Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HUAXIN CEMENT CO., LTD.*

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

(Stock Code: 6655)

Announcement on the Partial Repurchase and Cancellation of Shares under the 2020-2022 Core Employees Stock Ownership Plan

Huaxin Cement Co., Ltd. (the **Company**) held the 25th Meeting of the Tenth Board of Directors on 9 June 2023. The Proposal on the Partial Repurchase and Cancellation of Shares under the 2020-2022 Core Employees Stock Ownership Plan was approved in the meeting. According to the 2020-2022 Core Employees Stock Ownership Plan (the **ESOP**), the Administration Measures of the ,[3]

announcement, 21,039,361 A shares of the Company, representing 1.00% of the total share capital of the Company, were held in the Company's special account for the 2020-2022 ESOP. For details, please refer to the relevant announcements issued by the Company in the designated information disclosure channel on 19 and 27 May 2021.

On 30 May 2022, the 14th Meeting of the Tenth Board of Directors approved the roposal on the Grant Date, Grant Price and Grant Number of Shares for Plans A-2.1 and A-2.2 in 2022 under the ESOP 2020-2022, specifying that the date of granting was 6 May 2022 and the grant price was RMB22.4. Based on the performance evaluation results for 2021, the number of shares under plan A-2.1 was adjusted to 881,955 shares and the number of shares granted under plan A-2.2 was 42,087 shares. After the adjustment and granting of shares, 839,868 shares remained in the ESOP account, which will be re-granted or cancelled in 2023 after the evaluation of the 2022 annual performance. For details, please refer to the relevant announcement issued by the Company in the designated information disclosure channel on May 31 2022.

On 9 June 2023, the 25th Meeting of the Tenth Board of Directors approved the Proposal on the Result of Share Granting of 2020-2022 Core Employees Stock Ownership Plan and the Proposal on the Partial Repurchase and Cancellation of Shares in the 2020-2022 Core Employees Stock Ownership Plan. For details, please refer to the Announcement on the Resolutions of the 25th Meeting of the Tenth Board of Directors issued

performance evaluation results for 2022 was 50.4%, which was below the evaluation threshold, so the coefficient of 2022 should be 0. Therefore, the number of shares granted under plan A-0 in 2020, plan A-1.2 in 2021 and plan A-2.2 in 2022 should be adjusted.

A total of 2,723,597 shares under plan A was not grated due to the failure in target achievement and should be repurchased and cancelled.

The milestone performance target of plan B for the evaluation period of 2020 to 2022 did not meet the threshold, and the unlocking ratio should be 0. Therefore, the shares granted under plan B-0 in 2020 could not be unlocked and 14,880,609 shares under plan B should be repurchased and cancelled.

In conclusion, a total of 17,604,206 shares should be repurchased and cancelled because those shares cannot be vested due to failure in achieving the performance target.

2. Repurchase price

In accordance with the ESOP, when the performance evaluation results fail to reach the threshold, the relevant shares will be repurchased by the Company at nil consideration after the evaluation period and then be re-granted to qualified employees or be cancelled under the ESOP within statutory period. Therefore, the repurchase price is nil.

3. Amount of repurchase

The Company intends to repurchase 17,604,206 unvested shares due to failure in achieving the performance target, accounting for 83.67% of the 21,039,361 shares held by the ESOP account and 0.84% of the total shares of the Company.

III. Changes of the share structure

Share structure changes before and after the repurchase and cancellation of partial shares under the ESOP are as follows:

Type of share	Before the change		Change	After the change	
	Number (share)	Proportion		Number (share)	Proportion
A share	1,361,879,855	64.96	-17,604,206	1,344,275,649	64.66
H share	734,720,000	35.04	0	734,720,000	35.34
Total amount	2,096,599,855	100	-17,604,206	2,078,995,649	100

Note: Total number of shares as of 9 June 2023.

IV. Impact of the repurchase and cancellation to the Company

The partial repurchase and cancellation of shares under the ESOP will not cause the shareholding structure of the Company to become ineligible for listing, impactgee forc achicancectgeble

the ESOP nor have a significant impact on the operation results of the Company. The management and core employees will continue to work diligently and responsibly to create values for shareholders.

V. Opinions of Independent Directors

The Independent Directors of the Company expressed their independent opinions

Stock Exchange (**Repurchase of Shares** and other laws and regulations, as well as the Articles of Association, the ESOP and Administration Measures; the reasons for, price and number of the repurchase and cancellation are in compliance with the Company Law, the Guidance, the Repurchase of Shares and other laws and regulations, and the relevant arrangements of the ESOP and Administration Measures; the repurchase and cancellation is subject to the approval of the