

Huaxin Cement Co., Ltd.

Announcement on 2022 Shares Dividend Distribution

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false, misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

Importance:

- Cash dividend of 0.51 Yuan per A share

- Relevant dates

Stock type	Date of share registration	Last trading date	Ex-dividend date	Date of cash dividends distribution
A Share	2023/6/19	—	2023/6/20	2023/6/20

- Differentiated dividend distribution: yes

I. Shareholders' General Meeting that adopted the Profit Distribution Plan

On May 22, 2023, the Annual Shareholders' General Meeting 2022 of the Company reviewed and adopted the Profit Distribution Plan.

II. Profit Distribution Plan

1. Distribution year: 2022

2. Distribution range:

All shareholders of the Company registered in China Securities Depository and Clearing Corporation Limited Shanghai Branch (hereinafter referred to as the "CSDC SH Branch) after the closing of Shanghai Stock Exchange (SSE) on the date of share registration.

According to the regulations in the *Guidelines No.7 for the Self-regulation of Companies Listed on Shanghai Stock Exchange – Repurchasing Shares*, the shares in the special account of the repurchase are not entitled to enjoy dividend distribution.

3. Differentiated Dividend Distribution Plan:

(1) Differentiated dividend distribution plan

On May 22, 2023, the Annual Shareholders' General Meeting 2022 of the Company reviewed and adopted the 2022 Profit Distribution Plan of the Company. The total 2,096,599,855 shares (total shares at the end of 2022) minus 1,649,977 shares (repurchased shares in the special account by the date of share registration), on the basis of the rest 2,094,949,878 shares, a cash dividend of 0.51 Yuan per share (incl.

tax) shall be distributed to all shareholders. Hence 1,068,424,437.78 Yuan shall be distributed.

(2) Calculation of ex-dividend ex-right of the differentiated dividend distribution

According to *Trading Rules of the Shanghai Stock Exchange*, the opening price after ex-dividend and ex-right can be referred to as follows:

Referred price after ex-dividend and ex-right= (closing price before the date of this announcement - cash dividend) \div (1+change ratio of the outstanding shares)

There are no bonus shares or capital reserve transferred to increase share capital in this profit distribution, therefore the change ratio of the outstanding shares is 0. Referred price after ex-dividend and ex-right= closing price before the date of this announcement - cash dividend.

The total number of A share of the Company is 1,361,879,855, minus repurchased A shares 1,649,977, the number of A shares included in actual profit distribution is 1,360,229,878.

Virtually distributed cash dividend=(shares included in the profit distribution plan \times cash dividend per share actually distributed) \div total number of A share = (1,360,229,878 \times 0.51) \div 1,361,879,855=0.50938 Yuan/share

the referred price after ex-dividend (ex-right) = (closing price before the date of this announcement - 0.50938Yuan) \div (1+0) = closing price before the date of this announcement - 0.50938Yuan/share

III. Relevant dates

Stock type	Date of share registration	Last trading date	Ex-dividend date	Date of cash dividends distribution
A Share	2023/6/19	—	2023/6/20	2023/6/20

IV. Implementation method of dividends distribution

1. Implementation Method

For unconditional ordinary shares, CSDC SH Branch shall be entrusted to distribute the cash dividends through its capital clearing system to holders of tradable shares who have registration records on the stock right registration date after SSE closes and have transacted the appointed trade in member brokerages of SSE. Shareholders who have already transacted the appointed trades can withdraw the dividends in cash in the appointed securities brokerages on the distribution day. Cash dividends for shareholders who haven't transacted the appointed trades shall be temporarily kept by CSDC SH Branch, and the shareholders can withdraw their cash dividends after they transact the appointed trades.

If bonus shares are distributed or share capital is transferred, it will be directly credited to the shareholders' account by China Securities Clearing and Settlement Corporation Shanghai Branch on a pro rata basis according to the number of shares held by shareholders registered on the Shanghai Stock Exchange after the close of business on the share registration date.

2. Cash dividends that will be distributed by the Company

Shares in the special account for the share repurchase (account B883046232) of

Huaxin Cement Co., Ltd are shares repurchased by the method of centralized bidding and those shares will not participate in the profit distribution. Additionally, cash dividends for the following shareholders shall be distributed by the Company:

Serial number	Shareholder account	Shareholder name
<u>1</u>	B880854819	Huaxin Group Co., Ltd
<u>2</u>	B880008361	Huaxin Group Co., Ltd
<u>3</u>	B881807417	HOLCHIN B.V.
<u>4</u>	B883549727	Huaxin Cement-2020-2022 Core ESOP

3. Tax deduction instructions

According to Notice on Differentiated Personal Income Tax on Dividend of Listed Company (2015 Caishui No.101) and Notice on the Implementation of Differentiated Personal Income Tax on Dividend of Listed Company (2012 Caishui No.85), the Company shall suspend the income tax withholding and shall actually distribute the dividends of 0.51 Yuan per share to individual A share holders and securities investment funds. When individual shareholders and securities investment funds transfer their stocks, actual tax amount payable shall be measured by CSDC Shanghai branch based on the period of shares held, and be deducted and transferred by securities firms from individual accounts to CSDC Shanghai branch and then transfer to the Company within 5 working days of next month. The Company shall declare tax to taxation authorities within the prescribed time limit in the same month that the company receives the tax payment.

Actual tax calculation: for shares holding within 1 month (incl. 1 month), all dividends shall be measured as taxable income, actual tax burden is 20%; for 1 month to 1 year (incl. 1 year) 50% deducted temporarily and actual tax burden is 10%; and for more than 1 year, the income tax withholding on dividends is suspended.

(2) For A share institutional investors who are recognized as “resident enterprises” defined in “Enterprise Income Tax Law”, the Company shall not withhold and pay the income tax for them. The actual cash dividends shall be paid to them is 0.51 Yuan per share.

(3) For Qualified Foreign Institutional Investors (QFII) who hold shares of the Company, the Company shall withhold and pay the income tax for them at the tax rate of 10% according to the "State Administration of Taxation – Notification on Relevant Issues Regarding China Resident Enterprises Distributing Dividends or Interests to QFII and Withholding and Paying Income Tax for Them" (Guoshui Han 2009 No. 47). Hence the actual distribution amount after tax shall be 0.459 Yuan/share. If the relevant shareholder considers that the dividend income received by him/her needs to enjoy the tax treaty (arrangement) treatment, he/she can apply to his/her competent tax authority on his/her own in accordance with the regulations after receiving the dividend.

(4) For investors of the Company’s A Share (SH-HK Stock Connect program) from Hong Kong Stock Exchange, the Company will withhold the income tax at 10% rate

according to the Notice on Tax Policy for SH-HK Stock Exchange Market Transaction Interconnection and Interworking Mechanism Pilot (Caishui [2014]No.81), and the actual dividend is RMB 0.459 Yuan per share after tax. For Shanghai Stock Connect investors who are tax residents outside of China and the there is a tax agreement signed between their home country and China, the income tax rate for cash dividends is lower than 10%. Enterprises or individuals can report to the Company tax authority either by themselves or entrust a withholding agent for enjoying the benefits of the tax agreement. The competent tax authority will refund the difference between the tax already collected and the tax payable calculated according to the tax rate of the tax agreement after the competent tax authority examines it.

V. Consultation Information

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It is herewith announced.

Board of Directors of Huaxin Cement Co., Ltd.

June 14, 2023