

Huaxin Cement Co., Ltd.

Announcement on the Completion of Share Transfer of 2020 A-0 and B-0 in the 2020-2022 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 “the Company”) convened the Eighteenth Meeting of the Ninth Board of Directors on August 11, 2020 and the 2020 Second Extraordinary Shareholders’ General Meeting on September 25, 2020. Two meetings approved the 2020-2022 Core Employee Stock Ownership Plan (draft) and its Summary and Proposal on Requesting the Shareholders’ General Meeting to Authorize the Board to Handle Related Matters of 2020-2022 Core Employee Stock Ownership Plan. The Twenty Second Meeting of the Ninth Board of Directors on October 12, 2020 approved the Proposal on the Grant Date, Grant Price and Grant Quantity of A-0 and B-0 in 2020 of the 2020-2022 Core Employee Stock Ownership Plan. The above proposals can be referred in relevant announcements published on Shanghai Stock Exchange website by the Company on August 13, September 26, October 13, 2020.

According to *Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies* and the *Guidelines for Information Disclosure of Employee Stock Ownership Plans of Listed Companies on the Shanghai Stock Exchange*, hereby we make announcements on the execution progress of 2020-2022 Core Employee Stock Ownership Plan A-0 and B-0 share grant:

On October 28, the Company received the Confirmation on Share Transfer Registration issued by China Securities Depository and Clearing Corporation Limited. 19,963,855 A shares in the special account of the share repurchase have been transferred to the special account of 2020-2022 core ESOP without trading on October 23. As of the announcement date, 19,963,855 A shares in the special account of the share repurchase, accounting for 0.95% of the total shares of the Company. In line with the requirements in 2020-2022 Core Employee Stock Ownership Plan, shares transferred for A-0 and B-0 will be locked up.

Lock-up period for A-0:

Phase	Unlocking Installment	Unlocking Time	Unlocking Ratio
A-0	1st installment	Upon expiry of 36 months	33%
	2nd installment	Upon expiry of 48 months	33%
	3rd installment	Upon expiry of 60 months	34%

Lock-up period for B-0 is 48 months. An unlocking ratio of 100% will apply if evaluation objectives are 100% fulfilled, 87.5% will apply if 90% fulfilled, and 75% will apply if 80% fulfilled.

Unlocking calculates from the date of this announcement. Shares derived from stock dividend, capital reserve transferred to increase share capital will also abide by the above lock-up period.

It is herewith announced.

Huaxin Cement Co., Ltd.
Board of Directors
October 29, 2020