Stock Codes: 600801 Stock Abbreviations: Huaxin Cement Ref: 2024-033

Huaxin Cement Co., Ltd.
Announcement on the Sale of Corporate Assets

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:

Yunnan Huaxin Dongjun Cement Co, Ltd (hereinafter referred to as Dongjun Cement), a wholly-owned subsidiary of Huaxin Cement Co., Ltd (hereinafter referred to as the Company), with Yunnan State-owned Cement Kunming Co., Ltd (hereinafter referred to as Kunming Cement) agreed to transfer its non-current assets including land use right, building structure, attachments, mechanic equipment to Changshui Street Office under the government of Guandu District, Kunming City, Yunnan Province at the price of 850 million RMB.

The transaction does not constitute related party transaction.

The transaction does not constitute major asset restructure.

I. Brief of the transaction

(1) Basic information

On December 25, 2024, Dongjun Cement, a wholly-owned subsidiary of the Company, in conjunction with Kunming Cement
Government of Guandu District, Kunming City, Yunnan Province, entered into a Compensation Agreement. Under the terms of the agreement, Dongjun Cement is to transfer its non-current assets, including land use rights and associated structures, attachments, and machinery equipment, to the Changshui Street Office under the Government of Guandu District, Kunming City, Yunnan Province due to the government expropriation.

The Eighth meeting of the Eleventh Board of Directors held on December 20, 2024 reviewed the *Proposal of Disposal of Part of Non-current Assets of the Company*. The

to execute the relevant expropriation compensation agreements and other pertinent legal documents. This transaction general
meeting.

The proposed asset sale does not constitute a related party transaction, nor does it meet

Major Asset
does not encounter any significant legal impediments.

II. Introduction of the counterparty

City, Yunnan Province, is the

evaluation of the assets proposed for disposal. Based on the appraisal report, the valuation employed the Cost approach and Market approach. The determined value of the asset under evaluation, in accordance with the stipulated assumptions and constraints of the appraisal, stands at RMB 839.5802 million as of the baseline date of 30 October , 2023.

The price of the asset is negotiated at 850 million RMB based on negotiation.

(2) Rationale of the pricing

The sale is for the purpose of expropriation of Kunming government. The price 850 million is determined by 2 years of negotiation. It s expected to pose positive impact to the company profit and do not harm the interests of the company and shareholders.

V. Main content and performance of the agreement

(I) Main terms of the agreement

1. Party to the contract

Party A: Changshui Street Off
Kunming City, Yunnan Province

Party B: Yunnan Huaxin Dongjun Cement, Yunnan State-owned Cement Kunming Company

2. Principle of the expropriation

Two parties agree with the overall expropriation of Dongjun Cement plant based on overall expropriation.

3. Scope of compensation

Land use right area of 290617.42 square meters of the Party B

Building structure, attachments, mechanic equipment on the land to be expropriated

Machinery equipment, relocation fee, relocation bonus, business shutdown compensation

4. Price: 850 million for the compensation of land use Tm[( )]TJET EMET EMC 100>BDBT1 0 0

and within a period of five business days, Party A shall pay 20% of the total compensation sum.

7. Effective time

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