Huaxin Cement Co., Ltd.

Announcement on Resolutions of the Twenty Ninth Meeting of the Eighth 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 Twenty Ninth Meeting of the Eighth Board of Directors of Huaxin Cement Co., vened on March 21-22, 2018 in Switzerland. In principle, there should be 9 Directors attending the Meeting, actually 9 Directors attended. The Meeting was presided by the Chairman Mr. Xu Yongmo. Secretary to the Board, some of the Senior Management and Chairman of the Board of Supervisors also attended the Meeting. The Company sent the Meeting Notification to all the Directors on March 12, 2018

(Voting Result: Affirmative: 9; Negative: 0; Abstention: 0);

For detailed information, please refer to the Announcement of Huaxin Cement Co., Ltd. on Providing Guarantee for Bank Loans of Some Subsidiaries (2018-006) published on the same day.

6. Proposal on Affiliated Party Transaction of 100% Equity Interest Transfer in Chongqing Lafarge Shui On Cantian Cement. CO., Ltd. by and between Lafarge China Cement Limited and the Company.

(Voting Result: Affirmative 6; Negative: 0; Abstention: 0);

Related party Directors Mr. Martin Kriegner, Mr Daniel Bach and Mr. Ian Riley recused themselves from the voting.

For detailed information, please refer to the Huaxin Cement Co., Ltd. Announcement on Affiliated Party Transaction of 100% Equity Interest

Cement.

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2017 of the Company
(Voting Result: Affirmative: 9; Negative: 0; Abstention: 0)
For detailed information, please refer to Huaxin Cement Co., Ltd. Announcement on -009)
published by the Company at the same day.

It is herewith announced.

Huaxin Cement Co., Ltd.
Board of Directors
March 26, 2018

Annex 1:

Huaxin Cement Co., Ltd.

Final Financial Report 2017 and Financial Budget Report 2018

I. Brief on 2017 Financial Statement and its audit

period of last year, and the current ratio rose from 0.76 to 0.95. Thus the repayment ability and liquidity risks were further improved.

The operating cost for 2017 increased by 4.7 billion Yuan over the same period of the previous year. Apart from the expansion of cement production and sales scale, increase in coal prices caused the unit cost of cement to increase by 13% year-on-year. The operating cost in the current period exceeded the budget by 1.3 billion Yuan, mainly due to the higher coal price than expectation.

On the one hand, it seized the opportunity for a rebound in cement prices; on the other hand, by increasing the use of alternative fuels to control the production costs caused by the rising coal prices, the current gross profit margin rose by 3.27 percentage points over the same period of the previous year, which was 3.38 percentage points higher than the budget.

2. Periodic Expenses

Unit: 10000 CNY

	2017	2017 Budget	Change	2016	Change
Selling and distribution expenses	140,212	148,518	-5.59%	110,552	26.83%
General and administrative expenses	120,402	139,196	-13.50%	93,928	28.19%
Finance expenses	66,063	68,361	-3.36%	56,940	16.02%

In 2017, although various expenses and expenditures increased by 653 million Yuan over the same period of last year due to operation scale expansion brought by the merger; however, the General and administrative expenses ratio and sales expense ratio in 2017 decreased by 1.2 percentage points and 1.5 percentage points respectively compared with the same period of last year by strengthening budget control and exerting synergy effect. During 2017, periodic expenses reduced by 294 million Yuan over the budget.

3. Asset Impairment Loss

Unit: 10000 CNY

Item	2017	2016	Change
Loss on impairment of fixed assets	19,437	-	19,437
Loss on bad debts	6,147	3,046	3,100
Loss on Impairment of construction in progress	194	-	194
Loss on inventory	1,170	516	653
Total	26,947	3,562	23,384

Asset impairment losses in 2017 increased by 234 million Yuan over the same period of the previous year, of which 194 million Yuan in impairment of fixed assets was accrued, mainly due to the impairment of long-term assets of Enping Plant; and 31 million Yuan in overdue receivables for concrete customers and cement customers was accrued.

4. Profitability

Unit: 10000 CNY

	2017	2016	Change
Net profit attributable to shareholders of the Company	207,764	45,194	359.72
Return on net assets, weighted average (%)	18.98	4.61	Increased by 14.37 percentage points
Return on net assets, weighted average after deducting non-recurring gains and losses (%)	16.47	4.74	Increased by 11.73 percentage points

During the reporting period, net profit of the Company increased by 1.591 billion Yuan compared with the same period of the previous year due to expansion of business scale, rise of cement and clinker prices, and improvement in aggregates and Eco business performance; net profit attributable to shareholders of the Company increased by 1.626 billion Yuan year on year. The return on net assets rose by 14.37 percentage points, hitting a new high of nearly 5 years.

(III) Cash Flow

Unit: 10000 CNY

	2017	2017 budget	Change	2016	Change
Net cash flow from operating activities	390,408	326,947	19.41%	309,615	26.09%
Net cash flows from investing activities	-163,431	-212,075	22.94%	-200,454	18.47%
Net cash flows from financing activities	-235,949	-54,114	-336.02%	67,995	-447.01%

In 2017, the net cash flow from operating activities increased by 635 million Yuan over the budget, an increase of 808 million Yuan over the same period of last year, mainly due to the increase in profit.

Net cash outflow from investing activities decreased by 486 million Yuan over the budget, a decrease of 370 million Yuan compared with the same period of last year. This was mainly due to the redemption of a large number of funds during the current period.

Net cash outflow from financing activities increased by 1.818 billion Yuan over the budget, an increase of 3.039 billion Yuan over the same period of last year, mainly due to the improvement of the operating cash flows, reduction in the size of loans and increase in dividend payments.

II Brief Explanation on the 2018 Financial Budget

The overall overcapacity of domestic cement capacity will be the new normal. In the future, cement demand will enter the plateau. In 2018, the domestic de-capacity situation is still severe. At the same time, more competitors are attracted into overseas market due to the obvious advantages of early-stage price and profitability, leading to a reversal of supply and demand and increasing competition. In 2018, the Company will focus on stabilizing the production, sales, and prices of cement, and actively cultivate and develop high-tech building materials business. The main financial budget indicators for 2018 are as follows:

(I) Revenue Budget

In 2018, the Company expects to realize revenue of 21.5 billion Yuan, a slight increase of 2.9% compared with the actual value of 20.9 billion Yuan in 2017.

(II) Investment Budget

In 2018, the Company plans to invest 3.7 billion Yuan, of which the main investment is 2.83 billion Yuan in cement business, to expand overseas projects, replace old domestic capacity, increase single plant scale and productivity and enhance the Company's competitiveness in core regions. The Company will continue to expand its Eco business and plans to invest 320 million Yuan to complete the layout of Eco capacity as soon as possible; 550 million Yuan is planned to be invested in aggregates, concrete and other business.

(III) Financing Budget

In 2018, the net cash inflow from operating activities is expected to be about 4 billion Yuan, an increase of about 2.6% over the previous year.

In 2018, the Company will make full use of the Group's advantages and resources, and strived to seek more economic and effective financing channels. According to changes in the capital market situation, the Company will flexibly control the proportion of direct and indirect financing ratio and reduce the cost of financing. The total financial debts at the end of 2018 will be controlled within 11 billion, an increase of approximately 700 million Yuan over the previous year. In 2018, the total assets are expected to be approximately 31.3 billion Yuan, and the estimated asset-liability ratio is approximately 56%, a slight decrease from the previous year.

Annex 2:

Resumes of the Director Candidates for the Ninth Board of Directors

Mr. Xu Yongmo, born in April 1956, Master of Engineering, Doctor and Post Doctorate who had studied in UK. 1982 ~ 1983, assistant engineer of Plasterboard Subsidiary of Beijing New Building Material Plant; 1986 ~ 1988, the principal of RMX laboratory of Concrete and Housing Building Materials Institute of China Building Materials Academy; 1988~1991, vice director of Technical Information Centre of China Building Materials Academy; 1998 ~ 2002, VP of China Building Materials Academy; from April 2002 to April 2017, VP of China Building Materials Federation; from June 2006 to December 2016, president of China Concrete & Cement Product Association; from December 2016 till now, executive president of China Concrete & Cement Product Association; from March 2007 till now, director-general of China Construction Units Association; from October 2007 till now, VP of China Cement Association; from December 2011, director-general of China Silicate Association. He became Independent Director of the Company from April 2009 to March 2012. He became the Chairman of the Company from April 2012.

Mr. Li Yeqing, born in February 1964, doctor, senior engineer. He currently takes the positions of CEO, Secretary of the Party committee of both the Company and Huaxin Group Co., Ltd.. From July 1984, Mr. Li Yeqing successively graduated from Silicate Major of Wuhan Building Material Institute as Bachelor of Engineering, Industrial Management Major of Wuhan University of Technology as Master of Engineering; and Management Science and Engineering Major of Huazhong University of Science and Technology as Doctor of Business Administration. July 1984 ~ October 1987, Wuhan University of Technology Portland Engineering Department, teacher, League Committee vice secretary. He entered Huaxin Cement Plant (former name of the Company) in November 1987, taking position of quality control engineer of Central Lab, vice manager of Limestone Quarry, vice director of Extension Office and manager of production technology, and became vice manager of Huaxin Cement Plant in January 1993, he became Deputy General Manager of the Company at June 1994, General Manager of the Company in December 1999 (he was renamed as CEO of the Company since March 2004). He took the position of Director of the Company from April 1994. He concurrently took the positions of Vice Chairman of China Building Materials Federation since March 2009 and Vice Chairman of China Cement Association since May 2000. He concurrently took the positions of Chairman of Hubei Building Materials Federation since January 2014.

Mr. Ian Riley, born in March 1958, British, Engineering Master from Cambridge University, England. From December 1998 to May 2000, he was appointed Managing Director in Tenbridge Ltd. (Shanghai), mainly responsible for project planning and business strategy. From May 2000 to February 2003, he was appointed as CEO of Asialink Technologies (Shanghai). From April 2003-September 2006, he was appointed as General Manager Consulting in SIP (Shanghai), mainly responsible for a range of foreign investment projects in various industries. From September 2006 to June 2008, he was appointed CIO of Huaxin Cement, responsible for implementing SAP ERP and related projects. From July 2008 to Feb 2011, he was appointed AVP in Huaxin Cement, responsible for Holcim activities in China and a member of the Huaxin executive team responsible for manufacturing business and CSR. He was VP of the Company from March 2011 to March 2014. Since 2004, he took the position of being responsible for business of Holcim Group in Greater China. After the merge of Lafarge and Holcim in 2015, he

became the Principal of LafargeHolcim. He became Director of the Company from April 2014.

Mr. Liu Fengshan, born in November 1965, master degree of public relations from Singapore Nanyang Technological University. Mr. Liu graduated from Kunming Engineering College in July 1987 and got bachelor degree of engineering. From 1987 to August 1998, he took the position of technician of Chimashan Quarry, workshop manager, deputy quarry manager, quarry manager and secretary of the Party Committee of Daye Non-ferrous Metal Company successively. From August 1998 to August 1999, he took the positions of quarry manager of Tonglushan Quarry and secretary of Party Committee of Daye Non-ferrous Metal Company. From August 1999 to January 2002, he was deputy secretary of Party Committee and secretary of Discipline Inspection Committee of Daye Non-ferrous Metal Company. From January 2002 to April 2004, he took the position of deputy secretary of Discipline Inspection Commission of Huangshi City. From April 2004 to October 2006, he was the deputy secretary of Daye Municipal Party Committee and Mayor of Daye. From October 2006 to November 2006, he was deputy secretary general of Huangshi Municipal Party Committee. From November 2006 to September 2011, he took the positions of director general and secretary of Leading Party Group of Bureau of Civil Affairs of Huangshi City. Since September 2011, he took the positions of Chairman and General Manager of Huaxin Group Co., Ltd., as well as deputy secretary Party Committee of both Huaxin Group Co., Ltd. and Huaxin Cement Co., Ltd.. He became a Director of the Company from April 2012. He became VP of the Company from June 2012.

Mr. Roland Kohler, 65 years old, Swiss national, a graduate in business administration from the University of Zurich, joined building materials group Hunziker (Switzerland) in 1988 as Head of Finance and Administration and has transferred to

Ms. Liu Yan, born in January 1973, received her Bachelor law degree and LL.M. degree from Peking University Law School. She also received her second LL.M. degree from New York University School of Law. Ms. Liu is admitted to practice law in China and in the State of New York, U.S.A. She joined Tian Yuan Law Firm in 1995

overseas public offerings and listings, PE, mergers and acquisitions, foreign direct investment. She became Independent Director of the Company from Sep 2014.

Mr. Simon Mackinnon, born in January 1961, British, Oxford University BA, MA, University of Pennsylvania MA MS. He was the Chairman of Sinophi Healthcare since 2010, Non-Executive Chairman of Modern Water PLC, MW China since 2011, Non-Executive Chairman of Xeros Technology Group PLC, Xeros China since 2012, Vice Chairman of Governors of Wellington College International Tianjin and Shanghai since 2009, Non-Executive Director of London Bridge Capital and Venture Partner of SMC Capital China, part of Simon Murray Capital since 2008.; He became Independent Director of the Company from Sep 2014.

Mr. Wang Liyan, born in Feb. 1957, Professor of Accounting at Guanghua School of Management, Peking University. Chief Editor of China Management Accounting Journal, Head of the Environment Audit Committee of Chinese Society for Environmental Sciences, Associate Director of Environmental Accounting Committee, the Accounting Society of China, Member of Professional Ethics Committee of China CPA Association. He became an Independent Director of the Company in April 2015.