
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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HUAXIN BUILDING MATERIALS GROUP CO., LTD.*

華新建材集團股份有限公司

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

(Stock Code: 6655)

**PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME
PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS TO
HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2026**

All capitalised terms used on this cover have the meanings set out in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 4 to 9 of this circular.

HUAXIN BUILDING MATERIALS GROUP CO., LTD.* (華新建材集團股份有限公司) (the “Company”) intends to hold the First Extraordinary General Meeting in 2026 of the Company (the “EGM”) at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China on Friday, 17 April 2026 at 2:00 p.m. The notice of the convening of the EGM is set out on pages 36 to 38 of this circular.

Whether or not you are able to attend the EGM, 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 not less than 24 hours before the time designated for holding the EGM or any adjournment thereof (i.e. not later than 2:00 p.m. on Thursday, 16 April 2026); otherwise, it will be deemed invalid. The completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person if you so wish. If you attend and vote at the EGM or any adjournment thereof in person, your proxy form will be deemed revoked.

* For identification purpose only

26 March 2026

TABLE OF CONTENTS

Definitions	1
Letter from the Board of Directors	4
Appendix I: — 2026 H Share Award Scheme (Draft)	10
Notice of the First Extraordinary General Meeting in 2026	36

DEFINITIONS

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

2026 H-Share Award Scheme or Award Scheme or Scheme	means	the 2026 H-Share Award Scheme of the Company to be adopted by the Company as proposed by the resolution of the Board dated 26 March 2026 and subject to the resolution being passed and approved by the Shareholders at the EGM
A share(s)	means	ordinary shares issued by the Company with a par value of RMB1.00 each, which are listed on the SSE and traded in RMB
A-shareholder(s)	means	holders of A shares
Actual Selling Price	means	the actual price at which the Award Shares are sold (net of brokerage fees, stamp duty, any taxes, SEHK trading fees, SFC transaction levy, and any other applicable charges) on vesting of the Award under this Scheme, or the consideration receivable under related scheme or offer in the event of vesting due to a change of control or privatization of the Company pursuant to Rule 14.1 of the Scheme Rules
Articles of Association	means	Articles of Association of the Company (as amended from time to time)
Award	means	an award granted by the Board to Selected Participants, which may vest in the form of Award Shares or the Actual Selling Price corresponding to the Award Shares in accordance with the terms of the Scheme
Award Letter	means	has the meaning given in Rule 7.2 of the Scheme Rules
Board of Directors	means	Board of Directors of the Company
China	means	The People's Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this circular only
Director(s)	means	directors of the Company
Extraordinary General Meeting or EGM	means	the First Extraordinary General Meeting in 2026 to be held on Friday, 17 April 2026 at 2:00 p.m.

DEFINITIONS

Grant Date	means	the date on which an award is granted to a Selected Participant
H share(s)	means	Foreign shares listed on the Hong Kong Stock Exchange with a nominal value of RMB1.00 per share in the Company's share capital and traded in Hong Kong dollars
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
HKEX or Hong Kong Stock Exchange	means	The Stock Exchange of Hong Kong Limited
Hong Kong	means	Hong Kong Special Administrative Region of the PRC
Latest Practicable Date	means	25 March 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion herein
Listing Rules	means	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
Returned Shares	means	the Award Shares that are not vested and/or are cancelled under the terms of the Scheme, or the H Shares that are deemed to be Returned Shares under the Scheme Rules
RMB	means	Renminbi, the lawful currency of China
Scheme Trustee	means	Trustee appointed by the Company for trust purposes
Selected Participant	means	an eligible employee who is approved to participate in the Scheme and granted Awards in accordance with Rule 6 of the Scheme Rules
Share(s)	means	Shares of the Company with a par value of RMB1.00 each, including A shares and H shares

DEFINITIONS

Shareholder(s)	means	Shareholders of the Company, including A-share holders and H-share holders
SSE	means	Shanghai Stock Exchange
The Company or Company	means	HUAXIN BUILDING MATERIALS GROUP CO., LTD.*, a joint stock limited company incorporated in China, whose H shares and A shares have been listed on the Main Board of the HKEX (stock code: 6655) and the SSE (stock code: 600801), respectively
Vesting Notice	means	as defined in Rule 9.8 of the Scheme Rules



HUAXIN BUILDING MATERIALS GROUP CO., LTD.*

華新建材集團股份有限公司

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

(Stock Code: 6655)

Executive directors:

Mr. Li Yeqing (*President*)
Mr. Liu Fengshan (*Vice President*)

Non-executive directors:

Mr. Xu Yongmo (*Chairman*)
Mr. Martin Kriegner
Mr. Olivier Milhaud
Ms. Tan Then Hwee

Independent non-executive directors:

Mr. Wong Kun Kau
Mr. Zhang Jiping
Mr. Jiang Hong

*Headquarters and principal place of
business in China:*

Block B, Huaxin Building,
No. 426 Gaoxin Avenue,
East Lake High-tech Development Zone,
Wuhan City,
Hubei Province
China

Principal place

of business in Hong Kong:

Room 1917, 19/F, Lee Garden One,
33 Hysan Avenue, Causeway Bay
Hong Kong

To whom it may concern,

**PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME
PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS TO
HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME
AND**

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2026

1. INTRODUCTION

On behalf of the Board of Directors, I hereby invite you to attend the EGM to be held on Friday, 17 April 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province, China.

The purpose of this circular is to give notice of the EGM 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 EGM.

* *For identification purpose only*

LETTER FROM THE BOARD OF DIRECTORS

2. MATTERS TO BE DEALT WITH AT THE EGM

The resolutions to be submitted to the Shareholders for consideration and approval at the EGM include the following:

- (1) Proposed Adoption of the 2026 H Share Award Scheme
- (2) Proposed Authorisation to the Board of Directors to Handle Matters Relating to the 2026 H Share Award Scheme

3. PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME

In order to further establish and improve the Company's long-term incentive mechanism, attract and retain talented individuals, fully raise the enthusiasm of core staff of the Company, bond the interests of Shareholders and the Company, as well as the personal interests of the core team members together effectively, and enable various parties to focus on the long-term development of the Company, while fully safeguarding the interests of Shareholders and adhering to the principle of matching returns with contributions, the "2026 H-Share Award Scheme (draft)" has been in accordance with relevant laws and regulations and taking into account the Company's actual circumstances. The Directors (including the independent non-executive Directors) believe that the adoption of the 2026 H Share Award Scheme will help the Company achieve the above objectives, and consider that the terms and conditions of the 2026 H Share Award Scheme are on normal commercial terms, fair and reasonable, and in line with the overall interests of the Company and Shareholders.

As Selected Participants of the 2026 H Share Award Scheme, Mr. Li Yeqing as executive Directors and Mr. Liu Fengshan as executive Directors have abstained from voting on the Board to approve the 2026 H Share Award Scheme. Save as disclosed above, none of the other Directors had a material interest in the resolution of the Board in relation to the 2026 H Share Award Scheme.

Having regard their respective interests in the Company, Mr. Li Yeqing as executive Directors, Mr. Liu Fengshan as executive Directors, Mr. Chen Qian, Mr. Du Ping, Mr. Mei Xiangfu, Mr. Yang Hongbing, Mr. Xu Gang, Mr. Wang Jiajun, Mr. Ye Jiaying, Mr. Lu Guobing and Mr. Tang Jun will abstain from voting at the EGM. To the best of the Company's knowledge and belief, except for Mr. Li Yeqing as executive Directors, Mr. Liu Fengshan as executive Directors, Mr. Chen Qian, Mr. Du Ping, Mr. Mei Xiangfu, Mr. Yang Hongbing, Mr. Xu Gang, Mr. Wang Jiajun, Mr. Ye Jiaying, Mr. Lu Guobing and Mr. Tang Jun, who are among the Selected Participants in the 2026 H Share Award Scheme, there are no other shareholders who had a material interest in the 2026 H Share Award Scheme.

The 2026 H Share Award Scheme involves no issue of new shares or granting of options for any new securities of the Company. Thus, it does not constitute a share scheme involving issue of new shares as defined and regulated under Chapter 17 of the Listing Rules. The 2026 H Share Award Scheme constitutes a share scheme funded by existing shares under Chapter 17 of the Listing Rules and shall therefore be subject to the applicable requirements under Rule 17.12 of the Listing Rules.

LETTER FROM THE BOARD OF DIRECTORS

The Award Scheme and the related matters are subject to the approval of Shareholders at the EGM by way of special resolution.

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

4. PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS TO HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME

In order to complete the relevant matters of the 2026 H Share Award Scheme in an efficient and orderly manner, the Board intends to propose to the Shareholders at the EGM to authorize the Board to handle specific matters related to the Scheme, including but not limited to the following matters:

- (1) Authorize the Board to confirm the qualifications and conditions for the Selected Participants to participate in the Scheme, and determine the Grant Date of the Award Shares under the Scheme;
- (2) Authorize the Board to make corresponding adjustments to the Award Shares and the vesting price (if any) in accordance with the methods specified in the rules of the Scheme (the “**Scheme Rules**”) when the Company has a capitalization issue, bonus issue, rights issue, public offering, subdivision of shares, consolidation of shares or reduction of share capital;
- (3) Authorize the Board to establish the trust for the Scheme and/or appoint a trustee for the Scheme, and handle the preliminary legal matters related to the trust structure;
- (4) Authorize the Board to grant Award Shares to the Selected Participants and handle all matters necessary for the grant when the relevant conditions for the grant of Awards specified in the Scheme are met, including but not limited to issuing the Award Letter to the Selected Participants, instructing the Scheme Trustee to handle the transfer and management of H Shares held in trust, and to fulfill relevant information disclosure obligations to the Hong Kong Stock Exchange;
- (5) Authorize the Board, prior to the grant of Award Shares, to make reasonable adjustments to the number of Award Shares to be granted to the Selected Participants within the maximum limit of the number of Award Shares that may be granted under the Scheme having regard to the implementation of the Scheme, or to reduce the number of Award Shares to be granted to any Selected Participant who has waived his or her entitlement;

LETTER FROM THE BOARD OF DIRECTORS

- (6) Authorize the Board to review and confirm the vesting eligibility and vesting conditions of the Selected Participants in respect of the Award Shares, and agree that the Board may delegate such authority to the Remuneration and Appraisal Committee of the Board for exercise;
- (7) Authorize the Board to determine whether the Selected Participants meet the vesting conditions for the Award Shares, and authorize the Board to handle all necessary matters relating to the vesting of the Award Shares, including but not limited to issuing the Vesting Notice to the Selected Participants, instructing the Scheme Trustee to recognize unvested Award Shares as Returned Shares in accordance with the Scheme Rules, transferring vested Award Shares to the Selected Participants, or instructing the Scheme Trustee to sell vested shares through on-market transactions on the Hong Kong Stock Exchange and pay the corresponding cash of the actual selling price to the Selected Participants in accordance with the Scheme Rules;
- (8) Authorize the Board to handle the day-to-day management of the unvested Award Shares and Returned Shares held in trust by the Scheme Trustee, including but not limited to disposing of the relevant rights and interests of the above shares in accordance with the Scheme Rules and cooperating with the information disclosure verification of the Hong Kong Stock Exchange and relevant regulatory authorities;
- (9) Authorize the Board to implement amendments to and the termination of the Scheme, including but not limited to cancelling the eligibility of Selected Participants for the vesting of Award Shares, treating the unvested Award Shares of the Selected Participants as Returned Shares in accordance with the Scheme Rules, handling the inheritance of the relevant rights and interests of the unvested Award Shares of deceased Selected Participants, terminating the Scheme in accordance with the Scheme Rules, and handling the disposal of trust assets and relevant information disclosure matters after the termination of the Scheme;
- (10) Authorize the Board to manage and adjust the Scheme, and formulate or revise the management and implementation of the Scheme Rules from time to time provided that such amendments are consistent with the terms of the Scheme Rules and comply with the Listing Rules and other applicable laws and regulations. However, if any such amendment is required by laws, regulations, relevant regulatory authorities or the Articles of Association to be approved by a general meeting and/or relevant regulatory authorities, such amendment by the Board must be approved accordingly;
- (11) Authorize the Board to appoint trustees, financial advisors, securities firms, legal advisers, receiving banks, accountants and other intermediaries for the implementation of the Scheme, and determine the service fees of the relevant intermediaries and the method of payment thereof;
- (12) Authorize the Board to sign, execute, amend and terminate any agreements and other documents related to the Scheme;

LETTER FROM THE BOARD OF DIRECTORS

- (13) Authorize the Board to handle approval, registration, filing, ratification, consent and other procedures with the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong and other relevant regulatory authorities for the Scheme; to sign, execute, amend and complete documents to be submitted to the relevant authorities, organizations or individuals; and take all actions that it deems necessary, appropriate or suitable in connection with the Scheme;
- (14) Authorize the Board to interpret and explain the Scheme Rules and to handle any issues or disputes arising from or related to the Scheme;
- (15) Authorize the Board to handle other necessary matters required for the implementation of the Scheme, except for the rights which, according to the relevant laws, regulations, the Listing Rules, the Scheme Rules or the Articles of Association, are expressly required to be exercised by the shareholders' general meeting;
- (16) Propose to the shareholders' general meeting of the Company to approve that the above authorizations shall be valid from the date when the shareholders' general meeting of the Company approves the Scheme to the expiration date of the award period of the Scheme.

Except for the matters which, pursuant to laws, administrative regulations, rules of the China Securities Regulatory Commission, normative documents, the Scheme Rules, the Articles of Association or the Listing Rules, are expressly required to be passed by a resolution of the Board, other authorized matters can be directly exercised by the chairman of the Board or such appropriate person as authorized by him on behalf of the Board.

5. EXTRAORDINARY GENERAL MEETING

The EGM will be held on Friday, 17 April 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China, to consider, and if thought fit, pass the resolutions set out in the notice of the EGM, which is set out on pages 36 to 38 of this circular.

A proxy form for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to read the notice of the EGM and to complete and return the enclosed proxy form as soon as possible in accordance with the instructions printed thereon as soon as possible. H-share holders must return the proxy form or other authorization 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 not less than 24 hours before the time designated for holding the EGM or any adjournment thereof (i.e. before 2:00 p.m. on Thursday, 16 April 2026); otherwise, it will be deemed invalid. The completion and submission of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) in person if you so wish. In the event that you subsequently attend and vote at the EGM or any adjournment thereof in person, your proxy shall be deemed to be revoked.

LETTER FROM THE BOARD OF DIRECTORS

6. CLOSURE OF H-SHARE REGISTER

In order to determine the list of H-share holders who are eligible to attend the EGM, the Company will close registration for H Share transfers from Tuesday, 14 April 2026 to Friday, 17 April 2026 (both days inclusive). The record date will be Friday, 17 April 2026. In order to be eligible to attend and vote at the EGM, all share transfer documents together with the relevant share certificates must be lodged with 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, no later than 4:30 p.m. on Monday, 13 April 2026.

7. VOTING BY POLL

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

8. RESPONSIBILITY STATEMENT

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

9. RECOMMENDATION

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

Yours faithfully
By order of the Board of Directors
HUAXIN BUILDING MATERIALS GROUP CO., LTD.*
Xu Yongmo
Chairman

Wuhan City, Hubei Province, China
26 March 2026

HUAXIN BUILDING MATERIALS GROUP CO., LTD.*
2026 H Share Award Scheme (Draft)

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, unless the context otherwise requires, the following definitions apply:

“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage fees, stamp duty, any taxes, SEHK trading fees, SFC transaction levy, and any other applicable charges) on vesting of the Award under this Scheme, or the consideration receivable under related scheme or offer in the event of vesting due to a change of control or privatization of the Company pursuant to Rule 14.1 of the Scheme Rules
“Adoption Date”	the date on which this Scheme is approved by the Shareholders
“Articles of Association”	the articles of association of the Company as amended from time to time
“Award”	an award granted by the Board to Selected Participants, which may vest in the form of Award Shares or the Actual Selling Price corresponding to the Award Shares in accordance with the terms of this Scheme
“Award Letter”	has the meaning given in Rule 7.2 of the Scheme Rules
“Award Period”	the period commencing on the Adoption Date and ending on the business day immediately preceding the 10th anniversary of the Adoption Date
“Award Shares”	the H Shares granted to a Selected Participant in an Award
“Board”	the board of directors of the Company from time to time (see also Rule 1.2(e) of the Scheme Rules)
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Company” or “the Company”	Huaxin Building Materials Group Co., Ltd.*
“Connected Person”	has the meaning ascribed to it in the Listing Rules
“Delegatee”	the relevant personnel authorized by the Board or a committee under the Board

“Director”	a director of the Company
“Eligible Employee”	Chinese or non-Chinese employees, including directors and senior management personnel, who hold full-time positions in any member company of the Group; unless the laws and regulations of the employee’s location prohibit the employee from participating in the grant, acceptance, or vesting of awards under this Scheme; or the Board of Directors or its Delegatee determines that, for compliance with applicable laws and regulations of the employee’s location, it is necessary or appropriate to exclude the employee from participating in the Scheme, thereby rendering the employee ineligible
“Employee”	an employee who has entered into a formal employment contract with the relevant member of the Group
“Grant Date”	the date on which an award is granted to a Selected Participant
“H Shares”	foreign-listed shares of the Company with a par value of RMB1.00 per share, which have been listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	the listing of H Shares on the Main Board of the Stock Exchange on March 28, 2022
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“On-Market Transaction”	the acquisition of H Shares of the Company through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
“PRC”	the People’s Republic of China
“Remuneration and Assessment Committee”	the remuneration and assessment committee of the Board

“Returned Shares”	the Award Shares that are not vested and/or are cancelled under the terms of the Scheme, or the H Shares that are deemed to be Returned Shares under the Scheme Rules
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Scheme” or “this Scheme”	the H-Share Share Award Scheme adopted by the Company on the Adoption Date under the Scheme Rules
“Scheme Limit”	has the meaning given to it in Rule 15.1 of the Scheme Rules
“Scheme Rules”	the rules relating to the Scheme as set out herein, as amended from time to time
“Scheme Trustee”	Trustee appointed by the Company for trust purposes
“Securities and Futures Ordinance”	the Securities and Futures Ordinance of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Selected Participant”	an eligible employee who is approved to participate in the Scheme and granted Awards in accordance with Rule 6 of the Scheme Rules
“SFC”	the Securities and Futures Commission of Hong Kong
“Share Buy-backs Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC of Hong Kong
“Shareholder”	a shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	any subsidiary of the Company (as defined in the Listing Rules)
“Tax”	has the meaning given in Rule 9.12 of the Scheme Rules
“Trust”	the trust established under the Trust Deed for the purposes of the Scheme
“Trust Deed”	the trust deed entered into between the Company and the Scheme Trustee (as may be restated, supplemented and amended from time to time)

“Vesting Date”	the date determined by the Board or its Delegatee from time to time under the Scheme Rules on which the award (or part thereof) vests to the Selected Participant as set out in the relevant Award Letter
“Vesting Notice”	Definition as per Rule 9.8 of the Scheme Rules
“Vesting Period”	Definition as per Rule 9.2 of the Scheme Rules

1.2 In these Scheme Rules, unless the context otherwise requires:

- (a) References to rules are to the rules of the Scheme Rules;
- (b) Time references are to Hong Kong time;
- (c) If a period of time is specified as from a given day or the occurrence of an act or event, it shall be calculated exclusive of that day;
- (d) Any express or implied reference to statutes, statutory provisions or the Listing Rules shall be construed as a reference to those statutes, provisions or rules as respectively amended or re-enacted, or as their application is modified by other provisions from time to time (whether before or after the date of this agreement), and shall include any statute, re-enacted (whether with or without modification) provisions or rules, and shall include any orders, regulations, instruments, subordinate legislation, other subsidiary legislation or practice notes under the relevant statutes, provisions or rules;
- (e) Unless otherwise indicated, the Board may determine at its discretion; if the Board delegates its authority to administer the Scheme to the Delegatee, such Delegatee shall have the same full discretionary power as the Board;
- (f) References to “including” shall be deemed to mean “including without limitation”;
- (g) Words in the singular include the plural and vice versa, and words denoting gender include all genders;
- (h) Headings are included in the Scheme Rules for convenience only and shall not affect its interpretation; and
- (i) Any reference to any statutory body shall include its successors and any body established to replace or assume the functions of such statutory body.

1.3 Should there be any discrepancy between English and Chinese version of this Scheme, the Chinese version shall prevail.

2. PURPOSE OF THE SCHEME

2.1 The purposes of the Scheme are:

- (a) To attract, motivate and retain core management personnel with outstanding professional capabilities and senior management experience by providing the Company's directors and senior executives with equity-related award arrangements that directly link their benefits to the market performance of the Company's shares, thereby supporting the Company's long-term development and strategic expansion; and
- (b) To recognize the contributions of the Company's prudent directors and senior management to the Company, optimize the Company's long-term incentive mechanism, keep the compensation system up-to-date, further align the interests of core management, shareholders, and the Company, while achieving an effective balance between operational execution and governance oversight.

3. CONDITIONS

3.1 The implementation of this Scheme is conditional upon the approval and adoption of this Scheme by the Shareholders, and the authorization of the Board or the Remuneration and Assessment Committee to grant Awards and facilitate the transfer and other handling of Award Shares under this Scheme.

4. DURATION

4.1 Subject to Rules 9.6 and 20, this Scheme shall be valid and effective from the date when all the conditions listed in Rule 3 above are satisfied until the tenth anniversary thereof. No further awards shall be offered or granted after the Award Period, but the terms of this Scheme shall otherwise remain fully effective. Awards granted during the Award Period shall continue to be valid after the period ends in accordance with their grant terms.

5. ADMINISTRATION

5.1 This Scheme shall be administered by the following bodies:

- (a) The meeting of the Shareholders, as the supreme authority of the Company, is responsible for consideration and approval of the adoption of this Scheme. The meeting of the Shareholders may authorize the Board and/or Delegatee to handle all matters related to this Scheme within their authority;
- (b) The Board, in accordance with the Scheme Rules and the Trust Deed, serves as the body responsible for administering this Scheme. Decisions made by the Board or its Delegatee shall be final and binding on all relevant parties. The Remuneration and Assessment Committee is responsible for reviewing and/or approving matters related to this Scheme and submitting them to

the Board for deliberation. After being reviewed and approved by the Board, this Scheme shall be submitted to the meeting of the Shareholders for deliberation. The Board and/or its Delegatee may handle all matters related to this Scheme within the scope authorized by the meeting of the Shareholders; and

- (c) A trust shall be constituted to service this Scheme, whereby the Scheme Trustee, in compliance with relevant provisions of the Trust Deed and subject to the Scheme Limit as set out in Rule 15.1 of this Scheme and the Company's instructions, shall use funds transferred by the Company to acquire H Shares through on-market transactions, with the purchase amount not exceeding RMB23,988,000.
- 5.2 The authority to administer this Scheme may be fully delegated by the Board at its discretion to the Delegatee (as the case may be), provided that nothing in Rule 5.2 of this Scheme shall prejudice the Board's power to revoke such delegation or derogate from the Board's decision-making authority as described in Rule 5.1(b) of this Scheme.
- 5.3 Without prejudice to the Board's general authority of administration, the Board or its Delegatee may from time to time appoint one or more administrators (who may be independent third parties) to sub-delegate such functions related to the administration of this Scheme as they deem appropriate to assist in the administration of this Scheme. The term of appointment, scope of authority, and remuneration (if any) of the administrators shall be determined at the sole discretion of the Board or its Delegatee.
- 5.4 Without prejudice to the Board's general authority of administration and to the extent not prohibited by applicable laws and regulations, the Board or its Delegatee may also from time to time appoint one or more Trustees to exercise authority over the grant, administration, and vesting of Award Shares.
- 5.5 Subject to compliance with the Scheme Rules, the Listing Rules, and any applicable laws and regulations, the Board or its Delegatee shall have the authority from time to time to:
- (a) Interpret the Scheme Rules and the terms and conditions related to Awards granted under this Scheme;
 - (b) Make or amend such arrangements, guidelines, procedures, and/or regulations for the administration, interpretation, implementation, and operation of this Scheme, provided that such arrangements, guidelines, procedures, and/or regulations shall not conflict with the Scheme Rules;
 - (c) Determine how the vesting of Awards granted under Rule 9 of this Scheme will be settled;

- (d) Determine the basis of the eligibility of any Eligible Employee to receive Awards from time to time, based on their contribution to the Group's development and growth or other factors deemed appropriate;
 - (e) Grant Awards to Eligible Employees selected by them from time to time;
 - (f) Determine the terms and conditions for granting Awards;
 - (g) Establish, evaluate, and administer performance objectives under this Scheme;
 - (h) Approve the form and content of Award Letters;
 - (i) Adjust the number of Award Shares granted or accelerate the Vesting Date of any Award under Rule 14 of this Scheme;
 - (j) Exercise any powers granted by shareholders from time to time;
 - (k) Engage banks, accountants, lawyers, consultants, and other professional institutions for the purposes of this Scheme; and
 - (l) Sign, execute, amend, and terminate all documents related to this Scheme, fulfill all procedures related to this Scheme, and take other measures to implement the terms of this Scheme.
- 5.6 For the purposes of this Scheme, none of the Directors or any Delegatee shall be personally liable for any contract or other instrument signed by them or on their behalf for the purposes of this Scheme, or for any judgment error made in good faith. The Company shall also indemnify and hold harmless each member of the Board and any Delegatee against any costs or expenses (including legal fees) or liabilities (including any payments made to settle claims with the approval of the Board) arising from any act or omission related to this Scheme, unless such liability results from the person's own willful neglect of duty, fraud, or bad faith.
- 5.7 For the administration of this Scheme, the Company shall comply with all disclosure requirements, including the Listing Rules and all applicable Chinese laws, regulations, and rules.

6. SELECTION OF SELECTED PARTICIPANTS

- 6.1 The Board or its Delegatee may from time to time select any Eligible Employee as a Selected Participant and, subject to the provisions of Rule 6.3 of this Scheme, grant awards to such Selected Participant during the Award Period upon meeting the terms and conditions of the Award and performance targets as determined by the Board or its Delegatee from time to time.
- 6.2 The selection of Selected Participants shall be conducted in accordance with the Company Law of the PRC, the Securities Law of the PRC, and other applicable laws, regulations, normative documents, and the Company's articles of

association, taking into account the actual circumstances of the Company (including the current and future contributions of the relevant Selected Participants to the Group).

No one should be considered as a Selected Participant under this Scheme if he:

- (a) has been deemed as an inappropriate candidate for equity incentive schemes or similar schemes of listed companies by competent authorities within the last 12 months;
- (b) has been penalized by securities regulatory authorities for major violations of laws or regulations or prohibited from trading securities within the last 12 months;
- (c) has circumstances stipulated by the Company Law that prohibit serving as a company director or senior management personnel;
- (d) is prohibited from participating in the enterprise share incentive scheme under applicable laws, administrative regulations, or relevant national provisions.

6.3 Notwithstanding the provisions of Rules 6.1 and 6.2, no Award Shares shall be granted to a Selected Participant, and no instructions or recommendations shall be made to the Scheme Trustee regarding the grant of Awards; and any such authorization, instruction, or recommendation shall be invalid to the extent (and only to the extent) that it falls within the circumstances below:

- (a) Where the necessary approval from any applicable regulatory authorities has not been obtained;
- (b) Unless otherwise determined by the Board, where any member of the Group is required to issue a prospectus or other offer document for the Award or this Scheme under applicable securities laws, rules, or regulations;
- (c) If the grant of the Award would cause any member of the Group or its directors to violate the securities laws, rules, or regulations of their jurisdiction;
- (d) If the grant would result in a breach of the Scheme Limit;
- (e) If the grant is made after the expiration of the Award Period or the early termination of this Scheme under Rule 20 of this Scheme;
- (f) Where any Director possesses unpublished inside information (as defined in the Securities and Futures Ordinance) of the Company or reasonably believes that there is inside information that requires disclosure under Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (the “**Inside Information Provisions**” as defined in the

Listing Rules), or where any director is prohibited from trading under any code or requirement of the Listing Rules or any applicable law, rule, or regulation;

- (g) Within 60 days prior to the announcement date of the Group's annual results, or (if shorter) from the end of the relevant financial year until the announcement date of such results; and
- (h) Within 30 days prior to the announcement date of the Group's quarterly or interim results, or (if shorter) from the end of the relevant quarter or interim period until the announcement date of such results.

7. AWARD LETTER AND AWARD GRANT NOTICE

- 7.1 Subject to the relevant terms and conditions of this Scheme, the number of shares for H Share awards may be determined at the sole discretion of the Board and/or its Delegatee.
- 7.2 The Company shall, from time to time, issue an Award Letter to each Selected Participant in the form determined by the Board or its Delegatee, specifying the grant date, the method of accepting the Award, the amount and/or number of shares granted (including the basis for determining the number of Award Shares), vesting criteria and conditions, Vesting Date, and other details, terms, and conditions deemed necessary and consistent with this Scheme (the "Award Letter").
- 7.3 After granting any Awards to a Selected Participant, the Company shall provide the Scheme Trustee with a copy of the fully executed Award Letter as soon as practicable.

8. ACQUISITION OF H SHARES BY THE SCHEME TRUSTEE

- 8.1 Subject to Rules 8.4 and 15.1, for the purpose of satisfying the grant of Awards, the Company shall, as soon as reasonably practicable, transfer the required funds to the Trust and instruct the Scheme Trustee to acquire H Shares at the prevailing market price through on-market transactions as the source of the Award Shares under the Scheme. Subject to the provisions of Rule 14 of this Scheme, the Company shall instruct the Scheme Trustee whether to use Returned Shares to satisfy any award grant. If the Returned Shares determined by the Company are insufficient to satisfy the award grant, then subject to the provisions of Rule 8.3 of this Scheme, the Company shall, as soon as reasonably practicable, transfer the necessary funds to the Trust and instruct the Scheme Trustee to acquire H Shares at the prevailing market price through on-market transactions.

- 8.2 If the Scheme Trustee has been instructed by the Company to acquire H Shares through on-market transactions, the Scheme Trustee shall, upon receipt of the necessary funds from the Company, as soon as reasonably practicable, acquire H Shares at the prevailing market price through on-market transactions in accordance with the Company's instructions.
- 8.3 The Scheme Trustee shall only be obligated to transfer the Award Shares to the Selected Participants of this Scheme upon vesting to the extent the Award Shares are comprised in the Trust.
- 8.4 The Company shall not instruct the Scheme Trustee to acquire H Shares at the prevailing market price through on-market transactions, where (i) such action (as applicable) is prohibited by the Listing Rules, the Securities and Futures Ordinance, or other applicable laws, regulations, and rules of China; or (ii) during such periods as stated in Rules 6.3(g) and (h) of this Scheme. If the prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until the first business day on which the prohibition no longer prevents relevant action, as soon as reasonably practicable.

9. VESTING OF AWARD

- 9.1 The Board or its Delegatee may, during the term of this Scheme and in compliance with all applicable laws, regulations, and rules, from time to time determine the vesting criteria and conditions as well as the Vesting Period.
- 9.2 Unless otherwise specified in the Award Letter approved by the Board or the Delegatee, the vesting periods (each a "**Vesting Period**") for awards granted under this Scheme are as follows:

Vesting Period: The Vesting Period for the Award Shares is one year commencing from the first trading day after the 36-month period from the Grant Date, at which point 100% of the Award Shares will vest. The Board or its Delegatee may, at their sole discretion and subject to all applicable laws, regulations, and rules, adjust the Vesting Period of the Award Shares if deemed appropriate.

- 9.3 Awards under this Scheme are subject to the following conditions, including the company-level performance assessment criteria and individual performance assessments of Selected Participants as outlined in Rule 9.3 of the Scheme Rules, as well as other conditions specified in the Award Letter.

a) Company-level performance assessment:

Company-level performance indicators are “Relative Total Shareholder Return” and “Compound Annual Growth Rate of Earnings Per Share”.

Assessment Indicators	Weighting	Threshold	Target	Challenge
Relative total shareholder return percentile level	50%	60 th percentile	75 th percentile	90 th percentile
Compound Annual Growth Rate of Earnings Per Share for 2028 Compared to 2025	50%	3%	5%	7%

Note 1: Total Shareholder Return (TSR) = (Closing Stock Price — Opening Stock Price + Dividends Paid During the Period)/Opening Stock Price, where: the Closing Stock Price is calculated based on the average closing price of trading days from 1 November 2028 to 28 February 2029; the Opening Stock Price is calculated based on the average closing price of trading days from 1 November 2025 to 28 February 2026; Dividends Paid During the Period refer to the cumulative dividends actually distributed from 1 January 2026 to 31 December 2028; the calculation is adjusted for stock splits and dividends at the period end.

Note 2: Relative Total Shareholder Return Composite Percentile = A Share Benchmark Group Percentile × A Share Weight + Overseas Share Benchmark Group Percentile × Overseas Share Weight, where the weights for A Shares and overseas shares are 65% and 35%, respectively. The overseas share benchmark group includes leading cement companies listed in Hong Kong (including Huaxin Building Materials) and global leading cement companies, totaling 9 companies; the A Share benchmark group includes leading cement and building materials companies listed on the A Share market (including Huaxin Building Materials), totaling 12 companies.

Note 3: Earnings per share = (Net profit ± Post-tax gains and losses from the Company’s disposal of assets ± Post-tax impairment of goodwill and long-term assets)/Weighted average number of shares outstanding.

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

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

The relationship between the company-level performance assessment score and the corresponding annual vesting ratio of Award Shares is: Annual vesting ratio = Company-level performance assessment score/100.

- b) The individual performance indicators of the Selected Participants are as follows:

The Board or its Delegatee will conduct an annual comprehensive evaluation of Selected Participants, which will serve as the basis for determining the actual number of shares eligible for vesting under this Scheme. Provided all other conditions specified in the Award Letter are met, if the Selected Participant's average annual performance assessment result during the three-year performance period under the Scheme reaches or exceeds 0.8, 100% of the corresponding Award Shares will vest; if it does not reach 0.8, the corresponding shares will not vest.

- 9.4 If a Selected Participant fails to meet the vesting conditions corresponding to the awarded shares under the Scheme, such unvested shares will be forfeited and held as Returned Shares by the Scheme Trustee.
- 9.5 If the Vesting Date does not fall on a business day, the Vesting Date shall, subject to any trading halt or suspension in H Shares, be the business day immediately thereafter.
- 9.6 To avoid ambiguity, the Board or its Delegatee may, at its discretion, determine the Vesting Period for any subsequent grants under this Scheme or the use of any Returned Shares for Awards, provided that in no event shall it extend beyond the remaining term of the Award Period at the time of grant.

- 9.7 For the purpose of vesting of the Award, the Board or its Delegatee may either:
- (a) Direct and procure the Scheme Trustee to release and transfer the Award Shares from the Trust to the Selected Participants by transferring the Award Shares to them, as determined by the Board from time to time; or
 - (b) The Board or its Delegatee may determine that if, due to legal or regulatory restrictions, a Selected Participant is unable to accept the H Share award, or the Scheme Trustee's ability to make any such transfer to the Selected Participant is subject to legal or regulatory restrictions, the Board or its Delegatee shall direct and procure the Scheme Trustee to sell the vested shares of the Selected Participant through on-market transactions at the prevailing market price and pay the Selected Participant the cash equivalent of the actual selling price of the Award Shares as specified in the Vesting Notice.
- 9.8 Except in the circumstances described in Rule 9.12 and any unforeseen circumstances, within a reasonable period agreed upon between the Scheme Trustee and the Board from time to time before any Vesting Date, the Board or its Delegatee shall issue a vesting notice ("**Vesting Notice**") to the relevant Selected Participant. The Board or its Delegatee shall forward a copy of the Vesting Notice to the Scheme Trustee and instruct the Scheme Trustee to release and transfer the Award Shares held in the Trust to the relevant Selected Participant in the manner determined by the Board or its Delegatee or to sell them as soon as practicable after the Vesting Date to the extent feasible.
- 9.9 Except in the circumstances described in Rule 9.12 of this Scheme, upon receipt of the Vesting Notice and the instructions from the Board or its Delegatee, the Scheme Trustee shall transfer the relevant Award Shares to the relevant Selected Participant in the manner determined by the Board or its Delegatee or sell the relevant Award Shares within any period specified in Rule 9.8 above, and pay the actual selling price to the Selected Participant within a reasonable time period in satisfaction of the Award.
- 9.10 Any stamp duty or other direct costs and expenses arising on the vesting and transfer of Award Shares shall be borne by the Company. Any taxes or other direct costs and expenses arising on the sale of Award Shares due to the vesting shall be borne by the Selected Participant.
- 9.11 After the Award Shares are vested and transferred to the Selected Participant (as applicable), all costs and expenses related to the transaction of the Award Shares shall be borne by the Selected Participant, and neither the Company nor the Scheme Trustee shall bear any such costs or expenses thereafter.
- 9.12 Except for the stamp duty to be borne by the Company under Rule 9.10, the Selected Participant shall be responsible for any taxes (including individual income tax, professional tax, payroll tax and similar taxes (if applicable), customs duties, social security contributions, taxes, fees or other levies ("**Taxes**")) arising

from or related to their participation in this Scheme, the Award Shares, or cash equivalent to the Award Shares. Neither the Company nor the Scheme Trustee shall bear any of the aforementioned Taxes. The Selected Participant shall indemnify the Scheme Trustee and all members of the Group against any liability they may incur for paying or accounting for such Taxes, including any withholding obligations related to such Taxes. To give effect to this, notwithstanding any other provisions of the Scheme Rules (subject to applicable laws), the Scheme Trustee or any member of the Group may:

- (a) Reduce or withhold the number of Award Shares underlying the Award to be granted to the Selected Participant (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares with a fair market value on the date of withholding, which the Company reasonably believes is sufficient to cover any such liability);
- (b) Sell, on behalf of the Selected Participant, the number of H Shares they are entitled to receive under the Scheme, and retain the proceeds and/or pay them to the relevant authority or government agency;
- (c) Without notice to the Selected Participant, deduct or withhold the amount of any such liability from any payment made to the Selected Participant under the Scheme, or from any amount payable to the Selected Participant by any member of the Group, including from any salary payable to the Selected Participant by any member of the Group; and/or
- (d) Require the Selected Participant to remit from their own account to any member of the Group in cash or by certified or bank cashier's check an amount sufficient to pay any taxes or other amounts required by any governmental authority to be withheld or paid by any member of the Group, or otherwise make other arrangements satisfactory to the Company for the payment of such amounts.

The Scheme Trustee shall have no obligation to transfer any Award Shares (or pay in cash the actual selling price of such Award Shares) to the Selected Participant unless the Selected Participant satisfies the Scheme Trustee and the Company that they have fulfilled the obligations under this Rule of the Scheme.

10. CHANGE OF CIRCUMSTANCES PERTAINING TO THE SELECTED PARTICIPANTS

10.1 If a Selected Participant changes his/her job position in the Group but remains eligible to participate in the Scheme as a Eligible Employee, the unvested Award Shares shall continue to vest on the Vesting Date specified in the Award Letter, unless otherwise determined by the Board or its Delegatee. However, if a Selected Participant has a change in job position due to any of the following reasons:

- (a) he/she is not qualified for his/her job;

- (b) violates laws, breaches professional ethics, or reveals confidential company information;
- (c) fails to discharge his/her duties or has committed misconduct or serious violation of Group policies;
- (d) causing damages to the interests or reputation of the Group; or
- (e) the Group terminates his/her employment contract for any of the above reasons,

any unvested Award Shares granted to such employee shall be immediately forfeited, unless otherwise determined by the Board or its Delegatee. In the event of material violation or damage, the Company reserves the right to seek compensation from the Selected Participant.

10.2 If a Selected Participant has a change in his/her job position within the Group or within the controlling shareholder system and becomes ineligible to participate in the Scheme, ceasing to be a Eligible Employee, any unvested Award Shares shall be immediately forfeited, unless otherwise determined by the Board or its Delegatee.

10.3 If a Selected Participant ceases to be an Eligible Employee due to any reasons set forth in Rule 6.2 of the Scheme which should be considered as a Selected Participant, any unvested Award Shares shall be immediately forfeited, unless otherwise determined by the Board or its Delegatee.

10.4 If a Selected Participant ceases to be a Eligible Employee due to resignation, layoff, or expiration/termination of the employment contract, any granted but unvested Award Shares shall be immediately forfeited, unless otherwise determined by the Board of Directors or its Delegatee.

10.5 If a Selected Participant becomes disqualified due to termination of employment with the Group caused by work-related disability, the granted but unvested Award Shares shall continue to vest according to the Vesting Dates specified in the Award Letter, unless otherwise determined by the Board of Directors or its Delegatee. The individual performance evaluation results of such Selected Participant shall no longer serve as a vesting condition.

10.6 Subject to Rules 10.11 and 12.1(f) of this Scheme, if a Selected Participant passes away due to a work-related injury, the granted but unvested Award Shares and stock dividends shall continue to be processed as per the procedures specified in the Award Letter, unless otherwise determined by the Board or its Delegatee. The individual performance evaluation results of such Selected Participant shall no longer serve as a vesting condition.

- 10.7 Subject to Rules 10.11 and 12.1(f) of this Scheme, if a Selected Participant passes away due to non-work-related causes, any granted but unvested Award Shares shall immediately lapse, unless otherwise determined by the Board of Directors or its Delegatee.
- 10.8 If a Selected Participant is rehired after retirement at the age stipulated by the state and the Company, the granted but unvested Award Shares shall continue to vest according to the Vesting Dates specified in the Award Letter, unless otherwise determined by the Board or its Delegatee. If the individual has no personal performance evaluation, the personal performance evaluation condition shall no longer be regarded as a vesting condition; if the individual has a personal performance evaluation, it shall remain one of the vesting conditions for the Award Shares.
- 10.9 If a Selected Participant is not rehired by the Company after retirement at the age stipulated by the state and the Company, the granted but unvested Award Shares and scrip dividends shall continue to be processed as per the procedures specified in the Award Letter, unless otherwise determined by the Board or its Delegatee. The individual performance evaluation results of such Selected Participant shall no longer be regarded as a vesting condition.
- 10.10 If a Selected Participant ceases to be an Eligible Employee for reasons other than those specified in Rules 10.1 to 10.9 above, the granted but unvested Award Shares shall be immediately forfeited, unless otherwise determined by the Board or its Delegatee.
- 10.11 If vesting of an Award or part thereof is required due to the death of a Selected Participant, the Scheme Trustee shall hold such number of Award Shares as are equal to the vested Award Shares or actual selling price (“**Proceeds**”) on trust, and transfer such shares to the legal representative of the Selected Participant within two years after the death (or such other period as may be agreed between the Scheme Trustee and the Company from time to time). If such Proceeds have no successor, they shall be forfeited and cease to be transferable. Such Proceeds shall be held by the Scheme Trustee for the purposes of the Scheme as Returned Shares or funds of the trust. Notwithstanding the foregoing, prior to transfer in accordance herewith, the Proceeds held in trust hereunder shall be retained and may be invested and dealt with by the Scheme Trustee in any way.
- 10.12 The Company shall, from time to time, notify the Scheme Trustee in writing of the date on which such Selected Participant ceases to be an Eligible Employee, and any amendments to the terms and conditions of the Award to such Selected Participant (including the number of Award Shares).
- 10.13 If a Selected Participant’s employment relationship with the Group is terminated for any reason, (i) all vested Award Shares shall be sold on-market at prevailing market prices within twelve months after such termination of employment relationship; (ii) after the expiration of the twelve-month period specified in Rule

10.13(i) above, the Company reserves the right to instruct and procure the Scheme Trustee to sell on-market at prevailing market prices all Award Shares vested but unsold by the Selected Participant under Rules 9 and 10.13(i) of the Scheme.

11. TRANSFERABILITY AND OTHER RIGHTS OF AWARD SHARES

11.1 Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be transferable. No Selected Participant may sell, transfer, charge, mortgage, pledge, create any interest for others over the Awards, or enter into any agreement to do so.

11.2 Any actual or purported breach of Rule 11.1 shall entitle the Company to cancel any granted but unvested Awards in whole or in part awarded to the Selected Participant. The determination by the Company's Board or its Delegatee as to whether a Selected Participant has breached any of the above provisions shall be final and conclusive.

12. INTEREST IN THE ASSETS OF THE TRUST

12.1 For the avoidance of doubt:

- (a) subject to the vesting of the Award in accordance with Rules 9 and 14 of the Scheme, a Selected Participant shall only have a contingent interest in such Award;
- (b) a Selected Participant shall not give directions to the Scheme Trustee regarding the Award or any other property of the Trust, nor shall the Scheme Trustee comply with any directions given by a Selected Participant regarding the Award or any other property of the Scheme Trust;
- (c) neither the Selected Participant nor the Scheme Trustee shall exercise any voting rights attached to any H Shares held by the Scheme Trustee under this Trust (including unvested Award Shares);
- (d) a Selected Participant shall have no right to receive any dividends or any Returned Shares or any dividends underlying the unvested Award Shares, nor any cash or non-cash proceeds, distributions, non-cash and non-script distributions, or sale proceeds from Returned Shares, all of which shall be retained by the Scheme Trustee for the benefit of the Scheme, including but not limited to the payment of expenses related to the implementation of the Scheme, such as professional institutions engaged by the Company from time to time for the Scheme;
- (e) a Selected Participant shall have no rights to any fractional share balances resulting from the consolidation of H Shares (if any), and for the purposes of the Scheme, such H Shares shall be deemed as Returned Shares;

- (f) in the event a Selected Participant dies and the interest is not transferred to the legal representative of the Selected Participant within the period specified in Rule 10.11, such interest shall be forfeited, and the legal representative of the Selected Participant shall have no claim against the Company or the Scheme Trustee; and
- (g) in the event a Selected Participant ceases to be an Eligible Employee on or before the relevant Vesting Date, the Award in respect of such Vesting Date shall lapse or be forfeited in accordance with the Scheme, and unless otherwise determined by the Board or its Delegatee, such Award shall not vest on the relevant Vesting Date, and the Selected Participant shall have no claim against the Company or the Scheme Trustee.

13. RESTRICTIVE COVENANTS

- 13.1 By accepting any Award granted under the Scheme, a Selected Participant shall be deemed to have made the covenants set out in Rule 13 of the Scheme to and for the benefit of the Group.
- 13.2 The Selected Participant hereby undertakes to the Group that, while he/she is an employee, director, shareholder, or other stakeholder of the Group (except as reasonably necessary for the performance of his/her duties to the Group), or at any time thereafter, he/she shall not, directly or indirectly, use, disclose, or communicate to any person any information relating to the affairs, business methods, processes, systems, inventions, schemes, or research and development of the Group or its clients, any customer or supplier information, or any information that could reasonably be regarded as confidential to the Group or such persons (except for information required to be disclosed by law or information in the public domain at the relevant time, but excluding information wrongfully disclosed), and shall use his/her best efforts to prevent any third party from publishing or disclosing any such information.
- 13.3 The Selected Participant undertakes to the Group that, unless prior written approval is obtained from the Company, he/she shall not, directly or indirectly, during his/her employment with the Group, engage in any other business which is in any respect in competition with or similar to the business of the Group.
- 13.4 The Selected Participant undertakes to the Group that, as long as he/she is employed by the Company or any member of the Group, he/she shall devote his/her full time and attention to the business of the Group and shall use his/her best efforts to develop the Group's business for the benefit of the Group, and shall not engage in any competitive or other business.
- 13.5 The Selected Participant undertakes to the Group that he/she shall strictly comply with the post-employment obligations under the employment contract and the Proprietary Information and Inventions Agreement entered into with the Company.

14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.**Change of control**

14.1 If there is an event of change in the control of the Company by way of merger, privatization through a scheme or offer, significant asset restructuring, or if the Company ceases to exist after merging with another company, or if the Company undergoes a spin-off, the meeting of Shareholders or the Board or other Delegatee authorized by the meeting of Shareholders shall have the sole discretion to decide whether to accelerate the vesting of the awarded shares or terminate this Scheme.

For the purposes of Rule 14.1, “control” shall have the meaning as defined in the Hong Kong Securities and Futures Commission’s “Codes on Takeovers and Mergers and Share Buy-backs” as issued and updated from time to time.

Open offer and rights issue

14.2 If the Company makes an open offer of new securities, the Scheme Trustee shall not subscribe for any new H Shares. In the case of a rights issue, the Scheme Trustee shall not take any action to exercise any rights to subscribe for unpaid shares and shall sell any rights to subscribe for unpaid shares in respect of any H Shares held by the Scheme Trustee (if there is a public market for such rights). The aggregate proceeds from such sale may be used by the Scheme Trustee to acquire H Shares for the purpose of any further Awards made by the Company under the Scheme from time to time, and to pay the reasonable costs and expenses incurred by the Scheme Trustee in performing its duties under the Trust Deed in connection with the Scheme.

Bonus warrants

14.3 If the Company issues bonus warrants in respect of any H Shares held by the Scheme Trustee, unless otherwise instructed by the Company, the Scheme Trustee shall not exercise any subscription rights under the bonus warrants to subscribe for any new H Shares and shall sell the bonus warrants so obtained, and the net proceeds from the sale of such bonus warrants shall be held as funds of the Trust.

Scrip dividend

14.4 If the Company implements a scrip dividend scheme, the Scheme Trustee shall elect to receive shares, and such H Shares shall be held as Returned Shares.

Capitalization Issue, Consolidation, Subdivision, Bonus Issue and Other Distribution

14.5 If the Company capitalizes, subdivides, consolidates or reduces its H Shares, the number of Award Shares granted shall be adjusted accordingly in a manner deemed by the Board to be fair and reasonable to prevent dilution or enlargement of the benefits or potential benefits intended to be provided to Selected Participants under the Scheme. All fractional shares (if any) arising from such

consolidation or subdivision in relation to the Award Shares of Selected Participants shall be deemed as Returned Shares and shall not be transferred to the relevant Selected Participants on the relevant Vesting Date.

- 14.6 If the Company issues H Shares to the holders of H Shares by way of capitalization of profits or reserves (including the share premium account), the additional H Shares held by the Scheme Trustee as part of the Award Shares shall be treated as an increase in the Award Shares and shall be held by the Scheme Trustee as if they were Award Shares purchased by the Scheme Trustee hereunder, and all provisions hereof in relation to the original Award Shares shall apply to such additional shares.
- 14.7 In the event of any non-cash distribution or other event not referred to above, the Board shall make such adjustments to the number of awarded Shares granted to each Selected Participant as it deems fair and reasonable to prevent dilution or enlargement of the benefits or potential benefits intended to be provided to Selected Participants under this Scheme. The Company shall provide the necessary funds or issue instructions regarding the use of Returned Shares or other funds in the Trust to enable the Scheme Trustee to purchase H Shares through on-market transactions at prevailing market prices for the purpose of paying additional awards.
- 14.8 If the Company makes any non-cash and non-share distributions not specified in the Scheme Rules in respect of H Shares held by the Trust, the Scheme Trustee shall sell such distributions, and the net sale proceeds thereof shall be treated as cash income of the H Shares held upon the Trust.

Voluntary winding-up

- 14.9 If the Company passes an effective resolution for voluntary winding-up (other than for reconstruction, amalgamation, or scheme of arrangement) during the Award Period, the Board or its Delegatee shall determine at its discretion whether to accelerate the Vesting Date of any Award and whether Selected Participants are entitled to receive out of the assets available for distribution in liquidation an amount equal to what they would have received for their Awards on an equal basis with the Shareholders.

Compromise or arrangement

- 14.10 If the Company proposes a compromise or arrangement with its shareholders or creditors for a scheme of reconstruction of the Company or amalgamation with any other company, and the Company issues a notice to its Shareholders convening a general meeting for consideration, and such compromise or arrangement is approved by Shareholders as they deem fit, the Board or its Delegatee shall determine at its discretion whether to accelerate the Vesting Date of any Award.

15. SCHEME LIMIT

15.1 The maximum size of this Scheme shall be the maximum number of H Shares that the Scheme Trustee may acquire through on-market transactions at prevailing market prices using funds provided by the Company not exceeding RMB23,988,000 in accordance with Rule 8.1 of this Scheme, with the maximum limit of H Shares to be acquired as determined by the Board and/or its Delegatee, and in no event shall it cause the Company to fail to maintain the public float as required by the Listing Rules (as modified by any waiver granted by the Stock Exchange at the time of listing) (the “**Scheme Limit**”). The Company shall not make any further grants that would cause the aggregate number of H Shares underlying all grants made under the Scheme (excluding the Award Shares canceled under the Scheme) to exceed the Scheme Limit without Shareholders’ approval.

16. RETURNED SHARES

16.1 For the purposes of the Scheme, the Scheme Trustee shall hold the Returned Shares as specified under the Scheme. When H Shares are deemed to be Returned Shares under the Scheme Rules, the Scheme Trustee shall notify the Company accordingly.

17. INTERPRETATION

17.1 Any decision made under the Scheme, including matters related to the interpretation of the Scheme Rules, shall be made by the Board or its Delegatee. The decision of the Board shall be final and binding.

18. ALTERATION OF THE SCHEME

18.1 Subject to the Scheme Limit, except as provided in this Rule 18, the Board may at any time amend any terms of the Scheme, including but not limited to the manner in which Participants accept awards, and other minor revisions conducive to the administration of the Scheme, provided that any such amendments shall not materially and adversely affect any existing rights of any Selected Participant, and such amendments comply with the requirements of applicable laws and the Listing Rules (as applicable).

18.2 No material amendments to the terms and conditions of the Scheme shall be made, nor shall the authority of the Board to amend any terms of the Scheme be altered, without the prior approval of Shareholders at a general meeting.

18.3 Any changes to the terms of the award grants (other than changes that automatically take effect under the existing terms of the Scheme) shall be approved by the Board, the Remuneration and Assessment Committee, the independent non-executive directors, and/or Shareholders at a general meeting (as

applicable), provided that the initial grant has been approved by the Board, the Remuneration and Assessment Committee, the independent non-executive directors, and/or Shareholders (as applicable).

18.4 After any amendment, the amended Scheme must comply with the provisions of Chapter 17 of the Listing Rules.

19. CANCELLATION OF AWARDS

19.1 The Board or its Delegatee may, at its discretion, cancel any unvested or lapsed awards, provided that such cancellation shall not affect any existing rights of any Selected Participant.

19.2 The Company may terminate this Scheme at any time by an ordinary resolution of the Shareholders' meeting or a resolution of the Board, in which case no further awards shall be offered or granted, but the terms of this Scheme shall remain in full force and effect in all other respects for awards granted during the term of the Scheme that remain unvested or vested but unsatisfied.

20. TERMINATION

20.1 Unless otherwise provided in Rule 4, this Scheme shall terminate on the earlier of:

- (a) the end of the Award Period, except for such shares as are necessary to give effect to any granted but unvested Award Shares granted under this Scheme prior to its expiration, unless otherwise provided in this Scheme; and
- (b) such date of early termination determined by the Board provided that such termination shall not affect any existing rights of any Selected Participant hereunder this Agreement; provided further that for the avoidance of doubt, any changes to the existing rights of a Selected Participant under Rule 20.1(b) of this Scheme shall only apply to Award Shares already granted to a Selected Participant.

20.2 Within twelve months after the settlement, lapse, forfeiture or cancellation (as the case may be) of the last granted but unvested award granted under this Scheme and/or the termination of this Scheme and/or the Trust (or within twelve months from the date of the Company's written instruction, whichever is later), the Scheme Trustee shall sell all Returned Shares and any remaining non-cash income in the Trust (if any). After making appropriate deductions for all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed, the proceeds from such sale shall be transferred to the Company together with any remaining cash accumulated in the Trust.

21. MISCELLANEOUS

- 21.1 This Scheme shall not form part of any employment contract between the Company or any of its subsidiaries and any Eligible Employee, and the rights and obligations of any Eligible Employee under the terms of his/her office or employment shall not be affected by his/her participation in this Scheme or any rights he/she may have to participate in it. This Scheme also does not grant any Eligible Employee additional rights to compensation or damages for the termination of their office or employment for any reason.
- 21.2 The Company shall bear the costs of establishing and administering this Scheme, including, for the avoidance of doubt, expenses incurred due to communications referred to in Rule 21.3, expenses incurred by the Scheme Trustee in purchase of H Shares, stamp duty, and normal registration fees related to the transfer of H Shares to Selected Participants on the relevant Vesting Date (i.e., no courier fees shall be charged by any share registrar). For the avoidance of doubt, except for any withholding tax obligations of the Company or any member of the Group, the Company shall not be responsible for any taxes or expenses (or the equivalent cash amount being paid) of any nature payable by any Eligible Employee under applicable laws in connection with the sale, purchase, vesting, or transfer of H Shares.
- 21.3 Any notice or other communication between the Company and any Eligible Employee may be served by prepaid post or personal delivery, in the case of the Company, at its registered office in Hong Kong or China or such other address as the Company may notify the Eligible Employee from time to time, and in the case of an Eligible Employee, at the address notified by the employee to the Company from time to time, by prepaid mail or personal delivery or hand delivery. In addition, any notice (including a Vesting Notice) or other communication from the Company to any Eligible Employee or Selected Participant may be given by the Scheme Trustee in such electronic form as the Board may deem appropriate.
- 21.4 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 21.5 The Company shall not be responsible for any Eligible Employee's failure to obtain any consent or approval required to participate in the Scheme as a Selected Participant, or for any tax, expense, cost or any other liability that may arise for any Eligible Employee as a result of participation in the Scheme.
- 21.6 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as a separate provision in the event that any one or more provisions are wholly or partly unenforceable or become unenforceable. If any one or more provisions are unenforceable, such provisions shall be deemed to have been deleted from the Scheme Rules, and any such deletion shall not affect the enforceability of the remaining provisions of the Scheme Rules.

- 21.7 The Scheme is a share award scheme involving existing shares of the Company as defined and regulated under Chapter 17 of the Listing Rules.
- 21.8 Except as otherwise specifically provided in the Scheme, the Scheme shall not, directly or indirectly, confer upon any person any legal or equitable rights against the Group (other than rights constituting and incidental to the Award Shares themselves), nor shall it give rise to any legal or equitable action against the Group. In no event shall any person be entitled to require the Board or its Delegatee and/or the Company to be responsible for any costs, losses, expenses and/or damages arising from or in connection with the Scheme or its administration.
- 21.9 If an Award lapses in accordance with the Scheme Rules, no Selected Participant shall be entitled to any compensation for any loss in respect of any rights or benefits or prospective rights or benefits under the Scheme to which he or she might otherwise have been entitled.
- 21.10 The operation of the Scheme is subject to any restrictions set out in the Articles of Association and any applicable laws, rules and regulations.
- 21.11 By participating in the Scheme, the Selected Participant agrees to the holding, processing, storage and use of his or her personal data and information by any member of the Group, the Scheme Trustee or other third-party service providers for the purposes of administering and implementing the Scheme in Hong Kong or elsewhere, which consents permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;
 - (b) provision of data or information to members of the Group, the Scheme Trustee, registrars, brokers or third-party administrators or managers of the Scheme in Hong Kong or elsewhere;
 - (c) provision of data or information to future acquirers or merger partners of the Company, the Selected Participant's employing company or the business in which the Selected Participant works;
 - (d) the transfer of data or information regarding the Selected Participant to a country or territory outside the Selected Participant's home country, which may not provide the same statutory protection for such information as the home country; and
 - (e) disclosure of the identity of the Selected Participant, the number of Award Shares, the terms of grant and/or awards to be granted and all other information required by the Listing Rules or other applicable laws, rules and regulations, if the announcement or circular is required to be issued in respect of the grant of awards under the Listing Rules or other applicable laws, rules and regulations.

The Selected Participant may obtain a copy of his or her personal data upon payment of a reasonable fee. If the personal data is inaccurate, the Selected Participant has the right to request corrections.

22. DISPUTE

22.1 The Board shall determine any question of interpretation and settle any issues and disputes arising from or in connection with this Scheme. The decision of the Board shall be final.

23. GOVERNING LAW

23.1 The Scheme shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the PRC.



HUAXIN BUILDING MATERIALS GROUP CO., LTD.*

華新建材集團股份有限公司

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

(Stock Code: 6655)

Notice of the First Extraordinary General Meeting in 2026

Notice is hereby given that the First Extraordinary General Meeting in 2026 (“EGM”) of HUAXIN BUILDING MATERIALS GROUP CO., LTD.* (the “Company”) will be held on Friday, 17 April 2026 at 2:00 p.m. at the Conference Room on 2/F, Block B, Huaxin Building, No. 426 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, China for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise stated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 26 March 2026.

Special Resolutions

1. Proposed Adoption of the 2026 H Share Award Scheme;
2. Proposed Authorisation to the Board of Directors to Handle Matters Relating to the 2026 H Share Award Scheme.

By Order of the Board of Directors
HUAXIN BUILDING MATERIALS GROUP CO., LTD.*

Xu Yongmo
Chairman

Wuhan City, Hubei Province, China
26 March 2026

* For identification purpose only

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2026

Notes:

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

H-share holders of the Company whose names appear on the H Share register of members of the Company at the close of business on Monday, 13 April 2026 are entitled to attend and vote at the EGM. H-share holders who wish to attend the EGM but have not registered their share transfer documents shall lodge their transfer documents together with the relevant share certificates at the Company's H Share Registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Monday, 13 April 2026.

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

2. Proxy appointment

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

In order to be valid, for H-share holders, the proxy form together with a notarized authorization or other authorization documents (if any) must be delivered, by hand delivery or post, no later than 24 hours before the EGM or any adjournment thereof (in the case of the EGM, it shall be delivered before 2:00 p.m. on Thursday, 16 April 2026 to the Company's H-share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

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

3. Procedures of registration for attending the EGM

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

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2026

4. Voting by poll

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

5. Miscellaneous

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

Contact information of the Company:

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

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

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