

energy, high-tech industry investment and other business development, which is in line with the company's industrial development orientation. The transaction will facilitate two parties to deepen strategic cooperation in the future, further promote the company to accelerate the layout of non-cement business, improve the company's scientific and technological innovation capabilities, and help the company to achieve green and low-carbon transformation and development of an integrated industrial chain.

Municipal Government authorizes the State-owned Assets Supervision and Administration Commission to perform the responsibility of the investor on behalf of the Municipal Government, and is responsible for supervising the municipal state-owned assets.

Except for indirectly holding 16.12% of the company's equity, Huangshi SASAC does not have any relationship with the Company in terms of business, assets, creditor's rights and debts, personnel, etc.

2. Huangshi State-owned Assets Operation Limited Company

Unified social credit code: 914202007327274327

Registration address: Room 201, 301, 401, Building 14, Building 14-18, No. 185, Jinshan Avenue, Tieshan District, Huangshi Economic and Technological Development Zone

Legal representative: Cheng Shanshan

Registered capital: 1.7 billion yuan (capital increase of RMB 200 million on March 8, 2022)

Business scope: State-owned assets operation and management, state-owned assets property (share) rights transaction services, financing and investment, asset leasing, information consulting, agency and other intermediary services within the scope of authorization.

Date of establishment: December 25, 2002

Since the establishment of Huangshi State-owned Assets Company, it has gradually formed four main business sectors: mining terminals, technological innovation, modern services, and cultural tourism. In the past three years, the state-owned company in Huangshi City has developed steadily, and its main business has not undergone major changes. As of December 31, 2021, Huangshi State-owned Assets Company's total consolidated assets were 32.219 billion yuan, net assets were 14.175 billion yuan, and the asset-liability ratio was 56.01%; in 2021, it will achieve operating income of 6.512 billion yuan and net profit of 1.190 billion yuan (audited) . As of March 31, 2022, Huangshi State-owned Assets Co., Ltd. had total consolidated assets of 34.622 billion yuan, net assets of 14.486 billion yuan, and an asset-liability ratio of 58.16%; in the first quarter of 2022, it achieved opera

1. The entity signing the agreement

Party A: Huaxin Cement Co., Ltd

Party B: State-owned Assets Supervision and Administration Commission of Huangshi Municipal People's Government

Party C: Huangshi State-owned Assets Operation Limited Company

2. Investment amount and shareholding

All parties unanimously confirmed that Party C will increase RMB 93,577,017.42 on the basis of the existing registered capital of RMB 1.7 billion and the registered capital of Party C will be increased to RMB 1,793,577,017.42 In this investment, Party A subscribes for all the capital increase of Party C for RMB 1,000,000,000 (capital increase), of which RMB 93,577,017.42 will be included into the registered capital of Party C and RMB 906,422,982.58 will be included into party C's capital reserve.

After the completion of the statutory procedures for capital increase, the registered

further promote the company to accelerate the layout of non

1. Prior approval

The independent non-Executive Directors of the Company, Mr. Zhang Jiping, Mr. Jiang Hong and Mr. Wong Kun Kau, have carefully reviewed the relevant information on the above-mentioned connected transactions, and expressed their opinions as follows:

We have fully understood the related transactions of the company's investment in Huangshi state-owned companies, and checked the purpose, content, pricing benchmarks and other elements of the transactions. We believe that this related transaction will help the company and Huangshi state-owned companies to deepen strategic cooperation in the future, to further promote the company to accelerate the layout of non-cement business, improve the company's technological innovation capabilities, and help the company to achieve green and low-carbon transformation and development of an integrated industrial chain. This transaction complies with the relevant provisions of laws, regulations and normative documents such as the Company Law, the Shanghai Stock Exchange Listing Rules, and the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 5 Transactions and Related Party Transactions and Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The transaction was conducted on the basis of equal negotiation and consensus between the two parties. The transaction was fair and reasonable, in line with the interests of the company and all shareholders, and there was no situation that harmed the interests of the company and all shareholders, especially minority shareholders. Agree to submit this connected transaction to the board of directors of the company for deliberation.

2. Independent opinions

The independent non-Executive Directors of the Company, Mr. Zhang Jiping, Mr. Jiang Hong and Mr. Huang Wong Kun Kau, expressed their independent opinions on the above connected transactions as follows:

This connected transaction will help the company and Huangshi State-Owned Company to further deepen strategic cooperation, further promote the company to accelerate the layout of non-cement business, improve the company's scientific and technological innovation capabilities, and help the company to achieve green and low-carbon transformation and development of an integrated industrial chain. This transaction complies with the relevant provisions of laws, regulations and normative documents such as the Company Law, the Shanghai Stock Exchange Listing Rules, the Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 5 Transactions and Related Party Transactions and Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The transaction was conducted on the basis of equal negotiation and consensus between the two parties in accordance with general commercial terms or better terms. The terms were fair and reasonable, in line with the interests of the Company and all shareholders, and there was no situation that harmed the interests of the company and all shareholders, especially the small and medium shareholders.

(3) This transaction does not need to be the approval of the company's general

meeting of shareholders and the relevant departments.

It is herewith announced.

Huaxin Cement Co., Ltd.

Board of Directors

May 31, 2022