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If you are in any doubt as to any aspect of this circular or the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Huaxin Cement Co., Ltd.**, you should at once hand this circular together with the accompanying proxy form to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

**PROPOSED ADOPTION OF THE 2025 RESTRICTED
A SHARE INCENTIVE SCHEME
PROPOSED ADOPTION OF THE IMPLEMENTATION AND
ASSESSMENT MANAGEMENT MEASURES OF THE 2025 RESTRICTED
A SHARE INCENTIVE SCHEME
PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS
RELATED TO THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME
PROFIT DISTRIBUTION PROPOSAL ON
THE FIRST THREE QUARTERS OF 2025
AND
NOTICE OF THE FOURTH EXTRAORDINARY GENERAL MEETING IN 2025**

Huaxin Cement Co., Ltd.* (華新水泥股份有限公司) (the “**Company**”) intends to hold the Fourth Extraordinary General Meeting in 2025 of the Company (the “**EGM**”) at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China on Wednesday, 12 November 2025 at 2:00 p.m. The notice of the convening of the EGM is set out on pages 50 to 54 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H-share holders must return the proxy form or other authorized documents to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post 24 hours before the time designated for holding the EGM or any adjournment thereof in any event; otherwise, it will be deemed invalid. For the EGM, the proxy form shall be returned before 2:00 p.m. on Tuesday, 11 November 2025. The completion and submission of the proxy form shall not preclude you from attending and voting at the EGM its adjournment (as the case may be) in person if you so wish. If you attend and vote at the EGM or its adjournment in person, your proxy form will be deemed revoked.

* For identification purpose only

24 October 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms have the following meanings:

2025 Restricted A Share Incentive Scheme or Incentive Scheme or Scheme	means	the 2025 A Share Restricted Share Incentive Scheme of the Company to be adopted by the Company as proposed by the resolution of the Board dated 3 October, 2025
A share(s)	means	ordinary shares issued by the Company with a par value of RMB1.00 each, which are listed on the SSE and traded in RMB
A-shareholder(s)	means	holders of A shares
Extraordinary General Meeting or EGM	means	the Fourth Extraordinary General Meeting in 2025 to be held on Wednesday, 12 November 2025 at 2:00 p.m.
Administrative Measures	means	the Administrative Measures on Equity Incentives of Listed Companies
Articles of Association	means	Articles of Association of the Company (as amended from time to time)
Assessment Management Measures	means	the implementation and assessment management measures for the 2025 A Share Restricted Shares Incentive Scheme of HUAXIN CEMENT CO., LTD.* (《華新水泥股份有限公司2025年A股限制性股票激勵計劃實施考核管理辦法》)
Board of Directors	means	Board of Directors of the Company
China	means	The People's Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this circular only
Director(s)	means	directors of the Company
Grant Price	means	the price of each Restricted Share to be granted to the Incentive Participants
Granting Date	means	the date on which the grant of Restricted Share(s) is made to an Incentive Participant
H share(s)	means	Foreign shares listed on the Hong Kong Stock Exchange with a nominal value of RMB1.00 per share in the Company's share capital and traded in Hong Kong dollars

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H-share holder(s)	means	Holders of H shares
H-share registrar	means	Tricor Investor Services Limited
HKD	means	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	means	Hong Kong Special Administrative Region of the PRC
HKEX or Hong Kong Stock Exchange	means	The Stock Exchange of Hong Kong Limited
Incentive Participant(s) or Participant(s)	means	the executive directors and senior management of the Company granted Restricted Shares under the Incentive Scheme
Listing Rules	means	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
Latest Practicable Date	means	22 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion herein
Restricted Share(s)	means	a certain number of A Shares granted to the Incentive Participants according to the conditions and price stipulated in the Incentive Scheme, which are subject to a Lockup Period and can only be unlocked when the Unlocking Conditions as stipulated in the Incentive Scheme are satisfied
RMB	means	Renminbi, the lawful currency of China
Share(s)	means	Shares of the Company with a par value of RMB1.00 each, including A shares and H shares
Shareholder(s)	means	Shareholders of the Company, including A-share holders and H-share holders
SSE	means	Shanghai Stock Exchange
Unlocking Period	means	the period during which the Restricted Shares of the Incentive Participants are unlocked and can be transferred upon the fulfillment of the Unlocking Conditions as stipulated in the Incentive Scheme

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Unlocking Conditions	means	the conditions that shall be satisfied for unlocking the Restricted Shares of the Incentive Participants pursuant to the Incentive Scheme
The Company or Company	means	Huaxin Cement Co., Ltd. (stock code: 6655), a joint stock limited company incorporated in China, whose H shares and A shares have been listed on the Main Board of the HKEX and the SSE, respectively



HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

Executive directors:

Mr. Li Yeqing (*President*)

Mr. Liu Fengshan (*Vice President*)

Non-executive directors:

Mr. Xu Yongmo (*Chairman*)

Mr. Martin Kriegner

Mr. Olivier Milhaud

Ms. Tan Then Hwee

Independent non-executive directors:

Mr. Wong Kun Kau

Mr. Zhang Jiping

Mr. Jiang Hong

*Headquarters and principal place
of business in China:*

Block B, Huaxin Building,

No. 426 Gaoxin Avenue,

East Lake High-tech Development Zone,

Wuhan City,

Hubei Province

China

*Principal place of business
in Hong Kong:*

Room 1917, 19/F,

Lee Garden One,

33 Hysan Avenue,

Causeway Bay

Hong Kong

To whom it may concern,

**PROPOSED ADOPTION OF THE 2025 RESTRICTED
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LETTER FROM THE BOARD OF DIRECTORS

1. INTRODUCTION

On behalf of the Board of Directors, I would like to invite you to attend the EGM to be held on Wednesday, 12 November 2025 at 2:00 p.m. at the Company's conference room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan City, Hubei Province, China.

The purpose of this circular is to provide you with the information reasonably necessary to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

2. MATTERS TO BE DEALT WITH AT THE EGM

The resolutions that the Company will propose at the EGM for the Shareholders' consideration and approval include the following:

- (1) The proposed Adoption of the 2025 Restricted A Share Incentive Scheme
- (2) The proposed Adoption of the Implementation and Assessment Management Measures of the 2025 Restricted A Share Incentive Scheme
- (3) The proposed Authorization to the Board to Handle Matters Related to the 2025 Restricted A Share Incentive Scheme
- (4) Profit Distribution Proposal on the First Three Quarters of 2025

3. PROPOSED ADOPTION OF THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME

In order to further establish and improve the Company's long-term incentive mechanism, attract and retain talented individuals, fully raise the enthusiasm of core staff of the Company, bond the interests of Shareholders and the Company, as well as the personal interests of the core teams together effectively, and enable various parties to attend to the long-term development of the Company, under the premise of fully safeguarding the interests of Shareholders, the Incentive Scheme is formulated following the principle of income equivalent to contribution and in accordance with the relevant laws, regulations and regulatory documents, including the Company Law, the Securities Law and the Management Measures, as well as the relevant provisions of the Articles of Association.

The Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Pursuant to the relevant PRC laws and regulations, the Incentive Scheme and the related matters are subject to the approval of Shareholders at the extraordinary general meeting by way of special resolutions.

LETTER FROM THE BOARD OF DIRECTORS

The full text of the draft (summary) of the Incentive Scheme is set out in Appendix I to this circular. The draft (summary) of the Incentive Scheme is prepared in Chinese. In the event of any discrepancy between the English and Chinese versions of the document, the Chinese version shall prevail.

4. PROPOSED ADOPTION OF THE IMPLEMENTATION AND ASSESSMENT MANAGEMENT MEASURES OF THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME

In order to ensure the smooth implementation of the Incentive Scheme, the Board agreed to formulate the Implementation and Assessment Management Measures of 2025 A-Share Restricted A Share Incentive Scheme of HUAXIN CEMENT CO., LTD. in accordance with the relevant laws, regulations and regulatory documents such as the Company Law, the Securities Law and the Management Measures, as well as the relevant provisions of the Articles of Association, and in combination with the actual situation of the Company.

The full text of the Assessment Management Measures is set out in Appendix II to this circular. The Assessment Management Measures is prepared in Chinese. In the event of any discrepancy between the English and Chinese versions of the document, the Chinese version shall prevail.

5. PROPOSED TO AUTHORIZE THE BOARD TO HANDLE MATTERS RELATED TO THE 2025 RESTRICTED A SHARE INCENTIVE SCHEME

In order to complete the relevant matters of the 2025 Restricted A Share Incentive Scheme in an efficient and orderly manner, the Board intends to propose to the shareholders' meeting of the Company to authorize the Board to handle specific matters related to the Company's Incentive Scheme, including but not limited to the following matters:

- (1) Authorize the Board to confirm the qualifications and conditions for the Incentive Participants to participate in the Incentive Scheme, finalize the list of Incentive Participants and the Grant Number of Restricted Shares, and determine the Grant Date of the Incentive Scheme;
- (2) Authorize the Board to adjust the number of Restricted Shares in accordance with the methods specified in the Incentive Scheme when the Company has matters such as the conversion of capital reserve into share capital, the distribution of stock dividends, the subdivision or reduction of shares, and the allotment of shares;
- (3) Authorize the Board to adjust the Grant Price and repurchase price accordingly in accordance with the methods specified in the Incentive Scheme when the Company has capital reserve to increase share capital, distribute stock dividends, subdivide or shrink shares, allotment of shares, and pay dividends;

LETTER FROM THE BOARD OF DIRECTORS

- (4) Authorize the Board to grant Restricted Shares to the Incentive Participants when they meet the conditions and handle all matters necessary for the grant of Restricted Shares, including but not limited to signing the Restricted Shares Grant Agreement with the Incentive Participants, submitting an application for grant to the relevant stock exchange, applying to the registration and clearing companies for relevant registration and clearing business;
- (5) Authorize the Board to review and confirm the qualifications and conditions for unlocking the selling restrictions of the Incentive Participants, and agree that the Board will grant the right to the Remuneration and Assessment Committee of the Board for exercise;
- (6) Authorize the Board to decide whether the Incentive Participants can be unlocked, and authorize the Board to handle all matters necessary for the Incentive Participants to unlock the selling restrictions, including but not limited to submitting an application to the relevant stock exchange for unlocking the selling restrictions, and applying to the registration and clearing companies for relevant registration and clearing business;
- (7) Authorize the Board to handle the selling restrictions of Restricted Shares that have not yet been unlocked;
- (8) Authorize the Board to implement the change and termination of the Incentive Scheme, including but not limited to cancelling the qualification of the Incentive Participants to be unlocked from the selling restrictions, repurchasing and canceling the Restricted Shares of the Incentive Participants that have not been unlocked from the selling restrictions, handling the inheritance of the Restricted Shares of the deceased Incentive Participants that have not been unlocked from the selling restrictions, terminating the Company's Incentive Scheme;
- (9) Authorize the Board to manage and adjust the Incentive Scheme, and formulate or revise the management and implementation regulations of the Incentive Scheme from time to time on the premise that the terms are consistent with the terms of the Incentive Scheme. However, if any amendment is required by laws, regulations or relevant regulatory authority to be approved by a shareholders' meeting of the Company or/and the relevant regulatory authority, such amendment by the Board must be approved accordingly;
- (10) Authorize the Board to appoint financial consultants, securities companies, lawyers, receiving banks, accountants and other intermediaries for the implementation of the Incentive Scheme;
- (11) Authorize the Board to sign, execute, modify and terminate any agreements and other documents related to the Incentive Scheme;
- (12) Authorize the Board to go through the formalities of approval, registration, filing, authorization and consent with the relevant governments and institutions for the Incentive Scheme; signing, executing, revising and completing documents

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submitted to relevant government agencies, organizations and individuals; and to do all actions that it deems necessary, appropriate or suitable in connection with this Incentive Scheme;

(13) Other necessary matters required to authorize the Board to implement the Incentive Scheme, except for the rights that need to be exercised by the shareholders' meeting of the Company as expressly provided in the relevant documents;

(14) The above authorization is subject to approval by the shareholders' meeting of the Company. The authorization shall be valid from the date of approval by the shareholders' meeting of the Company to the continuation of the incentive plan.

Except for the matters that are clearly stipulated in laws, administrative regulations, rules of the CSRC, regulatory documents, the Incentive Scheme or the Articles of Association that need to be passed by the resolution of the Board, other matters can be directly exercised by the chairman of the Board or an appropriate person authorized on behalf of the Board.

6. PROFIT DISTRIBUTION PROPOSAL ON THE FIRST THREE QUARTERS OF 2025

According to the financial statements of the company for the first three quarters of 2025 (unaudited), the parent company achieved a net profit of 1,405,853,750 yuan, and the net profit attributable to the shareholders of the parent company after consolidation was 2,003,800,231 yuan. As of September 30, 2025, the distributable profit of the parent company was 11,197,913,353 yuan.

The board of directors proposes to distribute a cash dividend of 0.34 yuan per share (including tax) for the first three quarters of 2025 to all shareholders. According to the Shanghai Stock Exchange Listing Companies Self-discipline Supervision Guidelines No. 7 — Repurchase of Shares and other relevant regulations, the A-shares in the company's repurchase special securities account are not entitled to profit distribution. Based on the company's total share capital of 2,078,995,649 shares as of now, excluding the 2,462,200 A-shares in the company's repurchase special securities account, a total of 706,021,373 yuan will be distributed (accounting for 35.23% of the net profit attributable to the shareholders of the parent company after consolidation), and the balance will be transferred to the undistributed profit.

If the Company's total shares change after deducting the shares in the special securities account of repurchase due to granting shares to Incentive Recipients under the 2025 Restricted A Share Incentive Scheme before the equity rights registration date, the Company intends to keep the per-share distribution ratio the same and adjust the total distribution amount.

The cash dividends distributed by the Company are denominated and declared in RMB, and are payable in RMB to A-share holders and in HKD or USD to H-share holders.

LETTER FROM THE BOARD OF DIRECTORS

The Board of Directors has agreed to appoint Tricor Investor Services Limited as the agent of the Company to handle the distribution of dividends to H-share holders. The Board of Directors has agreed, upon approval of the Profit Distribution Proposal on the First Three Quarters of 2025 by the EGM, to authorize the Company's Mr. Ye Jiaxing (Vice President and Secretary to the Board of Directors) and Mr. Peng Puxin (either of whom has the right of signature) to execute the matters related to dividend distribution, sign the legal documents related to dividend distribution and handle all relevant matters on behalf of the Company.

7. THE PURPOSE, RATIONALE AND BENEFITS OF ADOPTING THE INCENTIVE SCHEME

The Incentive Scheme can further establish and improve the Company's long-term incentive mechanism, attract and retain talented individuals, fully raise the enthusiasm of core staff of the Company, bond the interests of Shareholders and the Company, as well as the personal interests of the core teams together effectively, and enable various parties to attend to the long term development of the Company. The Directors (including the independent non-executive Directors) believe that the adoption of the Incentive Scheme will help the Company achieve the above objectives, and consider that the terms and conditions of the Incentive Scheme are normal commercial terms, fair and reasonable, and in line with the overall interests of the Company and Shareholders.

As Incentive Participants of the Incentive Scheme, the Company's executive Directors Mr. Li Yeqing and Mr. Liu Fengshan have abstained from voting on the Board to approve the Incentive Scheme. Save as disclosed above, none of the other Directors had a material interest in the resolution of the Board in relation to the Incentive Scheme. Having regard their respective interests in the Company, Mr. Li Yeqing and Mr. Liu Fengshan will abstain from voting at the EGM. To the best of the Company's knowledge and belief, except for Mr. Li Yeqing and Mr. Liu Fengshan, who are among the Incentive Participants included in the Incentive Scheme, there are no other shareholders who had a material interest in the Incentive Scheme.

8. LISTING RULES IMPLICATION

The Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. Pursuant to the relevant PRC laws and regulations, the Incentive Scheme and the related matters are subject to the approval of Shareholders at the extraordinary general meeting by way of special resolutions.

Pursuant to the proposed list of Incentive Participants prepared by the Remuneration and Assessment Committee under the Board, subject to the approval of the Incentive Scheme by the Shareholders at the EGM and the approval of the Board on the grant of the relevant Restricted Shares, following adoption of the Incentive Scheme, it is expected that Incentive Participants include the executive Directors and senior management of the Company. Therefore, such Incentive Participants are connected persons of the Company pursuant to Chapter 14A of the Listing Rules and their participation in the Incentive Scheme constitutes connected transactions of the Company. As the highest applicable

LETTER FROM THE BOARD OF DIRECTORS

percentage ratio calculated pursuant to the Listing Rules in respect of the grant of Restricted Shares to each such Participant is less than 0.1%, such grants under the Incentive Scheme will be fully exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Wednesday, 12 November 2025 at 2:00 p.m. at the Company's conference room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China, to consider, and if appropriate, pass the resolutions contained in the notice of the meeting, which is set out on pages 50 to 54 of this circular.

A proxy form of the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to read the notice and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon. H-share holders must return the proxy form or other authorized documents to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by hand or by post 24 hours before the time designated for holding the EGM or any adjournment thereof in any event; otherwise, it will be deemed invalid. For the EGM, the proxy form shall be returned before 2:00 p.m. on Tuesday, 11 November 2025. The completion and submission of the proxy form shall not preclude you from attending and voting at the EGM in person or its adjournment (as the case may be) if you so wish. In the event that you subsequently attend and vote at the EGM or its adjournment in person, your proxy appointment shall be deemed to be revoked.

11. CLOSURE OF H-SHARE REGISTER

To determine the name list of H-share holders eligible to attend the EGM, the Company will close registration for H Share transfers from Monday, 10 November 2025 to Wednesday, 12 November 2025 (both days inclusive). In order to be eligible to attend and vote at the EGM, all share transfer documents together with the relevant share certificates must reach the Company's H-share registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Friday, 7 November 2025.

LETTER FROM THE BOARD OF DIRECTORS

12. VOTING BY POLL

In accordance with Rule 13.39 (4) of the Listing Rules, all resolutions proposed at the EGM shall be voted on by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands where permitted by the Articles of Association. An announcement on the poll results will be published by the Company after the EGM on the Company's website (www.huaxincem.com) and the website of HKEX (www.hkexnews.hk) in the manner prescribed under Rule 13.39(5) of the Listing Rules.

13. RECOMMENDATION

The Board of Directors is of the opinion that all the resolutions to be proposed at the EGM are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommends the Shareholders to vote in favor of all the resolutions proposed at the EGM.

Yours faithfully
By order of the Board of Directors
Huaxin Cement Co., Ltd.
Xu Yongmo
Chairman

Wuhan City, Hubei Province, China
24 October 2025

Huaxin Cement Co., Ltd.**Summary Announcement of the 2025 Restricted
A Share Incentive Scheme (Draft)****I. COMPANY OVERVIEW**

Huaxin Cement was listed on the Shanghai Stock Exchange on 3 January 1994 and on the Hong Kong Stock Exchange on 28 March 2022. The Company's registered address is No. 600, East Daqi Avenue, Huangshi City, Hubei Province.

As of the close of trading on 30 September 2025, the Company's total share capital was 2,078,995,649 shares, consisting of 1,344,275,649 A shares and 734,720,000 H shares. The Company's business scope includes cement production; cement product manufacturing; cement product sales; non-metallic mineral product manufacturing; non-metallic minerals and product sales; new building material manufacturing (excluding hazardous chemicals); lightweight building material manufacturing; building material sales; new material technology research and development; coal and product sales; packaging materials and product sales; packaging special equipment manufacturing; packaging special equipment sales; technical services, technical development, technical consulting, technical exchange, technical transfer, technical promotion; construction project design; earth and stone work construction; various engineering construction activities; mechanical and electrical equipment manufacturing; electrical and mechanical equipment sales; mechanical equipment leasing; solid waste treatment; goods import and export; technology import and export; import and export agency; domestic trade agency; sales agency; foreign contracted projects; general cargo warehousing services (excluding projects requiring license approval such as hazardous chemicals); warehousing equipment leasing services; domestic cargo transportation agency; international cargo transportation agency; loading and unloading handling; mineral resources (non-coal mines) mining; bio-based material manufacturing; bio-based material sales; bio-based material technology research and development; chemical product sales (excluding licensed chemical products); special chemical product manufacturing (excluding hazardous chemicals); special chemical product sales (excluding hazardous chemicals); software development; internet data services; supply chain management services; labour services (excluding labour dispatch).

The Company's performance over the past three years is as follows:

Unit: Yuan Currency: CNY

Principal accounting data	2024	2023	2022
Revenue	34,217,347,727	33,757,087,272	30,470,382,363
Net profit attributable to shareholders of the Company	2,416,280,487	2,762,116,715	2,698,868,510
Net profit attributable to shareholders of the Company after extraordinary items	1,784,428,724	2,322,113,737	2,578,634,452
Net cash flow from operating activities	5,977,317,233	6,235,555,071	4,567,694,220
Principal accounting data	End of 2024	End of 2023	End of 2022
Net assets attributable to shareholders of the Company	30,291,427,176	28,932,949,847	27,446,305,028
Total assets	69,512,689,187	68,800,268,263	64,241,676,265
Key financial indicators	2024	2023	2022
Basic earnings per share (CNY/share)	1.16	1.33	1.30
Weighted average return on net assets (%)	8.16	9.82	10.03

As of Latest Practicable Date, the Company's Board of Directors comprises 9 directors, including 2 executive directors, 4 non-executive directors, and 3 independent non-executive directors. The Company has a total of 11 senior management personnel, consisting of 1 president and 10 vice presidents. The details are as follows:

Items	Name	Title
1	Li Yeqing	Executive Director and President
2	Chen Qian	Chief Financial Officer and Vice President
3	Liu Fengshan	Executive Director and Vice President
4	Du Ping	Vice President
5	Mei Xiangfu	Vice President
6	Yang Hongbing	Vice President
7	Xu Gang	Vice President
8	Wang Jiajun	Vice President
9	Ye Jiaxing	Board Secretary and Vice President
10	Lu Guobing	Vice President
11	Tang Jun	Vice President

II. PURPOSE AND PRINCIPLES OF THE SCHEME

In order to further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding talents, fully raise the enthusiasm of the Company's executive directors and senior management, effectively bond the interests of shareholders, the Company, and the core team, and ensure that all parties focus on the Company's long-term development, under the premise of fully protecting shareholders' interests, in accordance with the principle of equal returns and contributions, and based on the Company Law of the People's Republic of China (hereinafter referred to as the Company Law), the Securities Law of the People's Republic of China (hereinafter referred to as the Securities Law), the Administrative Measures for Equity Incentives of Listed Companies (hereinafter referred to as the Administrative Measures) and other relevant laws, regulations, normative documents, and the provisions of the Company's Articles of Association, the 2025 Restricted A Share Incentive Scheme (hereinafter referred to as the Incentive Scheme or Scheme) is formulated.

III. SOURCE OF THE UNDERLYING SHARES INVOLVED IN THE SCHEME

The incentive tool adopted in this Incentive Scheme is A-share restricted shares, which come from the A-share ordinary shares that the Company will repurchase from the secondary market.

IV. NUMBER OF UNDERLYING SHARES INVOLVED IN THIS SCHEME

The number of restricted shares proposed to be granted to the Incentive Participants under this Incentive Scheme will not exceed 2,578,000 shares, representing approximately 0.1240% of the Company's total share capital of 2,078,995,649 shares as of the announcement date of the draft Scheme.

As of the announcement date of this draft Scheme, the total number of underlying shares involved under all equity incentive schemes of the Company during the validity period has not exceeded 10% of the Company's total share capital. The number of shares of the Company granted to any Participant of this Incentive Scheme under all equity incentive schemes during the validity period does not exceed 1% of the Company's total share capital.

V. BASIS, SCOPE OF PARTICIPANTS AND ALLOCATION UNDER THIS SCHEME**A. Basis for Determining Participants****1. *Legal basis for determining Incentive Participants***

The Incentive Participants under this Incentive Scheme are determined in accordance with the Company Law, the Securities Law, the Administrative Measures and other relevant laws, regulations, normative documents, as well as the relevant provisions of the Company's Articles of Association, taking into account the actual circumstances of the Company.

2. *Basis for determining the position of the Incentive Participants*

The Incentive Participants of this Scheme shall be the executive directors and senior management personnel employed by the Company. The list of persons who fall into the scope of Participants of this Scheme shall be formulated by the Remuneration and Assessment Committee, and reviewed and adopted by the Board of Directors of the Company. If it requires approval from the Shareholders, then relevant procedures must also be followed.

B. Scope of Participants

The Incentive Participants under this Incentive Scheme shall be no more than 11, representing approximately 0.05% of the Company's total registered employees of 20,174 as of 31 December 2024, including the Company's executive directors and senior management personnel.

The Incentive Participants covered by this Scheme do not include independent directors, supervisors, shareholders or actual controllers who individually or collectively hold 5.00% or more of the Company's shares, nor their spouses, parents, or children.

The executive directors and senior management personnel of the Company who are Incentive Participants must be elected by the Company's Shareholders or appointed by the Board of Directors. Each Incentive Participant must have an employment or service relationship with the Company at the time the Company grants A-share restricted shares and during the validity period of this Scheme.

C. Allocation of restricted shares granted to participants

The allocation of restricted shares granted under this Scheme among the Incentive Participants is shown in the following table:

Name	Position	Number of restricted shares granted (in 10,000 shares)	Proportion of the total number of restricted shares granted under this Scheme	Proportion of the Company's total share capital as of the announcement date of this Scheme
Li Yeqing [#]	Executive Director and President	91.59	35.53%	0.044%
Chen Qian	Chief Financial Officer and Vice President	17.86	6.93%	0.009%
Liu Fengshan [#]	Executive Director and Vice President	16.77	6.51%	0.008%
Du Ping	Vice President	17.05	6.61%	0.008%
Mei Xiangfu	Vice President	17.05	6.61%	0.008%
Yang Hongbing	Vice President	16.50	6.40%	0.008%
Xu Gang	Vice President	17.86	6.93%	0.009%
Wang Jiajun	Vice President	16.77	6.51%	0.008%
Ye Jiaxing	Board Secretary and Vice President	16.77	6.51%	0.008%
Lu Guobing	Vice President	14.07	5.46%	0.007%
Tang Jun	Vice President	15.51	6.02%	0.007%
Total		257.80	100%	0.1240%

Notes:

- # are the Company's executive directors, all of whom are involved in the Company's daily operations. When the Board of Directors deliberates on this Scheme and related proposals, the director(s) concerned shall abstain from voting; during the implementation of this Scheme, the director(s) shall not participate in administration of the Scheme.

2. None of the Incentive Participants mentioned above has been granted company shares exceeding 1.00% of the Company's total share capital at the time of the announcement of this draft Scheme under all valid equity incentive Scheme. The total number of underlying shares involved in all valid incentive schemes of the Company shall not exceed 10.00% of the Company's total share capital at the time of the announcement of this draft Scheme.
3. Any mismatch between the total value in the above table and the sum of the individual values, if any, will be due to rounding.

VI. GRANT PRICE AND DETERMINATION METHOD OF A-SHARE RESTRICTED SHARES UNDER THIS SCHEME

A. Grant price of restricted shares

The grant price under this Scheme is RMB9.24 per share, meaning that each Incentive Participant may purchase the Company's A-shares repurchased by the Company from secondary market upon the satisfaction of the grant conditions at RMB9.24 per share.

B. Method for determining the grant price of restricted shares

The grant price of restricted shares shall not be lower than the nominal value of the shares, nor lower than the higher of the following prices:

1. 50% of the average trading price of the A-shares on the trading day preceding to the announcement of this draft Scheme (total trading amount of the preceding trading day/total trading volume of the preceding trading day) at RMB18.48 per share, which is RMB9.24 per share;
2. 50% of the average trading price of the A-shares for the 120 trading days prior to the announcement of this draft Scheme (total trading amount of the 120 prior trading days/total trading volume of the 120 prior trading days) at RMB15.54 per share, which is RMB7.77 per share.

VII. THE VALIDITY PERIOD, GRANT DATE, LOCK-UP PERIOD, UNLOCKING ARRANGEMENT AND LOCK-UP PERIOD OF THIS SCHEME

A. Validity period of this Scheme

The validity period of this Scheme shall commence on the date of completion of the registration of the granted A-share restricted shares and shall continue until the date on which all the A-share restricted shares granted to the Incentive Participants is unlocked or repurchased and canceled, with a maximum duration not exceeding 60 months.

B. Grant date of this Scheme

The Company will grant A-share restricted shares to the Incentive Participants after this Incentive Scheme and related proposals are approved by the Company's Shareholders and the relevant proposals under this Incentive Scheme have been further reviewed and approved by the Board of Directors. The Grant Date shall be determined by the Board of Directors and must be an A-share trading day. The Company shall grant and complete the registration within 60 days from the date on which the Shareholders approves this Incentive Scheme and the grant conditions of A-share restricted share are fulfilled. If the Company fails to complete the aforementioned work within the specified period, it shall promptly disclose the reasons for such failure and terminate the implementation of this Incentive Scheme. The ungranted A-share restricted stocks shall become invalid, and the Company shall not reconsider any equity incentive scheme within three months.

The Company shall not grant A-share restricted shares during the following periods:

1. On the day of the announcement of periodic reports or performance reports and within 30 days (or 60 days in the case of disclosing an annual report or annual performance report) prior to such announcement. If the date of the periodic report or performance report is postponed for special reasons, the period shall be from 30 or 60 days before the originally scheduled announcement date to the postponed release date of the periodic report or performance report;
2. 5 days prior to the release of performance forecast or performance briefs;
3. during the decision-making process for major transactions or significant matters of the Company, up to the disclosure date in accordance with applicable laws, administrative regulations, and the rules of the stock exchange where the Company's shares are listed;
4. the Company has any undisclosed inside information;
5. from the date of occurrence or the commencement of the decision-making process for other major events that may significantly affect the trading price of the Company's shares and their derivatives, until the date of disclosure in accordance with applicable laws, administrative regulations, and the rules of the stock exchange where the Company's shares are listed;
6. other periods specified by the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Securities and Futures Commission, and the Hong Kong Stock Exchange.

The above periods during which the Company is not permitted to grant A-share restricted shares shall not be counted within the aforementioned 60-day period.

The aforementioned “major transactions”, “significant matters” and “major events that may significantly affect the trading price of the Company’s shares and their derivatives” refer to transactions or other major matters that should be disclosed in accordance with applicable laws, administrative regulations and the rules of the stock exchange where the Company’s shares are listed.

C. The lock-up period and unlocking arrangements under this Scheme

The lock-up period for the A-share restricted shares granted under this Scheme shall be 36 months and 48 months respectively from the date of registration completion for the corresponding portion of the grant. The Incentive Participants shall not transfer, use as collateral, or repay debts with the A-share restricted shares granted under this Incentive Scheme before unlocking.

During the lock-up period, the cash dividends received by the Incentive Participants in respect of the granted A-share restricted shares shall be held by the Company and paid to the Incentive Participants as payable dividends upon the unlocking; if the unlocking cannot be done in accordance with this Incentive Scheme, the cash dividends corresponding to the restricted shares that cannot be unlocked shall be reclaimed by the Company.

The shares obtained by the Incentive Participants from the granted A-share restricted shares due to capitalisation of capital reserves, bonus issue, or stock splits shall also be subject to the lock-up, and shall not be traded on the secondary market or otherwise transferred, and shall be subject to the same lock-up period as the corresponding restricted shares. If the Company repurchases the restricted shares that have not yet been unlocked, such shares shall also be repurchased together with the restricted shares.

If the conditions for unlocking are not met in the current period, the restricted shares shall not be unlocked or the unlocking of which shall be deferred to the next period. After the expiry of the lock-up period, the Company shall process the unlocking for the Incentive Participants who meet the unlocking conditions, and the restricted shares held by those who do not meet the conditions shall be repurchased by the Company.

The unlocking period and unlocking schedule for each phase of the A-share restricted shares granted under this Incentive Scheme are as follows:

Unlocking Arrangement	Unlocking Schedule	Maximum proportion of restricted shares eligible for unlocking in the restricted shares granted under this Scheme
First Unlocking Period	From the first trading day after 36 months from the completion of the registration of the granted restricted shares to the last trading day within 48 months from the completion of the registration of the granted restricted shares	50%
Second Unlocking Period	From the first trading day after 48 months from the completion of the registration of the granted restricted shares to the last trading day within 60 months from the completion of the registration of the granted restricted shares	50%

For the restricted shares that have not been applied for unlocking within the agreed period or cannot be applied for unlocking due to failing to meet the unlocking conditions, the Company shall repurchase and cancel the corresponding restricted shares that have not yet been unlocked in accordance with the principles stipulated in this Scheme.

D. Lock-up Period

The lock-up restrictions under this Scheme shall be subject to the Company Law, the Securities Law, and other applicable laws, administrative regulations, normative documents, and the Articles of Association, with specific provisions as follows:

1. For Incentive Participants who are directors or senior management of the Company, the shares they may transfer annually during their tenure shall not exceed 25% of their total shareholding in the Company; they may not transfer any share of the Company they hold within six months after their resignation.

2. For Incentive Participants who are directors or senior management of the Company, if they sell the Company's shares within six months after the purchase thereof or repurchase the Company's shares within six months after the sale thereof, the resulting profits shall belong to the Company and shall be recovered by the Board of Directors of the Company.
3. Incentive Participants reducing their holdings of the Company's shares must also comply with laws, administrative regulations, the Interim Measures for the Management of Share Reduction by Shareholders of Listed Companies administered by China Securities Regulatory Commission, the Self-Regulatory Guidelines for Listed Companies No. 15 — Share Reduction by Shareholders, Directors, Supervisors and Senior Management administered by Shanghai Stock Exchange, and the rules of the stock exchange where the Company's shares are listed.
4. During the validity period of this Scheme, in case of any changes to relevant provisions on the transfer of shares held by directors and senior management under the Company Law, the Securities Law, and other applicable laws, administrative regulations, normative documents and the Articles of Association, the transfer of shares by such Participants shall comply with the then-effective provisions of the Company Law, the Securities Law, and other relevant laws, administrative regulations, normative documents and the Articles of Association at the time of transfer.

VIII. CONDITIONS FOR GRANT AND UNLOCKING OF A-SHARE RESTRICTED SHARES UNDER THIS SCHEME

A. Conditions for granting restricted shares

When all the following grant conditions are met, the Company shall grant restricted shares to the Incentive Participants. Conversely, if any of the following grant conditions is not satisfied, the Company shall not grant restricted shares to the Incentive Participants.

1. The Company has not encountered any of the following circumstances:
 - (1) The financial accounting report for the most recent fiscal year received an adverse opinion or a disclaimer of opinion from a certified public accountant;
 - (2) The internal control of the financial report for the most recent fiscal year has been issued an adverse opinion or a disclaimer of opinion by a certified public accountant;

- (3) In the 36 months following the listing, there has been an instance where profit distribution was not conducted in compliance with laws, regulations, the Company's Articles of Association, or public commitments;
 - (4) Where laws and regulations prohibit the implementation of equity incentives;
 - (5) Other circumstances as determined by the China Securities Regulatory Commission.
2. The Participant has not been involved in any of the following circumstances:
- (1) In the past 12 months, having been deemed unsuitable by the stock exchange;
 - (2) In the past 12 months, having been deemed unsuitable by the China Securities Regulatory Commission and its local offices;
 - (3) In the past 12 months, having been subject to administrative penalties or market entry bans imposed by the China Securities Regulatory Commission and its local offices due to significant violations of laws and regulations;
 - (4) Having circumstances stipulated by the Company Law that prohibit serving as a company director or senior management personnel;
 - (5) Where laws and regulations prohibit participation in equity incentives of listed companies;
 - (6) Other circumstances as determined by the China Securities Regulatory Commission.

B. Conditions for unlocking restricted shares

During the unlocking period, the restricted shares granted to a Participant may only be unlocked when all the following conditions are met:

1. The Company has not encountered any of the following circumstances:
- (1) The financial accounting report for the most recent fiscal year received an adverse opinion or a disclaimer of opinion from a certified public accountant;
 - (2) The internal control of the financial report for the most recent fiscal year has been issued an adverse opinion or a disclaimer of opinion by a certified public accountant;

- (3) In the 36 months following the listing, there has been an instance where profit distribution was not conducted in compliance with laws, regulations, the Company's Articles of Association, or public commitments;
 - (4) Where laws and regulations prohibit the implementation of equity incentives;
 - (5) Other circumstances as determined by the China Securities Regulatory Commission.
2. The Participant has not been involved in any of the following circumstances:
- (1) In the past 12 months, having been deemed unsuitable by the stock exchange;
 - (2) In the past 12 months, having been deemed unsuitable by the China Securities Regulatory Commission and its local offices;
 - (3) In the past 12 months, having been subject to administrative penalties or market entry bans imposed by the China Securities Regulatory Commission and its local offices due to significant violations of laws and regulations;
 - (4) Having circumstances stipulated by the Company Law that prohibit serving as a company director or senior management personnel;
 - (5) Where laws and regulations prohibit participation in equity incentives of listed companies;
 - (6) Other circumstances as determined by the China Securities Regulatory Commission.

If the Company encounters any of the circumstances specified in Clause 1 above, all Participants shall have their restricted shares, which have been granted but not yet unlocked, repurchased and canceled by the Company at the grant price. If any Participant encounters any of the circumstances specified in Clause 2 above, the restricted shares granted to that Participant under this Scheme but not yet unlocked shall be repurchased and canceled by the Company at the grant price.

3. Company-level performance assessment requirements

The performance targets corresponding to the first and second unlocking periods will be uniformly determined based on the assessment results at the end of the 2027 fiscal year.

(1) Assessment indicators and requirements

The assessment indicators are “relative total shareholder return” and “compound annual growth rate of earnings per share”.

① *Relative total shareholder return*

Assessment Indicators	Relative Total Shareholder Return Percentile		
	Threshold	Target	Challenge
First Unlocking Period	60th percentile	75th percentile	90th percentile
Second Unlocking Period			

Note 1: Total Shareholder Return (TSR) = (Closing Stock Price – Opening Stock Price + Dividends Paid During the Period)/Opening Stock Price, where: the Closing Stock Price is calculated based on the average closing price of trading days from 1 November 2027 to 29 February 2028; the Opening Stock Price is calculated based on the average closing price of trading days from 1 November 2024 to 28 February 2025; Dividends Paid During the Period refer to the cumulative dividends actually distributed from 1 January 2025 to 31 December 2027; the calculation is adjusted for stock splits and dividends at the period end.

Note 2: Relative Total Shareholder Return Composite Percentile = A-share Benchmark Group Percentile × A-share Weight + Overseas Share Benchmark Group Percentile × Overseas Share Weight, where the weights for A-shares and overseas shares are 65% and 35%, respectively.

“Relative Total Shareholder Return” employs a benchmarking method that compares against the percentile level of the peer group.

As a leading enterprise in the building materials industry listed on both the A-share and Hong Kong stock markets, the Company’s core business is the production and sale of cement, while also covering related upstream and downstream operations such as concrete and aggregates. Leveraging its global presence, the Company is expanding its overseas cement and innovative building materials businesses. According to the China Securities Industry Classification, the Company operates in the building materials sector. Considering core characteristics such as specific product segments, domestic and overseas production capacity, regional market size, and business models, the Company has selected listed companies with comparable main operations and business models to accurately reflect its dual-listing platform attributes and global development strategy. The benchmark group comprises two subsets: the “Overseas Share Benchmark Group” and the “A-Share Benchmark Group”. Specifically, the Overseas Share Benchmark Group includes nine leading cement companies listed in H-share market (including Huaxin Cement) and globally prominent

cement firms. The A-Share Benchmark Group consists of twelve leading cement and building materials companies listed on the A-share market (including Huaxin Cement).

② *Compound annual growth rate of earnings per share*

Assessment Indicators	Compound Annual Growth Rate of Earnings Per Share for 2027 Compared to 2024		
	Threshold	Target	Challenge
First Unlocking Period	3%	5%	7%
Second Unlocking Period			

Note 1: Earnings per share = (Net profit $\pm$ Post-tax gains and losses from the Company's disposal of assets $\pm$ Post-tax impairment of goodwill and long-term assets)/Weighted average number of shares outstanding.

(2) *Calculation of assessment scores*

Company-level performance assessment score = Σ (Assessment indicator score $\times$ Assessment indicator weight), where the scoring criteria and weights for each assessment indicator are as follows:

Scoring Criteria for Each Indicator	Assessment Indicator Score
$X < \text{Threshold}$	0
$X = \text{Threshold}$	25
$\text{Threshold} < X < \text{Target}$	$25 + [(\text{Actual value of assessment indicator} - \text{Threshold}) / (\text{Target} - \text{Threshold})] \times (50 - 25)$
$X = \text{Target}$	50
$\text{Target} < X < \text{Challenge}$	$50 + [(\text{Actual value of assessment indicator} - \text{Target}) / (\text{Challenge} - \text{Target})] \times (100 - 50)$
$X \geq \text{Challenge}$	100

Assessment Indicators	Weighting
Relative total shareholder return	50%
Compound annual growth rate of earnings per share	50%

(3) Assessment score and unlocking ratio

The relationship between the Company-level performance assessment score and the corresponding annual unlocking ratio is:

Annual unlocking ratio = Company-level performance assessment score/100

The Company will determine the unlocking ratio based on the specified assessment targets and calculation method. All A-share restricted shares held by the Incentive Participants not qualified for unlocking in the current assessment year shall be repurchased and canceled by the Company at a repurchase price equivalent to the sum of the grant price and the corresponding bank deposit interest for the same period.

(4) Personal performance evaluation requirements

Provided that the Company-level performance assessment meets the required standards, in accordance with the Company's relevant remuneration and assessment regulations, the average personal annual performance assessment result of the Participant during the three-year performance period of this Scheme must reach or exceed 0.8 for unlocking in accordance with the unlocking ratio stipulated in this Scheme. If the target is not met (i.e., below 0.8), the granted A-share restricted shares eligible for unlocking under the Scheme will not be unlocked. The restricted shares that cannot be unlocked will be repurchased and canceled by the Company at a repurchase price equal to the sum of the grant price and the corresponding bank deposit interest for the same period.

C. Explanation of the scientific and rational basis of the assessment indicators

The assessment indicators for unlocking of the Company's restricted shares are divided into two levels: company-level performance assessment and personal performance evaluation.

Company-level performance indicators are "Relative Total Shareholder Return" and "Compound Annual Growth Rate of Earnings Per Share". The relative total shareholder return (TSR) indicator is a core indicator of shareholder returns, which intuitively reflects the Company's comprehensive competitiveness in the capital market and its level of return to shareholders, while being highly aligned with the shareholder value management requirements of the Company's dual "A + H" listing platform. The compound annual growth rate (CAGR) of earnings per share serves as a key indicator of both the quality and pace of the Company's profitability, directly demonstrating its capacity for sustained profit growth, and objectively reflects the Company's tangible achievements in core operational areas including core business operations, cost control and market expansion, which aligns with the Company's strategic objective to become a globally leading multinational building materials enterprise. The aforementioned

target level was set by the Board of Directors following a comprehensive review, taking into account the Company's current strategic plans, core business objectives and industry development trends. The assessment indicators set in this Scheme are highly challenging while ensuring scientific rigour and rationality. On the one hand, they help to fully raise the work enthusiasm and creativity of the Incentive Participants. On the other hand, they can effectively guide the Incentive Participants to focus on the Company's future strategic development direction, ensure the stable achievement of the Company's business objectives, and ultimately achieve long-term win-win outcomes for the Company, its shareholders, and Participants.

In addition to the company-level performance assessment, the Company has also established rigorous individual performance assessment indicators, enabling a relatively accurate and comprehensive assessment of the work performance of the Incentive Participants. The Company will determine whether the Incentive Participants meet the unlocking conditions based on their performance assessment results from the previous year.

In summary, the assessment system of the Company's current Scheme is comprehensive, challenging, and operable. The setting of assessment indicators demonstrates sound scientific rigour and rationality, while also exerting a binding effect on the Incentive Participants, thereby achieving the intended objectives of this Incentive Scheme.

IX. ADJUSTMENT METHODS AND PROCEDURES FOR THIS SCHEME

A. Adjustment method for the number of A-share restricted shares

If, between the announcement date of this Scheme and the completion of the registration of A-share restricted shares by the Incentive Participants, the Company undergoes actions such as capital reserve conversion into share capital, bonus issue, stock splits, rights issues, or share consolidation, the number of restricted shares shall be adjusted accordingly. The adjustment method is as follows:

1. *Capital reserve converted into share capital, bonus issue, stock split*

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 is the number of restricted shares before adjustment; n is the ratio of capital reserve converted into share capital, bonus issue, or share split per share (i.e., the number of additional shares resulting from the capitalisation, bonus issue, or split per share); Q is the number of restricted shares after adjustment.

2. *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 is the number of restricted shares before adjustment; P_1 is the closing price on the record date; P_2 is the allotment price; n is the allotment ratio (i.e., the ratio of the number of shares allotted to the total share capital of the Company prior to the allotment); Q is the number of restricted shares after adjustment.

3. *Share consolidation*

$$Q = Q_0 \times n$$

Where: Q_0 is the number of restricted shares before adjustment; n is the consolidation ratio (i.e., n shares from share consolidation for each the Company's shares); Q is the number of restricted shares after adjustment.

4. *Secondary issue, dividend distribution*

In the event of secondary issue of shares or dividend distribution, the number of restricted shares will not be adjusted.

B. Method for adjusting the grant price of A-Share restricted shares

If, during the period from the announcement date of this Scheme to the completion of the registration of A-share restricted shares by the Incentive Participants, the Company undergoes capital reserve to share capital conversion, bonus issue, stock split, rights issue, stock consolidation, or dividend distribution, the grant price of the restricted share shall be adjusted accordingly. The adjustment method is as follows:

1. *Capital reserve converted into share capital, bonus issue, stock split*

$$P = P_0 \div (1 + n)$$

Where: P_0 is the grant price before adjustment; n is the ratio of capital reserve converted into share capital, bonus issue, or stock split per share; P is the adjusted grant price.

2. *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 is the grant price before adjustment; P_1 is the closing price on the record date; P_2 is the rights issue price; n is the ratio of the rights issue (i.e., the ratio of the number of shares issued to the total share capital of the Company prior to the rights issue); P is the adjusted grant price.

3. *Share consolidation*

$$P = P_0 \div n$$

Where: P_0 is the grant price before adjustment; n is the share consolidation ratio; P is the adjusted grant price.

4. *Dividend distribution*

$$P = P_0 - V$$

Where: P_0 is the grant price before adjustment; V is the dividend per share; and P is the adjusted grant price. After the dividend adjustment, P must still be greater than 1.

5. *Secondary issue*

In the event of secondary issue of shares, the grant price of restricted stock will not be adjusted.

C. Procedures for adjustment of this Scheme

The Company's Shareholders authorises the Board of Directors to adjust the number and grant price of A-share restricted shares when the aforementioned situations arise. The Company should engage a law firm to provide professional advice to the Board of Directors on whether the aforementioned adjustments comply with the Administrative Measures, the Articles of Association, and the provisions of this Scheme. After the adjustment Scheme has been reviewed and approved by the Board of Directors, the Company shall promptly disclose the Board's resolution announcement, along with the legal opinion from the law firm.

X. IMPLEMENTATION PROCEDURES FOR THIS SCHEME

A. The effective procedures of this Scheme

1. The Remuneration and Assessment Committee of the Board of Directors is responsible for drafting this Scheme and submitting it to the Board of Directors for review.
2. When the Board of Directors reviews this Scheme, directors who are proposed as Participants or have an associated relationship with them shall abstain from voting. The Remuneration and Assessment Committee of the Board of Directors shall provide its verification opinions on whether this Scheme is conducive to the Company's sustainable development and whether there are any circumstances that significantly harm the interests of the Company and all of its shareholders.
3. Within two trading days after the Board of Directors reviews and approves this Scheme, the board resolution, summary of the Scheme, and the opinions of the Remuneration and Assessment Committee of the Board of Directors shall be announced.

4. The Company engages a law firm to issue a legal opinion on this Scheme and discloses it.
5. The Company issues a notice to convene a general meeting.
6. Before the Company holds a general meeting, it will publish the names and positions of the Incentive Participants within the Company via its website or other channels (the publicity period must be no less than 10 days). The Remuneration and Assessment Committee of the Board of Directors shall review the list of Participants and fully consider the public feedback. The Company shall disclose the explanation of the Remuneration and Assessment Committee of the Board of Directors regarding the review and public notice of the list of Participants five days prior to the consideration of this Scheme at the general meeting.
7. The Company conducts a self-check on the trading activities of insiders in relation to the Company's shares and their derivatives within six months prior to the announcement of this Scheme, to determine whether any insider trading has occurred.
8. The Shareholders will review this Scheme via general meeting conducted through a combination of on-site and online voting (note: online voting applies only to A-share shareholders). Approval requires a two-thirds (2/3) or greater majority of the voting rights held by shareholders present at the meeting. The voting results of shareholders other than the Company's directors, supervisors, senior management personnel, and those individually or collectively holding more than 5% of the Company's shares shall be separately counted and disclosed. Shareholders proposed as Participants or those with associated relationships should abstain from voting.
9. When the Shareholders reviews and approves this Scheme and the grant conditions specified in this Scheme are met, the Company shall grant A-share restricted stocks to the Incentive Participants within the specified timeframe. After being authorised by the Shareholders, the Board of Directors is responsible for granting, adjusting, unlocking, and repurchasing and canceling restricted shares.

B. The granting procedure for A-share restricted shares under this Scheme

1. Upon approval of this Scheme by the Shareholders, the Board of Directors shall confirm the grant date and make an announcement accordingly. The Board of Directors shall review whether the grant conditions set out in this Scheme have been satisfied, and the Remuneration and Assessment Committee of the Board of Directors shall concurrently issue a clear opinion thereon. The law firm shall issue a legal opinion on whether the grant

conditions have been satisfied. On the grant date, the Remuneration and Assessment Committee of the Board of Directors shall verify the list of Participants and give its opinion.

2. If there is a discrepancy between the Company's grant of A-share restricted shares to the Incentive Participants and the arrangements under this Scheme, both the Remuneration and Assessment Committee of the Board of Directors and the law firm shall issue their clear opinion at the same time.
3. Within 60 days from the date on which the Shareholders approves this Scheme and the grant conditions are satisfied, the Company shall convene a board meeting and make the grant in accordance with the relevant regulations, completing procedures such as announcements and registration. If the Company fails to complete the aforementioned tasks within the specified period, it shall promptly disclose the reasons for such failure, terminate the implementation of this Scheme, and shall not reconsider the equity incentive scheme within three months. The period during which A-share restricted shares cannot be granted under the Administrative Measures and other applicable laws and regulations shall not be counted within the aforementioned 60 days.
4. After the Shareholders approves this Scheme, the Board of Directors shall handle the specific matters regarding the granting of A-share restricted shares in accordance with the authorities given by the Shareholders, and the Company shall enter into grant agreements with the Incentive Participants in accordance with this Scheme. The grant date must be an A-share trading day.
5. Before the granting of restricted shares, the Company must apply to the stock exchange. Upon confirmation by the stock exchange, the securities depository and clearing institution will process the registration and settlement procedures.
6. The Incentive Participants shall pay the funds for subscribing to the A-share restricted stocks into the Company's designated account as required, subject to verification by a certified public accountant. Otherwise, it shall be deemed that the Incentive Participants have waived their right to subscribe to the granted restricted shares. Participants must not transfer their subscription rights to others.

C. Procedures for unlocking A-share restricted shares under this Scheme

1. Prior to the unlocking, the Company shall verify whether the Incentive Participants meet the unlocking conditions. The Company's Board of Directors shall review whether the restricted shares held by the Incentive Participants meet the unlocking conditions, and the Remuneration and Assessment Committee of the Board of Directors shall issue a clear opinion. The law firm shall issue a legal opinion on whether the unlocking conditions

are met for the shares held by the Incentive Participants. For restricted shares that meet the unlocking conditions, the Company shall process the unlocking uniformly. For restricted shares that do not meet the conditions, the Company shall repurchase and cancel them. The Company shall promptly disclose the relevant implementation status.

2. Participants may transfer restricted shares that have been unlocked, but the transfer of shares held by the Company's directors and senior management shall comply with applicable laws, administrative regulations, and regulatory documents.
3. Before the restricted shares are unlocked, the Company shall apply to the Shanghai Stock Exchange. Upon confirmation by the Shanghai Stock Exchange, the securities depository and clearing company shall process the registration and settlement matters.

D. Procedures for amending and terminating this Scheme

1. Amendment procedures for this Scheme

- (1) If the Company intends to amend this Scheme before it is reviewed by the Shareholders, the amendment must be approved by the Board of Directors.
- (2) Except for matters authorised by the Shareholders to the Board of Directors, any changes to this Scheme after its approval by the Shareholders must be reviewed and decided by the Shareholders and shall not include:
 - ① Circumstances leading to the early unlocking;
 - ② Circumstances resulting in a reduction of the grant price.
- (3) If the granting of A-share restricted shares to Participants is approved by the Company's Board of Directors' Remuneration and Assessment Committee, the Board of Directors, and/or the Shareholders (as applicable), any subsequent modifications to the terms of the A-share restricted stocks must also be approved by the Board of Directors' Remuneration and Assessment Committee, the Board of Directors, and/or the Shareholders (as applicable). If the changes automatically take effect under the existing terms of this Scheme, the above provisions shall not apply.
- (4) Any changes to the Board of Directors' authority to amend the terms of this Scheme must be approved by the Shareholders.

- (5) The revised terms of this Scheme shall comply with the relevant provisions of Chapter 17 of the Listing Rules of the Stock Exchange.
- (6) The Remuneration and Assessment Committee of the Board of Directors shall issue its opinion on whether the amended Scheme is conducive to the Company's sustainable development and whether there is any significant detriment to the interests of the Company and its shareholders. The law firm shall provide its professional opinion on whether the amended Scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there is any material detriment to the interests of the Company and its shareholders.

2. *Termination procedure for this Scheme*

- (1) If the Company intends to terminate the implementation of this Scheme before it is reviewed by the Shareholders, it must be approved by the Board of Directors.
- (2) If the Company terminates the implementation of this Scheme after it has been reviewed and approved by the Shareholders, the decision shall be made by the Shareholders.
- (3) The law firm shall provide its professional opinion on whether the Company's termination of this Scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there is any material detriment to the interests of the Company and its shareholders.
- (4) If the Shareholders or the Board of Directors passes a resolution to terminate the implementation of this Scheme, the equity incentive scheme may not be reconsidered within three months from the date of the announcement of resolution.
- (5) Upon termination of this Scheme, the Company shall repurchase the A-share restricted shares that have not yet been unlocked and handle relevant matters in accordance with the provisions of the Company Law.
- (6) Before the Company repurchases restricted shares, it must submit an application to the Shanghai Stock Exchange. Upon confirmation by the Exchange, the securities depository and clearing company will process the relevant registration and settlement procedures.

XI. RIGHTS AND OBLIGATIONS OF THE COMPANY AND PARTICIPANTS**A. The Company's rights and obligations**

1. The Company has the right to interpret and implement this Scheme and shall conduct individual performance evaluations on the Incentive Participants in accordance with the provisions herein. Should any Participant fail to meet the conditions for unlocking as stipulated in this Scheme, the Company shall repurchase and cancel the corresponding restricted shares that remain subject to lock-up in accordance with the terms of this Scheme.
2. If any Participant seriously damages the interests or reputation of the Company due to violations of laws, breaches of professional ethics, disclosure of company secrets, dereliction of duty, or other misconduct, the Company shall have the right to repurchase and cancel the restricted shares held by the Participant that have not yet been unlocked. For severe circumstances, the Company may also seek compensation for the losses incurred in accordance with the relevant laws and regulations.
3. The Company shall withhold and remit the individual income tax and other applicable taxes payable by the Incentive Participants in accordance with national tax laws and regulations.
4. The Company undertakes not to provide loans or any other form of financial assistance to the Incentive Participants for obtaining the relevant restricted shares under this Scheme, including providing guarantees for their loans.
5. The Company shall promptly fulfil the obligations of reporting and information disclosure under this Scheme in accordance with the relevant regulations, and undertakes that the relevant information disclosure documents of this Scheme do not contain any false records, misleading statements or material omissions.
6. The Company shall actively cooperate with the Incentive Participants who meet the conditions for unlocking in accordance with this Scheme and the relevant regulations of the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, and the securities depository and clearing company. However, if the Incentive Participants are unable to unlock as intended and suffer losses due to reasons attributable to the China Securities Regulatory Commission, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, or the securities depository and clearing company, the Company shall not be held liable.
7. The Company's determination of the Incentive Participants under this Scheme does not imply that the Incentive Participants have the right to continue serving the Company, nor does it constitute a commitment by the Company regarding the employment period of the employees. The

employment relationship between the Company and the employees shall still be governed by the labour contract or appointment documents signed between the Company and the Incentive Participants.

8. Other relevant rights and obligations stipulated by laws and regulations.

B. Rights and obligations of Participants

1. The Incentive Participants shall diligently and responsibly perform their duties in accordance with the requirements of their appointed positions, adhere to professional ethics, and make due contributions to the Company's development.
2. After registration and transfer by the securities depository and clearing company, the Incentive Participants shall enjoy the shareholder rights of the A-share restricted shares granted to them.
3. The source of funds for the Incentive Participants shall be self-raised by the Incentive Participants.
4. The A-share restricted shares granted to the Incentive Participants shall not be transferred, used as collateral, or utilised to repay debts prior to the unlocking.
5. The income received by the Incentive Participants under this Scheme shall be subject to personal income tax and other taxes and fees in accordance with national tax regulations.
6. The Incentive Participants undertake that, during the implementation of this Scheme, in case of any event which disqualify the Incentive Participants' eligibility under this Scheme, they shall waive all entitlements to their participation in this Scheme as of the year of such disqualification, and shall not claim against the Company for any compensation in any form; however, the restricted shares held by the Incentive Participants eligible for vesting upon application shall remain effective, and all restricted shares not yet confirmed as eligible for vesting shall be canceled and forfeited.
7. The Incentive Participants undertake that if the Company fails to meet the grant or exercise arrangements due to false records, misleading statements, or material omissions in the information disclosure documents of this Scheme, the Incentive Participants shall return all benefits obtained under this Scheme to the Company once the relevant information disclosure documents are confirmed to contain false records, misleading statements, or material omissions.

8. After consideration and adoption of this Scheme by the Company at its general meeting, the Company will enter into a Restricted Shares Grant Agreement with each Participant, specifying the rights and obligations of parties thereto and other relevant matters under this Scheme.
9. Other relevant rights and obligations stipulated by laws and regulations.

XII. HANDLING OF CHANGES INVOLVING THE COMPANY AND PARTICIPANTS

A. Handling of company changes

1. If the Company encounters any of the following circumstances, this Scheme shall be terminated. The A-share restricted shares granted to the Incentive Participants but not yet unlocked shall not be unlocked, and shall be repurchased and canceled by the Company as provided.
 - (1) The financial accounting report for the most recent fiscal year received an adverse opinion or a disclaimer of opinion from a certified public accountant;
 - (2) The internal control of the financial report for the most recent fiscal year has been issued an adverse opinion or a disclaimer of opinion by a certified public accountant;
 - (3) Failure to distribute profits in accordance with laws, regulations, the Company's Articles of Association, or public commitments within the 36 months following listing;
 - (4) Circumstances where equity incentives are prohibited by laws and regulations;
 - (5) Other circumstances identified by the China Securities Regulatory Commission that require the termination of the incentive Scheme.
2. If the Company encounters any of the following circumstances, this Scheme shall remain unchanged.
 - (1) Change in the Company's control;
 - (2) The Company undergoes a merger or division.
3. If the Company fails to meet the grant conditions or unlocking arrangements of this Scheme due to false records, misleading statements, or major omissions in the information disclosure documents, the restricted shares that have not been unlocked will be repurchased and canceled by the Company at the grant price.

If the A-share restricted shares granted to the Incentive Participants have been unlocked, all Participants shall return the granted benefits they have received. Participants who are not responsible for the aforementioned matters and suffer losses due to the return of benefits may seek compensation from the Company or the responsible party in accordance with the relevant provisions of this Scheme. The Board of Directors shall recover the earnings obtained by the Incentive Participants in accordance with the provisions of the preceding paragraph and the relevant arrangements of this Scheme.

4. If the Company or its stock undergoes changes due to economic conditions, market trends, or other factors, making it difficult to achieve the intended incentive purpose by further implementation of this Scheme, the Scheme may be terminated early with the approval of the Company's Shareholders. In such cases, the A-share restricted shares that have been granted but not yet unlocked shall be repurchased by the Company at the grant price plus the interest on bank deposits for the same period.

B. Changes in the personal circumstances of Participants

1. If the Participant becomes ineligible to participate in this Scheme due to any of the following circumstances, the A-share restricted shares that have been unlocked will remain unchanged, while those that have not been unlocked will be repurchased and canceled by the Company at the grant price:
 - (1) Deemed unsuitable by the stock exchange within the last 12 months;
 - (2) Deemed unsuitable by the China Securities Regulatory Commission and its local offices within the past 12 months;
 - (3) Subject to administrative penalties or market entry bans imposed by the China Securities Regulatory Commission and its local offices for significant violations or non-compliance within the past 12 months;
 - (4) Having circumstances stipulated by the Company Law that prohibit serving as a company director or senior management personnel;
 - (5) Where laws and regulations prohibit participation in equity incentives of listed companies;
 - (6) Other circumstances as determined by the China Securities Regulatory Commission.

2. Change in the position of the Participant
 - (1) If the Participant's position changes but remains within the scope of the incentive scheme, the A-share restricted shares granted to him/her will be processed in full compliance with the procedures stipulated in this Scheme prior to the position change. If the Participant's position changes and he/she is no longer within the scope of the incentive scheme, the A-share restricted shares granted but not yet unlocked shall not be unlocked. These shares will be repurchased and canceled by the Company at the grant price plus the interest on bank deposits for the same period.
 - (2) If the Participant's position changes due to inability to perform job duties, violation of laws, breach of professional ethics, disclosure of company secrets, negligence or dereliction of duty, or other conduct that damages the Company's interests or reputation, or if the Company terminates the employment relationship with the Participant for the aforementioned reasons, the A-share restricted shares granted but not yet unlocked shall not be unlocked, and shall be repurchased and canceled by the Company at the Grant Price. The Participant must pay the personal income tax related to the A-share restricted shares that have been unlocked to the Company before his/her departure. If the Participant causes losses to the Company, he/she shall also be liable for compensation to the Company, and the Company reserves the right to make claims against the Participant.
3. If the Participant leaves due to voluntary resignation, dismissal by the Company, redundancy, termination of the employment relationship, etc., the A-share restricted shares that have been granted but not yet unlocked shall not be unlocked from the date of departure and shall be repurchased and canceled by the Company at the Grant Price. The Participant shall pay the personal income tax related to the unlocked A-share restricted shares before departure.
4. If the Participant is rehired after reaching the retirement age stipulated by the state and the Company, on the date of the occurrence, the A-share restricted shares and dividends that have been granted but not yet unlocked shall remain unchanged and shall continue to be processed in accordance with the procedures stipulated in this Scheme. If there is no individual performance assessment, the individual performance assessment conditions shall no longer be included in the unlocking conditions; if there is an individual performance assessment, it shall remain one of the conditions for unlocking the restricted shares. If the Participant retires but is not rehired by the Company, on the date of the occurrence, the A-share restricted shares and dividends that have been granted but not yet unlocked will remain unchanged and will continue

to be processed in accordance with the procedures stipulated in this Scheme. The personal performance assessment conditions will no longer be included in the unlocking conditions.

5. If the Participant leaves due to loss of working capacity, the following two scenarios shall apply:
 - (1) If the Participant leaves due to loss of working capacity caused by work-related injury, the A-share restricted shares and dividends that have been granted but not yet unlocked shall remain unchanged as of the date of occurrence and shall continue to be processed in accordance with the procedures stipulated in this Scheme. The personal performance assessment conditions will no longer be included in the unlocking conditions.
 - (2) If the Participant leaves due to loss of working capacity not caused by work-related injury, on the date of the occurrence, the A-share restricted shares that have been granted but not yet unlocked shall not be unlocked, and shall be repurchased and canceled by the Company at the grant price plus the interest on bank deposits for the same period.
6. In the event of the death of the Participant, the following two scenarios shall apply:
 - (1) If the Participant dies in the course of performing their duties, on the date of the occurrence, the A-share restricted stocks and dividends of the Participant shall be held by their designated successor of property or legal heir, and shall be processed in accordance with the procedures stipulated in this Scheme as carried out prior to the death, with the personal performance assessment conditions no longer being included in the unlocking conditions.
 - (2) If the Participant dies due to other reasons, on the date of the occurrence, the A-share restricted stocks that have been granted but not yet unlocked shall not be unlocked, and shall be repurchased and canceled by the Company at the grant price plus the interest on bank deposits for the same period.
7. Other unspecified situations shall be determined by the Board of Directors in the manner decided by the Board of Directors.

C. Resolution of disputes between the Company and the Incentive Participants

Any disputes or conflicts arising between the Company and the Incentive Participants in connection with the implementation of this Scheme and/or the A-Share Restricted Share Grant Agreement executed by both parties, or relating to this Scheme and/or the said Agreement, shall be resolved through mutual consultation and

communication, or through mediation by the Remuneration and Assessment Committee of the Company's Board of Directors. Should such negotiations fail, the matter shall be submitted to the competent People's Court in the jurisdiction of the Company's registered address for legal resolution.

XIII. ACCOUNTING TREATMENT OF A-SHARE RESTRICTED SHARES UNDER THIS SCHEME

In accordance with the provisions of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Company shall, on each balance sheet date during the lock-up period, revise the estimated number of restricted shares eligible for unlocking based on the latest information subsequently obtained, including changes in the number of individuals eligible for unlocking and the fulfilment of performance indicators. The services acquired during the period shall be recognised as relevant costs or expenses and capital reserves at the fair value on the grant date of the restricted shares.

1. Accounting method

(1) Grant date

Recognize “bank deposits”, “treasury shares” and “capital reserves” according to the Company's granting of shares to Participants.

(2) Each balance sheet date during the lock-up period

According to accounting standards, on each balance sheet date during the lock-up period, the services obtained in the current period shall be recorded as relevant costs or expenses and capital reserves.

(3) Unlocking date

On the unlocking date, if all the unlocking conditions are met, the lock-up can be fully unlocked; if all or part of the shares are not unlocked and become invalid or void, they shall be handled in accordance with accounting standards and relevant regulations.

2. Fair value and determination method of restricted shares

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the fair value (cost) of each A-share restricted share = A-share market price on the grant date – grant price. Assuming the closing price of RMB18.48 per A-share on the trading day preceding the announcement date of this Scheme as the

market price of A-shares on the grant date, the price is RMB9.24 per share. The final market price of A-shares on the grant date shall be determined by the closing price of A-shares on the actual grant date.

3. Estimated impact of the granting of restricted share on operating performance for each period

The Company grants no more than 2,578,000 restricted shares to the Incentive Participants, and the total expenses to be recognised are expected to be RMB23,821,333.00. These expenses will be amortised in stages according to the unlocking ratio during the implementation of this Scheme. The incentive costs arising from this Scheme will be recorded in the recurring profit and loss.

In accordance with the requirements of Chinese Accounting Standards, assuming the Company grants restricted shares on 30 November 2025, the impact of the A-share restricted shares granted under this Scheme on the accounting costs for each period is shown in the table below:

Year	2025	2026	2027	2028	2029
Expenses to be amortised (in 10,000 CNY)	59.01	694.79	694.79	661.07	272.48

Notes:

1. The above results do not represent the final accounting costs. The actual accounting costs are related to the actual grant date, grant price, market price on the grant date, and the number of grants, as well as the number of rights that actually become effective or invalid. Shareholders are also reminded to note the potential dilution effect.
2. The final impact on the Company's operating results shall be determined based on the annual audit report issued by the accounting firm for the relevant year and the calculated results of the adjustment mechanism specified in this Scheme (if applicable).

Based on information currently available, the early estimation is that, without considering the stimulating effect of this Scheme on the Company's performance, the amortisation of expenses under this Scheme will have some impact on the net profit for each year during the validity period, though the impact will not be significant. Considering the positive impact of this Scheme on the Company's business development, it will motivate the core team, enhance operational efficiency, and reduce agency costs. This Scheme will contribute positively to improving the Company's long-term performance.

**XIV. PRINCIPLES FOR REPURCHASE AND CANCELLATION OF RESTRICTED
A-SHARES UNDER THIS SCHEME**

If the Company repurchases and cancels A-share restricted shares in accordance with the provisions of this Scheme, unless otherwise stipulated herein, the repurchase price shall be no more than the sum of the grant price and the interest on bank deposits for the same period, except where an adjustment to the repurchase price is required under this Scheme.

After the completion of the share registration of the A-share restricted shares granted to the Incentive Participants, if the Company undergoes events such as capital reserve conversion into share capital, bonus issue, stock splits, rights issues, or share consolidations that affect the Company's total share capital or stock price, the Company shall make corresponding adjustments to the quantity and repurchase price of the restricted shares that have not yet been unlocked.

1. Method for adjusting the number of shares to be repurchased***(1) Capital reserve converted into share capital, bonus issue, stock split***

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 is the number of restricted shares before adjustment; n is the ratio of capital reserve converted into share capital, bonus issue, or share split per share (i.e., the number of shares increased per share after conversion, bonus issue, or split); Q is the number of restricted shares after adjustment.

(2) Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 is the number of restricted shares before adjustment; P_1 is the closing price on the record date; P_2 is the rights issue price; n is the ratio of the rights issue (i.e., the ratio of the number of shares offered to the Company's total share capital prior to the rights issue); Q is the number of restricted shares after adjustment.

(3) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 is the number of restricted shares before adjustment; n is the consolidation ratio (i.e., 1 share of the Company's stock is consolidated into n shares); Q is the number of restricted shares after adjustment.

(4) Dividend distribution and secondary issue

In the event of secondary issue the number of restricted shares will not be adjusted.

2. Repurchase price adjustment method***(1) Capital reserve converted into share capital, bonus issue, stock split***

$$P = P_0 \div (1 + n)$$

Where: P is the adjusted repurchase price per restricted share, P_0 is the grant price per restricted share; n is the ratio of capital reserve to share capital increase, bonus issue, or share split per share (i.e., the number of additional shares per share following the capitalisation, bonus issue, or split).

(2) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P is the adjusted repurchase price per restricted share, P_0 is the grant price per restricted share; P_1 is the closing price on the record date; P_2 is the rights issue price; n is the ratio of the rights issue (i.e., the ratio of the number of shares issued to the Company's total share capital prior to the rights issue).

(3) Share consolidation

$$P = P_0 \div n$$

Where: P is the adjusted repurchase price per restricted share, P_0 is the grant price per restricted share; n is the share consolidation ratio per share (i.e., 1 share is consolidated into n shares).

(4) Dividend distribution and Secondary issue

In the event of secondary issue of new shares or dividend distribution, the repurchase price of restricted shares will not be adjusted.

3. Adjustment procedures for repurchase quantity and price

- (1) The Company's Shareholders authorises the Board of Directors to adjust the repurchase quantity and price of restricted shares for the reasons stated above. After the Board of Directors adjusts the repurchase quantity and price in accordance with the above regulations, it shall make an announcement promptly.
- (2) If it is necessary to adjust the repurchase quantity and price of restricted shares for other reasons, a resolution shall be passed by the Board of Directors and approved by the Shareholders.

4. Share repurchase and cancellation procedures

- (1) The Company shall promptly convene a board meeting to review the share repurchase proposal. In accordance with the provisions of the Administrative Measures, if the Board of Directors reviews the restricted share repurchase scheme pursuant to Article 27 of the Administrative Measures, the repurchase scheme shall be submitted to the Shareholders for approval and promptly announced.
- (2) When the Company carries out the repurchase in accordance with the provisions of this Scheme, the provisions of the Company Law shall apply.
- (3) Before implementing the repurchase in accordance with the provisions of this Scheme, the Company shall apply to the Shanghai Stock Exchange for the relevant procedures regarding the cancellation of A-share restricted shares. Upon confirmation by the Shanghai Stock Exchange, the Company shall promptly complete the cancellation procedures with the securities depository and clearing company and make an announcement.

XV. ADDITIONAL PROVISIONS

1. This Scheme shall take effect upon approval by the Company's Shareholders.
2. This Scheme shall be construed and interpreted by the Company's Board of Directors.
3. During the validity period of this Scheme, if the relevant provisions of the Company Law, the Securities Law, the Administrative Measures, or other applicable laws, administrative regulations, normative documents, or the Articles of Association are amended, this Scheme shall be implemented in accordance with the then-effective provisions thereof.

Huaxin Cement Co., Ltd.**Implementation and Assessment Management Measures of
2025 Restricted A Share Incentive Scheme**

To ensure the smooth implementation of the 2025 Restricted A Share Incentive Scheme (hereinafter referred to as the Scheme) of Huaxin Cement Co., Ltd. (hereinafter referred to as the Company), to further improve the Company's corporate governance structure, to establish a sound and balanced value distribution system, to fully motivate the Company's executive directors and senior management, and to facilitate the achievement of the Company's development strategy and business objectives, and in accordance with laws, regulations, normative documents and considering the actual circumstances of the Company, the Implementation and Assessment Management Measures of the 2025 Restricted A Share Incentive Scheme (hereinafter referred to as the Management Measures) are hereby formulated.

I. PURPOSE OF ASSESSMENT

Further improve the Company's corporate governance structure, optimize the Company's incentive and restraint mechanisms, ensure the smooth implementation of the 2025 Restricted A Share Incentive Scheme, and maximize the effectiveness of equity incentives, thereby supporting the achievement of the Company's development strategy and business objectives.

II. ASSESSMENT PRINCIPLES

The assessment and evaluation must adhere to the principles of fairness, impartiality, and transparency, and strictly follow these Management Measures and the performance of the Incentive Participants to ensure the 2025 Restricted A Share Incentive Scheme is closely aligned with their work performance and contributions. This will enhance management performance and maximize the interests of the Company and all shareholders.

III. SCOPE OF ASSESSMENT

These Management Measures apply to all Participants participating in the Company's 2025 Restricted A Share Incentive Scheme.

IV. ASSESSMENT BODIES AND RESPONSIBILITIES

The Remuneration and Assessment Committee of the Board of Directors of the Company is responsible for leading and organizing the assessment process and for evaluating the Incentive Participants.

V. PERFORMANCE EVALUATION INDICATORS AND OBJECTIVES

A. Company-Level Performance Assessment Requirements

The performance targets corresponding to the first and second unlocking periods shall be uniformly determined based on the assessment results at the end of the 2027 fiscal year.

1. Assessment indicators and requirements

The assessment indicators are “relative total shareholder return” and “compound annual growth rate of earnings per share”.

(1) Relative total shareholder return

Assessment Indicators	Relative Total Shareholder Return Percentile		
	Threshold	Target	Challenge
First Unlocking Period	60th percentile	75th percentile	90th percentile
Second Unlocking Period			

Note 1: Total Shareholder Return (TSR) = (Closing Stock Price – Opening Stock Price + Dividends Paid During the Period)/Opening Stock Price, where: the Closing Stock Price is calculated based on the average closing price of trading days from 1 November 2027 to 29 February 2028; the Opening Stock Price is calculated based on the average closing price of trading days from 1 November 2024 to 28 February 2025; Dividends Paid During the Period refer to the cumulative dividends actually distributed from 1 January 2025 to 31 December 2027; the calculation is adjusted for stock splits and dividends at the period end.

Note 2: Relative Total Shareholder Return Composite Percentile Level = A-share Benchmark Group Percentile Level × A-share Weight + Overseas Share Benchmark Group Percentile Level × Overseas Share Weight, where the weights for A-shares and overseas shares are 65% and 35%, respectively.

“Relative Total Shareholder Return” employs a benchmarking method that compares against the percentile level of the peer group.

As a leading enterprise in the building materials industry listed on both the A-share and Hong Kong stock markets, the Company’s core business is the production and sale of cement, while also covering related upstream and downstream operations such as concrete and aggregates. Leveraging its global presence, the Company is expanding its overseas cement and innovative building materials businesses. According to the China Securities Industry Classification, the Company operates in the building materials sector. Considering the core characteristics such as specific product segments, domestic and overseas production capacity, regional market size, and business models, the Company has selected listed companies with similar core businesses and comparable

business models to accurately reflect its dual-listing platform attributes and global development strategy. The benchmark group comprises two subsets: the “Overseas Share Benchmark Group” and the “A-share Benchmark Group”. The Overseas Share Benchmark Group includes nine leading cement companies listed in H-share market (including Huaxin Cement) and globally leading cement companies. The A-share Benchmark Group consists of twelve leading cement and building materials companies listed on the A-share market (including Huaxin Cement).

(2) *Compound annual growth rate of earnings per share*

Assessment Indicators	Compound Annual Growth Rate of Earnings Per Share for 2027 Compared to 2024		
	Threshold	Target	Challenge
First Unlocking Period	3%	5%	7%
Second Unlocking Period			

Note 1: Earnings per share = (Net profit $\pm$ Post-tax gains and losses from the Company’s disposal of assets $\pm$ Post-tax impairment of goodwill and long-term assets)/Weighted average number of shares outstanding.

2. *Calculation of assessment scores*

Company-level performance assessment score = Σ (Assessment indicator score $\times$ Assessment indicator weight), where the scoring criteria and weights for each assessment indicator are as follows:

Scoring Criteria for Each Indicator	Assessment Indicator Score
$X < \text{Threshold}$	0
$X = \text{Threshold}$	25
$\text{Threshold} < X < \text{Target}$	$25 + [(\text{Actual value of assessment indicator} - \text{Threshold value}) / (\text{Target value} - \text{Threshold value})] \times (50 - 25)$
$X = \text{Target}$	50
$\text{Target} < X < \text{Challenge}$	$50 + [(\text{Actual value of assessment indicator} - \text{Target value}) / (\text{Challenge value} - \text{Target value})] \times (100 - 50)$
$X \geq \text{Challenge}$	100

Assessment Indicators	Weighting
Relative total shareholder return	50%
Compound annual growth rate of earnings per share	50%

3. *Assessment score and unlocking ratio*

The relationship between the Company-level performance assessment score and the corresponding annual unlocking ratio is:

$$\text{Annual unlocking ratio} = \text{Company-level performance assessment score} / 100$$

If the Company fails to meet the aforementioned performance assessment targets, all A-share restricted shares eligible for unlocking in the assessment year for the Incentive Participants shall not be unlocked. These shares shall be repurchased and canceled by the Company at a repurchase price equivalent to the sum of the grant price and the corresponding bank deposit interest for the same period.

B. **Personal Performance Evaluation Requirements**

Provided that the Company-level performance assessment meets the required standards, in accordance with the Company's relevant remuneration and assessment regulations, the average personal annual performance assessment result of the Incentive Participants during the three-year performance period of this Scheme must reach or exceed 0.8 for unlocking in accordance with the unlocking ratio stipulated in this Scheme. If the target is not met (i.e., below 0.8), the granted A-share restricted shares eligible for unlocking under the Scheme will not be unlocked. The restricted shares that cannot be unlocked will be repurchased and canceled by the Company at a repurchase price equal to the sum of the grant price and the corresponding bank deposit interest for the same period.

VI. ASSESSMENT PERIOD AND FREQUENCY

The performance targets for the first and second unlocking periods will be uniformly determined based on the assessment results at the end of the 2027 fiscal year, with a single assessment conducted.

VII. ASSESSMENT PROCEDURES

The Company's Human Resources Department is responsible for conducting specific assessments under the guidance of the Board's Remuneration and Assessment Committee. It shall maintain the assessment records and, based on these records, prepare a performance evaluation report for submission to the Board's Remuneration and Assessment Committee.

VIII. MANAGEMENT OF ASSESSMENT RESULTS**A. Feedback and appeals regarding assessment results**

The Incentive Participants being assessed have the right to know the assessment results. After the annual assessment carried out for each year, the relevant performance evaluation officer of the Company will formally communicate the assessment results to the Incentive Participants. If the Incentive Participants have any objections to the annual performance assessment results, they may appeal to the Company's Human Resources Department. If communication fails to resolve the issue, the assessed Participant may appeal to the Remuneration and Assessment Committee, which must review and determine the final assessment result or grade within 10 working days.

B. Archiving of assessment results

After the assessment, the results of which will be archived and stored as confidential material.

IX. SUPPLEMENTARY PROVISIONS

1. These Management Measures are formulated and shall be interpreted and revised by the Board of Directors of the Company.
2. These Management Measures shall come into effect upon review and approval by the Company's general meeting and the commencement of the Scheme.



HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

NOTICE OF THE FOURTH EXTRAORDINARY GENERAL MEETING IN 2025

Notice is hereby given that the Fourth Extraordinary General Meeting in 2025 (“EGM”) of Huaxin Cement Co., Ltd. (the “**Company**”) will be held on Wednesday, 12 November 2025 at 2:00 p.m. at the Conference Room on 2F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 24 October 2025.

ORDINARY RESOLUTIONS

1. To consider and approve the Profit Distribution Proposal on the First Three Quarters of 2025

SPECIAL RESOLUTIONS

2. The proposed adoption of the 2025 Restricted A Share Incentive Scheme, for details please refer to the circular of the Company dated 24 October 2025;
3. The proposed adoption of the Implementation and Assessment Management Measures of the 2025 Restricted A Share Incentive Scheme, for details please refer to the circular of the Company dated 24 October 2025;
4. The proposed Authorization to the Board to Handle Matters Related to the 2025 Restricted A Share Incentive Scheme, for details please refer to the circular of the Company dated 24 October 2025;

By Order of the Board of Directors
Huaxin Cement Co., Ltd.
Xu Yongmo
Chairman

Wuhan City, Hubei Province, China
24 October 2025

* For identification purpose only

NOTICE ON THE FOURTH EXTRAORDINARY GENERAL MEETING IN 2025

Notes:

1. Eligibility to attend the EGM and suspension of H shares transfer registration

H-share holders of the Company whose names appear on the H Share register of members of the Company at the close of business on Friday, 7 November 2025 are entitled to attend and vote at the EGM. H-share holders who wish to attend the EGM but have not registered their share transfer documents shall lodge their transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Friday, 7 November 2025.

The Company will announce separately on the website of the SSE on the details of A-share holders' eligibility to attend the EGM.

2. Dividend distribution arrangements for the first three quarters of 2025

The board of directors proposes to distribute a cash dividend of 0.34 yuan per share (including tax) for the first three quarters of 2025 to all shareholders. Based on the company's total share capital of 2,078,995,649 shares as of now, excluding the 2,462,200 A-shares in the company's repurchase special securities account, a total of 706,021,373 yuan will be distributed. The dividend distribution plan will be submitted to the EGM for consideration. If the proposal is approved at the EGM, the Company will distribute cash dividends within two months after the conclusion of the EGM in accordance with the Articles of Association. According to the current work plan, it is expected that the Company will distribute dividends to the eligible Shareholders on or before Wednesday, 24 December 2025. In case of any changes to the aforementioned estimated date for dividend distribution, the Company will make an announcement in a timely manner. Regarding other specific matters concerning the distribution of dividends, the Company will also make further announcements in due course.

Withholding and remitting the enterprise income tax for overseas non-resident enterprise shareholders

According to the Circular of the State Administration of Taxation on Issues Concerning Withholding and Remitting the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-Resident Enterprises (GSH [2008] No. 897), where a Chinese resident enterprise distributes dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax thereon at the uniform rate of 10%. Therefore, when the Company distributes dividends for the first three quarters of 2025 to its shareholders who are overseas non-resident enterprises listed on the H-share register, it is obliged to withhold the enterprise income tax at a rate of 10%. After receiving the dividends, a non-resident enterprise shareholder may, by itself or through an authorized agent or withholding agent, submit an application to the competent tax authority for enjoying any treatment under a relevant tax agreement (arrangement), and provide proof that it is an actual

beneficial owner satisfying the requirements of the tax agreement (arrangement). If the application is justified upon verification, the competent tax authority shall refund the difference between the tax paid and the tax payable calculated at the tax rate under the tax agreement (arrangement).

Withholding and remitting individual income tax for overseas individual shareholders

According to the Circular on Some Policy Questions Concerning Individual Income Tax (CSZ [1994] No. 020) issued by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are exempted from the individual income tax for the dividends and bonuses received from foreign-invested enterprises. When distributing dividends for the first three quarters of 2025 to its shareholders who are foreign individuals listed on the H-share register, the Company, as a foreign-invested enterprise, will not withhold individual income tax of such shareholders.

Withholding income tax for Shanghai Stock Connect investors

For HKEX investors (including enterprises and individuals) (“Shanghai Stock Connect Investors”) who invest in the Company’s A shares listed on the Shanghai Stock Exchange, the final dividend will be paid in RMB by the Company through China Securities Depository & Clearing Corporation Limited Shanghai Branch to the accounts of the nominal A-shareholders. The Company withholds income tax at a tax rate of 10% and makes a withholding declaration to the competent tax authority. For Shanghai Stock Connect investors who are tax residents of other countries and subject to an income tax rate for cash dividends of lower than 10% pursuant to the tax agreement signed between their home country and China, enterprises or individuals can, by themselves or by entrusting a withholding agent, apply to the competent tax authority for enjoying any treatment under a relevant tax agreement. After examination and verification, the competent tax authority shall refund the tax on the basis of the difference between the amount levied and the amount of tax payable calculated according to the tax rate under a tax agreement.

Withholding income tax for Hong Kong Stock Connect investors

In accordance with the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transaction in the Shanghai and Hong Kong Stock Markets (CS [2014] No. 81) implemented on 17 November 2014:

- for dividends received by mainland individual investors from investing in the Company’s H shares through Shanghai-Hong Kong Stock Connect, the Company is obliged to withhold personal income tax at a tax rate of 20%; for dividends received by mainland securities investment funds from investing in the Company’s H shares through the Shanghai-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements; and

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- for dividends received by mainland enterprise investors from investing in the Company's H shares through the Shanghai-Hong Kong Stock Connect, the Company does not withhold tax on dividends, and the tax payable shall be declared and paid by such enterprises on their own.

In accordance with the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (CS [2016] No. 127) implemented on 5 December 2016,

- for dividends received by mainland individual investors from investing in the Company's H shares through Shenzhen-Hong Kong Stock Connect, the Company is obliged to withhold personal income tax at a tax rate of 20%; for dividends received by mainland securities investment funds from investing in the Company's H shares through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements; and
- for dividends received by mainland enterprise investors from investing in the Company's H shares through the Shenzhen-Hong Kong Stock Connect, the Company does not withhold tax on dividends, and the tax payable shall be declared and paid by such enterprises on their own.

For any questions about the above arrangements, H-share holders of the Company may consult their tax advisers about the impact of taxation of China and Hong Kong and other countries (regions) resulted from holding and selling the H shares of the Company.

3. Proxy appointment

The proxy form for the resolution as set out in the Circular of the EGM will be sent to shareholders on the same day. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (A proxy may not be a shareholder of the Company) to attend and vote in his/her stead. The instrument appointing a proxy must be in writing under the hand of the shareholder or of his/her agent duly authorized in writing. If the shareholder is a legal person, the proxy form must be either under the seal of the legal person or under the hand of his/her legal representative or director or duly authorized person. If the proxy form is signed by an agent authorized by the shareholder, the authorization or other document authorizing the signing must be notarized.

In order to be valid, for H-share holders, the proxy form together with a notarized authorization or other authorization documents (if any) must be delivered, by hand delivery or post, no later than 24 hours before the EGM or any adjournment thereof (in the case of the EGM, it shall be delivered before 2:00 p.m. on Tuesday, 11 November 2025 to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

A shareholder who has filled in and submitted the proxy form may at that time attend and vote in person at the EGM or any adjournment thereof as he/she wishes.

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4. Procedures of registration for attending the EGM

Shareholders or their proxies shall present their identification documents when attending the EGM. If the shareholder present at the meeting is a legal person, his/her legal representative, director or other person authorized by a decision-making body shall present a copy of the resolution of the Board of Directors or other decision-making body appointing such person to attend the EGM.

5. Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the EGM must be taken by poll. Accordingly, the Chairman of the EGM shall, in accordance with the powers conferred by the Articles of the Association, require a vote by poll on all resolutions presented at the EGM.

6. Miscellaneous

The EGM is expected to take no more than half a day. Shareholders of the Company who attend the EGM shall bear their own traveling and accommodation expenses.

Contact information of the Company:

Address:	Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China
Postal code:	430074
Tel.:	(86) 27 8777 3898
Fax:	(86) 27 8777 3992
Contact person:	Mr. Ye Jiaxing (Secretary to the Board of Directors), Ms. Wang Xiaoqiong (Securities Affairs Representative)

7. All dates and times in this circular refer to Hong Kong dates and times.

As of the date of this Notice, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. Tan Then Hwee, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.