

## Huaxin Cement Co., Ltd.

### Supplementary Announcement on Environmental Information in the Annual Report 2017

To the best of their 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.

The Company disclosed its 2017 annual report on March 27, 2018. The supplementary disclosure of the environmental information in “Chapter 5 Major Events” of the Report is as follows:

#### (1) Emission information

In 2017, pollutant emission status of the Company's key emission units is detailed in the following table:

No.	Name	Name of the major pollutants and characteristic pollutants	Emission manner	Quantity of the emission outlet	Distribution of the emission outlet	Emission concentration (mg/m <sup>3</sup> )	Emission standard (mg/m <sup>3</sup> )	Total emission amount (t)	Verified emission (t)	Excess emission
1	Huaxin Cement (Yangxin) Ltd.	SO <sub>2</sub>	Organized	2	Kiln inlet	<200	200	176.64	580.60	No
		NO <sub>x</sub>	Organized	2	Kiln inlet	<400	400	1909.28	3557.40	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	104.21	441.45	No
2	Huaxin Cement (Wuxue) Ltd.	SO <sub>2</sub>	Organized	2	Kiln inlet	<200	200	168.01	409.20	No
		NO <sub>x</sub>	Organized	2	Kiln inlet	<400	400	2774.79	3682.80	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	190.02	457.00	No
3	Huaxin Cement (Daye) Ltd.	SO <sub>2</sub>	Organized	2	Kiln inlet	<200	200	137.07	1058.75	No
		NO <sub>x</sub>	Organized	2	Kiln inlet	<400	400	933.47	2117.50	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	58.96	270.33	No
4	Huaxin Cement (Xiangyang) Ltd.	SO <sub>2</sub>	Organized	2	Kiln inlet	<200	200	40.55	120.00	No
		NO <sub>x</sub>	Organized	2	Kiln inlet	<400	400	1772.59	2420.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	69.77	341.80	No
5	Huaxin Cement (Xinyang) Ltd.	SO <sub>2</sub>	Organized	1	Kiln inlet	<200	200	81.85	120.00	No
		NO <sub>x</sub>	Organized	1	Kiln inlet	<400	400	543.17	1100.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	54.28	154.70	No
6	Huaxin Jinlong Cement (Yunxian) Ltd.	SO <sub>2</sub>	Organized	2	Kiln inlet	<200	200	12.74	100.00	No
		NO <sub>x</sub>	Organized	2	Kiln inlet	<400	400	845.97	1285.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	49.20	275.05	No
7	Huaxin	SO <sub>2</sub>	Organized	1	Kiln inlet	<200	200	28.83	120.00	No

	Cement (Fangxian) Ltd.	NOX	Organized	1	Kiln inlet	<400	400	402.56	687.50	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	49.15	88.69	No
8	Huaxin Cement (Yichang) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	83.72	1138.50	No
		NOX	Organized	2	Kiln inlet	<400	400	1362.22	2277.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	105.26	182.60	No
9	Huaxin Cement (Zigui) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	96.85	682.00	No
		NOX	Organized	1	Kiln inlet	<400	400	1258.43	1327.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	134.54	191.10	No
10	Huaxin Cement (Enshi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	9.34	80.00	No
		NOX	Organized	1	Kiln inlet	<400	400	418.18	508.75	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	30.53	78.75	No
11	Huaxin Cement (Changyang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	48.60	756.26	No
		NOX	Organized	1	Kiln inlet	<400	400	616.70	1512.50	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	30.00	219.95	No
12	Huaxin Cement Co., Ltd. Huangshi Branch	SO2	Organized	2	Kiln inlet	<200	200	103.70	260.00	No
		NOX	Organized	2	Kiln inlet	<400	400	1024.87	1650.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	98.74	212.85	On September 5, #1 Kiln dust collector failure caused the exceeded amount
13	Huaxin Cement (Hefeng) Minzu Building Materials Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.11	41.00	No
		NOX	Organized	1	Kiln inlet	<400	400	179.30	275.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	11.87	42.57	No
14	Huaxin Cement (Zhuzhou) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	267.01	620.09	No
		NOX	Organized	1	Kiln inlet	<400	400	1176.67	1996.50	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	97.89	165.17	No
15	Huaxin Cement (Chenzhou) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	66.65	248.34	No
		NOX	Organized	1	Kiln inlet	<400	400	1035.28	1200.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	84.73	191.57	No
16	Huaxin Cement (Daoxian) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	125.86	167.40	No
		NOX	Organized	1	Kiln inlet	<400	400	889.87	992.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	28.98	159.96	No
17	Huaxin Cement (Lengshuijiang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	29.47	225.00	No
		NOX	Organized	1	Kiln inlet	<400	400	877.20	1296.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	56.49	247.75	No
18	Huaxin Cement	SO2	Organized	1	Kiln inlet	<200	200	22.77	331.25	No
		NOX	Organized	1	Kiln inlet	<400	400	645.11	662.50	No

	(Sangzhi) Ltd.	Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	24.27	85.47	No
19	Huaxin Cement (Chibi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	117.17	130.00	No
		NOX	Organized	1	Kiln inlet	<400	400	543.18	1452.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	57.44	180.18	No
20	Huaxin Cement (Enping) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	119.23	211.10	No
		NOX	Organized	1	Kiln inlet	<320	320	804.41	992.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<20	20	41.32	112.84	No
21	Huaxin Cement (Quxian) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	43.59	137.53	No
		NOX	Organized	1	Kiln inlet	<400	400	632.08	1280.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	37.87	165.12	No
22	Huaxin Cement Chongqing Fuling Ltd.	SO2	Organized	1	Kiln inlet	<200	200	18.13	784.30	No
		NOX	Organized	1	Kiln inlet	<400	350	1025.25	1372.50	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	58.54	194.60	No
23	Huaxin Cement (Wanyuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.18	68.60	No
		NOX	Organized	1	Kiln inlet	<400	400	527.76	559.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	26.30	95.55	No
24	Huaxin Cement (Tibet) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	31.01	40.00	No
		NOX	Organized	2	Kiln inlet	<400	400	549.32	711.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	35.58	131.58	No
		NOX	Organized	1	Kiln inlet	<400	400	417.09	800.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	40.16	68.80	No
25	Chongqing Huaxin Diwei Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	140.35	426.25	No
		NOX	Organized	1	Kiln inlet	<400	350	465.93	745.94	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	48.00	105.79	No
26	Chongqing Huaxin Yanjing Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	148.91	545.60	No
		NOX	Organized	1	Kiln inlet	<400	350	809.31	954.80	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	29.60	131.04	No
27	Huaxin Guizhou Dingxiao Special Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	13.89	160.00	No
		NOX	Organized	1	Kiln inlet	<400	400	307.71	320.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	12.59	41.28	No
28	Guizhou Shuicheng Shui On Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	16.22	79.00	No
		NOX	Organized	1	Kiln inlet	<400	400	571.69	825.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	28.03	106.43	No
29	Yunnan Huaxin Dongjun Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	28.64	140.00	No
		NOX	Organized	1	Kiln inlet	<400	400	1147.01	1240.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	72.29	106.43	No
30	Huaxin Cement	SO2	Organized	1	Kiln inlet	<200	200	8.33	91.08	No
		NOX	Organized	1	Kiln inlet	<400	400	649.92	695.81	No

	(Fumin) Ltd.	Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	40.26	99.98	No
31	Huaxin Cement (Honghe) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	4.71	59.67	No
		NOX	Organized	2	Kiln inlet	<400	400	940.66	1220.00	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	59.11	112.98	No
32	Huaxin Cement (Zhaotong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.47	120.00	No
		NOX	Organized	1	Kiln inlet	<400	400	823.68	1200.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	54.98	119.86	No
33	Huaxin Cement (Kunming Dongchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.52	72.06	No
		NOX	Organized	1	Kiln inlet	<400	400	527.90	600.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	27.63	77.40	No
34	Huaxin Cement (Diqing) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	1.88	22.00	No
		NOX	Organized	1	Kiln inlet	<400	400	493.52	655.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	27.26	90.23	No
35	Huaxin Hongta Cement (Jinghong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	13.91	130.69	No
		NOX	Organized	1	Kiln inlet	<400	400	528.28	620.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	36.38	99.98	No
36	Huaxin Cement (Yunlong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.86	63.24	No
		NOX	Organized	1	Kiln inlet	<400	400	412.11	720.94	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	27.65	96.75	No
37	Huaxin Cement (Jianchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	14.91	45.31	No
		SO2	Organized	1	Kiln inlet	<400	400	374.20	740.35	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	44.74	96.75	No
38	Huaxin Cement (Lijiang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	13.46	63.54	No
		NOX	Organized	1	Kiln inlet	<400	400	608.23	620.00	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	54.22	79.98	No
39	Huaxin Cement (Lincang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	7.26	82.63	No
		NOX	Organized	1	Kiln inlet	<400	400	431.29	638.60	No
		Particulate matters	Organized	1	Kiln inlet Kiln outlet	<30	30	31.65	81.38	No
40	Huaxin Environmental Ezhou Ltd.	NH3	Organized	1	Biological filter	<35kg/h	35 kg/h	0.98	306.6	No
		H2S	Organized	1	Biological filter	<2.3kg/h	2.3 kg/h	0.42	20.15	No
41	Wuhan Wugang Huaxin Cement Limited Liability	SO2	Organized	1	Hot-blast furnace	<400	400	113.31	341	No
		NOX	Organized	1	Hot-blast furnace	<300	300	39.99	255.75	No
		Particulate matters	Organized	1	Hot-blast furnace	<20	20	20	22	No
42	Hunan Huaxin Xianggang Cement Ltd.	SO2	Organized	1	Hot-blast furnace	<600	600	1.79	Not included in the total control for emission permit of	No
		NOX	Organized	1	Hot-blast furnace	<400	400	72.15		No

		Particulate matters	Organized	1	Hot-blast furnace	<30	30	6.27	Hunan Province	No
43	Huaxin Cement (Ezhou) Ltd.	Particulate matters	Organized	3	Cement grinding mill	<20	20	6.06	Implement concentration control without quotas	No

#### (2) Construction and operation of pollution control facilities

During the reporting period, the Group strictly abided by the requirements of national and local laws and regulations, increased investment in pollution control and strengthened environmental protection management, implemented transformation and maintenance of dust collectors to ensure that the dust collectors are in the best operating condition, and achieved continuous and stable emission of particulate matters for each outlet. NOx emission reduction plan of “Low-NOx Combustion Upgrading + Process Optimization + SNCR System Optimization” was implemented to achieve standard emission. SO2 was controlled from the source by using low-sulfur coal and controlling SO2 content in raw materials. Impact of SO2 emission on the environment was further reduced by using water-based compound desulfurization technology and optimization of wet desulfurization.

#### (3) Environmental impact assessment on the CIPs and other administrative permits on environmental protection

During the reporting period, all CIPs of the Company implemented environmental impact assessment system in accordance with the requirements of the EIA Law. In addition, clean production audit was carried out in strict accordance with the requirements of the clean production law and the clean production authorities.

All plants under the Group strictly complied with the relevant requirements of the measures for the management of pollutant emission permits to obtain emission permits, and strictly abided by the requirements for emission permits.

#### (4) Contingency plans for emergency environmental incidents

In strict accordance with the requirements of the national emergency response methods and the provisional management methods for emergency management of environmental incidents, subsidiaries of the Group have formulated emergency plans for environmental emergencies and put on records, and set up leading groups for emergency handling of environmental pollution emergencies. Through regular training and drills on emergency plans, all the subsidiaries were ensured to respond quickly and in a timely manner after unexpected environmental incidents occur, and prevent environmental incidents from affecting the environment and the public.

#### (5) Self-monitoring program on environment

The Company formulated self-monitoring programs based on the requirements of the self-monitoring guidelines for the environment and conducted self-monitoring in strict accordance with national environmental monitoring technical specifications and environmental monitoring and management regulations. The self-monitoring items include soot, sulfur dioxide and nitrogen oxides. The self-monitoring method is automatic monitoring combined with manual monitoring. The automatic monitoring equipment used has passed the acceptance of the environmental protection departments. The regular smoke and gas monitoring could ensure the normal operation of the equipment and normal data transmission. Manual monitoring adopted qualified third-party monitoring companies to monitor and truly reflected the level of pollutant emissions.

#### (6) Other explanations

In accordance with the requirements of the national and local governments on implementing off-peak production and heavy pollution weather emergency response, subsidiaries of the Company cooperated with local governments to make our skies blue again and minimize the impact of heavy pollution weather on the environment by means of stop production and production limits.

In accordance with the requirements of the environmental protection departments, each subsidiary regularly published emission data on the environmental monitoring information disclosure platforms of all provinces and cities and accepts public supervision. Meanwhile, through real-time broadcast of pollutant emissions at the electronic displays, they also accepted supervision of community residents and other stakeholders.

It is hereby announced the above.

Huaxin Cement Co., Ltd  
Board of Directors  
May 15, 2018