

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 31st 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 10

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

NO.

Guarantee

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

3 Bonds and others

Guarantee	Category of guarantee	Last approved \$10,000	This application \$10,000	This application ¥10,000
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
TOTAL				229,860

(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 conti1 1 460.9 712.66 Tma(i1 1 46 TJ87 671.74 Tm(omp)10(a)13

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