

## **Huaxin Cement Co., Ltd**

### **Announcement on the Progress of Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd.**

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false, 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. Summary of the plan on changing the listing venue of domestically listed foreign shares**

The Company held the Nineteenth Meeting of the Ninth Board of Directors on August 20, 2020. *The Proposal on the Plan regarding the Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd.* was reviewed and approved. And the Plan regarding the Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd. was published on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on August 22, 2020.

Main contents of the plan are as followed:

The Company intends to change the listing venue of Huaxin B shares by way of introduction to be converted to H shares on the main board of the Stock Exchange of Hong Kong Ltds. No new shares will be issued for the plan.

In order to fully protect the legitimate rights and interests of its current B share investors, the Company will arrange third party (ies) to offer a cash option to all the B share shareholders. The price for the cash option is 5% premium based on the closing price prior to the B share trading suspension (August 19, 2020) of 2.011 USD, namely 2.112 USD. B share investors may choose to apply for the exercise of cash option within the period defined in relevant announcement and transfer all or part of their B share holdings to the designated third-party before the listing at the Hong Kong Stock Exchange ; or choose to continually hold the shares as H shares after listing at the Hong Kong Stock Exchange.

#### **II. Progress of the plan on changing the listing venue of domestically listed foreign shares**

As of the disclosure of this announcement, Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd. is underway. The Company has employed Shenwan Hongyuan Underwriter Ltd, Shenwan Hongyuan Capital (HK) Ltd, Shu Jin Law Firm, Clifford Chance (Company HK Legal Counsel) as agents for this project to conduct due diligence survey, assist the Company with listing files, formulation of cash option plan, cash option provider and reform of trading settlement system. By far, cash option plan, system reform and other specific matters are yet to

be confirmed. The Company will fulfil the obligation of information disclosure according to the progress of this project.

### **III. Special notice**

The cash option plan, trading settlement reform and other matters related to the plan on changing the listing venue of domestically listed foreign shares by way of introduction on the Main Board of the Stock Exchange of Hong Kong Ltd. still await further demonstration and consultation. And that requires necessary internal and external decision making and approval procedures according to relevant laws, regulations and stipulations in the Articles of Association.

Relevant matters related to the plan are still uncertain. The Company will fulfil the obligation of information disclosure according to the progress of this project. Designated information media is China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). All the information will be subject to the designated media. Public investors are hereby kindly requested to notice investment risks.

It is hereby announced.

Huaxin Cement Co., Ltd  
Board of Directors  
September 18, 2020