

Huaxin Cement Co., Ltd.
**Announcement on 2018 Profit Distribution and Capital Reserve
Transferred to Increase Share Capital Proposal of the Company**

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.

On March 28, 2019, the Eighth Meeting of the Ninth Board of Directors approved the *2018 Profit Distribution and Capital Reserve Transferred to Increase Share Capital Proposal of the Company*. The following is the 2018 Profit Distribution and Capital Reserve Transferred to Increase Share Capital Proposal of the Company:

In 2018, the Parent Company achieved net profit of 1,912,207,603 Yuan or 5,181,448,611 Yuan net profit attributable to the shareholders after consolidation. Pursuant to the relevant provisions contained in the Company Law, Articles of Association and Corporate Accounting Rule, 10%, i.e. 191,220,760 Yuan will be appropriated to statutory surplus common reserve fund. Balance of statutory surplus common reserve fund at the end of this period is 889,105,333 Yuan, accounting for 59% of the share capital at the end of this period. The allocable profit of the Parent Company is 5,717,023,232 Yuan by the end of December 2018.

The Board proposes that on the basis of the total 1,497,571,325 shares, a cash dividend of 1.15 Yuan per share (incl. tax) shall be distributed to all shareholders, hence 1,722,207,024 Yuan shall be distributed (covering 33.24% of the net profit attributable to the shareholders of the Parent Company after consolidation), and the whole of the remaining shall be booked as unallocated profit.

The Board also proposes that the shares shall be increased to all shareholders by transferring capital reserves on a basis of 4 shares for every existing 10 shares. Total increased share capital is 599,028,530 shares. The total shares of the Company will increase from 1,497,571,325 shares to 2,096,599,855 shares.

It is herewith announced.

Huaxin Cement Co., Ltd.

Board of Directors
March 30, 2019