

**Huaxin Cement Co., Ltd.****Announcement on the Expiration of the First Lock-up Period of the Phase I (2023) Core Employee Stock Ownership Plan Under 2023-2025 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 (hereinafter referred to as the "Company") held the 3<sup>rd</sup> Extraordinary General Meeting of 2023 on 20 July 2023, considered and approved the "Draft of 2023-2025 Core Employee Stock Ownership Plan" and its summary and other relevant proposals. For details, please refer to the relevant announcements disclosed by the Company on 21 July 2023.

The Company held the 27<sup>th</sup> Meeting of the Tenth Board of Directors on 20 July 2023, considered and approved the "Proposal on the Phase I (2023) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan of the Company", details of which are set out in the relevant announcement disclosed by the Company on 21 July 2023.

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 2023-2025 Core Employee Stock Ownership Plan of the Company, the first lock-up period of the Phase I (2023) Core Employee Stock Ownership Plan Under 2023-2025 Core Employee Stock Ownership Plan (the Plan) is to expire on 27 September 2024. The related matters are published as followed:

**I. The share holding, Term, lock-up period and unlocking Period**

The dedicated securities account for the Plan initially held a total of 2,917,577 A shares upon completion of the share purchase (for specific details on the source and quantity of shares for the Plan, please refer to the relevant announcements disclosed by the Company on 2 September 2023 and 28 September 2023).

On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors of the Company reviewed and approved the Proposal on the Granting Result of "2023 Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan", clarifying the grant results of the Plan. According to the relevant provisions of the Plan and the annual performance assessment results, 241,764 shares that could not be vested due to the failure to meet the performance targets will be withdrawn and disposed of by the shall be withdrawn and disposed of by the Administration Committee of the Plan, and any proceeds therefrom shall be vested in the Company (for specific details, please refer to the relevant announcement disclosed by the

Company on 22 May 2024).

As of now, the dedicated securities account for the Plan holds 2,675,813 A shares of the Company, accounting for 0.1287% of the Company's total share capital.

The Plan shall be valid up to 60 months from the day when the Company made an announcement that the last portion of stocks to be transferred to the Plan had been transferred. The term of the Plan may be extended upon approval of the Holders attending the Holders' Meeting and representing over two thirds of the Underlying Stocks and the Board of Directors, provided, however, that the term of the Plan shall be extended by 12 months each time.

The lock-up period under the Plan shall be the 12 months from the day when the Company makes an announcement that the last portion of underlying stocks are transferred to the Plan. Within the lock-up period, the above lock-up arrangement shall also apply to all shares derived from and acquired as a result of issuance of bonus shares, conversion of capital reserve into share capital, share allotment, conversion of convertible bonds into shares and other reasons.

The underlying stocks acquired under the Plan shall be unlocked in three phases respectively on the days 12 months, 24 months and 36 months after the day when the Company makes an announcement that the last portion of Underlying Stocks are transferred to the Plan. The stocks to be unlocked in the three phases shall respectively account for 30%, 30% and 40% of the shares to be vested. The above unlocking arrangement shall apply to underlying stocks acquired under the plan as well as all shares derived from and acquired as a result of distribution of stock dividends, conversion of capital reserve and other reasons.

According to relevant provisions of the Plan, the first lock-up period will expire on 27 September 2024. 802,646 shares shall be unlocked, accounting for 0.0386% of the Company's total share capital.

## **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 relevant provisions of the Plan.

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. Changes to and termination of the plan**

#### **(I) Changes to the plan**

The Plan may be changed within the term hereof with the prior consent of the Holders attending a Holders' Meeting and holding more than two thirds of underlying stocks hereunder and with the prior approval of the Company's Board of Directors.

#### **(II) Termination of the Plan**

1. The Plan shall become terminated automatically upon expiry thereof.
2. The Plan may be terminated prior to expiry thereof when the stocks thereunder are sold out.
3. The term of the Plan may be extended with the prior consent of the Holders attending a Holders' Meeting and holding more than two thirds of the stocks thereunder and with the prior approval of the Company's Board of Directors one month prior to expiry of the Plan, provided, however, that the Plan shall be extended by no longer than 12 months each time.

### **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.  
25 September 2024