

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

### **Announcement on Resolutions of the Tenth Meeting of the Tenth Board of Directors**

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.

#### **I. Convening of the Board Meeting**

The Tenth Meeting of the Tenth Board of Directors (interim meeting) of Huaxin Cement Co., Ltd. (hereinafter referred to as “the Company”) was convened on December 14, 2021 by onsite meeting and video conference. In principle, there should be 9 Directors present at the Meeting, actually 9 Directors were present. The Meeting was presided by the Chairman Mr. Xu Yongmo. Secretary to the Board attended the meeting. Supervisor and some management sit in on the meeting. The Company sent the Meeting Notification to all the Directors on December 3, 2021 by mail. The Meeting was in compliance with the provisions contained in relevant laws, rules, regulations and the *Articles of Association of the Company*, so it was legitimate and valid.

#### **II. Reviewing of the Board Meeting**

Through reviewing and voting, this Board Meeting adopted the following important resolutions

1. Proposal on Adding Mr. Xu Yongmo as the Member of Audit Committee (voting result: affirmative 9, negative 0, abstention 0)

Since Hongkong Stock Exchange Listing Rules Rule 3.21 required that “Every issuer must set up Audit Committee and the member should all be non-executive directors”. And the Company is applying for the conversion of domestically listed B shares into H shares on Hongkong Stock Exchange Main Board. To meet such a requirement and push forward the B2H program, Mr. Liu Fengshan has resigned the member of Audit Committee on November 22, 2021.

In accordance with the Article 8 of Rules of Procedures for the Work of Audit Committee, the Audit Committee should consist of 5 board members and that should be approved by the Board. Through negotiation, Mr. Xu Yongmo is recommended to be added as the member of the Audit Committee.

2. Proposal on Adding the Authority of Non-Executive Chairman and Adjusting the Allowance (voting result: affirmative 8, negative 0, abstention 0)

Related director Mr. Xu Yongmo recused from voting.

Please see the attachment 1 for details.

The adjustment on the allowance is yet to be approved by Shareholders’ General Meeting.

3. Proposal in Respect of Convening the Sixth Extraordinary Shareholders' General Meeting 2021 (voting result: affirmative 9, negative 0, abstention 0)

For details, please refer to the 2021-055 Announcement on the Notification of Convening the Sixth Extraordinary Shareholders' General Meeting 2021.

It is herewith announced.

Huaxin Cement Co., Ltd.

Board of Directors

December 16, 2021

## Attachment 1 Proposal on Adding the Authority of Non-Executive Chairman and Adjusting the Allowance

According to the Articles of Association of Huaxin Cement prescribed in the Article 116 The chairman of the Board of Directors shall exercise the following authorities:(1) to preside over Shareholders' General Meetings, as well as to convene and preside over meetings of the Board of Directors; (2) to supervise and inspect the implementation status of resolutions made at the meetings of the Board of Directors; (3) to sign significant documents to be issued by the Board of Directors; (4) other authorities conferred by the Board of Directors.

Current non-executive Chairman Mr. Xu Yongmo is equipped with rich management experience and resources in the industry, solid and professional competence and profound knowledge in building materials industry. To utilize his professionalism and impact to boost the new business and investment, and to consolidate the guarantee of healthy development, we propose conferring the following authorities to the non-executive Chairman Mr. Xu Yongmo in accordance with the Articles of Association:

### 1. Field survey to the Region and Industry Park of Huaxin

Field survey to different Regions, establishment of parks and the implementation of "double performance plan". Communicate with Region and Group managers on the results.

### 2. Public relation on behalf of the Company and conduct exchanges

Conduct exchanges with industry association and other organizations on behalf of Huaxin, voice in the association on behalf of the Company; attend meetings required by some government authorities on behalf of the Company.

### 3. Advise on the investment of concrete and new materials projects

Capitalize on its professional advantages in concrete to promote the development of new projects.

On April 25, 2019, the 2018 Annual Shareholders' General Meeting reviewed the Opinion on Adjusting the Allowance of Directors and Supervisors and determined the annual allowance of non-executive chairman at 828,000 Yuan/y. The expansion of authorities, coupled with reference to the compensation of Chairman in building material listing companies as well as the compensation ratio of CEO and Chairman in Holcim Group in recent four years, we propose the annual compensation of non-executive chairman at 1.5 million Yuan/y.

The excess duty will take effect since the Board's approval; the allowance adjustment will be executed after the approval of Shareholders' General Meeting.