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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Huaxin Cement Co., Ltd.**, you should at once hand this circular together with the accompanying proxy form and reply slip to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**HUAXIN CEMENT CO., LTD.\***

**華新水泥股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6655)**

**PROPOSED PUBLIC ISSUE OF CORPORATE BONDS  
AND  
NOTICE ON THE SECOND EXTRAORDINARY  
GENERAL MEETING IN 2023**

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Capitalised terms used in the lower portion of this cover page and the inside cover page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

The notice convening the second Extraordinary General Meeting of the Company (the “EGM”) in 2023 to be held at the Company’s conference room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China on Friday 17 February 2023 at 2:00 p.m. is set out on pages 9 to 11 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H-share holders must return the proxy form or other authorized documents to the Company’s H-share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post 24 hours before the time designated for holding the EGM or any adjournment thereof in any event; otherwise, it will be deemed invalid. For the EGM, the proxy form shall be returned before 2:00 p.m. on Thursday, 16 February 2023. The completion and submission of the proxy form shall not preclude you from attending and voting at the EGM in person or its adjournment (as the case may be) if you so wish.

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms have the following meanings:*

A share(s)	means	ordinary shares issued by the Company with a par value of RMB1.00 each, which are listed on the SSE and traded in RMB
A-share holder(s)	means	holders of A shares
Articles of Association	means	Articles of Association of the Company (as amended from time to time)
Board of Directors	means	Board of Directors of the Company
China	means	the People's Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this circular only
CSRC	means	China Securities Regulatory Commission
Director(s)	means	directors of the Company
Extraordinary General Meeting or EGM	means	second Extraordinary General Meeting in 2023 to be held on Friday, 17 February 2023 at 2:00 p.m. at the Company's conference room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China, to consider, and if appropriate, the resolutions contained in the notice of the meeting, which is set out on pages 9 to 11 of this circular
H share(s)	means	foreign shares issued by the Company with a par value of RMB1.00 each, which are listed on the HKEx and traded in Hong Kong dollars
H-share holder(s)	means	holders of H shares
H-share registrar	means	Tricor Investor Services Limited
HKD	means	Hong Kong dollars, the lawful currency of Hong Kong
HKEx	means	The Stock Exchange of Hong Kong Limited
Hong Kong	means	Hong Kong Special Administrative Region of the People's Republic of China
Latest Practicable Date	means	20 January 2023, the latest practicable date for the determination of certain information contained in this circular

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## DEFINITIONS

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Listing Rules	means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
RMB	means	Renminbi, the lawful currency of China
Share(s)	means	shares of the Company with a par value of RMB1.00 each, including A shares and H shares
Shareholder(s)	means	shareholders of the Company, including A-share holders and H-share holders
SSE	means	Shanghai Stock Exchange
The Company or Company	means	Huaxin Cement Co., Ltd. (stock code: 6655), a joint stock limited company incorporated in China, whose H shares and A shares have been listed on the main board of the HKEx and the SSE, respectively



**HUAXIN CEMENT CO., LTD.\***

**華新水泥股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6655)**

*Executive directors:*

Mr. Li Yeqing (*President*)

Mr. Liu Fengshan (*Vice president*)

*Non-executive directors:*

Mr. Xu Yongmo (*Chairman*)

Mr. Martin Kriegner

Mr. Lo Chi Kong

Ms. Tan Then Hwee

*Independent non-executive directors:*

Mr. Wong Kun Kau

Mr. Zhang Jiping

Mr. Jiang Hong

*Headquarters and principal place  
of business in China:*

Block B, Huaxin Building,

No. 426 Gaoxin Avenue,

East Lake High-tech

Development Zone,

Wuhan City,

Hubei Province

*Principal place*

*of business in Hong Kong:*

5/F, Manulife Place,

348 Kwun Tong Road,

Kowloon,

Hong Kong

To whom it may concern,

**PROPOSED PUBLIC ISSUE OF CORPORATE BONDS  
AND  
NOTICE ON THE SECOND EXTRAORDINARY  
GENERAL MEETING IN 2023**

**1. INTRODUCTION**

On behalf of the Board of Directors, I would like to invite you to attend the Extraordinary General Meeting of the Company to be held on Friday, 17 February 2023 at 2:00 p.m. at the Company's conference room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China.

\* For identification purpose only

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## LETTER FROM THE BOARD OF DIRECTORS

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The purpose of this circular is to send you notice on the EGM and to provide you with the information reasonably necessary to make an informed decision on whether to vote for or against the resolution to be proposed at the EGM.

### **2. AFFAIRS TO BE DEALT WITH AT THE EGM**

The resolution that the Company will propose at the EGM for the Shareholders' consideration and approval is:

The Public Issue of Corporate Bonds

### **3. PROPOSED PUBLIC ISSUE OF CORPORATE BONDS**

Reference is made to the announcement of the Company on the SSE dated 31 January 2023 (as published on the website of HKEx as overseas regulatory announcement on 31 January 2023) whereby the Board announced:

In order to satisfy the Company's medium and long-term capital needs, further optimize the debt structure and reduce financing costs, in accordance with relevant laws, regulations and the 2023 Company budget report, and taking into account of the conditions of the domestic and foreign bond markets, the Company intends to make public issuance of the corporate bonds. The specific plan to be considered is as follows:

#### **1. Issuing scale**

The size of the corporate bonds is no more than RMB3 billion (including RMB3 billion), which may be issued by installments depending on the market conditions. The specific size of issuance is subject to the decision of the Board and authorized representative of the Board to be authorized at general meeting within the aforementioned range, taking into account the capital requirements of the Company and market conditions at the time of issuance.

#### **2. Issuing method**

The corporate bonds will be publicly issued in China by installments after being registered in the CSRC.

#### **3. Arrangement of placement to Shareholders**

The corporate bonds are issued to professional institutional investors (other than those whose purchase is prohibited by national laws and regulations) who are eligible to participate in the subscription and transfer of the corporate bonds in accordance with the Securities Law of the People's Republic of China (revised in 2019), the Administrative Measures for Corporate Bond Issuance and Trading (revised in 2021), the Administrative Measures for the Appropriateness of Securities and Futures Investors (revised in 2022) and the Administrative Measures of Shanghai Stock Exchange for the Appropriateness of Investors in the Bond Market (revised in 2022).

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## LETTER FROM THE BOARD OF DIRECTORS

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There is no preferential placement arrangement to the original Shareholders of the Company.

#### **4. Terms of the bonds**

The maturity of the corporate bonds to be issued is not more than 5 years and may be of single maturity variety or a mix of maturities. The specific maturity of the issuance and the size of the issuance of each maturity variety are to be determined by the Board and the authorized representative of the Board to be proposed at the general meeting within the aforementioned range, taking into account of the market conditions and the capital requirements of the Company prior the issuance.

#### **5. Face value, interest rate and method of determination and repayment**

The face value of the corporate bonds is 100 RMB/bond, which will be issued at par value. The coupon rate will be determined separately according to the results of the book-entry exercise. The bonds to be issued will bear simple interest on an annual basis without compound interest. The interest shall be paid annually and the principal shall be repaid in one lump sum on the maturity date of the bond. The final installment of interest payable shall be paid together with the principal.

#### **6. Redemption terms or resale terms**

Whether the bonds to be issued are subject to redemption or resale provision, and the specific terms of such provisions, will be determined by the Board and authorized representative of the Board to be authorized in general meeting.

#### **7. Use of proceeds**

The proceeds raised from the issuance of corporate bonds, after deducting the issue costs, are intended to be used for domestic and overseas investment, project construction, repayment of domestic and overseas liabilities with interest, and replenishment of working capital. The specific purposes of the proceeds raised are to be determined by the Board and authorized representative of the Board to be authorized in general meeting within the aforementioned scope according to the Company's capital needs.

#### **8. Listing venue**

Subject to the satisfaction of the listing conditions, the Company will apply to SSE for the listing of corporate bonds as soon as possible after the issuance of the corporate bonds.

#### **9. Credit enhancement**

The corporate bonds will be issued without any credit enhancement.

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## LETTER FROM THE BOARD OF DIRECTORS

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### **10. Underwriting method**

The corporate bonds to be issued shall be underwritten by the lead underwriter or the underwriting syndicate organized by the lead underwriter on a stand-by underwriting basis.

### **11. Validity of resolutions**

The resolution of the general meeting on the issue of corporate bonds shall take effect from the date of the approval by the Shareholders at general meeting until the expiry of 24 months from the date of CSRC's approval to the registration of the bonds.

### **12. Measures of safeguard for bond repayment**

It will be proposed at the general meeting to authorize the Board to take following measures when the principal and interest of the corporate bonds are not expected to be paid on time or are in default when due:

- (1) not to distribute dividends to Shareholders;
- (2) suspend the implementation of capital expenditures such as major external investments and acquisitions and mergers etc.;
- (3) reduce or suspend the salaries and bonus of the Directors and the Senior Management; and
- (4) prohibit transfer of key responsible persons.

### **13. Matters to be authorized for the bond issuance**

In order to enhance the efficiency of this issuance of corporate bonds, the Board shall propose to the Shareholders at general meeting to authorize the Board, and agree that the Board to authorize Mr. Li Yeqing, a Director, as the authorized representative for the bond issuance, to handle all matters related to the issuance of corporate bonds in accordance with the resolution of the general meeting and the authorization of the Board, including but not limited to:

- (1) formulate and adjust the specific plan for the issuance of the corporate bonds in accordance with the relevant laws, regulations, the relevant provisions of the regulatory authorities and the resolution of the general meeting, taking into account the actual situation of the Company and the market, including but not limited to the specific issuance scale, maturity of the bonds, bond variety, the interest rate of the bonds and its determination method, the timing of the issuance, whether to issue by installments and the number of issuance periods, and guarantee plan etc.;
- (2) employ intermediaries for the issuance of corporate bonds;



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## LETTER FROM THE BOARD OF DIRECTORS

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- (3) select bond trustee, sign the Bond Trustee Management Agreement and formulate the Bondholders Meeting Rules;
- (4) handle the reporting of the issuance of the corporate bonds;
- (5) formulate, approve, sign, modify and announce various legal documents related to the issuance of the corporate bonds, and make corresponding supplements or adjustments to the reporting documents in accordance with the requirements of the approving authority;
- (6) make corresponding adjustment to matters relating to the issuance of corporate bonds in accordance with the views of the regulatory authorities in the case of any change in the policy of the regulatory authorities on the issuance of corporate bonds or changes in the market conditions, except for matters that are required to be re-voted at the general meeting as stipulated in the relevant laws, regulations and the Articles of Association;
- (7) determine the specific arrangements for use of proceeds raised based on the actual situation;
- (8) disclose the issuance of the corporate bonds in a timely manner in accordance with the relevant laws and regulations; and
- (9) handle other matters relating to the corporate bonds.

This proposal will be submitted to the Shareholders at the EGM of the Company for approval. Upon being approved by the Shareholders at general meeting, the Company will apply to CSRC and the scheme approved by CSRC for registration shall prevail.

#### **4. EXTRAORDINARY GENERAL MEETING**

The EGM will be held on Friday, 17 February 2023 at 2:00 p.m. at the Company's conference room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China to consider and approve the proposed public issue of corporate bonds. The EGM Notice is set out on pages 9 to 11 of this circular.

A proxy form of the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H-share holders must return the proxy form or other authorized documents to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post 24 hours before the time designated for holding the EGM or any adjournment thereof in any event; otherwise, it will be deemed invalid. For the EGM, the proxy form shall be returned before 2:00 p.m. on Thursday, 16 February 2023. The completion and submission of the proxy form shall not preclude you from attending and voting at the EGM in person or its adjournment (as the case may be) if you so wish.

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## LETTER FROM THE BOARD OF DIRECTORS

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### 5. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolutions put to the vote at the EGM will be taken by way of poll. After the EGM, an announcement regarding the voting results will be published on the Company's website at <https://www.huaxincem.com> and the website of the HKEx at <http://www.hkexnews.hk>.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders are required to abstain from voting on the resolution proposed to be approved at the EGM.

### 6. RECOMMENDATION

Having considered the circumstances as set out above, the Board of Directors is of the opinion that all resolution to be presented at the EGM is in the best interest of the Company and the Shareholders as a whole. As such, the Board of Directors recommends that the Shareholders vote in favor of all resolution as set out in the notice of the EGM.

Yours faithfully  
*For perusal by shareholders*  
By order of the Board of Directors  
**Huaxin Cement Co., Ltd.**  
**Xu Yongmo**  
*Chairman*

Wuhan City, Hubei Province, China  
31 January 2023



**HUAXIN CEMENT CO., LTD.\***

**華新水泥股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6655)**

**NOTICE ON THE SECOND EXTRAORDINARY  
GENERAL MEETING IN 2023**

**Notice is hereby** given that the second Extraordinary General Meeting in 2023 of Huaxin Cement Co., Ltd. (the “**Company**”) will be held on Friday, 17 February 2023 at 2:00 p.m. at the Company’s Conference Room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 31 January, 2023.

**Special Resolution**

To consider and approve the Public Issue of Corporate Bonds.

By Order of the Board of Directors  
**Huaxin Cement Co., Ltd.**

**Xu Yongmo**  
*Chairman*

Wuhan City, Hubei Province, China  
31 January 2023

\* *For identification purpose only*

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## NOTICE ON THE SECOND EXTRAORDINARY GENERAL MEETING IN 2023

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### Notes:

#### 1. Eligibility to attend the EGM and suspension of H shares transfer registration

To determine the name list of H-share holders eligible to attend the EGM, the Company will suspend the registration for the transfer of H shares from Tuesday, 14 February 2023 to Friday, 17 February 2023 (both days inclusive). H-share holders of the Company whose names appear on the H Share register of members of the Company on Friday, 17 February 2023 are entitled to attend and vote at the EGM. H-share holders who wish to attend the EGM but have not registered their share transfer documents shall lodge their transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Monday, 13 February 2023.

The Company will announce separately on the website of the SSE on the details of A-share holders' eligibility to attend the EGM.

#### 2. Proxy appointment

The proxy form for the resolution as set out in the Circular of the EGM will be sent to shareholders on the same day. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (such proxy is not required to be a shareholder of the Company) to attend and vote in his/her stead. The instrument appointing a proxy must be in writing and signed by the Shareholder or by his/her agent duly authorized in writing. If the shareholder is a legal person, the proxy form must be either under the seal of the legal person or signed by its legal representatives or director or duly authorized person. If the proxy form is signed by a person authorized by the shareholder, the authorization or other document authorizing the signature must be notarized.

In order to be valid, for H-share holders, the proxy form together with a notarized authorization or other authorization documents (if any) must be delivered, by hand or post, no later than 24 hours before the EGM or any adjournment thereof (i.e. before 2:00 p.m. on 16 February 2023 (Thursday) to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

A shareholder who has filled in and submitted the proxy form may at that time attend and vote in person at the EGM or any adjournment thereof as he/she wishes.

#### 3. Procedures of registration for attending the EGM

Shareholders or their proxies shall present their identification documents when attending the EGM. If the shareholder present at the meeting is a legal person, his/her legal representative, director or other person authorized by a decision-making body shall present a copy of the resolution of its board of director or other decision-making body appointing such person to attend the EGM.

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## NOTICE ON THE SECOND EXTRAORDINARY GENERAL MEETING IN 2023

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### 4. Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the EGM must be taken by poll. Accordingly, the Chairman of the EGM shall, in accordance with the powers conferred by the *Articles of the Association*, require a vote by poll on all resolutions presented at the EGM.

### 5. Miscellaneous

(1) The EGM is expected to take no more than half a day. Shareholders of the Company who attend the EGM shall bear their own traveling and accommodation expenses.

(2) Contact information of the Company:

Address:	Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China
Postal code:	430074
Tel.:	(86) 27 8777 3898
Fax:	(86) 27 8777 3992
Contact person:	Mr. Ye Jiaying (Secretary to the Board of Directors), Ms. Wang Lu (Securities Affairs Representative)

### 6. All dates and times in this notice refer to Hong Kong dates and times

*As of the date of this Notice, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Lo Chi Kong and Ms. Tan Then Hwee, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.*