Declaration direction: declaration to sell; "declaration to buy" is an invalid declaration; within the validity period of the declaration, the order can be withdrawn on the same day, and cannot be withdrawn from the next day.

Investors need to use the B-share securities account to declare the exercise of the cash option through the SSE trading system.

If the shareholders of B shares of the listed company sell their original holdings, declare cross-border transfer of custody or other freezing or non-transaction transfer after declaring the cash option, the declaration shall be regarded as invalid.

If the number of B shares declared to exercise the cash option exceeds 154,408,766 shares after the cash option exercise application is completed, or the cumulative shareholding of the top three B shares after the exercise of the option exceeds 50% of the total number of public shares, such cash options cannot be implemented, and Huaxin B shares will continue to be traded on the SSE B share market.

Foreign investors can transfer the stocks they hold to their existing or newly opened H-share accounts through the cross-border transfer custody business, and conduct H-share transactions directly. If investors do need to trade the converted H shares in mainland China, they need to go through the designated transaction of the B shares securities account, but they can only sell.

After the completion of the cash option and the number of overseas public shareholders who have opened accounts in Hong Kong is confirmed to be no less than 300, the company will apply to the Stock Exchange for the removal of B shares, and obtain the official approval of the Hong Kong Stock Exchange for the listing of the company's H shares. After the approval letter is issued, it will be listed and traded on the main board of the Hong Kong Stock Exchange in the form of H shares.

I. Basics of the cash option declaration

1. Subject of declaration

B share shareholders after the closing and by the end of the share registration date (March 7, 2022)

2. Share registration date: March 7 2022

3. Declaration period:

On the trading day from March 8, 2022 to March 10, 2022, 9:30am-11:30am, 1:00pm-3:00pm, the deadline for declaration is 3:00pm on March 10th, 2022. During the period, the company's B shares will be suspended from trading.

4. Declaration method: declare through the Shanghai Stock Exchange trading system; the company does not provide on-site declaration methods.

5. Declaration code: 706080

6. Abbreviation of declaration: Huaxin Cash

7. Declaration direction: declare to sell.

8. Purchase price: $1.945 per share.

9. Number of declarations:

The number of shares declared to exercise the cash option shall not exceed 154,408,766 shares.

Multiple declarations within the validity period of the declaration can be made in one account, and the number of valid declarations is the sum of the number of sales in each declaration, but does not exceed the upper limit of the number of declarations.
After the cash option exercise declaration is completed, the cash option will not be implemented and the B shares will continue to be traded in the B-share market of the Shanghai Stock Exchange when one of the following circumstances occurs: (1) The number of shares declared for exercising the cash option exceeds 154,408,766 shares, Or after the exercise of the option, the total number of shares held by the top three B-share public shareholders exceeds 50% of the B-share public float, and (2) the number of Hong Kong public shareholders is less than 300.
10. The provider of the cash option is Conch International Holdings (Hong Kong) Co., Ltd.; shareholders exercising the cash option are equivalent to selling shares to Conch International Holdings (Hong Kong) Co., Ltd. at USD 1.945 per share.

II. Attentions
(1) The declaration direction can only be declared to sell, and declared to buy is invalid; within the validity period of the declaration, the order can be withdrawn on the same day, and cannot be withdrawn from the next day.
(2) Shareholders should negotiate with the pledgee or the judicial authority to release the pledge or judicial freeze before making a declaration; for the shares that are still pledged or judicially frozen at the time of liquidation, the declaration of the cash option is invalid.
(3) For the shares in the same account, shareholders may apply for partial sales.
(4) The company publishes a reminder announcement on the exercise of the cash option on the first day and the deadline for the declaration of the cash option.
(5) B-share shareholder who sells his shares, declares for cross-border transfer of custody or other freezing or non-transaction transfer before and during the declaration of the cash option shall be deemed to have an invalid declaration.
(6) If the number of B shares declared to exercise the cash option exceeds 154,408,766 shares after the cash option exercise application is completed, or the cumulative shareholding of the top three B shares after the exercise of the option exceeds the B shares public shares 50% of the total amount, such cash options cannot be implemented, and Huaxin B-shares will continue to be traded on the B-share market of the Shanghai Stock Exchange.

III. Cost
When the cash option declarer and provider go through the subsequent share transfer registration procedures, the tax items and standards involved shall be implemented with reference to the B-share transaction.

IV. Contact
Applicant: Huaxin Cement Co., Ltd.
Address: No. 600 East, Daqi Avenue, Huangshi City, Hubei Province
Contact: Wang Lu, Wu Xin
Tel: 027-87773898

Fax: 027-87773992

V. Follow-up matters

1. After the validity period of this application expires, the company will issue a separate announcement on the results of the application. Investors are requested to pay attention to the date when the funds arrive in the account.

2. After the declaration period of the cash option expires, the company needs to check the declaration results and cancel invalid declarations.

3. If the number of B shares declared to exercise the cash option exceeds 154,408,766 shares after the cash option exercise application is completed, or the cumulative shareholding of the top three public B shares after the exercise of the option exceeds 50% of the total amount of public shares, such cash options cannot be implemented, and Huaxin B shares will continue to be traded on the B-share market of the Shanghai Stock Exchange.

4. After the implementation of the cash option is completed and the number of overseas public shareholders who have opened accounts in Hong Kong is confirmed to be no less than 300, the company will apply to the Stock Exchange for the delisting of B-shares, and obtain the official approval of the Hong Kong Stock Exchange for the listing of the company's H-shares. After the approval letter, it will be listed and traded on the main board of the Hong Kong Stock Exchange in the form of H shares.

5. Schedule of cash option

202.2.28 Monday	Announcement of

that, the company's B shares will be subject to exercise declaration, exercise clearing and settlement, and will no longer be traded. If the number of B shares declared to exercise the cash option exceeds 154,408,766 shares after the cash option exercise declaration is completed, or the cumulative shareholding of the top three B shares after the exercise of the option exceeds 50% of the total B shares public shares, such cash options cannot be implemented, and Huaxin B shares will continue to be traded on the SSE B share market. After the implementation of the cash option is completed and the number of overseas public shareholders who have opened an account in Hong Kong is confirmed to be no less than 300, the company will apply to the Stock Exchange for the delisting of B shares, and listed and traded on the main board of the Hong Kong Stock Exchange in the form of H shares after obtaining the official approval of the Hong Kong Stock Exchange

The Company has obtained a letter approved by the Listing Committee of the Hong Kong Stock Exchange. Nevertheless, it still has to meet the listing requirements of the Hong Kong Stock Exchange. Investors are reminded to be aware of investment risks.

It is herewith announced.

Huaxin Cement Co., Ltd.
Board of Directors
March 1, 2022