

Huaxin Cement Co., Ltd.
**Announcement on Providing Guarantee to Huaxin Cement Jizaakh
Limited Liability Company Financing**

To the best of our knowledge, the Board of Directors of the Company and its members confirm, that there is no 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 contents.

Important Content:

- Guaranteed company: Huaxin Cement Jizaakh Limited Liability Company.
- Amount of guarantee: no more than 70 million USD (or other currency loan equivalent to 70 million USD) with duration of no more than 7 years.
- Counter guarantee: nil
- Overdue guarantee: nil

I. General Information of the Guarantees

On October 24, 2018, the Fifth Meeting of the Ninth Board of Directors approved the *Proposal on Establishing a Solely-invested 4000tpd Cement Clinker Production Line in Jizaakh Uzbekistan*. The project is under construction preparation.

On March 28, 2019, the Eighth Meeting of the Ninth Board of Directors approved the *Proposal on Providing Guarantee to Huaxin Cement Jizaakh Limited Liability Company Financing*, and agreed to provide guarantee for Huaxin Jizaakh Company of no more than 70 million USD (or other currency loan equivalent to 70 million USD) with duration of no more than 7 years..

II. Basic information of the guaranteed company

Rough estimate investment of the 4000tpd Cement Clinker Production Line in Jizaakh Uzbekistan is no more than 100 million USD (including the interest rate during construction period), invested by Huaxin Cement Jizaakh Limited Liability Company (hereinafter referred to as Huaxin Jizaakh Company) in Uzbek – a wholly owned subsidiary of Huaxin Central Asia Investment (Wuhan) Limited Company (hereinafter referred to as Wuhan Central Asia Company).

Profile of Huaxin Jizaakh Company:

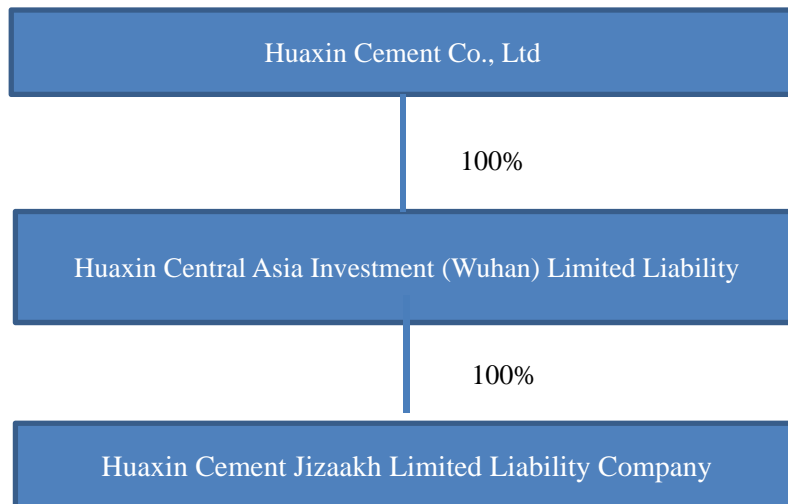
Registration address: Chimkurgan, Zafarabad District, Jizzakh Region, the Republic of Uzbekistan

Business scope: Production and sale of cement, clinker, concrete and other building material and packaging material; mining, transportation and sale of limestone, coal, iron ore and/or gypsum.

Legal representative: Xu Gang

Capital fund: 30 million USD

Equity structure:



According to the financing plan, Huaxin Jizaakh Company intends to apply for 70 million USD bank loan (or other currency loan equivalent to 70 million USD). The rest of fund will be injected by Wuhan Central Asia Company in the form of capital fund.

III. Main contents of the guarantee agreement

So far, the guarantee agreement has not been signed.

IV. Opinions of the Board of Directors

The Board of Directors believes the project return is good, and insolvency risk in the future is low.

V. Accumulated external guarantee of the Company and overdue guarantee

By February 28, 2019, the Company and its controlled subsidiaries has guaranteed externally a total amount of 1.763 billion RMB, accounting for 9.68% of the net asset latest audited; the guarantee for this time is 468 million RMB, accounting for 2.57% of the net asset latest audited. Accumulated guarantee amount accounts for 12.25% of net asset latest audited.

By now, the Company has no overdue guarantee.

VI. Annexes for the announcement

The basic information of Huaxin Cement Jizaakh Limited Liability Company.

It is herewith announced.

Huaxin Cement Co., Ltd.

Board of Directors
March 30, 2019