

Huaxin Cement Co., Ltd.**Announcement on the Expiration of the First Lock-up Period of the 2020-2022 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 (the Company) held the 18th Meeting of the Ninth Board of Directors and 2nd Extraordinary Shareholders' General Meeting 2020 on 11 August 2020 and 25 September 2020. The meetings approved the Proposal on the 2020-2022 Core Employee Stock Ownership Plan (Draft) and its Summary, Proposal on Requesting the Shareholders' General Meeting to Authorize the Board to Handle Related Matters of the 2020-2022 Core Employee Stock Ownership Plan. For specific details, please refer to the announcements published on 13 August 2020 and 26 September 2020.

According to the Guiding Opinions on the Implementation of Employee Stock Ownership Plan of Listed Companies issued by the China Securities Regulatory Commission, Shanghai Stock Exchange Listed Companies Self-discipline Guidance No.1-Standard Operation and 2020-2022 Core Employee Stock Ownership Plan of the Company, the first lock-up period of the 2020-2022 Core Employee Stock Ownership Plan (the Plan) is to expire on 28 October 2023. The related matters are published as followed:

I. The share holding and lock-up period

In accordance with the Plan, all stocks under the Plan are the ordinary A stocks of Huaxin Cement that are repurchased by the Company through its special repurchase account. This Plan contains two parts, i.e. Plan A and Plan B, Plan A is centered on phased grant, phased evaluation and phased unlocking, and after the implementation of Plan A in 2020, grant-related changes will be made by the Board of Directors of the Company in 2021, 2022 and 2023 according to the Company's performance in the preceding year and the list of employees participating in this Plan (those newly promoted and newly employed) in the year. Plan B is centered on one-time grant in 2020, one-time performance evaluation in 2023 and one-time unlocking in 2024.

The Company transferred 19,963,855 and 1,075,506 A shares (totally 21,039,361 shares) from the special repurchase account to the special securities account of the Plan through non-trading on 23 October 2020 and 21 May 2021 respectively. Please refer to the announcements published on 29 October 2020 and 27 May 2021 for details.

The grant (or adjustment) of each phase of the Plan A and Plan B has been approved by the 22nd Meeting of the Ninth Board of Directors, 2nd Meeting of the Tenth Board of Directors, 14th Meeting of the Tenth Board of Directors, 25th Meeting of the Tenth Board of Directors. Details can be referred to in the announcements published on 13 October 2020, 19 May 2021, 30 May 2022 and 10 June 2023.

Based on relevant regulations and evaluation results of each year, 17,604,206 A shares that can't be vested due to failure in achieving the performance target have been cancelled on 28 August 2023. (Details can be referred to in the announcement on 26 August 2023). As of now, the Plan's account holds 3,435,155 A shares, accounting for 0.165% of the total shares of the Company.

The term of this Plan is 72 months from the month when the initial Grant is made. The unlocking time is calculated from the date announced by the Company when the underlying stocks to be granted at each phase were transferred to this Plan through non-trading transfer or any other means permitted by laws and regulations. According to relevant regulations in the Plan, the lock-up period of 33% of granted shares in the A-0 phase and shares granted in A-1.1 phase is to expire on 28 October 2023, totaling 2,597,156 shares and accounting for 0.125% of the total number of Company shares.

II. Arrangement following the expiration of the first lock-up period of the Plan

From the expiration of the first lock-up period to the expiration of the term of the Plan, the Administrative Committee of the Plan will dispose, vest and allocate the shares at appropriate times according to the regulations as authorized by the Holders' Meeting.

The Plan will strictly abide by the market trading rules, relevant regulations of CSRC and Shanghai Stock Exchange. Transaction of the Company shares will not be allowed during the following period:

1. thirty days prior to the release of the Company's annual reports and half-year reports, or where the release is postponed due to any special reason, the period from the day thirty days prior to the initial release date to the day immediately prior to the actual release date;
2. ten days prior to the release of quarterly reports, earnings forecasts and performance briefings of the Company;
3. the period from the day when a major event that might have a significant impact on the trading price of the Company's stocks and their derivatives occurs or enters the decision-making process to the day when the event is disclosed according to law; and
4. any other lock-up period designated by the CSRC and the SSE.

III. Term, Changes and Termination of this Plan

(I) Term of this Plan

The term of this Plan is 72 months from the month when the initial grant is made (or this Plan is established).

This Plan will be terminated or may be extended by the Administration Committee after review by the Board of Directors, upon expiry of the term hereof. No extension of the term of this Plan shall be effected without the consent of the Holders attending the Holders' meeting and representing more than two thirds of total stocks and without the review by the Board of Directors of the Company prior to expiry of the term hereof.

(II) Changes of this Plan

Changes of this Plan include but are not limited to the changes in the method of capital contribution by Holders, the way Holders acquire stocks and the list of Holders. Changes made after the establishment of this Plan shall not be effected without the approval by the Holders present at a Holders' meeting representing more than two thirds of total shares held hereunder and without review and approval by the Board of Directors of the Company.

(III) Termination of this Plan

1. This Plan, if not extended upon the term hereof, shall be terminated automatically.
2. This Plan may be terminated early if all stocks of the Company held hereunder are sold after expiry of the lock-up period hereunder.

IV. Other explanations

The Company will timely fulfill the obligations of information disclosure according to laws and regulations depending on the implementation of the Plan. Investors are hereby reminded of the announcements and investment risks.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.
27 October 2023