

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

### **Announcement on the Implementation of Foreign Exchange Derivatives Hedging Business in 2025**

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.

#### **Important contents:**

**Purpose of the transaction:** The Company conducts foreign exchange derivatives hedging business to avoid risks associated with fluctuations in the foreign exchange market.

**Types of transactions:** Foreign exchange forwards, swaps, options, or their combination products.

**Transaction amount:** The maximum amount for the foreign exchange derivatives hedging transactions proposed by the Company is 800 million USD (or equivalent currency), and the maximum margin required for the transactions or the bank credit line is 80 million USD (or equivalent currency).

**Approval procedure completed:** This matter has been reviewed and approved at the Eighth Meeting of the Eleventh Board of Directors on 20 December 2024.

**Special risk reminder:** The Company (including its holding subsidiaries) engages in hedging operations based on the needs of daily production and operation, not for speculative purposes. However, there is no guarantee for principal or returns in relevant hedging transactions, which carry market risk, liquidity risk, performance risk, operational risk, technical risk, policy risk, and other associated risks. Investors are advised to pay attention to investment risks.

#### **I. Overview of the transaction**

##### **(1) Purpose and Necessity of Foreign Exchange Hedging Business**

With the deepening implementation of the Company's internationalization strategy and the continuous expansion of overseas business, the Company's overseas business revenue reached approximately 3.587 billion RMB in the first half of 2024, involving 16 countries and a growing demand for hedging in corresponding currencies. Based on the status of foreign exchange assets, liabilities, and the specific circumstances of foreign exchange income and expenditure, the Company engages in foreign exchange derivatives hedging transactions closely related to daily operational needs. This approach helps control the Company's systemic foreign exchange risks, reduces the impact of foreign exchange market fluctuations on business performance, and contributes to ensuring the safety of assets and the long-term sustainable development of overseas business.

##### **(2) Transaction Amount**

The Company (including its holding subsidiaries) expects to carry out foreign exchange derivatives hedging business with a maximum amount of 800 million USD or equivalent currency in 2025, which accounts for approximately 17.54% of the

C



Board of Directors of Huaxin Cement Co., Ltd  
21 December 2024