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.

2022 WORK REPORT OF THE BOARD OF DIRECTORS
2022 WORK REPORT OF THE BOARD OF SUPERVISORS
2022 FINAL FINANCIAL REPORT AND
2023 FINANCIAL BUDGET REPORT
2022 PROFIT DISTRIBUTION PLAN
2022 ANNUAL REPORT
PROPOSAL ON RE-APPOINTMENT OF
ERNST & YOUNG HUA MING LLP
(SPECIAL GENERAL PARTNERSHIP)
AS THE COMPANY'S AUDITOR FOR FINANCIAL AUDIT AND INTERNAL CONTROL AUDIT FOR THE YEAR 2023
PROPOSAL ON ADJUSTMENT OF THE FINANCING GUARANTEE FOR SOME SUBSIDIARIES
AND
NOTICE OF THE 2022 ANNUAL GENERAL MEETING

The notice convening the 2022 Annual General Meeting of the Company (the "AGM") to be held at the Company's Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China on Monday, 22 May 2023 at 2:00 p.m. is set out on pages 23 to 28 of this circular.

Whether or not you are able to attend the AGM in person, you are requested to read the notice and to complete and return the

Definitions 1

Letter from the Board of Directors 3

Appendix I — Report on the Work of the Board of Directors in 2022 16

Appendix II — Repo.5(d).5eR5dn1.8(h)-4.5e5(d).51(Woh)-4.5orkdtheBhahdistorsi n2

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
Annual General Meeting or AGM	means	2022 Annual General Meeting to be held on Monday, 22 May 2023 at 2:00 p.m.
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
Board of Supervisors	means	Board of Supervisors the Company established in accordance with the Company Law of the People's Republic of China
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
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
Independent Third Party	means	A person or entity that is not considered a connected person of the Company under the Listing Rules

Latest Practicable Date	means	21 April 2023, the latest practicable date for the determination of certain information contained in this circular
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
Reporting Period	means	From 1 January 2022 to 31 December 2022
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
Supervisors	means	Supervisors of the Company
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 be-349.Memgistfiedhon(f)-356.3(t)552(h)-ime M(ua)-246(in



HUA XIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

1. INTRODUCTION

On behalf of the Board of Directors, I would like to invite you to attend the Annual General Meeting of the Company to be held on Monday, 22 May 2023 at 2:00 p.m. at the Company's conference room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China.

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

2. AFFAIRS TO BE DEALT WITH AT THE AGM

The resolutions that the Company will propose at the AGM for the Shareholders' consideration and approval include the following:

(1) Report on the Work of the Board of Directors in 2022

(2) Report on the Work of the Board of Supervisors in 2022

(3) 2022 Final Financial Report and 2023 Financial Budget Report

(4) 2022 Profit Distribution Plan

(5) 2022 Annual Report

(6) Proposal on Re-appointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the Company's Auditor for Financial Audit and Internal Control Audit for the Year 2023

(7) Proposal on Adjusting the Financing Guarantee for Some Subsidiaries

The matter that the Company will report to the Shareholders at the AGM includes the following:

(1) 2022 Annual Work Report of Independent Non-executive Directors

3. REPORT ON THE WORK OF THE BOARD OF DIRECTORS IN 2022

The Company will propose an ordinary resolution to consider and approve the Report on the Work of the Board of Directors in 2022 at the AGM. The Report on the Work of the Board of Directors in 2022 is attached in Appendix I to this circular.

4. REPORT ON THE WORK OF THE BOARD OF SUPERVISORS IN 2022

The Company will propose an ordinary resolution to consider and approve the Report on the Work of the Board of Supervisors in 2022 at the AGM. The Report on the Work of the Board of Supervisors in 2022 is attached in Appendix II to this circular.

5. 2022 FINAL FINANCIAL REPORT AND 2023 FINANCIAL BUDGET REPORT

The Company will propose an ordinary resolution to consider and approve the 2022 Final Financial Report and 2023 Financial Budget Report at the AGM.

I. Summary of the 2022 Final Financial Report

1. Financial position

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Item	Details	Closing balance of 2022	Proportion	Closing balance of 2021	Proportion	Change on a year-on-year basis
Assets	Current Assets	1,445,030	22.49%	1,612,672	30.69%	–10.40%
	Non-current assets	4,979,138	77.51%	3,642,290	69.31%	36.70%
	Total	6,424,168	100.00%	5,254,962	100.00%	22.25%
Liabilities	Current Liabilities	1,662,488	49.77%	1,271,354	54.87%	30.77%
	Non-current liabilities	1,677,861	50.23%	1,045,824	45.13%	60.43%
	Total	3,340,349	100.00%	2,317,178	100.00%	44.16%
	Including: liability with interest	1,449,488		992,687		46.02%
Current ratio		0.87		1.27		–31.50%
Asset liability ratio		52.00%		44.10%		Increased by 7.90 percentage points

In 2022, the total assets increased by RMB11.692 billion compared with the beginning of the period, of which: fixed assets and intangible assets, projects under construction, right-of-use assets, etc. increased by about RMB12.282 billion due to investment in machine-made sand, integration, aggregates and concrete projects, etc., resulting in a decrease of about RMB1.798 billion in cash and bank balances.

In 2022, the Company appropriately increased project loans according to the fund demand of the double performance plan and overseas investment. In order to achieve low-carbon transformation and green development, the Company issued RMB900 million of low-carbon transformation linked corporate bonds in July, with an increase of about RMB4.568 billion of interest-bearing liabilities. The business scale and project investment expanded, the investment in mining rights and procurement increased, and the long-term payable (including those due within one year) and accounts

The asset-liability ratio increased by 7.90 percentage points. The current

In 2022, the operating revenue decreased by RMB1.994 billion year-on-year. The sales volume of cement and clinker decreased by 14.8739 million tons (–19.76%), sales price is basically the same as last year, sales revenue decreased by RMB5.086 billion. The sales Thea1cof-3-6.1(1conreate]TJ-27.07

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	2022	2022 Budget	Change	2021	Change
Selling and distribution expenses	137,182	178,886	–23.31%	133,121	3.05%
Selling expense ratio	4.50%	4.83%	Decreased by 0.33 percentage points	4.10%	Decreased by 0.40 percentage points
General and administrative ("G&A") expenses	158,254	190,445	–16.90%	163,470	–3.19%
G&A expense ratio	5.19%	5.14%	Increased by 0.05 percentage points	5.04%	Increased by 0.15 percentage points
Finance expenses	45,849	30,494	50.35%	17,026	169.29%
Finance expense ratio	1.50%	0.82%	Increased by 0.68 percentage points	0.52%	Increased by 0.98 percentage points

In 2022, the selling and distribution expenses increased by RMB41 million with the expansion of business scale compared with last year.

In 2022, the general and administrative expenses decreased by RMB52 million compared with last year, mainly due to the decline in performance and the decrease in staff costs of RMB88 million.

In 2022, the finance expenses increased by RMB288 million compared with last year, mainly due to the increase of RMB105 million in interest expenses and RMB118 million in exchange losses.

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	2022	2021	Change
Net profit attributable to shareholders of the Company	269,887	536,353	–49.68%
Return on net assets, weighted average (%)	10.03	21.30	–52.91%
Return on net assets, weighted average after deducting non-recurring gains and losses (%)	9.58	21.07	–54.53%

In 2022, the comprehensive sales volume of cement and clinker, the leading products, declined over last year the real estate industry downturn and other factors. The cost of cement and clinker increased due to the rise in energy prices, and the Company's net profit decreased by RMB2.781 billion compared with last year, of which the net profit attributable to shareholders of the parent company decreased by RMB2.665 billion compared with last year.

3. Cash flow

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	2022	2022 budget	Change	2021	Change
Net cash flow from operating activities	456,769	907,455	–49.66%	759,496	–39.86%-
Net cash flow from investing activities	–838,334	–1,219,827	31.27%	–679,406	–23.39%
Net cash flow from financing activities	177,184	197,490	–10.28%	–63,225	380.24%

In 2022, the net cash flow from operating activities decreased by RMB3.027 billion over the same period last year, mainly due to the decrease in profits this year.

The net cash outflow from investment activities increased by RMB1.589 billion compared with the same period last year, mainly due to the continuous increase in investment in the projects under construction such as aggregate and concrete.

The net cash flow from financing activities increased by RMB2.404 billion compared with the same period of the previous year, mainly due to the increase in borrowings from capital expenditure items.

II. Summary of the 2023 Financial Budget Report

(1) Production and operation

In 2023, the Company plans to sell about 57 million tons of cement and clinker, about 130 million tons of aggregates, 25 million m^3 of concrete, eco disposal 4.5 million tons. The total operating revenue is expected to be RMB35billion.

(2) Investment budget

In 2023, the Company plans to spend about RMB11 billion in capital expenditure, focusing on the construction of aggregate and concrete production capacity, the expansion of Eco and new materials business, and the layout of overseas cement business.

(3) Asset status

In 2023, the Company's total assets are predicted to be about RMB70 billion and the asset-liability ratio is predicted to remain at about 50%.

This proposal has been approved at the 23rd meeting of the 10th session Board of Directors, and is now submitted to the AGM for consideration.

6. 2022 PROFIT DISTRIBUTION PLAN

The net profit of the Company in 2022 amounted to RMB2,238,002,243, and the consolidated net profit attributable to the Shareholders amounted to RMB2,698,868,510. The profits of the Company available for distribution was RMB8,507,891,676 as at 31 December 2022.

Based on the Company's total shares less the shares stored in the repurchased securities account 2,094,949,878 shares on the record date for the implementation of the profit distribution for year 2022, a cash dividend of RMB0.51 per share (tax inclusive) was distributed to all Shareholders. The total cash dividend will be RMB1,068,424,438 (39.59% of net profit attributable to shareholders of the parent company after the consolidation). The undistributed amount will be retained as undistributed profit for distribution in future years.

The Company's shares held by the Company's repurchased securities account shall not

In case of any change in the total share capital of the Company before the equity registration date for equity distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly, and will announce the specific adjustment separately. As of the latest practicable date, the Company has no plan to change the total share capital of the Company.

7. 2022 ANNUAL REPORT

The 2022 annual report will be presented at the AGM to be approved by way of ordinary resolution. The 2022 annual report were published on the HKEX news website of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk), the website of the SSE (http://www.sse.com.cn) and the website of the Company (http://www.huaxincem.com). The 2022 annual report has also been dispatched together with this circular to the H-share holders.

8. PROPOSAL ON RE-APPOINTMENT OF ERNST & YOUNG HUA MING LLP (SPECIAL GENERAL PARTNERSHIP) AS THE COMPANY'S AUDITOR FOR FINANCIAL AUDIT AND INTERNAL CONTROL AUDIT FOR THE YEAR 2023

As the Company's auditor for financial audit and internal control audit for the year 2022, Ernst & Young Hua Ming LLP (hereinafter referred to as

9. PROPOSAL ON ADJUSTING THE FINANCING GUARANTEE FOR SOME SUBSIDIARIES

To meet the financing needs of some wholly-owned subsidiaries and controlling subsidiaries of the Company, the Company intends to provide guarantee for their financing operations such as bank loans, letters of credit, bank acceptances, letters of guarantee, financial leasing and bond issuance for the Shareholders' consideration.

I. Overview

The Company's 2021 annual Shareholders' meeting approved the , and the total amount authorized by the Company to provide guarantees to external parties was RMB17.998 billion. According to the latest financing needs of some subsidiaries, we hereby apply to adjust the financing guarantee amount of some companies. The specific situation is as follows:

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Category of authorized guarantee limit	Current loan limit	Fixed assets loan limit	Total limit
Approved amount	315,220	1,484,556	1,799,776

(4) Guarantee style: The Company's wholly-owned and controlling subsidiaries may use the guarantee for once or several times within the above limit, and the specific guarantee amount, term and method shall be subject to relevant contract. The Company shall undertake joint and several liability guarantee, and its wholly-owned subsidiaries may exchange the guarantee limit within the above total guarantee limit according to actual needs. When the Company ath6.1(a).2(ct.)-312.5((312.5(e.5((id(at))-700es)-a).22)-2.00et.)-ata nt,.4(h).22wh9

This guarantee includes guarantees for wholly-owned and controlling subsidiaries with an asset-liability ratio of over 70%. According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, the guarantee shall be reviewed and approved by the Shareholders' general meeting.

10. 2022 ANNUAL WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Shareholders will hear the 2022 Annual Work Report of Independent Non-executive Directors at the Annual General Meeting.

11. ANNUAL GENERAL MEETING

The AGM will be held on Monday, 22 May 2023 at 2:00 p.m. at the Company's conference room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China to consider and approve the Work Report of the Board of Directors in 2022, the Work Report of the Board of Supervisors in 2022, the 2022 Final Financial Report and 2023 Financial Budget Report, the 2022 Profit Distribution Plan, the 2022 Annual Report, Proposal for Reappointing Ernst & Young Hua Ming LLP (Special General Partnership) as the Company's Auditor for Financial Audit and Internal Control Audit for the Year 2023 and Proposal on Adjustment of the Financing Guarantee for some Subsidiaries. The AGM Notice is set out on pages 23 to 28 of this circular.

A proxy form of the AGM is enclosed herewith. Whether or not you are able to attend the AGM 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 proxynstruoonanthH-shAretue h.5(StouAd)-4.3derrnntC76.6n7(

13. VOTING BY POLL

In accordance with Rule 13.39 (4) of the Listing Rules, all resolutions submitted at the AGM shall be voted on by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands where permitted by the Articles of Association. The voting results will be uploaded onto the Company's website (https://www.huaxincem.com) and the website of HKEx news of the Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) after the AGM.

14. RECOMMENDATION

Having considered the circumstances as set out above, the Board of Directors is of the opinion that all the resolutions to be presented at the AGM are 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 the resolutions as set out in the notice of the AGM.

Yours faithfully
By order of the Board of Directors
Huaxin Cement Co., Ltd.
Xu Yongmo
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Wuhan City, Hubei Province, China
27 April 2023

華新水泥股份有限公司
HUAXIN CEMENT CO., LTD.

H A IN CEMEN CO., L D.*

華新水泥股份有限公司

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(St C : 6655)

Report on the Work of the Board of Directors in 2022

To shareholders and their representatives,

In 2022, the Board of Directors of the Company strictly observed the *C* ' *C* , ' *C* , *E* , , *A* *A* , and *B* *D* , performed the duty entitled by Shareholders' Meeting, diligently ensuring the Company's standard operation and scientific decision-making.

2022 is a critical year connecting the past and following years of the Fourteenth Five Year Plan, also the year when the building material industry confronted huge challenges. Hit by the unfavorable factors including falling demand, overcapacity, and energy price hovering at plateau, the industry prosperity encountered a fast decline. During the Reporting Period, despite complexed external situations, the Company was committed to the development philosophy of "whole lifecycle of green low carbon building material", took "be the leader of earning index in low-carbon and sustainable industry" as the strategic goal of the Company, assertive in promoting the strategy of "Integrated Transformation Development, Overseas Expansion, New Building Materials Expansion and Traditional Industry + Digital innovation", firmly stick to probity, safety, ecological protection, guarded against financial, quality and compliance risks, and took operation measures responsive to differentiated needs in different times and locations. The Company made new breakthroughs in all fronts and maintained overall stability of its development.

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The work of the Company's Board of Directors in 2022 was detailed as follows:

I. DAILY WORK OF THE BOARD OF DIRECTORS

1. Meetings of the Board of Directors

In 2022, the Board of Directors held 11 board meetings physically or online. Members of the Board carried out their work responsibly under the principles laid out in the *C* , *C* , *B* *D* , *D* , and other laws and regulations.

During the Reporting Period, all affairs related to the meeting, including the holding procedures, the requirements for attendees, the qualifications of the convener, and the voting procedures, were dependent on relevant laws, regulations, and the *A* *A* . Resolutions and agreements adopted at the meeting were put in force. For details of the meeting agenda and resolutions, please refer to "VI. Board Meetings during the Reporting Period" in the Corporate Governance & Corporate Governance Report of the *A* *2022*.

4. The implementation of the resolutions adopted at the Shareholders' Meeting by the Board of Directors

During the Reporting Period, 1 annual general meeting was held. Resolutions made at the meeting were fully implemented by the Board of Directors in accordance with the requirements of the *C* , *C* , the *A* *A* , and other relevant laws, regulations and rules.

II. INFORMATION DISCLOSURE

Information disclosure were conducted based on *E* , , *A* *C* , *D* and other relevant regulations. During the Reporting Period, the Company disclosed 59 extraordinary announcements and 4 periodic reports at the SSE, and 62 extraordinary announcements, 13 displayed documents and 4 periodic reports at the HKEx.

All periodic reports were previewed by the Board of Directors. The Company's major information was disclosed on designated newspapers and websites timely in accordance with the requirements of the information disclosure guidelines of the stock listing rules of the stock exchanges where the Company is listed at home and abroad.

The information disclosed by the Company were accurate, complete, and effective, objectively and fairly reflecting the Company's operation and management, without misleading statements or omissions. Throughout the year, the Company issued information and announcements timely and accurately, in line with regulatory requirements for information disclosure, and thus was awarded the "Class A Information Disclosure of Listed Companies in Shanghai Stock Exchange from 2021 to 2022" by the SSE.

III. INVESTOR RELATIONS AND MARKET VALUE MANAGEMENT

During the Reporting Period, the Company actively served investors with professional knowledge, while creating a competitive company brand with high market value. In 2022, the Company maintained its high dividend distribution ratio to reward investors. Giving priority to compliance risk control, the Company kept close interaction with investors and industry analysts, its good corporate image of low-carbon development, green transformation and active fulfillment of social responsibilities has been demonstrated in the capital market, and it was highly praised by the media, regulatory authorities and investors.

The Company actively conducted 145 communications with investors through various ways.

Ways of communication	Number of exchanges
Receiving visiting investors, fund managers, and analysts/ researchers in the building materials industry	8
Performance analysis meeting of the Company's quarterly, semi-annual and annual reports jointly held by the Company and the Shanghai Stock Exchange Roadshow Center/Securities Regulatory Bureau/Securities Companies	20
Participating in the onsite/online securities market investment strategy meeting organized by securities companies	11
Participating in the online/telephone conferences to communicate with investors	50
Interacting with investors through other ways	56
Total	145

IV. CORPORATE GOVERNANCE

On 28 March 2022, the Company successfully achieved the conversion of B share to H share and was officially listed on t

4. On 26 October 2022, the Eighth Meeting of the Tenth Board of Supervisors was held, which adopted the 2022 Third Quarter Report of the Company and issued review opinions.

II. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON THE COMPANY'S PERFORMANCE DURING THE REPORTING PERIOD

1. The independent opinions on the Company's operation

During the Reporting Period, the Board of Directors and senior management managed the Company in accordance with national laws and regulations and Articles of Association, strengthened internal risk control and strictly implemented the resolutions approved at the Shareholders' meetings. In the spirit of being responsible to all Shareholders and all employees, under the impact of severe external situations such as repeated epidemics, weak demand, overcapacity, and high energy prices, the Company's directors and other senior management anchor production, operation and development goals, adhere to innovation-driven development, firmly promote the "four major strategies", firmly adhere to the "three bottom lines" of integrity, safety and environmental protection, strictly control risks such as finance, product quality, and compliance, and adopt the business strategy of "adapting measures to time and local conditions" to promote new results and breakthroughs in various work, maintaining the overall stability of enterprise development.

2. The independent opinions on the financial situation of Company

Through the inspection of the Company's financial decisions and execution in 2022, the Board of Supervisors confirmed that within the Reporting Period the Company's assets were managed according to regulations and that all financial reports truly reflected the financial position and operating results of the Company, with no violations of regulations and disciplines.

3. The independent opinions on the Company's related party transactions

During the Reporting Period, the transactions between the Company and related parties were legally conducted in complete procedures, with fair and reasonable prices. All transactions were made openly, impartially and fairly, with no potential risks generated.

4. The review and opinions on the Internal Control Assessment Report 2022

The Board of Supervisors reviewed the Internal Control Assessment Report 2022 and was of the view that it is in compliance with the relevant laws and regulations and reflects current situation of the Company's internal control. The Company has established a sound internal control system and formulated a series of reasonable internal control rules in accordance with national laws and requirements of securities regulatory authorities. All internal control measures were effectively carried out in the whole process of production and operation, delivering results in risk prevention and control. Therefore, the Board of Supervisors agree all matters mentioned in the Internal Control Assessment Report 2022.

5. The review and opinions on Annual Report 2022

The Company prepared and reviewed the Annual Report 2022 in line with national laws, regulations, and the provisions of the CSRC. The Report truly, accurately and completely reflected the Company's current situation, without any false information, misleading statements or material omissions. By the time of issuing this opinion, no employee involved in the preparation and review of the Annual Report 2022 was found to have violated confidentiality regulations.

In 2022, the Board of Supervisors made every effort to supervise every key

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Notes:

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

   To determine the name list of H-share holders eligible to attend the AGM, the Company will close registration for H Share transfers from Wednesday, 17 May 2023 to Monday, 22 May 2023 (both days inclusive). In order to be eligible to attend and vote at the AGM, all share transfer documents together with the relevant share certificates must reach the Company's H-share registrar in Hong Kong, namely Tricor Investor Services Limited at 1, FLorte, (1)1. Kong,eforc.m.H on T y

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application is justified upon verification, the competent tax authority shall refund the difference between the tax paid and the tax payable calculated at the tax rate under the tax agreement (arrangement).

Withholding and remitting individual income tax for overseas individual shareholders

According to the Circular on Some Policy Questions Concerning Individual Income Tax (CSZ [1994] No. 020) issued by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are exempted from the individual income tax for the dividends and bonuses received from foreign-invested enterprises. When distributing dividends for the year ended 31 December 2022 to its shareholders who are foreign individuals listed on the H-share register, the Company, as a foreign-invested enterprise, will not withhold individual income tax of such shareholders.

Withholding income tax for Shanghai Stock Connect investors

For HKEx investors (enterprises and individuals) ("Shanghai Stock Connect Investors") who invest in the Company's A shares listed on the Shanghai Stock Exchange, the final dividend will be paid in RMB by the Company through China

- for dividends received by mainland enterprise investors from investing in the Company's H shares through the shanghai-Hong Kong Stock Connect, the Company does not withhold tax on dividends, and the tax payable shall be declared and paid by such enterprises on their own.

In accordance with the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (CS [2016] No. 127) implemented on 5 December 2016,

- for dividends received by mainland individual investors from investing in the Compa

4. Proxy appointment

The proxy form for the resolution as set out in the Circular of the AGM will be sent to shareholders on the same day. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (A proxy may not be a shareholder of the Company) to attend and vote in his/her stead. The instrument appointing a proxy must

(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 Jiaxing (Secretary to the Board of Directors), Ms. Wang Lu (Securities Affairs Representative)

8. All dates and times in this circular refer to Hong Kong dates and times.

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