd.	Aggregate Phase II Project	36,846	24,000	-17,000	7,000	14000	100%	102,963	51,044	51,919	108,782
9	Huaxin New Material (Zigui) Co., Ltd	Aggregate Phase I 5 million ton production line	75,890	57,000	-37,000	20,000	10,000	100%	29,071	18,497	10,573	15,182
10	Huaxin New Material (Changyang) Co., Ltd	Phase I mining rights; Aggregate production line; Wall materials	71,000	37,000	-7,000	30,000	39,300	100%	114,555	74,179	40,376	27,121

11	Huaxin new material (Changyang) Co., Ltd	Lion Pack Mining Rights	38,513	-	30,000	30,000	39,300	100%	114,555	74,179	40,376	27,121
12	Huaxin Cement (Quxian) Ltd.	Aggregate Phase II Project&Integrated Project	27,517	4,000	18,480	22,480	24,000	100%	101,917	42,890	59,027	72,877
13	Huaxin Aggregate (Zhuzhou) Co., Ltd	Annual production of 5 million tons of aggregate production line project	33,259	23,000	-6,390	16,610	10,000	100%	43,433	31,786	11,647	22,766
14	Huaxin (HK) International Holding Ltd.	Existing loan projects New projects added	-	100,000	20,000	120,000	30,194	100%	613,858	424,330	189,528	765
15	Natal Portland Cement company	renovation, expansion, acquisition loan acceptance	\$35 Million	-	40,320	40,320		100%	260,784	51,674	209,110	
16	Mozambique Cement Company	Reconstruction and expansion, M&A to undertake loans	\$70 Million	-	54,000	54,000		94.76%	72,308	53,945	18,363	



17	CHILANGA Cement PLC	Renovation and expansion of the Ndola project in Zambia	\$15 Million	-	7,560	7,560	12.3 million Zambian Kwacha	75%	113,209	38,481	74,728	13,443
18	Portland Cement (Malawi) Limited	Malawi project renovation and expansion	\$50 Million	-	32,400	32,400	15786274.47 Kwacha	100%	12,326	7,568	4,758	27,525
19	Maweni limestone limited	Tanzania Phase II Clinker Production Line	68,343	-	40,000	40,000	TZS 307 billion	100%	204,881	177,305	27,576	73,885
20	Kunming Chongde Cement Co., Ltd	Chongde Phase II	75,000	44,500	-14,500	30,000	38,200	100%	106,640	74,797	31,843	42,955
21	Huaxin Cement (Tibet) Ltd.	Tibet Phase III	46,000	30,000	-20,000	10,000	5,000	79%	135,964	41,253	94,711	74,967
22	Others	Overseas projects (Cambodia Packaging, Nepal, Jizak, Sogd)		53,128	-35,006	18,122						
	<b>TOTAL</b>			<b>1,224,829</b>	<b>63,864</b>	<b>1,288,692</b>						

**(3) Bonds and others**

<b>Guarantee</b>	<b>Category of guarantee</b>	<b>Last approved \$10,000</b>	<b>This application \$10,000</b>	<b>This application ¥10,000</b>
Huaxin Cement International Finance Company Limited	USD bonds	30,000	30,000	216,000
Huaxin Hong Kong (Tanzania) Investment Co., Ltd	Preferred shares	1,925	1,925	13,860
<b>TOTAL</b>				<b>229,860</b>

**(1)+(2)+(3) The total amount of guarantee applied for is RMB 19.049 billion.**

### **III. Guarantee items**

(1) Scope of guarantee: Between the Company and wholly owned subsidiaries, between the Company and controlling companies.

(2) Guarantee amount: The total amount of guarantee is RMB 19.049 billion.

(3) Terms of guarantee: For the working capital loan guarantee, guarantee contracts shall be signed from the date of approval of the shareholders' general meeting to the date of three years' expiration, and the Company is authorized to continue to provide guarantee for it when the business is renewed within the authorization period. For the fixed asset loan guarantee, guarantee contracts shall be signed in the period from the date of approval by the shareholders' general meeting to the date of expiration of three years, and the specific guarantee period shall be determined according to the signed guarantee contracts.

(4) Mode of guarantee: Wholly owned subsidiaries and controlling subsidiaries can utilize the guarantee within the above amount at one time or for several times. Specific guarantee amount, duration and mode of guarantee shall be confirmed in the contracts (including signed or to be signed agreements on the transfer of benchmark interest rate of overseas loans). The Company undertakes joint and several liability guarantee. Guarantee amount can be distributed among wholly owned subsidiaries based on actual need within the aforesaid total guarantee amount. The Company can provide guarantee and sign guarantee agreements without convening board meetings or the shareholders general meeting.

(5) Counter guarantee of this time: The joint venture shareholders of Huaxin Green Building Materials (Wuxue) Co., Ltd. provide counter guarantee, there are no other counter guarantees.

### **IV. Main contents of guarantee agreements**

The company will determine the specific guarantee amount within the above applied guarantee amount according to the production and operation of all wholly-owned and holding subsidiaries, and sign relevant agreements when each guarantee business occurs.

### **V. Opinion of the Board**

In view of the fact that the above-mentioned companies are all wholly-owned subsidiaries and holding subsidiaries of the Company, and that the above-mentioned companies have good financial status and solvency, and that the Company has effective control over their operation and management, finance, investment and financing, the Company has the ability to fully grasp and monitor the business activities of the guaranteed companies.

The purpose of providing the financing guarantee for some subsidiaries is to meet the financing needs of different subsidiaries and provide guarantee for their financing business such as bank borrowing, letter of credit, bank acceptance, letter of guarantee, financial leasing, bond issuance, and foreign exchange risk management etc. The guarantee risk can be controlled, therefore, the board of directors of the company agrees to the above financing guarantee and agrees to submit this matter to the shareholders' meeting for approval.

## **VI. The company's total number of external guarantees and the number of overdue guarantees**

As of December 31, 2023, the actual utilized guarantees of the company and its holding subsidiaries amounted to RMB 10.016 billion, accounting for 30.08% of the company's latest audited net assets; The new guarantee applied for this time is 0.355 billion yuan, accounting for 1.07% of the company's latest audited net assets; The total amount of external guarantees authorized by the company is RMB 19.049 billion, accounting for 57.21% of the company's latest audited net assets. The cumulative amount of overdue guarantee is 0.

This guarantee includes providing guarantees for wholly-owned subsidiaries and holding subsidiaries with asset liability ratio of more than 70%.

According to the provisions of the Listing Rules of Shanghai Stock Exchange and the Articles of Association, this external guarantee shall be reviewed by the shareholders general meeting.

It is herewith announced.

Board of Directors of Huaxin Cement  
March 29, 2024