

Huaxin Cement Co., Ltd.

Announcement on the Completion of Share Transfer of 2020 A-1.1 and A-1.2 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 2020 Second Extraordinary Shareholders General Meeting on September 25, 2020 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 Second Meeting of the Tenth Board of Directors on May 18, 2021 approved the Proposal on the Grant Date, Grant Price and Grant Quantity of A-1.1 and A-1.2 in 2021 of the 2020-2022 Core Employee Stock Ownership Plan. 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-1.1 and A-1.2 share grant:

On May 25, 2021, the Company received the Confirmation on Share Transfer Registration issued by China Securities Depository and Clearing Corporation Limited. 1,075,506 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 May 21, 2021.

As of the announcement date, the special account of 2020-2022 Core ESOP holds 21,039,361 shares, accounting for 1% of the total shares of the Company. In line with the requirements in the 2020-2022 Core Employee Stock Ownership Plan, shares transferred for A-1.1 and A-1.2 will be locked up.

Lock-up period for A-1.1 and A 1.2:

Phase	Unlocking Installment	Unlocking Time	Unlocking Ratio
A-1.1	/	Upon expiry of 24 months	100%
A-1.2	1st installment	Upon expiry of 36 months	50%
	2nd installment	Upon expiry of 48 months	50%

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
May 27, 2021