

Huaxin Cement Co., Ltd.**Announcement on the Completion of Non-transactional Share Transfer and Implementation Progress of the Phase I (2023) Core Employee Stock Ownership Plan Under 2023-2025 Core Employee Stock Ownership Plan**

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.

Huaxin Cement Co., Ltd (hereinafter referred to as the "Company") held the 3rd Extraordinary General Meeting of 2023 on 20 July 2023, considered and approved the "Draft of 2023-2025 Core Employee Stock Ownership Plan" and its summary and other relevant proposals. For details, please refer to the relevant announcements disclosed by the Company on 21 July 2023.

The Company held the 27th Meeting of the Tenth Board of Directors on 20 July 2023, considered and approved the "Proposal on the Phase I (2023) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan of the Company", details of which are set out in the relevant announcements disclosed by the Company on 21 July 2023.

In accordance with the "Guiding Opinions on Pilot Employee Stock Ownership Plan for Listed Companies" of the China Securities Regulatory Commission ("CSRC") and the "Self-Regulatory Guidelines for Listed Companies No. 1-Standardized Operation" of the Shanghai Stock Exchange ("SSE"), the progress of the implementation of the Phase I (2023) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan (hereinafter referred to as the "Plan") is announced as follows:

On 1 September 2023, the Company received the Confirmation on Share Transfer Registration issued by China Securities Depository and Clearing Corporation Limited. 1,649,977 A shares in the special repurchase account have been transferred to the special account of this Plan without trading on 31 August 2023, the price for the share transfer is RMB12.52 per share.

As of the announcement date, the special account of this Plan holds 1,649,977 shares, accounting for 0.08% of the total shares of the Company. According to the relevant stipulations of this Plan, it shall be valid for up to 60 months from the day when the Company makes an announcement that the last portion of stocks to be transferred to this Plan are transferred. The lock-up period under this Plan shall be the 12 months from the day when the Company makes an announcement that the last portion of underlying stocks are transferred to this Plan. Within the lock-up period, the above lock-up arrangement shall also apply to all shares acquired as a result of issuance of bonus shares, conversion of capital reserve into share capital, share allotment, conversion of convertible bonds into shares and other reasons. The underlying stocks acquired under this Plan shall be unlocked in three phases respectively until the days of 12 months, 24 months and 36 months after the day when the Company makes an announcement that the last portion of underlying stocks are transferred to this Plan.

The stocks to be unlocked in the three phases shall respectively account for 30%, 30% and 40% of the shares to be vested. The above unlocking arrangement shall apply to underlying stocks acquired under this Plan, as well as all shares acquired as a result of distribution of stock dividends, conversion of capital reserve and other reasons.

The rest of the shares of this Plan shall be purchased on the secondary market (through, among others, block trading and centralized bidding). The Company will follow the progress of the implementation of this Plan and fulfill its information disclosure obligations in a timely manner in accordance with relevant laws and regulations. Investors are advised to pay attention to the investment risks.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.
2 September 2023