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## DEFINITIONS

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<i>I c c a , a :</i>	<i>c</i>	<i>a</i>
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-share holder(s)	means	holders of A shares
Annual General Meeting or AGM	means	2023 Annual General Meeting to be held on Tuesday, 21 May 2024 at 2:00 p.m.
Articles of Association	means	Articles of Association of the Company (as amended from time to time)
Board of Directors	means	Board of Directors of the Company
Board of Supervisors	means	Board of Supervisors of the Company established in accordance with the Company Law of the People's Republic of China
China	means	the People's Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this circular only
Commission Director(s)	means	directors of the Company
CSRC	means	China Securities Regulatory
H share(s)	means	foreign shares issued by the Company with a par value of RMB1.00 each, which are listed on the HKEx and traded in Hong Kong dollars
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	means	Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong HKEx	means	The Stock Exchange of Hong Kong Limited
Independent Third Party	means	A person or entity that is not considered a connected person of the Company under the Listing Rules





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(Incorporated in the People's Republic of China)

(Incorporated in the People's Republic of China)

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## LETTER FROM THE BOARD OF DIRECTORS

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### 1. INTRODUCTION

On behalf of the Board of Directors, I would like to invite you to attend the Annual General Meeting of the Company to be held on Tuesday, 21 May 2024 at 2:00 p.m. at the Company's conference room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China.

The purpose of this circular is to send you notice on the AGM and 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 AGM.

### 2. AFFAIRS TO BE DEALT WITH AT THE AGM

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

- (1) Report on the Work of the Board of Directors in 2023
- (2) Report on the Work of the Board of Supervisors in 2023
- (3) 2023 Final Financial Report and 2024 Financial Budget Report
- (4) 2023 Profit Distribution Plan
- (5) 2023 Annual Report
- (6) Proposal on Re-appointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the Company's Auditor for Financial Audit and Internal Control Audit for the Year 2024
- (7) Proposal in respect of providing Guarantee for Subsidiaries
- (8) Proposal on Issuing Overseas Bonds and Providing Guarantees for Subsidiaries
- (9) Proposal on re-election of Directors
- (10) Proposal on electing and appointing members of the Eleventh Board of Supervisors

The matter that the Company will report to the Shareholders at the AGM includes the following:

- (1) 2023 Annual Debriefing Report of Independent Non-executive Directors

### 3. REPORT ON THE WORK OF THE BOARD OF DIRECTORS IN 2023

The Company will propose an ordinary resolution to consider and approve the Report on the Work of the Board of Directors in 2023 at the AGM. The Report on the Work of the Board of Directors in 2023 is attached in Appendix I to this circular.

#### 4. REPORT ON THE WORK OF THE BOARD OF SUPERVISORS IN 2023

The Company will propose an ordinary resolution to consider and approve the Report on the Work of the Board of Supervisors in 2023 at the AGM. The Report on the Work of the Board of Supervisors in 2023 is attached in Appendix II to this circular.

#### 5. 2023 FINAL FINANCIAL REPORT AND 2024 FINANCIAL BUDGET REPORT

The Company will propose an ordinary resolution to consider and approve the 2023 Final Financial Report and 2024 Financial Budget Report at the AGM.

##### I. Summary of the 2023 Final Financial Report

###### 1. Financial Statement

(1) Assets and Liabilities

Unit: RMB10,000

Item	Details	Closing balance of 2023	Proportion	Closing balance of 2022
				Pre44.49.7(3341TD.J-)-4.4]TJORT

The asset-liability ratio decreased by 0.39 percentage point. The total cash and bank balances can cover the current interest-bearing liabilities, and the liquidity risk is controllable.

(2) *Equity attributed to Shareholders of the Company*

Unit: RMB10,000

Item	Closing balance of 2023	Proportion	Closing balance of 2022	Proportion	Change on a year-on-year basis
Equity attributed to Shareholders of the Company	2,893,295	100%	2,744,631	100%	5.42%
Other comprehensive incomes	54,875		-17,526		-213.11%
Undistributed profit	2,470,329	85.38%	2,300,960	83.83%	7.36%

At the end of 2023 the total equity attributed to shareholders of the Company increased by RMB1.487 billion from the beginning of the year. The Company's undistributed profit is increased by RMB1.694 billion. Due to the appreciation of RMB against foreign currencies such as Zambia's Kwacha, the translation differences of financial statements denominated in foreign currency decreased by RMB0.337 billion.

## 2. *Operating Performance*

(1) *Operating Performance*

Unit: RMB10,000

	2023	2023 Budget	Change	2022	Change
Operating revenue	3,375,709	3,466,000	-2.61%	3,047,038	10.79%
Operating cost	2,474,141	2,519,782	-1.81%	2,248,190	10.05%
Gross profits on Sales	901,567	946,218	-4.72%	798,848	12.86%
Gross profits margin on Sales	26.71%	27.30%	Decreased by 0.59 percentage points	26.22%	Increased by 0.49 percentage points

In 2023, operating revenue increased by RMB3.287 billion year-on-year. The sales volume of cement and clinker increased by 1.4985 million tons (2.48%), sales price decreased by 29.40 RMB/t, sales revenue decreased by RMB1.309 billion. The sales volume of concrete increased by 10.8801 million m<sup>3</sup> (66.39%), which covered the sales price decline of 32.57 RMB/m<sup>3</sup> (-10.40%), the sales revenue still increased by RMB2.519 billion. The sales




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**LETTER FROM THE BOARD OF DIRECTORS**

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In 2023, the operating cost increased by RMB2.260 billion over last year, including a significant increase in the sales volume of concrete and aggregate, with a cost increase of RMB3.679 billion. The cost decreased by RMB1.252 billion with the reduction in the sales volume and production cost of cement and clinker.

In 2023, the gross profits margin on sales basically levelled off against the budget and last year.

(2) P 

	2023	2023 B. dge	Change	2022	Change
Selling and distribution expenses	151,889	180,301	-15.76%	137,182	10.72%
Selling expense ratio	4.50%	5.20%	Decreased by 0.70 percentage points	4.50%	—
General and administrative expenses	181,931	192,305	-5.39%	158,254	14.96%
General and administrative (“G&A”) expense ratio	5.39%	5.55%	Decreased by 0.16 percentage points	5.19%	Increased by 0.20 percentage points
Finance expenses	69,852	34,065	105.06%	45,849	52.35%
Finance expense ratio	2.07%	0.98%	Increased by 1.09 percentage points	1.50%	Increased by 0.57 percentage points

*U : RMB10,000*

In 2023, the selling and distribution expenses increased by RMB147 million with the expansion of business scale compared with last year.

In 2023, the G&A expenses increased by RMB237 million compared with last year, mainly due to expansion of business scale, the improvement in performance completion rate, more internal and external communication.

In 2023, the financial expenses increased by RMB240 million compared with last year, mainly due to the increase of RMB217 million in interest expenses.

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**LETTER FROM THE BOARD OF DIRECTORS**

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(3) Profitability

*Unit: RMB10,000*

	<b>2023</b>	2022	Change
Net profit attributable to shareholders of the Company	<b>276,212</b>	269,887	2.34%
Return on net assets, weighted average (%)	<b>9.82</b>	10.03	-2.09%
Return on net assets, weighted average after deducting non-recurring gains and losses (%)	<b>8.26</b>	9.58	-13.78%

In 2023, due to the sales increase of concrete and aggregate businesses, as well as the development of overseas businesses, the Company's net profit increased by RMB195 million compared with last year, of which the net profit attributable to shareholders of the parent company slightly increased.

**3. Cash flow**

*Unit: RMB10,000*

	<b>2023</b>	<b>2023 budget</b>	Change	2022	Change
Net cash flow from operating activities	<b>623,556</b>	<b>689,000</b>	-9.50%	456,769	36.51%
Net cash flow from investing activities	<b>645,390</b>	<b>1,105,400</b>	41.61%	-838,334	23.02%
Net cash flow from financing activities	<b>95,175</b>	<b>281,700</b>	-133.79%	177,184	-153.72%

In 2023, the net cash flow from operating activities increased by RMB1.668 billion compared with last year, mainly due to the increase in profits.

The net cash outflow from investing activities increased by RMB1.929 billion compared with last year, mainly due to the investment in overseas projects and 100 million tons of machine-made sand and other projects.

The net cash flow from financing activities decreased by RMB2.724 billion compared with last year, mainly due to the massive repayment of maturing loans.

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## LETTER FROM THE BOARD OF DIRECTORS

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### II. Summary of the 2024 Financial Budget

#### (1) Production and Sales

In 2024, the Company plans to sell approximately 63 million tons cement and clinker, approximately 156 million tons aggregate, approximately 30.52 million m<sup>3</sup> concrete, eco disposal of approximately 4.28 million tons. Total operating revenue is expected to be RMB37.1 billion.

#### (2) Investment

In 2024, the Company plans to invest RMB6.9 billion in capital expenditure, mainly on the production capacity of aggregate, concrete, overseas cement, and the construction of alternative fuels.

#### (3) Assets

In 2024, the Company's total assets are predicted to be about RMB73.7 billion and the asset-liability ratio is predicted to remain at about 51%.

This proposal has been approved at the 31st meeting of the 10th session Board of Directors, and is now submitted to the AGM for consideration.

### 6. 2023 PROFIT DISTRIBUTION PLAN

In 2023, the net profit of the Company amounted to RMB2,482,299,167 and the consolidated net profit attributable to the Shareholders amounted to RMB2,762,116,715. The distributable profit of the Company was RMB9,921,766,405 by the end of December 2023.

The Board proposes that based on 2,078,995,649 shares (total share capital of the Company at the end of 2023), a cash dividend of RMB0.53 per share (tax inclusive) shall be distributed to all Shareholders, amounting to RMB1,101,867,694 (representing 39.89% of the net profit attributable to the shareholders of the parent company after consolidation), and the undistributed amount will be retained as undistributed profit for distribution in future years.

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

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 2023 Profit Distribution Plan by the AGM, to authorize the Company's Mr. Ye Jiaying (Vice President, 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.

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## LETTER FROM THE BOARD OF DIRECTORS

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In case of any change in the total share capital of the Company before the equity registration date for equity distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly, and will announce the specific adjustment separately. As of the latest practicable date, the Company has no plan to change the total share capital of the Company.

### **7. 2023 ANNUAL REPORT**

The 2023 annual report will be presented at the AGM to be approved by way of ordinary resolution. The 2023 annual report were published on the HKEx news website of the Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>), the website of the SSE (<http://www.sse.com.cn>) and the website of the Company (<http://www.huaxincem.com>). The 2023 annual report has also been dispatched together with this circular to the H-share holders who requested hardcopies.

### **8. PROPOSAL ON RE-APPOINTMENT OF ERNST & YOUNG HUA MING LLP (SPECIAL GENERAL PARTNERSHIP) AS THE COMPANY'S AUDITOR FOR FINANCIAL AUDIT AND INTERNAL CONTROL AUDIT FOR THE YEAR 2024**

As the Company's auditor for financial audit and internal control audit for the year 2023, Ernst & Young Hua Ming LLP (hereinafter referred to as "Ernst & Young Hua Ming") performed its duties with due dedication and completed the annual audit in accordance with the independent, objective and fair professional standards. The service fee of Ernst & Young Hua Ming in 2023 was RMB5.7 million, of which the audit service fee of financial statements was RMB5.2 million, and that of internal control was RMB0.5 million.

Whereas Ernst & Young Hua Ming has performed its due diligence in the Company's 2023 financial audit and internal control audit process, and has objectively and impartially expressed its opinions on the effectiveness of the Company's financial and internal control, following the requirements of the Chinese CPA Standards on Auditing and professional standards of accounting firms. In order to maintain the continuity of the Company's audit work, the Audit Committee of the Board of Directors, on the basis of a full understanding and verification of the professional competence, investor protection, independence and integrity of Ernst & Young Hua Ming, now proposes that:

- (1) Ernst & Young Hua Ming is to be engaged as the Company's auditor for financial audit and internal control audit for the year 2024.
- (2) The Shareholders to authorize the Board of Directors to determine the remuneration of Ernst & Young Hua Ming for providing audit services for the Company in 2023.

### **9. PROPOSAL IN RESPECT OF PROVIDING GUARANTEE FOR SUBSIDIARIES**

In order to meet the financing needs of some wholly-owned subsidiaries and controlled subsidiaries, the company hereby requests the Board's approval on providing guarantees for their credit businesses such as bank loans, establishing letters of credit, bank acceptances, letters of guarantee, finance lease, bond and foreign exchange risk management.

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## LETTER FROM THE BOARD OF DIRECTORS

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### I. Overview

By 31 December 2023, the total guarantee approved by the Board of Directors for wholly-owned and controlling subsidiaries was RMB18.693 billion, the actual utilized guarantee amount was RMB6.813 billion and USD0.448 billion, equivalent to RMB10.016 billion, accounting for 30.08% of the latest audited net assets and 53.58% of the approved total guarantee amount. There was no overdue guarantee.

Due to the expiration of the guarantee amount approved at the 12th meeting of the Tenth Board of Directors on 29 March 2022, and in accordance with the needs of the Company's business development, the application for updating the guarantee amount is as follows:

Currency: RMB  
Unit: RMB10,000

Category of approved guarantee amount	Current loan limit	Fixed asset loan limit (including bond)	Total limit
Last approved amount	373,900	1,495,453	1,869,353
Utilized amount	164,183	837,418	1,001,601
Newly applied amount	68,400	258,728	327,128
Deduction amount	-56,000	-235,628	-291,628
New total approved amount	386,300	1,518,553	1,904,853

### II. The objective and amount of high guarantee amount in Appendix III.

### III. Summary of Guarantee

- (1) Scope of guarantee: Between the Company and its wholly-owned subsidiaries, between the Company and its controlling companies.
- (2) Guarantee amount: The Group's total amount of guarantee is RMB19.049 billion.
- (3) Term of guarantee amount: For guarantee of the working capital loans, guarantee contracts shall be signed from the date of approval at the AGM to the date of expiration of three years, and the Company is authorized to continue to provide guarantee for its subsidiaries when the business is renewed within the authorization period. For guarantee of the fixed asset loan, guarantee contracts shall be signed in the period from the date of approval at the AGM to the date of expiration of three years, and the specific guarantee period shall be determined according to the signed guarantee contracts.

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## LETTER FROM THE BOARD OF DIRECTORS

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- (4) Guarantee style: Wholly-owned subsidiaries and controlling subsidiaries can utilize the guarantee for once or several times within the above amount. Specific guarantee amount, duration and mode of guarantee shall be subject to the relevant contracts (including agreements signed or to be signed on the transfer of benchmark interest rate of overseas loans). The Company undertakes joint and several liability guarantee. Guarantee amount can be allocated among wholly-owned subsidiaries based on actual need within the aforesaid total guarantee amount. When the Company provides specific guarantee and signs relevant guarantee contract, it is not necessary to hold another meeting of the Board of Directors or the Shareholders' general meeting for consideration.
- (5) Whether there is counter-guarantee in this guarantee: The joint shareholders of Huaxin Green Building Materials (Wuxue) Co., Ltd. provide counter-guarantees, and there are no other counter-guarantees.

#### IV. Main content of guarantee contract

The Company will determine the specific amount of guarantee within the above guarantee amount applied according to the production and operation conditions of all its wholly-owned and controlling subsidiaries, and sign relevant contract for each guarantee.

#### V. Opinion of the Board of Directors

Given that the above guarantees are provided to wholly-owned and controlling subsidiaries of the Company, and they have good financial position and solvency, the Company has effective control over their operation and management, finance, investment, financing and other aspects, and has the ability to fully master and monitor their business activities.

The Board of Directors believes that the Company provides guarantees for its wholly-owned and controlling subsidiaries for the purpose of meeting their financing needs. When the Company provides guarantees for its subsidiaries in financing business such as bank loans, letters of credit, bank acceptances, letters of guarantee, financial leasing and bond issuance, the guarantee risk is controllable. Therefore, the Board of Directors agrees to the above guarantees, and agrees to submit the guarantees matter to the AGM for consideration.

#### VI. Actual liability of guarantee and overdue guarantee of the Company

As of 31 December 2023, the actual utilized guarantees of the Company and its controlling subsidiaries amounted to RMB10.016 billion, representing 30.08% of the Company's latest audited net assets; The new guarantee applied for this time is RMB0.355 billion, representing 1.07% of the Company's latest audited net assets. The total amount of external guarantees authorized by the Company is RMB19.049 billion, representing 57.21% of the Company's latest audited net assets. The cumulative amount of overdue guarantee is 0.



*(2) Terms, conditions and face*

The types of overseas bonds to be issued this time include perpetual bonds and ordinary bonds, with a total size not exceeding USD800 million or equivalent currency, and can be issued in installments according to funding needs.

*(3) Terms*

Perpetual bonds with a maturity of 30 years or more or no fixed maturity, including term (usually after 5 years) redeemable clauses.

The term of ordinary bonds is not more than 10 years (including 10 years), and can be a single term variety or a mixed variety of terms.

The specific issuance period, redemption time, issuance scale, and redemption scale of each term variety shall be determined by the Board of Directors and persons authorized by the Board of Directors within the above-mentioned scope based on market and the Company's funding conditions.

*(4) Purpose*

The funds raised from the proposed issuance of overseas bonds, after deducting issuance expenses, will be used for overseas mergers and acquisitions, other capex, debt repayment, supplementary working capital, and other permitted purposes. It is proposed to the AGM to authorize the Board of Directors and persons authorized by the Board of Directors to determine the specific purpose of the raised funds within the above-mentioned scope based on the Company's financial situation.

*(5) Interest rate and payment method*

It is proposed to the AGM to authorize the Board of Directors and persons authorized by the Board of Directors to determine the specific interest rate level, determination method, and payment method for the proposed issuance of



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liability guarantees for the issuer to fulfill its payment obligations of all debt principal and interest repayment obligations, without counter guarantee. The specific content and guarantee period of the keep well deed or guarantee agreement shall be subject to the final terms signed by the Company.

*(8) Order of repayment of perpetual bonds and ordinary bonds*

The repayment order of perpetual bonds is after ordinary bonds, with accounting recognizing them as 100% equity funds and international ratings recognizing a portion (such as 50%) as equity funds.

The repayment order of ordinary bonds is superior to perpetual bonds, and they are in the same repayment order as other unsecured credit debts. Accounting recognizes them as 100% debt funds.

*(9) Issuance of overseas bonds and guarantee matters*

The issuance of overseas bonds and guarantee matters in this issuance should be submitted to the AGM by way of a special resolution for consideration. The resolution on the bond issuance and guarantee matters shall be valid for 24 months from the date of approval at the AGM.

**4. The cumulative amount of external guarantees and overdue guarantees provided by the Company**

As of 31 December 2023, the actual total amount of external guarantees provided by the Company was RMB10.016 billion (including existing USD300 million bonds), representing 30.08% of the Company's latest audited net assets. On the basis of the approved guarantee amount of RMB19.049 billion at the 31st meeting of the 10th Board of Directors, an additional guarantee amount of USD500 million (this application for issuing USD800 million of overseas bonds, deducting USD300 million existed bonds), representing 10.81% of the Company's latest audited net assets, the Company seeks approval for the provision of external guarantees of RMB22.649 billion, representing 68.03% of the Company's latest audited net assets. The cumulative number of overdue guarantees is 0.

**5. Authorization of the Board of Directors for overseas bond issuance and guarantee**

In order to improve the efficiency of overseas bond issuance, the Board of Directors proposed to the AGM to authorize and agree to authorize the person authorized by the Board of Directors, Mr. Li Yeqing, a Director, as the authorized person for the overseas bond issuance and guarantee to handle the matters relating to the issuance of overseas bonds pursuant to the resolutions at the AGM and the authorization from the Board of Directors, including but not limited to:

- (1) In accordance with relevant laws, regulations, regulatory provisions, and resolutions of the AGM, and based on the actual situation of the Company and the market, formulate and adjust specific plans for the issuance and

guarantee of overseas bonds, including but not limited to specific issuance scale, bond term, bond type, bond interest rate and its determination method, issuance timing, whether to issue in installments and the number of issuance periods, specific guarantee plans, etc;

- (2) Engage intermediary agencies for the issuance of overseas bonds;
- (3) Handle applications and reporting in relation to the issuance of overseas bonds;
- (4) Formulate, approve, sign, modify, and announce various legal documents related to the issuance of overseas bonds, and supplement or adjust the application documents according to the requirements of the approval authority;
- (5) If there are changes in the policies or market conditions of the regulatory authorities regarding the issuance of bonds, make corresponding adjustments in accordance with the opinions of the regulatory authorities, except for matters that require re-voting by the shareholders at general meeting in

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## LETTER FROM THE BOARD OF DIRECTORS

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Pursuant to Article 139 of the Articles, the term of a Director shall be three years and upon expiry of the term, the retiring Director shall be eligible for re-election. The term of office of all existing Directors will expire on the date of the AGM. In such connection, resolutions will be proposed at the AGM to consider and, if thought fit, approve the re-election of those Directors who offer themselves for re-election.

All of the aforementioned Directors will offer themselves for re-election at the AGM for another three-year term.

The above matters are subject to the approval at the AGM.

The biographies and other details of the Proposed Directors are set out Appendix IV to this circular.

### **12. PROPOSAL ON ELECTING AND APPOINTING MEMBERS OF THE ELEVENTH BOARD OF SUPERVISORS**

As at the Latest Practicable Date, the Board of Supervisors comprised five Supervisors, namely: (i) Mr. Ming Jinhua, Mr. Zhang Lin, Mr. Yang Xiaobing, as Shareholder supervisors; (ii) Mr. Zhu Yaping and Mr. Liu Weisheng as employee supervisors. Pursuant to Article 183 of the Articles, the term of a Supervisor shall be three years and upon expiry of the term, the retiring Supervisors shall be eligible for re-election.

Reference is made to the announcement of the Company date 26 April 2024 concerning, among others, the nomination by the Board of Supervisors of Mr. Ming Jinhua, Mr. Zhang Lin and Mr. Liu Sheng as candidates for Shareholder supervisors of the eleventh Board of Supervisors, together with Mr. Liu Weisheng and Mr. Yang Xiaobing, the employee supervisors elected by the employees' congress or other democratic forms, the eleventh Board of Supervisors of the Company will be formed.

The current term of office of the existing Supervisors will expire on the date of the AGM. Mr. Ming Jinhua and Mr. Zhang Lin, the Shareholders' Supervisors, will retire from their positions as Supervisors on the date of the AGM and will be re-elected at the AGM for a term of three years upon nomination by the Supervisory Committee.

The above matters are subject to the approval of the AGM.

The biographies and other details of the Proposed Supervisors are set out Appendix V to this circular.

### **13. 2023 ANNUAL WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Shareholders will hear the 2023 Annual Work Report of Independent Non-executive Directors at the Annual General Meeting.

#### **14. ANNUAL GENERAL MEETING**

The AGM will be held on Monday, 21 May 2024 at 2:00 p.m. at the Company's Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China to consider and approve the Work Report of the Board of Directors in 2023, the Work Report of the Board of Supervisors in 2023, the 2023 Final Financial Report and 2024 Financial Budget Report, the 2023 Profit Distribution Plan, the 2023 Annual Report, Proposal for Re-appointment of Ernst & Young Hua Ming LLP (Special General Partnership) as the Company's Auditor for Financial Audit and Internal Control Audit for the Year 2024, Proposal in respect of providing guarantee for subsidiaries, Proposal on issuing overseas bonds and providing guarantees for subsidiaries, Proposal on re-election of directors and Proposal on electing and appointing members of the eleventh Board of Supervisors. The AGM Notice is set out on pages 49 to 55 of this circular.

A proxy form of the AGM is enclosed herewith. Whether or not you are able to attend the AGM 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 AGM or any adjournment thereof in any event; otherwise, it will be deemed invalid. For the AGM, the proxy form shall be returned before 2:00 p.m. on Monday, 20 May 2024. The completion and submission of the proxy form shall not preclude you from attending and voting at the AGM in person or its adjournment (as the case may be) if you so wish.

#### **15. CLOSURE OF H-SHARE REGISTER**

To determine the name list of H-share holders eligible to attend the AGM, the Company will close registration for H Share transfers from Thursday, 16 May 2024 to Tuesday, 21 May 2024 (both days inclusive). In order to be eligible to attend and vote at the AGM, 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 Tuesday, 14 May 2024.

#### **16. VOTING BY POLL**

In accordance with Rule 13.39 (4) of the Listi

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**LETTER FROM THE BOARD OF DIRECTORS**

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**17. RECOMMENDATION**

Having considered the circumstances as set out above, the Board of Directors is of the opinion that all the resolutions to be presented at the AGM are in the best interest of the Company and the Shareholders as a whole. As such, the Board of Directors recommends that the Shareholders vote in favor of all the resolutions as set out in the notice of the AGM.

Yours faithfully  
By order of the Board of Directors  
**H a in Cemen Co., L d.**  
**X, Yongmo**  
*C a a*

Wuhan City, Hubei Province, China  
26 April 2024



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)

## Report on the Work of the Board of Directors in 2023

To Shareholders and Creditors,

In 2023, the Board of Directors of the Company strictly observed the *Charter of the People's Republic of China, Securities Law of the People's Republic of China, Regulations on the Listing of Companies, and the Rules of the Shanghai Stock Exchange*, performed the duty entitled by Shareholders' Meeting, diligently ensuring the Company's standard operation and scientific decision-making.

In 2023, influenced by factors such as the slowing growth rate of infrastructure investment, slow recovery in the real estate industry, and increasing constraints on environmental protection and energy consumption-related policies, the Chinese building materials industry continued to face a recession. Against this backdrop, the Company is seeking progress while maintaining stability, comprehensively deepening and implementing four strategies of "integrated transformation, overseas development, business expansion to new building material, digitization in traditional industry". With determination and hard work, the Company's operational performance has defied the odds and achieved remarkable success.

The work of the Board of Directors in 2023 was detailed as follows:

### I. MAJOR OPERATING INFORMATION DURING THE REPORTING PERIOD

In 2023 the Company overcame the negative impact of the fast decline of the cement industry, benefiting from the integration development, the Company's external aggregate sales reached 131.37 million tons, representing an increase of 100% compared to the previous year; the sales volume of RMX was 27.27 million m<sup>3</sup>, representing an increase of 66%; the disposal volume of eco business reached 3.50 million tons, increased by 6% compared with that of the last year; operating income of overseas business reached RMB5.439 billion, with a year-on-year increase of 30%. The annual operating revenue was RMB33.757 billion, increased by 10.79% year-on-year;

\* For details, please refer to the

the total profit was RMB4.326 billion, and the net profit attributable to shareholders of the Company was RMB2.762 billion, increased by 8.48% and 2.34% respectively from the same period last year.

## **II. DAILY WORK OF THE BOARD OF DIRECTORS**

### **1. Meeting of the Board of Directors**

In 2023, the Board of Directors held 9 board meetings physically or online. Members of the Board carried out their work responsibly under the principles laid out in the Company Law of the People's Republic of China, Rules of Procedure of Shareholders' Meeting, Rules of Procedure of the Board of Directors, Work Regulations for Independent Directors, and other laws and regulations.

During the Reporting Period, all affairs related to the meeting, including the holding procedures, the requirements for attendees, the qualifications of the convener, and the voting procedures, were dependent on relevant laws, regulations, and the Articles of Association. Resolutions and agreements adopted at the meeting were put in force. For details of the meeting agenda and resolutions, please refer to "V. Board Meetings during the Reporting Period" in Chapter IV Corporate Governance of the *A a R 2023*.

### **2. Performance of the Special Committee of the Board of Directors**

During the Reporting Period, all special committees of the Board of Directors held 12 meetings in total, including 2 meetings of the Strategy Committee, 4 meetings of the Audit Committee, 1 meeting of the Nomination Committee, 3 meeting of the Remuneration and Assessment Committee, and 2 meetings of the Corporate Governance and Compliance Committee. The special committees reviewed proposals and reports and communicated through email, WeChat, telephone, and onsite and online videoconferencing, fully fulfilling their duties. For details of the duties performed by the special committees of the Board of Directors, please refer to "VII. Information on special committees under the Board of Directors" in Chapter IV Corporate Governance of the *A a R 2023*.

### **3. Performance of the Directors**

All the Directors paid close attention to the Company's affairs, such as the Company's operation and management, financial status, overseas project investment, related transactions, and corporate governance. They carefully reviewed and discussed the delivered proposals and reports, provided their professional knowledge to make feasible strategic decisions, and tried their best to put forward suggestions for the Company's healthy and sustainable development. For details, please refer to "VI. Performance of duties by directors" in Chapter IV Corporate Governance of the *A a R 2023*.





The Company actively conducted more than 600 communications with investors through various ways in 2023.

Category of change	Number of change
Performance analysis meeting of the Company's periodic reports jointly held by the Company and the Shanghai Stock Exchange Roadshow Center/Hubei Securities Regulatory Bureau/Securities Companies	13
Receiving visiting investors, fund managers, and analysts/researchers in the building materials industry	15
Participating in the onsite/online securities market investment strategy meetings organized by securities companies	6
Participating in the online/telephone conferences to communicate with investors organized by securities companies	31
The Management going overseas for communications	27
Corporate open-day activity	1
Investor email reply	25
Investor hotline, WeChat and phone calls	More than 40/month

## **V. CORPORATE GOVERNANCE**

The Board of Directors adhered to system improvements, compliance with laws and regulations, and constantly enhancing the corporate government structure and system to keep up with international standards, supported the Company to publish annual Environmental, Social and Governance (ESG) report, taking into account requirements under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, organized and enhanced various systems approved by the Board of Directors to ensure that the Company's rules and systems comply with international standards.

At the same time, the Board of Directors urged for more stringent internal supervision and inspection, to create a sounding environment featuring integrity and honesty.

**VI. KEY WORK OF THE BOARD IN 2024**

In 2024, the Board will continue to follow the principle to be responsible for all shareholders, diligently perform its duties, efficiently make scientific decisions on significant matters to return to the society and shareholders. To guarantee the operation target in 2024, the Board will step up efforts in the following regards:

**1. Facilitating the achievement of operation target**

The Board will be committed to advancing four strategies of the Company, continue to make scientific decisions and risk control in major projects, make more efforts in survey, and put forward guiding advices for the operation and development. The Board will fully support the management to unite employees and complete 2024 operation plan.

**2. More standardized corporate governance**

The Board will continue to play the core role in corporate governance, further improve the governance system and mechanism. In accordance with new Company Law, Independent Director Administrative Methods of Listed Companies issued by China Securities Regulatory Commission, and other laws, regulations and provisions, the Board will improve relevant regulations, optimize corporate governance structure; follow new regulations of Shanghai Stock Exchange and Hong Kong Stock Exchange to ensure that all the work is legal and compliant; guard against risks, improve governance level, and safeguard the interests of investors. The Board will advance the internal control process, improve risk prevention mechanism to guarantee healthy, stable and sustainable development of the Company.

**3. High quality compliance information disclosure and investor relation administration**

The Board of Directors will prepare and disclose periodical reports and extraordinary reports in accordance with local regulatory rules to ensure that the information disclosure is authentic, accurate, complete, improve the transparency and timeliness of information disclosure. Expanding channels for investors service, enhancing communication between the Company and investors, enabling more understanding of the Company by investors to promote the long term and stable interactions between the two sides.

Looking into 2024, the Board will continue to discharge its duties, live up to the expectations of shareholders, stick to scientific decision-making, improve governance structure to deliver healthy, stable and sustainable development of the Company.



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)

4. On 30 June 2023, the Eleventh Meeting of the Tenth Board of Supervisors was convened, at which the "Core Employee Stock Ownership Plan of the Company for 2023–2025 (Draft) and Summary" was approved.
5. On 24 August 2023, the Twelfth Meeting of the Tenth Board of Supervisors was held, which adopted the 2023 Half Year Report of the Company.
6. On 27 October 2023, the Thirteenth Meeting of the Tenth Board of Supervisors was held, which adopted the 2023 Third Quarter Report of the Company.

## **II. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON THE COMPANY'S PERFORMANCE DURING THE REPORTING PERIOD**

### **1. The independent opinion on the Company's operation**

During the Reporting Period, the Board of Directors and senior management managed the Company in accordance with national laws and regulations and Articles of Association, strengthened internal risk control and strictly implemented the resolutions approved at the Shareholders' meetings. In the spirit of being responsible to all Shareholders and all employees, under the impact of severe external situations such as weak demand, overcapacity, and high energy prices, the Company's directors and other senior management has been committed to the low carbon sustainable development, anchored production, operation and development goals, further implemented Four Strategies steadily, firmly adhere to the "three bottom lines" of integrity, safety and environmental protection, strictly controlled risks such as finance, product quality, and compliance, and adopt the business strategy. The management adopted visionary business strategies, withstood external pressures and internal difficulties, achieving remarkable results and new breakthroughs. The production and operation results outperformed the industry market, and our performance and achievements deserved recognition.

### **2. The independent opinion on the independence of financial reporting of the Company**

Through the inspection of the Company's financial decisions and execution in 2023, the Board of Supervisors confirmed that within the Reporting Period the Company's assets were managed according to regulations and that all financial reports truly reflected the financial position and operating results of the Company, with no violations of regulations and disciplines.

### **3. The review and opinion on the Internal Control Assessment Report**

The Board of Supervisors reviewed the Internal Control Assessment Report 2023 and was of the view that it is in compliance with the relevant laws and regulations and reflects current situation of the Company's internal control. The Company has established a sound internal control system and formulated a series of reasonable internal control rules in accordance with national laws and

requirements of securities regulatory authorities. All internal control measures were effectively carried out in the whole process of production and operation, delivering results in risk prevention and control. Therefore, the Board of Supervisors agree all matters mentioned in the Internal Control Assessment Report 2023.

**4. The independent opinion on the Company's related party transaction**

During the Reporting Period, the transactions between the Company and related parties were legally conducted in complete procedures, with fair and reasonable prices. All transactions were made openly, impartially and fairly, with no potential risks generated.

**5. Reissue opinion on adjustment of the Core Employee Stock Ownership Plan**

During the Reporting Period, the Board of Supervisors considered the "Verification Opinions on the Repurchase and Cancellation of Part of the Shares under the Company's 2020-2022 Core Employee Stock Ownership Plan", "The Company's 2023-2025 Core Employee Stock Ownership Plan (Draft) and Summary", and considered that the contents of the matters relating to the Core Employee Stock Ownership Plan were in compliance with the Company Law, the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plans by Listed Companies and other laws, regulations, regulatory documents and relevant provisions of the Articles of Association of the Company.

**6. Reissue and opinion on Annual Report 2023**

The Company prepared and reviewed the Annual Report 2023 in line with national laws, regulations, and the provisions of the CSRC. The Report truly, accurately and completely reflected the Company's current situation, without any false information, misleading statements or material omissions. By the time of issuing this opinion, no employee involved in the preparation and review of the Annual Report 2023 was found to have violated confidentiality regulations.

**III. BOARD OF SUPERVISORS' WORK PLAN OF 2024**

In 2023, the Board of Supervisors will fully implement the Company's strategic policy, loyally, diligently and effectively carry out supervision and inspection work as regulated in the Company Law of the People's Republic of China, the Securities Law and the Articles of Association, and further improve the Company's corporate governance structure and regulate the operation and management, to better safeguard the legitimate rights and interests of the Company and its shareholders. It will faithfully perform its duties and do well daily deliberation work in accordance with the requirements of the Company Law of the People's Republic of China, the Articles of Association and the Rules of Procedure of the Board of Supervisors. In addition, it will put more efforts to supervise the performance of duties by directors and senior management and to supervise important areas and key links of the Company's

production, operation and management. It will strengthen supervision on internal control, risk control and information disclosure, and strengthen the training of supervisors, to improve the work quality of Board of Supervisors.

APPENDIX III REGARDING THE GUARANTEE FOR THE SUBSIDIARY  
THE OBJECT AND AMOUNT OF THE GUARANTEE



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)

Provisional in Respect of Providing Guarantees for Subsidiaries

SUBSIDIARIES AND GUARANTEE AMOUNT

(1) Guarantees for the working capital loan (including lease of fixed assets, bank acceptance, lease of guarantee)

Unit: 10,000 RMB

NO.	Guaranteee	Guarantee amount	Registered capital	Shareholding	As at the end of		Operating		Net profit
					2023	of 2023	2023	2023	
1	Huaxin Cement (Wuxue) Ltd.	10,000	30,000	100%	282,204	86,629	195,575	241,504	45,470
2	Huaxin Cement (Huangshi) Ltd.	10,000	111,600	94%	321,565	205,120	116,445	91,461	-13,069
3	Huaxin Cement (Macheng) Ltd.	1,000	6,500	100%	7,547	2,584	4,964	2,436	-925
4	Huaxin Cement (Yangxin) Ltd.	6,000	50,000	100%	102,382	26,951	75,431	98,058	3,648
5	Huaxin Cement (Chibi) Ltd.	5,000	14,000	100%	54,270	23,385	30,885	57,212	6,561
6	Huaxin Cement (Daye) Ltd.	5,000	32,700	70%	92,005	27,691	64,315	48,657	-3,651
7	Huaxin Cement (Henan Xinyang) Ltd.	13,000	20,000	100%	45,908	22,109	23,799	21,548	-4,224
8	Huaxin Aggregate (Yangxin) Ltd.	3,000	14,000	100%	51,728	21,137	30,591	64,636	18,181
9	Huaxin Cement (Ezhou) Ltd.	2,000	50,000	70%	26,718	10,068	16,650	31,975	-1,079
10	Huaxin Cement (Xiangyang) Ltd.	13,000	14,000	100%	102,963	51,044	51,919	108,782	9,051
11	Huaxin Cement Xiangyang Xiangcheng Ltd.	2,000	4,000	100%	9,246	2,177	7,069	16,276	815

\* Financial data





**APPENDIX III      REGARDING THE GUARANTEE FOR THE SUBSIDIARY  
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NO.	Guaantee	Guantee amo n	Regieed capi al	Sha e holding	A e b he end of 2023	Liabili e he end of 2023	Ne a e he end of 2023	Ope a ing e en e 2023	Ne p ofi 2023
34	Huaxin Cement (Lijiang) Ltd.	7,000	10,000	100%	48,839	17,604	31,235	37,348	1,840
35	Huaxin Cement (Honghe) Ltd.	2,000	50,000	100%	97,666	27,141	70,525	37,349	1,856
36	Huaxin Cement (Fuming) Ltd.	5,000	39,000	100%	95,539	51,844	43,695	38,695	337
37	Huaxin Cement (Yunlong) Ltd.	3,000	30,000	100%	36,773	5,984	30,789	11859	-1293
38	Yunwei Baoshan Organic Chemical Co., LTD	5,000	10,000	80%	51,136	48,485	2,651	23,350	1,019
39	Huaxin Cement (Diqing) Ltd.	6,000	9,500	61%	35,586	9,785	25,801	30,883	2,258
40	Huaxin Cement (Jianchuan) Ltd.	5,000	27,000	100%	58,758	18,871	39,887	27,770	1,808
41	Huaxin Cement (Huangshi) Equipment Manufacture Ltd.	3,000	13,000	100%	45,158	22,448	22,710	16,463	462
42	Huaxin Environmental Engineering Ltd. (including its subsidiaries)	60,000	100,000	100%	237,655	105,312	132,343	16,036	10,432
43	Huaxin New Building Materials Co., Ltd. (including its subsidiaries)	4,000	5,000	100%	19,257	11,266	7,991	0	-661
44	Hainan Baihuitong Supply Chain Technology Ltd	14,000	1,000	100%	34,125	29,747	4,378	121,263	1,549
45	Huaxin Concrete (Wuhan) Ltd (including its subsidiaries)	30,000	12,330	100%	129,807	70,113	59,694	3,900	4,154
46	Huaxin (HK) International Holding Ltd (including its subsidiaries)	40M USD	30,194	100%	613,858	424,330	189,528	765	8,723
<b>TOTAL</b>		<b>386,300</b>							

**(2) Guaranteed amount**

*Unit: 10,000 RMB*

NO	Guaranteee name	To be paid	Guarantee amount	Registered capital	Share
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## APPENDIX III

REGARDING THE GUARANTEE FOR THE SUBSIDIARY  
THE OBJECT AND AMOUNT OF THE GUARANTEE

NO	G, a n e e	p o j e c name	To a l p o j e c i n e m e n	L a a p p o l	i n c e a e o d e c e a e	G, a n e e a m o, n	R e g i e d c a p i a l	S h a e h o l d i n g	A e b h e e n d o f 2 0 2 3	L i a b i l i e h e e n d o f 2 0 2 3	N e a e h e e n d o f 2 0 2 3	O p e a i n g e e n, e 2 0 2 3
10	Huaxin New Material (Changyang) Co., Ltd	Phase I mining rights; Aggregate production line; Wall materials	71,000	37,000	-7,000	30,000	39,300	100%	114,555	74,179	40,376	27,121
11	Huaxin new material (Changyang) Co., Ltd	Lion Pack Mining Rights	38,513	—	30,000	30,000	39,300	100%	114,555	74,179	40,376	27,121
12	Huaxin Cement (Quxian) Ltd.	Aggregate Phase II Project&Integrated Project	27,517	4,000	18,480	22,480	24,000	100%	101,917	42,890	59,027	72,877
13	Huaxin Aggregate (Zhuzhou) Co., Ltd	Annual production of 5 million tons of aggregate production line project	33,259	23,000	-6,390	16,610	10,000	100%	43,433	31,786	11,647	22,766
14	Huaxin (HK) International Holding Ltd.	Existing loan projects	—	100,000	20,000	120,000	30,194	100%	613,858	424,330	189,528	765
15	Natal Portland Cement company	New projects added	\$35 Million	—	40,320	40,320	—	100%	260,784	51,674	209,110	—
16	Mozambique Cement Company	renovation, expansion acquisition loan acceptance	\$70 Million	—	54,000	54,000	—	94.76%	72,308	53,945	18,363	—
17	CHILANGA Cement PLC	Reconstruction and expansion, M&A to undertake loans	\$15 Million	—	7,560	7,560	12.3 million	75%	113,209	38,481	74,728	13,443
18	Portland Cement (Malawi) Limited	Renovation and expansion of the Ndola project in Zambia	\$50 Million	—	32,400	32,400	15786274.47	100%	12,326	7,568	4,758	27,525
19	Maweni limestone limited	Malawi project renovation and expansion	68,343	—	40,000	40,000	15786274.47	100%	204,881	177,305	27,576	73,885
20	Kunming Chongde Cement Co., Ltd	Tanzania Phase II Clinker Production Line	75,000	44,500	-14,500	30,000	38,200	100%	106,640	74,797	31,843	42,955
21	Huaxin Cement (Tibet) Ltd.	Chongde Phase II	46,000	30,000	-20,000	10,000	5,000	79%	135,964	41,253	94,711	74,967
22	Others	Tibet Phase III	Overseas projects (Cambodia Packaging, Nepal, Jizak, Sogd)	53,128	-35,006	18,122	—	—	—	—	—	—
	<b>TOTAL</b>			<b>1,224,829</b>	<b>63,864</b>	<b>1,288,692</b>						

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**APPENDIX III      REGARDING THE GUARANTEE FOR THE SUBSIDIARY  
THE OBJECT AND AMOUNT OF THE GUARANTEE**

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**(3) Bond and other**

<b>Guarantee</b>	<b>Category of guarantee</b>	<b>La app o ed \$10,000</b>	<b>Thi applica ion \$10,000</b>	<b>Thi applica ion ¥10,000</b>
Huaxin Cement International Finance Company Limited	USD bonds	30,000	30,000	216,000
Huaxin Hong Kong (Tanzania) Investment Co., Ltd	Preferred shares	1,925	1,925	13,860
<b>TOTAL</b>				<b>229,860</b>

(1)+ (2)+ (3) The total amount of guarantee applied for is RMB19.049 billion.

**M . X, Yongmo ( 徐 永 模 )**

Mr. Xu Yongmo, born in April 1956, Master of Engineering, and obtained Doctor and Post Doctorate in the United Kingdom. From 1982 to 1983, Mr. Xu worked as the assistant engineer of Plasterboard Subsidiary of Beijing New Building Material Plant. From 1986 to 1988, he served as the head of RMX laboratory of Concrete and Housing Building Materials Institute of China Building Materials Academy. From 1988 to 1991, he served as the vice director of Technical Information Centre of China Building Materials Academy. From 1998 to 2002, he served as the vice president of China Building Materials Academy. From April 2002 to April 2017, he served as the vice president of China Building Materials Federation. From June 2006 to December 2016, he served as the president of China Concrete & Cement Product Association. From December 2016 to July 2022, he served as the executive president of China Concrete & Cement Product Association. From March 2007 to July 2022, he served as the director-general of China Construction Units Association. From October 2007 to July 2019, he served as the VP of China Cement Association. From December 2011 to March 2019, he served as the director-general of China Silicate Association. He became an independent director of Jiangsu Sobute New Materials Co., Ltd (a company listed on SSE, stock code: 603916) since April 2021. He served as the honorary president of China Concrete & Cement Product Association since June 2023. He became the Independent Director of the Company from April 2009 to March 2012. He has been the Chairman of the Company since April 2012.

As at the Latest Practicable Date, saved as disclosed above, Mr. Xu Yongmo:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Mr. Xu Yongmo confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as a non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Xu Yongmo will receive director allowance of RMB1,500 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).



terminate the agreement. Mr. Li Yeqing will receive basic remuneration of RMB3,314.3 thousand per annum before tax during his term of office from the Company, the annual remuneration shall be determined according to the Company's operating performance, job responsibilities, work performance, market environment and other factors.

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Li Yeqing as an executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Li Feng han ( c D c )**

Mr. Liu Fengshan, born in November 1965, obtained master's degree in public administrations from Nanyang Technological University in Singapore. Mr. Liu graduated from Kunming Institute of Technology with a bachelor's degree in engineering, majoring in mineral processing in July 1987. From 1987 to August 1998, he served as technician of Chimashan Quarry, workshop manager, deputy quarry manager, quarry manager, and secretary of the party committee of Daye Nonferrous Metals Group. From August 1998 to August 1999, he served as a quarry manager of Tonglushan Quarry and secretary of the party committee of Daye Nonferrous Metals Group. From August 1999 to January 2002, he was the deputy secretary of the party committee and secretary to disciplinary committee of Daye Nonferrous Metals Group. From January 2002 to April 2004, he served as the deputy secretary of the Discipline Inspection Commission of Huangshi City. From April 2004 to October 2006, he served as the deputy secretary of the Daye Municipal Party Committee and the mayor of Daye City. From October 2006 to November 2006, he served as the deputy secretary-general of Huangshi Municipal Party Committee. From November 2006 to September 2011, he served as director-general and secretary of Leading Party Group of Bureau of Civil Affairs of Huangshi City. Since September 2011, he served as the Chairman and General Manager of Huaxin Group Co., Ltd., as well as deputy secretary the party committee of both Huaxin Group Co., Ltd. and Huaxin Cement Co., Ltd. He became a Director of the Company in April 2012. He has been the vice president of the Company since June 2012.

As at the Latest Practicable Date, saved as disclosed above, Mr. Liu Fengshan:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) held 166,500 A Shares and 171,900 H Shares in the Company.

The Company will enter into a letter of appointment with Mr. Liu Fengshan confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as an executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Liu Fengshan will receive basic remuneration of RMB1,512.9 thousand per annum before tax during his term of office



- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Mr. Martin Kriegner confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as a non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Martin Kriegner will receive director allowance of RMB216 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Martin Kriegner as a non-executive Director that needs to be

The Company will enter into a letter of appointment with Mr. Lo Chi Kong confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as a non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Lo Chi Kong will receive director allowance of RMB216 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Lo Chi Kong as a non-executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Tan Then H wee ( - c D c )**

Ms. Tan Then Hwee, Singaporean, born in December 1972, graduated from Wichita State University in the United States of America with a Master of Business Administration and a Bachelor of Business Administration. She has accumulated over 20 years of experience in human resources management within the Asia-Pacific region, with experience in leadership development, talent and succession management, employee engagement and remuneration management. From November 2000 to June 2006, she worked at Philips (a company listed on the Euronext Amsterdam, stock code: PHIA) in Hong Kong, with her last position being the human resources senior manager. From June 2006 to February 2007, she was a human resources senior manager at TPO Displays Hong Kong Limited, a company spun-off from Philips in 2016. Between April 2007 and March 2019, she served as the human resources vice president of the Asia-Pacific region of Sika Group in Singapore. She joined Holcim in March 2019 and is currently the Group Head of Learning and Development. Since January 2023, Ms. Tan has assumed the role of the Head of HR for Holcim Asia Pacific. She served as a non-independent director and member of the compliance committee of Ambuja Cements Limited (a company listed on the National Stock Exchange of India, stock code: AMBUJACEM) from February 2019 to September 2022 and a director as well as a member of the audit committee of Holcim Philippines, Inc (a company listed on the Philippine Stock Exchange, stock code: HLCM) since September 2020. She has been a Director of the Company since September 2020.

As at the Latest Practicable Date, saved as disclosed above, Ms. Tan Then Hwee:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and

- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Ms. Tan Then Hwee confirming her appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as a non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Ms. Tan Then Hwee will receive director allowance of RMB216 thousand per annum before tax during her term of office from the Company (determined by considering her performance duty in the growth of the Company, her work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Ms. Tan Then Hwee as a non-executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Wong K, n Ka, ( *▲* *▲* - c D c )**

Mr. Wong Kun Kau, born in 1960, graduated from the University of Hong Kong with a bachelor's degree in social science. Mr. Wong Kun Kau has over 28 years of experience in investment banking and corporate finance. He is the founder and has served as a director of Bull Capital Partners Ltd. which is incorporated in the Cayman Islands since July 2007. Before founding Bull Capital Partners Ltd., he worked as the head of BNP Paribas Capital (Asia Pacific) Limited of Investment Banking — Asia. Before that, he worked with Wardley Investment Services Ltd., Bank America Trust Co., (HK) Ltd., Nomura International (HK) Ltd., and Samuel Montagu & Co., Ltd. He has been an independent non-executive director of REF Holdings Limited (a company listed on HKEx, stock code: 1631) since August 2015. He has been an Independent Director of the Company since April 2021.

As at the Latest Practicable Date, saved as disclosed above, Mr. Wong Kun Kau:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Mr. Wong Kun Kau confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as an independent non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Wong Kun Kau will receive director allowance of RMB360 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Wong Kun Kau as an independent non-executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Zhang Jiping ( 张 敬 平 - c D c )**

Mr. Zhang Jiping, born in November 1968, obtained a bachelor's degree and Master's degree in International Law from the University of International Business and Economics in Beijing and a master's degree from New York University School of Law. He worked at the Legal Department of China Securities Regulatory Commission as a staff attorney from 1993 and 1996. He worked at Simpson Thacher & Bartlett LLP in its New York and Hong Kong offices from 1997 to 2003. He joined Haiwen & Partners in 2004 and has been promoted as a managing partner in May 2014. Mr. Zhang has over 25 years of legal experience, and his practice primarily focuses on the FDI, M&A, and capital markets areas. He has been a Director of the Company since April 2021.

As at the Latest Practicable Date, saved as disclosed above, Mr. Zhang Jiping:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Mr. Zhang Jiping confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as an independent non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Zhang Jiping will receive director allowance

of RMB360 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Zhang Jiping as an independent non-executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Jiang Hong ( 江 洪 - c D c )**

Mr. Jiang Hong, born in March 1970, obtained bachelor's degree in finance in economics from Finance and Economics Department of Xiamen University, a certified public accountant in the PRC, currently working as an off-campus instructor for graduate students at Shanghai University of Finance and Economics. He used to be a representative of the 15th Shanghai People's Congress and a member of the 12th Standing Committee of the Jing'an District CPPCC. From August 1992 to June 2006, he worked with the MOF Commissioners Office in Shanghai. From June 2000 to October 2015, he worked as chief financial officer, chief taxation officer, and chief governmental affairs officer at Philips (China) Investment Co., Ltd. From October 2015 to December 2021, he has been serving as the vice chairman of Shanghai Intellectuals Association Foreign Business Branch, chairman of Jing'an District Intellectuals Association, and in charge of O2Change startup incubator and incubation funds jointly created by over ten multinational corporations. He has been an independent director of Wonders Information Co., Ltd. since July 2023. He has been an independent director of the Company since April 2021.

As at the Latest Practicable Date, saved as disclosed above, Mr. Jiang Hong:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) had no interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will enter into a letter of appointment with Mr. Jiang Hong confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board expires, if so appointed, as an independent non-executive Director. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Jiang Hong will receive director allowance of

RMB360 thousand per annum before tax during his term of office from the Company (determined by considering his performance duty in the growth of the Company, his work experience and professional competence).

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Jiang Hong as an independent non-executive Director that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Ming Jinh, a (S a d S )**


Mr. Ming Jinhua, born in September 1972, MBA, Accountant, senior economist. He graduated from Hubei Engineering Institute with a bachelor's degree majoring in machinery manufacturing in July 1994. He graduated from the Huazhong University of Science and Technology with a master's degree of business administration in June 2003. From August 1994 to June 1998, he served as a loan officer of Huangshi Branch, Bank of China. From June 1998 to October 2006, he served as a member, senior staff member, director, and deputy director of the Second Office of Discipline Inspection and Supervision Division of Supervision Bureau of Huangshi Municipal Commission for Discipline Inspection. From October 2006 to September 2010, he served as a member of the party group of Tieshan District Government and deputy head of Tieshan District, Huangshi City. From September 2010 to September 2011, he served as a member of the party group and deputy director of Huangshi Commerce Bureau (Investment Promotion Bureau). From September 2011 to February 2014, he served as the Standing Committee member and Secretary to the Commission for Discipline Inspection of Xisaishan District, Huangshi City. From February 2014 to September 2016, he served as the deputy secretary of the party committee, deputy director-general, secretary of the party committee and director general of Huangshi MBEC, chairman of Huangshi Yangtze River Bridge Operation Co., Ltd., and secretary of the party committee and chairman of Huangshi Transportation Investment Group Co., Ltd. From September to December 2016, he served as the deputy secretary of Yangxin County party committee, secretary of the party group of Yangxin County Government, and acting head of the County. From December 2016 to July 2021, he served as deputy secretary of Yangxin County party committee, secretary of the party group of the County government, and head of the County. From July 2021, he served as a deputy secretary of the party committee and secretary to Commission for Discipline Inspection of the Company and Huaxin Group. From August 2021, he serves as the chairman of the Board of Supervisors of the Company and chairman of the labor union of the Company and Huaxin Group.

As at the Latest Practicable Date, saved as disclosed above, Mr. Ming Jinhua:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any pubm

The Company will enter into a letter of appointment with Mr. Ming Jinhua confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board of Supervisors expires, if so appointed, as a shareholder supervisor. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Ming Jinhua will receive basic remuneration of RMB1,412.2 thousand per annum before tax during his term of office from the Company, the annual remuneration shall be determined according to the Company's operating performance, job responsibilities, work performance, market environment and other factors.

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Ming Jinhua as Supervisor that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Zhang Lin** ( *S a*  *S* )

Mr. Zhang Lin, born in September 1972, MBA, registered certified public accountant. He graduated from Hangzhou Business School, Zhejiang Business Administration University, with a bachelor's degree majoring in accounting in June 1995; graduated from Huazhong University of Science and Technology, with a master's degree in business administration, majoring in business administration in December 2002. He joined the Company in July 1995, he has served as the Company's accountant, chief of plan and finance department of Xiantao Company and Yichang, financial manager of Zhaotong Company, member of HARP project, vice manager of ERP Department, head of internal control department, financial director of overseas division, chief of internal audit and internal control department, and director of internal audit. He served as a Supervisor from April 2012 to April 2015. He became a (Assistant Vice President) Director of the internal audit and internal control department of the Company in August 2019. He was appointed as Supervisor in March 2017.


As at the Latest Practicable Date, saved as disclosed above, Mr. Zhang Lin:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) held 11,600 A Shares and 188,400 H Shares in the Company.



The Company will enter into a letter of appointment with Mr. Zhang Lin confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board of Supervisors expires, if so appointed, as a shareholder supervisor. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Zhang Lin will receive basic remuneration of RMB892.8 thousand per annum before tax during his term of office from the Company, the annual remuneration shall be determined according to the Company's operating performance, job responsibilities, work performance, market environment and other factors.

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Zhang Lin as Supervisor that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).

**M . Li, Sheng** (S a  S )

Mr. Liu Sheng, born in November in 1973, bachelor degree. He joined the Company in 1993, and has served as deputy secretary of the Company's Youth League Committee, deputy director of the Political Work Department, deputy general manager and administrative manager of Wuxue Company, administrative manager of Hunan Project Department and project manager of Daoxian Project, deputy general manager of RMX Aggregate Business Department and general manager of Aggregate Business Department and general manager of Hunan Region, director of RMX Business Department in Hubei East Region, director of business development and sales management of Aggregate/Brick in New Business Department, deputy manager (administration) of 100 million tons Machine-made Sand/year Project, director of Regional Business Development, deputy general manager (HR and administration) of Huangshi Industrial Park. He was currently the head of public affairs department, deputy general manager (HR and administration) of Huangshi Green Building Materials Industrial Limited Company and deputy general manager of Huaxin Group.

As at the Latest Practicable Date, saved as disclosed above, Mr. Liu Sheng:

- (1) did not hold any other position in the Group, nor has other major appointments and professional qualifications;
- (2) did not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date;
- (3) had no relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and
- (4) held 25,300 H Shares in the Company.

The Company will enter into a letter of appointment with Mr. Liu Sheng confirming his appointment for a term of three years with effect from the date of as approved by the Shareholders until the current term of the Board of Supervisors expires, if so appointed, as a shareholder supervisor. Either party has the right to give not less than three months' written notice to terminate the agreement. Mr. Liu Sheng will receive basic remuneration of RMB456 thousand per annum before tax during his term of office from the Company, the annual remuneration shall be determined according to the Company's operating performance, job responsibilities, work performance, market environment and other factors.

Save as disclosed above, there are no other matters in relation to the nomination and proposed appointment of Mr. Liu Sheng as Supervisor that needs to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules (especially under subparagraphs (h) to (v) thereof).



**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)**

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## NOTICE OF THE 2023 ANNUAL GENERAL MEETING

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9. To consider and approve the Proposal on re-election of the Directors:
  - (a) To re-elect and appoint Mr. Xu Yongmo as a non-executive Director
  - (b) To re-elect and appoint Mr. Li Yeqing as an executive Director
  - (c) To re-elect and appoint Mr. Liu Fengshan as an executive Director
  - (d) To re-elect and appoint Mr. Martin Kriegner as a non-executive Director
  - (e) To re-elect and appoint Mr. Lo Chi Kong as a non-executive Director
  - (f) To re-elect and appoint Ms. Tan Then Hwee as a non-executive Director
  - (g) To re-elect and appoint Mr. Wong Kun Kau as an independent non-executive Director
  - (h) To re-elect and appoint Mr. Zhang Jiping as an independent non-executive Director
  - (i) To re-elect and appoint Mr. Jiang Hong as an independent non-executive Director
  
10. To consider and approve the Proposal on electing and appointing members of the Eleventh Board of Supervisors
  - (a) To elect and appoint Mr. Ming Jinhua as a Shareholder Supervisor
  - (b) To elect and appoint Mr. Zhang Lin as a Shareholder Supervisor
  - (c) To elect and appoint Mr. Liu Sheng as a Shareholder Supervisor

By Order of the Board of Directors

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X, Yongmo

C a a

Wuhan City, Hubei Province, China  
26 April 2024

No e :

**1. Eligibili o a end he AGM and , pen ion of H ha e an fe egi a ion**

To determine the name list of H-share holders eligible to attend the AGM, the Company will close registration for H Share transfers from Wednesday, 16 May 2024 to Thursday, 21 May 2024 (both days inclusive). In order to be eligible to attend and vote at the AGM, 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 Tuesday, 14 May 2024.

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

**2. Ann al di idend di ib, ion a angemen**

The Board of Directors proposes to distribute cash dividend of RMB0.53 (tax inclusive) per share to all Shareholders in a total amount of RMB1,101,867,694 for the year ended 31 December 2023. The dividend distribution plan will be submitted to the AGM for consideration. If the proposal is approved at the AGM, the Company will distribute cash dividends within two months after the conclusion of the AGM 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 Friday, 19 July 2024. 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.

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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).

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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 year ended 31 December 2023 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.

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For HKEx investors (including enterprises and individuals) (“**Shanghai Stock Connect Investor**”) 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-share holders. 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.

*W* *d.* *, c e a f H . K . S c C . . e c . , e*

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

- 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. Closure of register and eligibility for dividend for the year 2023

Note to H-share holders: The register of members of the Company for H shares will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024 (both days inclusive). H-share holders who wish to receive the p

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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 AGM or any adjournment thereof (in the case of the AGM, it shall be delivered before 2:00 p.m. on Monday, 20 May 2024 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 AGM or any adjournment thereof as he/she wishes.

### 5. Procedure of registration for attending the AGM

Shareholders or their proxies shall present their identification documents when attending the AGM. If the shareholder present at the meeting is a corporation, its 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 AGM.

### 6. Voting by poll

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

### 7. Miscellaneous

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

(2) 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)



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**NOTICE OF THE 2023 ANNUAL GENERAL MEETING**

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**8. All directors and members of the Board of Directors of Hong Kong and the Company.**

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 Y (P <sup>▲</sup>d ) a <sup>▲</sup>d M . L F a (V c P <sup>▲</sup>d ) , a c D c ; M . X  
 Y (C a a ) , M . Ma K , M . L C K a <sup>▲</sup>d M . Ta T H , a  
 - c D c ; M . W K Ka , M . Z a J a <sup>▲</sup>d M . Ja H , a  
<sup>▲</sup>d <sup>▲</sup>d - c D c .