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.

Company's most recent audited net assets. The expected maximum margin and option premiums required for the transactions (including the value of collateral provided for the transactions, estimated bank credit limits to be used, and reserves for emergency measures, etc.) will not exceed 80 million USD, accounting for approximately 18.02% of the Company's most recent audited net profit. The above limits can be rolled over within the term, but the transaction balance at any point in time during the term will not exceed 800 million USD or equivalent currency.

(3) Source of Funds

The funds for the Company's (including holding subsidiaries) foreign exchange derivatives hedging business in 2025 will come from its own funds and will not involve raised funds.

(4) Transaction Method

The foreign exchange derivatives hedging business that the Company (including its holding subsidiaries) intends to carry out is limited to currencies that are the same as or highly correlated with the main settlement currencies used in the Company's production, operation, investment and financing activities. The counterparties will be domestic and international financial institutions that possess qualification for foreign exchange derivatives trading, operate stably, and have good t8h ud ort(esthl)5(d)13()15(nes)11(.)-134

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