

Huaxin Cement Co., Ltd.

Announcement on 2020 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 1.08 Yuan per share.

- The profit distribution is based on the total number of shares registered on the registration date for implementing dividend distribution after deducting the number of shares in the special share repurchase account. The specific date will be specified in the Announcement on 2020 Dividend Distribution. The company shares held by the repurchase special account shall not be included in this profit distribution.

I. Profit Distribution Proposal

Audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, in 2020, the Parent Company achieved net profit of 3,155,313,737 Yuan or 5,630,598,812 Yuan net profit attributable to the shareholders after consolidation. The allocable profit of the Parent Company is 7,370,600,800 Yuan by the end of December 2020.

According to the resolution of the Twenty Seventh Meeting of the Ninth Board of Directors of the Company, the profit distribution is based on the total number of shares registered on the registration date for implementing dividend distribution after deducting the number of shares in the special share repurchase account. The profit distribution proposal is as follows:

The Board proposes that on the basis of 2,093,874,372 shares (the total share capital of 2,096,599,855 shares at the end of 2020 deducting the balance of 2,725,483 shares in the special repurchase account), a cash dividend of 1.08 Yuan per share (incl. tax) shall be distributed to all shareholders, hence 2,261,384,322 Yuan shall be distributed (covering 40.16% of the net profit attributable to the shareholders of the Parent Company after consolidation). No capital reserve shall be converted into share capital for 2020. The company shares held by the repurchase special account shall not be included in this 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

The Company convened the Twenty Seventh Meeting of the Ninth Board of Directors on March 24-25, 2021, the Meeting reviewed and adopted the 2020 Profit Distribution

Proposal of the Company, and agreed to submit the profit distribution proposal to the Annual Shareholders' General Meeting 2020 for review.

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 27, 2021