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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Tianrui Group Cement Company Limited**, you should at once hand this Circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CHINA TIANRUI GROUP CEMENT COMPANY LIMITED**  
**中國天瑞集團水泥有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1252)**

## CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE 2025 DEPOSIT SERVICES AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



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A letter from the Board is set out on pages 5 to 18 of this circular. A letter from the Independent Board Committee is set out on pages 19 to 20 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 34 of this circular.

A notice convening the EGM to be held at Conference Room, 10/F., Tianrui Group Building, South Side of Guangcheng East Road, Ruzhou City, Henan Province, PRC on Monday, 16 February 2026 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use in connection with the extraordinary general meeting is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you are able to attend the meeting, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not later than 48 hours before the time designated for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

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## DEFINITIONS

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

“2022 Deposit Services Agreement”	the deposit services agreement dated 4 November 2022 entered into between Tianrui Finance and Tianrui Cement
“2022 Financial Services Agreement”	the financial services agreement dated 4 November 2022 entered into between Tianrui Finance and Tianrui Group Company
“2025 Deposit Services Agreement”	the deposit services agreement dated 8 December 2025 entered into between Tianrui Finance and Tianrui Cement and amended by the Supplemental Agreement on 28 January 2026
“2025 Financial Services Agreement”	the financial services agreement dated 8 December 2025 entered into between Tianrui Finance and Tianrui Group Company
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cement Group”	Tianrui Cement and its subsidiaries
“Company”	China Tianrui Group Cement Company Limited (中國天瑞集團水泥有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Counter Guarantee”	the counter guarantee provided by Mr. Li pursuant to the Counter Guarantee Agreement
“Counter Guarantee Agreement”	the agreement dated 8 December 2025 entered into between the Company and Mr. Li, pursuant to which Mr. Li has agreed to indemnify the Company for any amount that becomes payable by the Company or its subsidiaries in relation to the Company Guarantee
“Credit Services”	the provision of credit services by Tianrui Finance to member(s) of the Cement Group, including but not limited to loans, bill acceptance, discounted bills, and other forms of capital financing pursuant to the terms and provisions set out in the 2025 Financial Services Agreement

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## DEFINITIONS

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“Deposit Services”	inter alia, demand deposit, saving deposit, notice deposit and agreed deposit services proposed to be provided by Tianrui Finance to member(s) of the Cement Group pursuant to the terms and provisions set out in the 2025 Deposit Services Agreement
“Director(s)”	the director(s) of the Company
“Effective Date”	1 January 2026 or the date of the Independent Shareholders’ approval of the 2025 Deposit Services Agreement, whichever is the later
“EGM”	the extraordinary general meeting of the Company to be convened for, among other matters, approving the 2025 Deposit Services Agreement and the related proposed annual caps
“Group”	the Company and its subsidiaries from time to time
“Guarantees”	the Tianrui Group Guarantee and the Company Guarantee
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Kong Xiangzhong, Mr. Mak Tin Sang and Mr. Jiang Senlin, established to advise the Independent Shareholders in respect of the terms of the 2025 Deposit Services Agreement and the related proposed annual caps and the transactions contemplated thereunder
“Independent Financial Adviser”	Maxa Capital Limited, a licensed corporation to carry out Type 1 (Dealing in Securities), Type 6 (Advising on Corporate Finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the 2025 Deposit Services Agreement and the related proposed annual caps
“Independent Shareholders”	Shareholders other than Yu Kuo and those who are required under the Listing Rules to abstain from voting on the resolution to be proposed at the EGM to approve the 2025 Deposit Services Agreement and the related proposed annual caps
“Independent Third Party(ies)”	party(ies) which is/are independent of and not connected with any of our Directors, chief executives, substantial shareholders or any of our subsidiaries or any of their associates
“Latest Practicable Date”	28 January 2026
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Mr. Li”	Li Liufa (李留法), chairman, non-executive director and a Controlling Shareholder of the Company

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## DEFINITIONS

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“Mrs. Li”	Mrs. Li Fengluan, the spouse of Mr. Li
“NFRA”	National Financial Regulatory Administration (國家金融監督管理總局)
“PBOC”	the People’s Bank of China, the central bank of the PRC with the statutory authority to, <i>inter alia</i> , control monetary policy in the PRC
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Services”	the free cash clearance and settlement services provided by Tianrui Finance to member(s) of the Cement Group pursuant to the terms and provisions set out in the 2025 Financial Services Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the Supplemental Agreement to the 2025 Deposit Services Agreement entered into between Tianrui Cement and Tianrui Finance on 28 January 2026 to revise the proposed Annual Caps to the revised Annual Caps, details of which are set out in the announcement dated 28 January 2026
“Tianrui Cement”	Tianrui Cement Group Company Limited (天瑞水泥集團有限公司), a Company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Tianrui Foundry”	Tianrui Group Foundry Company Limited (天瑞集團鑄造有限公司), a company established in the PRC with limited liability and a subsidiary of Tianrui Group Company
“Tianrui Finance”	Tianrui Group Finance Company Limited (天瑞集團財務有限公司), a company established in the PRC with limited liability, owned as to 46.25% by Tianrui Group Company, as to 25.5% by Tianrui Cement, as to 23% by Tianrui Travel and as to 5.25% by Tianrui Foundry

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## DEFINITIONS

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“Tianrui Group Company”	Tianrui Group Company Limited (天瑞集團股份有限公司), a company established in the PRC with limited liability, owned as to 70% by Mr. Li and 30% by Mrs. Li
“Tianrui Group Guarantee”	the guarantee provided by Tianrui Group Company to the Company (including its subsidiaries) pursuant to the 2025 Framework Agreement or the 2022 Framework Agreement (as the context requires)
“Tianrui Travel”	Tianrui Travel Group Company Limited (天瑞旅遊集團股份有限公司), formerly known as Tianrui Group Travel Development Company Limited (天瑞集團旅遊發展有限公司), a company established in the PRC with limited liability and a subsidiary of Tianrui Group Company
“Yu Kuo”	Yu Kuo Company Limited (煜闔有限公司), a company incorporated in the BVI with limited liability, which is a Controlling Shareholder of the Company holding 52.78% of the issued share capital of the Company and the issued share capital of which is indirectly owned as to 70% by Mr. Li and as to 30% by Mrs. Li
“%”	per cent

*In case of any discrepancy between the English version and the Chinese version of this Circular, the English version shall prevail.*



CHINA TIANRUI GROUP CEMENT COMPANY LIMITED  
中國天瑞集團水泥有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 1252)

**Directors:**

*Executive Directors:*

Ms. Li Fengluan

Mr. Ding Jifeng

Mr. Li Jiangming

Mr. Jin Mingjie

*Registered Office:*

Cricket Square Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Non-executive Director and Chairman:*

Mr. Li Liufa

*Headquarters and Principal Place  
of Business in the PRC:*

No. 63 Guang Cheng East Road

Ruzhou City

Henan Province

PRC

*Independent non-executive Directors:*

Mr. Kong Xiangzhong

Mr. Mak Tin Sang

Mr. Jiang Senlin

*Place of Business in Hong Kong:*

Room 1806, 18/F,

Harbour Centre

25 Harbour Road,

Wanchai, Hong Kong

29 January 2026

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION  
AND  
MAJOR TRANSACTION  
IN RELATION TO THE 2025 DEPOSIT SERVICES AGREEMENT  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Company's announcement dated 8 December 2025 in relation to the continuing connected transactions and major transactions under the 2025 Deposit Services Agreement and the 2025 Financial Services Agreement and the Company's announcement dated 28 January 2026 in relation to the Supplemental Agreement.

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## LETTER FROM THE BOARD

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Pursuant to the requirements under the Listing Rules, the Company will seek the Independent Shareholders' approval in relation to the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), and the Deposit Services Annual Caps at the EGM.

The purposes of this Circular are to provide you with (1) a letter from the Board containing further details of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), and the Deposit Services Annual Caps; (2) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), and the Deposit Services Annual Caps; (3) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), and the Deposit Services Annual Caps; (4) notice of convening the EGM; and (5) other information as required under the Listing Rules.

### **BACKGROUND**

Reference is made to the announcement of the Company dated 4 November 2022 and the circular dated 6 December 2022 in relation to the 2022 Deposit Services Agreement and the 2022 Financial Services Agreement, pursuant to which Tianrui Finance agreed to provide the Deposit Services, Credit Services and Settlement Services to Cement Group respectively, for a term up to 31 December 2025.

Accordingly, Tianrui Finance and Tianrui Cement entered into the 2025 Deposit Services Agreement and the 2025 Financial Services Agreement for a term from 1 January 2026 up to 31 December 2028.

As disclosed in the announcement of the Company dated 8 December 2025, the 2025 Financial Services Agreement and the transaction contemplated thereunder are fully exempt connected transaction under the Listing Rules, while the 2025 Deposit Services Agreement and the transactions contemplated thereunder are subject to Independent Shareholders' approval. The purpose of this circular is to provide you with more information about the 2025 Deposit Services Agreement and the Deposit Services Annual Caps.

On 8 December 2025 and 28 January 2026 respectively, Tianrui Cement and Tianrui Finance entered into the 2025 Deposit Services Agreement and the Supplemental Agreement, which set out the principal terms for the provision of deposit services by Tianrui Finance to Tianrui Cement. The terms of the 2025 Deposit Services Agreement and are materially the same as the 2022 Deposit Services Agreement, except that the Proposed Annual Caps for 2026, 2027 and 2028 are reduced to RMB1,000 million.

### **2025 DEPOSIT SERVICES AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AGREEMENT)**

Major terms of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) are as follows:

**Date:**

8 December 2025 (after trading hours)

**Parties:**

- (i) Tianrui Cement; and
- (ii) Tianrui Finance (as service provider)

**Term:**

The period commencing from 1 January 2026 to 31 December 2028

**Major terms:**

**(i) Deposit Services**

Tianrui Finance shall provide the Cement Group with the Deposit Services subject to the terms and conditions provided in the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement). The deposits placed by the Cement Group to Tianrui Finance are repayable on demand. Subject to compliance with the interest rate policies of the PBOC, the interest rate offered by Tianrui Finance to the Cement Group for the Deposit Services shall be higher than the interest rate(s) offered to the Cement Group by other mainstream financial institutions in the PRC for comparable deposits of similar nature and under similar terms during the same period. The interest accrued for the deposits is payable every quarter. The daily balance of the Cement Group's deposits (including any interest accrued therefrom) with Tianrui Finance for the years ending 31 December 2026, 2027 and 2028 shall not exceed RMB1,000 million, RMB1,000 million and RMB1,000 million, respectively.

However, the amount deposited by the Cement Group with Tianrui Finance shall not be more than the usage of the total amount of funds, i.e. the total outstanding loan balance provided by Tianrui Finance to the Cement Group pursuant to the 2025 Financial Services Agreement. The Cement Group will monitor on an ongoing basis, including conducting pre-placement and daily checks between the deposit balance and the outstanding loan balance to confirm that the outstanding loan balance will remain higher than the amount deposited with Tianrui Finance. Furthermore, in the case of any default by Tianrui Finance, the Cement Group will be able to offset the amounts owing by Tianrui Finance to the Cement Group against the amounts due from the Cement Group to Tianrui Finance. Therefore, there will not be actual loss to be incurred by Cement Group in case of default by Tianrui Finance.

**(ii) Set-off**

In the event of any default by Tianrui Finance as a result of which the Cement Group is not able to recover the amount deposited with Tianrui Finance, the Cement Group will be able to offset the amounts owing by Tianrui Finance to the Cement Group against the amounts due from the Cement Group to Tianrui Finance.

**(iii) Undertakings by Tianrui Finance:**

Tianrui Finance undertakes to the Cement Group, among other things, that:

- (a) it shall ensure the security and independence of the Cement Group's deposits and not impose any restriction thereon. Tianrui Finance shall only deposit the Cement Group's deposit into commercial banks with licence issued by the NFRA and be responsible for any loss sustained by the Cement Group arising from the security of its system;
- (b) it has the qualification and has obtained all necessary permits, approvals, licences required to carry out its obligations under the 2025 Deposit Services Agreement, and will provide the Deposit Services in accordance with "Measures for the Administration of Finance Companies of Enterprise Groups" 《企業集團財務公司管理辦法》;
- (c) it shall cooperate with the Cement Group in compliance with the disclosure requirements under the relevant rules and regulations regarding the connected transactions (as defined under the Listing Rules) contemplated under the 2025 Deposit Services Agreement;
- (d) it shall regularly supply annual audit report or such other financial information as requested by the Company, regularly disclose its operation and financial conditions to the Company, allow the Company's auditors to review its accounting records for the purpose of complying with the Listing Rules and conduct regular checks on the deposits;
- (e) it shall notify the Company and take measures to prevent loss from occurring or further loss should it be in breach of relevant laws and regulations or subject to regulatory proceedings or have material adverse changes in its financial condition; and
- (f) it will strictly comply with the risk regulatory indicators promulgated by the NFRA applicable to Tianrui Finance and ensure its major regulatory indicators such as the asset-liability ratio and liquidity ratio comply with the requirements of the NFRA and other relevant laws and regulations. Tianrui Finance is subject to the on-site supervision and management by the NFRA and is required to submit monthly, quarterly, interim and annual reports to the NFRA and the Company will review such report to ensure compliance by Tianrui Finance.

***(iv) Special Conditions***

Tianrui Finance shall notify the Cement Group in writing within two business days and take actions to remedy the following events:

- i. Tianrui Finance is unable to pay its material debts or if any of the directors or senior management is involved in criminal offences;
- ii. Any material changes in organizational structure and business operation may affect the normal operation of Tianrui Finance;

- iii. Any shareholder loans due to Tianrui Finance is overdue for more than one year;
- iv. any regulatory indicators are not in compliance with those set out in Article 34 of the Measures for the Administration of Finance Companies of Enterprise Groups issued by the NFRA (“**Article 34 of the Measures**”);
- v. Tianrui Finance is subject to major penalty imposed by the NFRA including but not limited to administrative punishment and being ordered for rectification; and
- vi. Other matters which may impact the security of the Cement Group’s deposit.

**(v) *Non-competition Clause***

The funds deposited to Tianrui Finance by the Cement Group shall not be used to finance any other entities which are engaged in business competes with the business of Cement Group.

**(vi) *Conditions Precedents***

The 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) is conditional upon (i) the Independent Shareholders’ approval of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the arrangement of the Deposit Services at the EGM of the Company and (ii) other relevant approvals as may be required for the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) to take effect.

**(vii) *Termination***

The 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) shall not be terminated by any of the parties unilaterally.

In addition to the default events provided by the Contract Laws of the PRC, Tianrui Cement may terminate the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) with immediate effect if Tianrui Finance fails to fulfil its duties and complete its rectifications within the period prescribed by the NFRA, according to the Measures for the Administration of Finance Companies of Enterprise Groups 《企業集團財務公司管理辦法》 issued by the NFRA.

Upon termination of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), the Cement Group may withdraw all of its deposits with Tianrui Finance at any time. If there is any outstanding loan owed by the Cement Group, the Cement Group may negotiate with Tianrui Finance regarding the repayment amount and terms for the repayment of loan.

**(viii) *Indemnity***

Tianrui Finance will fully indemnify any loss suffered by the Cement Group due to the default of Tianrui Finance.

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## LETTER FROM THE BOARD

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### Proposed caps

The proposed annual caps for the maximum daily deposit amount (including the corresponding interests accrued thereon) by member(s) of the Cement Group with Tianrui Finance in relation to the Deposit Services are as follows:

	2026 (RMB)	2027 (RMB)	2028 (RMB)
Maximum daily balance of the Deposit Services	1,000 million	1,000 million	1,000 million

The annual cap under the 2022 Deposit Services Agreement are RMB1,200 million, RMB1,200 million and RMB1,200 million for the years ended 31 December 2023, 2024 and 2025 respectively.

The historical highest daily balance under the 2022 Deposit Services Agreement are as follows:

	2023 (RMB)	2024 (RMB)	2025 (RMB)
Historical highest daily balance of the Deposit Services	1073.7 million	1040.4 million	839.4 million

### Basis of the Proposed Annual Caps

The proposed annual caps for the Deposit Services were determined after taking into account of the following factors.

- (a) The historical highest daily balances under the 2022 Deposit Services Agreement were RMB1,073.7 million in FY2023, RMB1,040.4 million in FY2024 and RMB839.4 million in FY2025 respectively. The decrease from FY2023 to FY2024 was mainly due to the Group's decrease in revenue in FY2024 (approximately RMB6,117.0 million) compared with FY2023 (approximately RMB7,888.8 million). The revenue of the Group was approximately RMB2,962.7 million in the first half of 2025, representing an increase of RMB378.9 million, or 14.7%, from approximately RMB2,583.8 million in the same period of 2024. The increase of revenue in the first half of 2025 was primarily driven by higher cement sales, which reached approximately RMB2,235.6 million in 1H2025, representing an increase of 19.5% as compared with approximately RMB1,870.2 million in 1H2024. The proposed annual cap is set with reference to the historical highest daily balances under the 2022 Deposit Services Agreement, which were slightly higher than RMB1000 million in FY2023 and FY2024. Taking into account the historical highest daily balances and the Group's anticipated deposit requirements, the Board proposes to set the annual cap at RMB1,000 million. The Board will review the Group's full year performance for 2025 when available and take into account the Group's cash position in determining the actual amount of deposits to be placed from time to time.

- (b) As disclosed in the 2024 Annual Report and 2025 Interim Report, the Group's net cash generated from operating activities for FY2024 and 1H2025 were approximately RMB1.6 billion and RMB1.3 billion respectively. Provided that the operating environment of the Group remains unchanged, the Management anticipates that the Group is able to sustain strong operating cash inflow from its business going forward. Assuming there is no material adverse changes to the Group's operating environment, the Board considers it fair and reasonable to reduce the Proposed Annual Caps for 2026, 2027 and 2028 to RMB1,000 million.
- (c) The Cement Group is not under any obligation to place deposits with the Tianrui Finance pursuant to the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement).

#### **INTERNAL CONTROL AND RISK MANAGEMENT OF THE COMPANY**

The followings will be adopted by the Company to ensure that the transactions contemplated under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) are on normal commercial terms and in the interests of the Company and the Shareholders as a whole and in compliance with the Listing Rules:

- (a) in respect of the Deposit Services under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) to be utilized by the Cement Group, the Group will adopt the following internal control measures:
  - (1) in respect of the Deposit Services under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) to be utilized by the Cement Group, subject to compliance with the interest rate policies of the PBOC, the personnel in the finance department of the Group is/are responsible for the comparing of the rate(s) offered by Tianrui Finance against the deposit rate(s) offered by at least three major commercial banks in the PRC, to confirm the rate(s) offered by Tianrui Finance are more favorable to the Cement Group. The main criterion for selecting the three major commercial banks for benchmarking purpose are (i) previous volume of transactions with the Cement Group; and (ii) deposit interest rate which the banks offer. The main criterion for selecting financial institutions for providing deposit services are (i) the more favourable interest charges and fees that they can offer; and (ii) the previous business relationship with the institution.
  - (2) such information together with the daily deposit amount (with the corresponding accrued interests) will be consolidated and included in a report to be submitted to the chief financial officer of the Group for review, verification and approval.
  - (3) the Audit Committee of the Company reviews the quarterly reports to ensure the rates and terms offered to member(s) of the Cement Group for the Deposit Services complied with the terms and conditions under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the aggregate daily deposit amount (with the corresponding accrued interests) with Tianrui Finance by the Cement Group shall not exceed the relevant proposed annual caps.

- (4) financing will not be given to other entities which engaged in business competes with that of the Group.
- (5) The Company is entitled to appoint its director or senior management as one of the directors of Tianrui Finance and is responsible for the management and day-to-day operation of Tianrui Finance. He will report any non-compliance and issues regarding to the internal control policies or financial to the Company immediately. There would not be conflict of interest due to the designated director/senior management of the Company taking up the director position at Tianrui Finance because the function is only supervision of the status of Tianrui Finance. In this regard, Ms. Li and Mr. Jin Ming Jie have been appointed as a director and a supervisor of Tianrui Finance, respectively, and Mr. Jin Ming Jie also serves as the Chief Financial Officer of Tianrui Finance. They will report to the Company in a timely manner any material non-compliance and issues in relation to the internal control policies and/or financial conditions of Tianrui Finance. To avoid any actual or perceived conflict of interest, Ms. Li and Mr. Jin Ming Jie will abstain from voting (and will not be counted in the quorum, where applicable) on any board resolutions and internal approval decisions of the Company in relation to the Deposit Services and other matters contemplated under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the 2025 Financial Services Agreement, and will continue to do so for any subsequent decisions in connection therewith from time to time.
- (6) Quarterly reports about business performance, compliance, deposits and loans, and other services, and the financial statements (including profits and loss accounts and balance sheet) of Tianrui Finance prepared by Tianrui Finance in accordance with the related rules and regulations of NFRA, will be sent to the Cement Group and the Company for review and monitoring.
- (7) to monitor and control the risk of the Deposit Services and to formulate solutions in resolving any risk which may arise in connection therewith, the Company considers the possible risks include default risk, regulation risk and corporate governance risk: (i) in assessing the default risks, the Company considers that since the amount deposited by the Cement Group in Tianrui Finance shall not be more than the total loan outstanding balance provided by Tianrui Finance to the Cement Group, therefore, in the case of any default by Tianrui Finance, the Cement Group will be able to offset the amounts owing by Tianrui Finance to the Cement Group against the amounts due from the Cement Group to Tianrui Finance; and (ii) in assessing regulation risks, the Company considers that Tianrui Finance is governed by the NFRA and is subjected to related rules and regulations and internal control measures. As mentioned in the 2025 Deposit Services Agreement, the Cement Group will review all the monitoring reports submitted to the NFRA to ensure the compliance. Tianrui Finance shall notify the Cement Group in writing within two business days once there are any non-compliance issues or penalties imposed by the NFRA; and (iii) in assessing the corporate governance risk, the Company's chief financial officer has been appointed as one of the directors of Tianrui Finance.

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## LETTER FROM THE BOARD

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- (8) to ensure that the amount deposited by the Cement Group with Tianrui Finance shall not be more than the usage of the total amount of funds. Firstly, certain staff in the finance department of the Cement Group is/are assigned to conduct manual checks on the loan amount before deposit is made. Furthermore, the computing software systems to record and monitor the amount deposited by the Cement Group with Tianrui Finance will notify the finance department if the amount is about to reach the loan amount. The Cement Group will check to ensure that the amount due to Tianrui Finance is always higher than the amount deposited to Tianrui Finance before the Cement Group repays a loan due to Tianrui Finance.
- (b) in respect of the Credit Services and Settlement Services under the 2025 Financial Services Agreement to be employed by the Cement Group, the personnel in finance department of the Group is/are responsible for comparing the interests and/or fees charged by Tianrui Finance with interests and/or fees charged by at least three major commercial banks or financial institutions in the PRC, to confirm the interests and/or fees charged by Tianrui Finance more favorable to the Cement Group, which all of these information together with the aggregate credit amount (including interests and/or fees payable, where applicable) will be included in a report to be submitted to the chief financial officer of the Group for review, verification and approval. The approved report will be submitted to the Company for second review and records. Through the above control procedures, it will ensure the rates and terms offered to member(s) of the Cement Group for the Credit Services and Settlement Services are in compliance with the terms and conditions under the 2025 Financial Services Agreement and the aggregate credit amounts do not exceed the relevant proposed annual caps. The report will also include the information about net asset value of the asset(s) to be provided by member(s) of the Cement Group as collateral which will be reviewed to ensure the collateral provided is also in line with the relevant credit amounts.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 DEPOSIT SERVICES AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AGREEMENT) AND THE 2025 FINANCIAL SERVICES AGREEMENT**

The 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the 2025 Financial Services Agreement were entered into by the respective parties in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) considered that:

- (1) Subject to compliance with the interest rate policies of the PBOC, the interest rate(s) offered to the member(s) of the Cement Group by Tianrui Finance for Deposit Services shall be higher than deposit rate(s) offered by major commercial banks in the PRC to the member(s) of the Cement Group, for comparable deposits, are on equal or better terms than those available from independent third parties;
- (2) Subject to compliance with the interest rate policies of the PBOC, the interest rate(s) offered to the member(s) of the Cement Group by Tianrui Finance for Credit Services shall not exceed the interest rate offered by major commercial banks for the same type of credit, are on equal or better terms than those available from independent

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## LETTER FROM THE BOARD

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third parties;

- (3) The deposit and loan rates offered by Tianrui Finance are determined in accordance with applicable PBOC guidance and within the relevant regulatory framework. As at 31 October 2025, the loan rate offered by Tianrui Finance to Tianrui Cement was approximately 2.7% per annum, which was lower than the most recently published 1-year Loan Prime Rate ("LPR") of 3.0%, being benchmark loan market rate set by PBOC. In addition, the deposit rate offered by Tianrui Finance to Tianrui Cement was approximately 1.495% per annum. The deposit rate offered by Tianrui Finance is also higher than the one-year RMB time-deposit rates posted by Bank of China, China Construction Bank and ICBC, the three major commercial banks in PRC (each at 0.95% per annum). The difference between the deposit interest rate and the loan rate offered by Tianrui Finance represents Tianrui Finance's normal interest spread to cover its operating costs and risk reserves and to support the provision of ongoing financial services to the Group.
- (4) Regarding the financial strength of Tianrui Finance, Tianrui Finance recorded total assets of approximately RMB2,604.6 million, RMB2,119.8 million and RMB1,828.3 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively, and total revenue of approximately RMB62.7 million, RMB56.7 million and RMB24.7 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively. In addition, Tianrui Finance recorded net assets of approximately RMB1,152.3 million, RMB1,171.7 million and RMB1,176.5 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively. As at 31 December 2023, Tianrui Finance had total deposits of approximately RMB166.98 million. As at 31 December 2024, Tianrui Finance had total deposits of approximately RMB83.29 million. As at 30 June 2025, Tianrui Finance had total deposits of approximately RMB91.72 million. Having considered the above financial information and liquidity position, the Board is of the view that Tianrui Finance has maintained adequate financial resources and liquidity to provide the services contemplated under the 2025 Deposit Services Agreement.
- (5) The Board also reviewed Tianrui Finance's service fee charging policy and noted that no administration charges or service fees are payable by the Group for the settlement services provided by Tianrui Finance.
- (6) the deposit services and financial services provided by independent third parties in the past and the services under the Deposit Services and the Credit Services to be provided by Tianrui Finance are similar in nature. In addition, the Cement Group requires the Deposit Services and the Credit Services under the 2025 Financial Services Agreement for its daily operation, which are in the ordinary and usual course of business of the Group.

In view of the above, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) considered that the terms of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the 2025 Financial Services Agreement are on normal commercial terms as compared to those available from independent third parties under the prevailing local market conditions. The 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the

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## LETTER FROM THE BOARD

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2025 Financial Services Agreement and the related proposed annual caps are fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Save for Mr. Li, Mrs. Li (Mr. Li's spouse), Mr. Li Jiangming (Mrs. Li's brother), and Mr. Jin Ming Jie (director of Tianrui Finance), all of the Directors have confirmed that none of them has any material interest in the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), the 2025 Financial Services Agreement and the related proposed annual caps; and therefore no Director (except Mr. Li, Mrs. Li (Mr. Li's spouse), Mr. Li Jiangming and Mr. Jin Ming Jie) is required to abstain from voting at the meeting of the Board to approve the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), the 2025 Financial Services Agreement and the related proposed annual caps.

### INFORMATION OF THE PARTIES

The Group is principally engaged in businesses ranging from excavation of limestone to production, sale and distribution of clinker and cement.

Tianrui Finance is a non-banking financial institution subject to the supervision of the NFRA. Its establishment was approved by the NFRA on 20 July 2015 and it is authorised to provide a variety of financial services including the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; provision of guarantees to member companies and dealing with entrusted loans among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies as well as the planning of clearing and settlement scheme; provision of deposit services to member companies; provision of loans and finance leasing services to member companies; provision of intra-group funds transfer and settlement services to member companies.

The scope of business of Tianrui Finance includes: the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; performing authorized insurance agency business; provision of guarantees to member companies and dealing with entrusted loans or investments among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies as well as the planning of clearing and settlement scheme; provision of deposit services to member companies; conducting inter-bank borrowing and lending.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, Tianrui Finance had a registered capital of RMB1 billion which was owned as to 46.25% by Tianrui Group Company, as to 25.5% by Tianrui Cement, as to 23% by Tianrui Travel and as to 5.25% by Tianrui Foundry. Tianrui Foundry is owned as to 87.75% by Tianrui Group Company and as to 12.25% by Ms. Li Fengluan. Tianrui Travel is owned as to 67.57% by Tianrui Group Company, as to 26.73% by Tianrui Foundry, as to 5.5% by Henan Yinxiang Cultural Tourism Commercial Operation Center (Limited Partnership) (河南銀象文旅商業運營中心 (有限合夥人)) and 0.2% by Ms. Li Fengluan.

Tianrui Cement is a wholly foreign-owned enterprise established in the PRC with limited liability and a wholly-owned indirect subsidiary of the Company, which is held as to 52.78% by Tianrui Group Company. Tianrui Cement is the principal subsidiary of the Company in PRC for the manufacture and sale of cement, clinker and limestone aggregate.

Tianrui Group Company is a company established in the PRC with limited liability and held as to 70% by Mr. Li and 30% by Mrs. Li Fengluan, the spouse of Mr. Li, who have investment in different businesses such as foundry business, tourism, hotel business, energy and mining. Tianrui Group Company indirectly owns 52.78% of the shareholding of the Company. Tianrui Foundry and Tianrui Travel are subsidiaries of Tianrui Group Company.

### **LISTING RULES IMPLICATIONS**

Tianrui Finance is a subsidiary of Tianrui Group Company. Tianrui Group Company is the holding company of Tianrui (International) Holding Company Limited which owns the entire issued share capital of Carosse Limited, which owns the entire issued share capital of Yu Kuo Company Limited, a Controlling Shareholder. Accordingly, Tianrui Finance is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the 2025 Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Although the consideration ratio in respect of the Deposit Services under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) exceeds 100%, the Deposit Services are not acquisition by the Company and constitute major transaction (instead of very substantial acquisition) under Chapter 14 of the Listing Rules and continuing connected transaction under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules.

The Credit Services to be provided by Tianrui Finance to Tianrui Cement under the 2025 Financial Services Agreement will constitute financial assistance to be provided by a connected person for the benefit of the Company. As such services are on normal commercial terms which are similar to or even more favourable than those offered by other commercial banks for comparable services in the PRC, and no security over the assets of the Company will be granted in respect of the Credit Services, the Credit Services are exempt under Rule 14A.90 of the Listing Rules from all reporting, announcement and Independent Shareholders' approval requirements.

As the applicable percentage ratios of the total fees payable by Tianrui Cement to Tianrui

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## LETTER FROM THE BOARD

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Finance in respect of the Settlement Services under the 2025 Financial Services Agreement will fall within the de minimis threshold as stipulated under Rule 14A.76 of the Listing Rules, the Settlement Services will be fully exempt from the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will also disclose the relevant details of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the 2025 Financial Services Agreement in its next published annual report in accordance with the relevant requirements as set out in Rule 14A.49 of the Listing Rules.

### **BOARD'S APPROVAL**

Save for Mr. Li, Mrs. Li (Mr. Li's spouse), Mr. Li Jiangming (Mrs. Li's brother), and Mr. Jin Ming Jie (director of Tianrui Finance), all of the Directors have confirmed that none of them has any material interest in the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), the 2025 Financial Services Agreement and the related proposed annual caps; and therefore no Director (except Mr. Li, Mrs. Li (Mr. Li's spouse), Mr. Li Jiangming and Mr. Jin Ming Jie) is required to abstain from voting at the meeting of the Board to approve the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), the 2025 Financial Services Agreement and the related proposed annual caps.

### **EGM**

The Company will convene the EGM to be held at Conference Room, 10/F., Tianrui Group Building, South Side of Guangcheng East Road, Ruzhou City, Henan Province, PRC on Monday, 16 February 2026 at 10:30 a.m. for the purpose of considering, and if thought fit, approving the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the transactions contemplated therein (including the Deposit Service Annual Caps). Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the EGM will be taken by poll. No shareholder, other than Yu Kuo, has a material interest in the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), and is required under the Listing Rules to abstain from voting on the resolutions to be proposed at the EGM to approve the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the Deposit Service Annual Caps. A notice of the EGM is set out on pages EGM-1 to EGM-3 of this Circular. The resolution in relation to the transactions contemplated under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) (including the Deposit Service Annual Caps) will be put to vote by the Independent Shareholders at the EGM by way of poll.

Yu Kuo (a company indirectly held by Mr. Li and Mrs. Li), which held approximately 52.78% of the total issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting at EGM on the resolutions relating to the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the transaction contemplated thereunder.

### **RECOMMENDATION**

The Board (including the Independent Board Committee having taken into account the advice of the Independent Financial Adviser) considers that the 2025 Deposit Services

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## LETTER FROM THE BOARD

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Agreement (as amended by the Supplemental Agreement) and the transactions contemplated therein are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and more favourable to the Group than those of independent third parties and in the interests of the Company and the Shareholders as a whole, and the Deposit Services Annual Caps are fair and reasonable. Accordingly, the Board (including the Independent Board Committee having taken into account the advice of the Independent Financial Adviser) recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement), transactions contemplated under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the Deposit Services Annual Caps for the period from the 1 January 2026 to 31 December 2028.

### CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 11 February 2026 to Monday, 16 February 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 10 February 2026.

### GENERAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and additional information set out in appendix to this Circular.

Yours faithfully,  
For and on behalf of  
**China Tianrui Group Cement Company Limited**  
**Li Liufa**  
*Chairman*

*The English translation of the terms in Chinese in this letter, where indicated with \* is included for information purpose only and should not be regarded as the official English name(s) of such Chinese terms.*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this Circular:*



**CHINA TIANRUI GROUP CEMENT COMPANY LIMITED**  
**中國天瑞集團水泥有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 1252)

*Independent Non-executive Directors:*

Mr. Kong Xiangzhong  
Mr. Mak Tin Sang  
Mr. Jiang Senlin

29 January 2026

*To the Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTION AND MAJOR TRANSACTION IN RELATION TO THE 2025 DEPOSIT SERVICES AGREEMENT**

We refer to the circular of the Company dated 29 January 2026 (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the transactions under the 2025 Deposit Services Agreement and the Deposit Service Annual Caps relating thereto, details of which are set out in the “Letter from the Board” to the Circular, of which this letter forms a part.

We (i) have reviewed the terms of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) which we are of view that such terms are principally in line with market practices; (ii) consider the fact that Tianrui Finance is governed by the NFRA and is subject to its satisfaction of the rules and operational requirements (which includes the compliance of the terms of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the performance of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) by Tianrui Finance); (iii) are in the opinion that the deposit services to be provided by Tianrui Finance are similar in nature with the deposit services provided by independent third parties in preceding years, which are for the Group’s daily operation; and (iv) took into account the advice of the Independent Financial Adviser in relation thereto as set out in the Circular, we consider that the transactions under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the proposed annual caps relating thereto are fair and reasonable so far as the Independent Shareholders are concerned and are on normal commercial terms, in the ordinary and usual course of business and in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the transactions under the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the proposed annual caps relating thereto.

Yours faithfully,  
**Independent Board Committee**

**Kong Xiangzhong**  
*Independent  
non-executive director*

**Mak Tin Sang**  
*Independent  
non-executive director*

**Jiang Senlin**  
*Independent  
non-executive director*

*The following is the full text of the letter of advice from Maxa Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the terms of the 2025 Deposit Services Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*



Unit 2602, 26/F, Golden Centre  
188 Des Voeux Road Central  
Sheung Wan  
Hong Kong

29 January 2026

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs and Mesdames,

**CONTINUING CONNECTED TRANSACTION  
AND  
MAJOR TRANSACTION  
IN RELATION TO THE 2025 DEPOSIT SERVICES AGREEMENT**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2025 Deposit Services Agreement and the transactions contemplated thereunder, including the annual caps (the “**Proposed Annual Caps**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 29 January 2026 issued by the Company (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 4 November 2022 and the circular of the Company dated 6 December 2022, in relation to, among others, the 2022 Deposit Services Agreement entered into between Tianrui Cement, a wholly-owned subsidiary of the Company, and Tianrui Finance, pursuant to which Tianrui Finance agreed to provide the Deposit Services to Cememt Group for a term up to 31 December 2025. As such agreement will expire on 31 December 2025, Tianrui Cement entered into the 2025 Deposit Services Agreement on 8 December 2025 with Tianrui Finance, for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. On 28 January 2026, Tianrui Cement and Tianrui Finance entered into the Supplemental Deposit Services Agreement to revise the original proposed annual caps.

## LISING RULES IMPLICATION

Tianrui Finance is a subsidiary of Tianrui Group Company. Tianrui Group Company is the holding company of Tianrui (International) Holding Company Limited which owns the entire issued share capital of Carosse Limited, which owns the entire issued share capital of Yu Kuo Company Limited, a Controlling Shareholder. Accordingly, Tianrui Finance is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the 2025 Deposit Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Although the consideration ratio in respect of the Deposit Services under the 2025 Deposit Services Agreement exceeds 100%, the Deposit Services are not acquisition by the Company and constitute major transaction (instead of very substantial acquisition) under Chapter 14 of the Listing Rules and continuing connected transaction under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules.

## INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Kong Xiangzhong, Mr. Mak Tin Sang and Mr. Jiang Senlin, has been established to advise the Independent Shareholders as to whether (i) the terms of the 2025 Deposit Services Agreement and the transactions contemplated thereunder (the "**Transactions**"); and (ii) the Proposed Annual Caps are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote in respect of the relevant resolution(s) to be proposed at the EGM to approve the entering into of the 2025 Deposit Services Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps. We, Maxa Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2025 Deposit Services Agreement and the transactions contemplated thereunder. In the past two years, we were appointed by the Company as the independent financial adviser in respect of certain continuing connected transactions in relation to the sales and purchases of clinker, raw coal and coking raw coal, details of which were set out in the circular of the Company dated 2 October 2025. The aforesaid previous appointment was limited to providing one-off independent advisory service, for which we received normal professional fees. Accordingly, we do not consider such previous appointment gives rise to any conflict of interest for us in acting as the Independent Financial Adviser in respect of the 2025 Deposit Services Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Apart from the normal advisory fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company, Tianrui Finance or their respective substantial shareholders or associates.

## BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among others, (i) the 2025 Deposit Services Agreement; (ii) the annual reports of the Company for the year ended 31 December 2023 (the “**2023 AR**”) and 31 December 2024 (the “**2024 AR**”) and the interim report of the Company for the six months ended 30 June 2025 (the “**2025 IR**”); (iii) the sample documents of the Transactions; (iv) the basis of calculation of the Proposed Annual Caps and the underlying assumptions; and (v) the Company’s internal control procedures in relation to the Transactions, including the Proposed Annual Caps.

We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Group (the “**Management**”). We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Company, Tianrui Finance and each of their respective subsidiaries or associates.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the 2025 Deposit Services Agreement and the Transactions (including the Proposed Annual Caps), we have taken into consideration the following principal factors and reasons:

### **1. Background of the 2025 Deposit Services Agreement**

#### **1.1 Information of the Group**

The Group is principally engaged in businesses ranging from excavation of limestone to production, sale and distribution of clinker and cement. As of 31 December 2024, the Group possessed clinker production capacity of 28.4 million tonnes, cement production capacity of 56.4 million tonnes and production capacity of limestone aggregate of 30.2 million tonnes.

Set out below are the summarised financial information of the Group for the two years ended 31 December 2023 and 2024 (“**FY2023**” and “**FY2024**”, respectively), as extracted from the 2023 AR and 2024 AR, and for the six months ended 30 June 2024 and 2025 (“**1H2024**” and “**1H2025**”, respectively), as extracted from the 2025 IR:

	For the year ended 31 December		For the six months ended 30 June	
	2023 RMB'000 (audited)	2024 RMB'000 (audited)	2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
	<b>Revenue</b>	<b>7,888,810</b>	<b>6,117,025</b>	<b>2,583,798</b>
<b>(Loss)/profit and total comprehensive income/ (expense) for the year/period</b>	<b>(623,524)</b>	<b>214,215</b>	<b>25,889</b>	<b>72,257</b>

The revenue of the Group was approximately RMB6.1 billion for FY2024, representing a decrease of approximately RMB1.8 billion or 22.5% as compared to approximately RMB7.9 billion for FY2023, whereas the profit and total comprehensive income was approximately RMB214.2 million for FY2024, representing an increase of approximately RMB837.7 million as compared to the loss and total comprehensive expense of approximately RMB623.5 million for FY2023. Such decrease in revenue was primarily attributable to the decrease in the Group's sales volume and sales price of cement and limestone aggregate. The turnaround from loss and total comprehensive expenses for FY2023 to profit and total comprehensive income for FY2024 was mainly attributable to the increase in other income of approximately RMB1.5 billion for FY2024 as the Group recognised interest income from suppliers and Tianrui Group Company in an aggregate amount of approximately RMB1.4 billion for FY2024.

The revenue of the Group was approximately RMB3.0 billion for 1H2025, representing an increase of approximately RMB378.9 million or 14.7% as compared to approximately RMB2.6 billion for 1H2024, whereas the profit and total comprehensive income was approximately RMB72.3 million for 1H2025, representing an increase of approximately RMB46.4 million or 179.1% as compared to approximately RMB25.9 million for 1H2024. Such increase in revenue was primarily attributable to the increase in revenue from cement sales. Increase in the profit and total comprehensive income of the Group was mainly attributable to the increase in profit from the Northeastern China region due to the increase in unit gross profit.

	As at 31 December		As at 30 June	
	2023 RMB'000 (audited)	2024 RMB'000 (audited)	2025 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
	<b>Total assets</b>	<b>40,573,494</b>	<b>37,215,106</b>	<b>36,351,373</b>
– Cash, deposits and bank balances	1,174,841	915,092	467,664	
<b>Total liabilities</b>	<b>24,787,427</b>	<b>21,239,599</b>	<b>20,268,366</b>	
– Total borrowings	16,592,494	11,722,613	11,003,606	
<b>Total equity</b>	<b>15,786,067</b>	<b>15,975,507</b>	<b>16,083,007</b>	

The Group's total assets decreased by approximately RMB3.4 billion or 8.3% from approximately RMB40.6 billion as at 31 December 2023 to approximately RMB37.4 billion as at 31 December 2024. Such decrease in total assets was mainly attributable to the decrease in (i) pledged bank balances; and (ii) property, plant and equipment. Among all assets, the Group's cash, deposits, and bank balances decreased by approximately RMB259.7 million or 22.1% from approximately RMB1,174.8 million as at 31 December 2023 to approximately RMB915.1 million as at 31 December 2024, which was mainly attributable to repayment of borrowings. The Group's total liabilities decreased by approximately RMB3.5 billion or 14.3% from approximately RMB24.8 billion as at 31 December 2023 to approximately RMB21.2 billion as at 31 December 2024. Such decrease in total liabilities was mainly attributable to the decrease in borrowings due after one year. The Group's total equity slightly increased from approximately RMB15.8 billion as at 31 December 2023 to approximately RMB16.0 billion as at 31 December 2024, representing an increase of approximately RMB189.4 million or 1.2%.

The Group's total assets decreased by approximately RMB863.7 million or 2.3% from approximately RMB37.2 billion as at 31 December 2024 to approximately RMB36.4 billion as at 30 June 2025. Such decrease in total assets was mainly attributable to the decrease in loan receivable. Among all assets, the Group's cash, deposits, and bank balances decreased by approximately RMB447.4 million or 48.9% from approximately RMB915.1 million as at 31 December 2024 to approximately RMB467.7 million as at 30 June 2025, which was mainly attributable to the increase in restricted pledged bank balances and repayment of borrowings. The Group's total liabilities decreased by approximately RMB971.2 million or 4.6% from approximately RMB21.2 billion as at 31 December 2024 to approximately RMB20.3 billion as at 30 June 2025. Such decrease in total liabilities was mainly attributable to the decrease in borrowings due within one year. The Group's total equity slightly increased from approximately RMB16.0 billion as at 31 December 2024 to approximately RMB16.1 billion as at 30 June 2025, representing an increase of approximately RMB107.5 million or 0.7%.

## **1.2 Information of Tianrui Finance**

Tianrui Finance is a non-banking financial institution subject to the supervision of the NFRA. Its establishment was approved by the NFRA on 20 July 2015 and it is authorised to provide a variety of financial services.

The scope of business of Tianrui Finance includes: the provision of financial and corporate finance advisory services, credit worthiness verification and related consultancy and agency services to member companies; provision of assistance in the payment and receipt of transaction proceeds to member companies; performing authorized insurance agency business; provision of guarantees to member companies and dealing with entrusted loans or investments among member companies; provision of draft acceptance and discounting services to member companies; provision of intra-group transfer and settlement services to member companies as well as the planning of clearing and settlement scheme; provision of deposit services to member companies; conducting inter-bank borrowing and lending.

As at the Latest Practicable Date, Tianrui Finance had a registered capital of RMB1 billion which was owned as to 46.25% by Tianrui Group Company, as to 25.5% by Tianrui Cement, as to 23% by Tianrui Travel and as to 5.25% by Tianrui Foundry.

*Regulatory environment of Tianrui Finance*

As a licensed non-bank financial institution in the PRC, Tianrui Finance is required to operate in compliance with the Administrative Measures for the Group Finance Companies\* (《企業集團財務公司管理辦法》) (the “**Measures**”) promulgated by the original China Banking and Insurance Regulatory Commission to standardise the activities of group finance companies, to prevent financial risk, and to facilitate the stable and sound operation and healthy development of group finance companies. The Measures set out certain compliance and risk control requirements/measures relating to the operation of group finance companies, including but not limited to maintaining certain financial ratios.

As part of our due diligence work, we have obtained and reviewed the key regulatory risk indicators of Tianrui Finance as at 31 December 2023, 31 December 2024 and 30 June 2025, which were submitted by Tianrui Finance to the Henan Branch of the NFRA. Details of such indicators are set out in the table below:

Financial ratio	Formula	Requirement	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
Capital adequacy ratio	Net Capital/ Total Risk-Weighted Assets	Not less than 10%	41.75%	38.42%	44.41%
Liquidity ratio	Current Assets/ Current Liabilities	Not less than 25%	32.98%	34.24%	56.06%
Non-performing loan ratio	Non-performing Loans/Total Loans	Not more than 5%	0	0	0
Non-performing asset ratio	Non-performance Assets/Total Assets with Credit-risk	Not more than 4%	0	0	0
Loan provision ratio	Loan Loss Provisions/ Total Loans	Not less than 2.5%	3.00%	3.57%	4.60%
Provision coverage ratio	Loan Loss Provisions/ Non-performing Loans	Not less than 150%	infinity	infinity	infinity
Fixed assets ratio	Total Fixed Assets/Total Equity	Not more than 20%	0	0	0
Investment ratio	Short-term Investment and Long-term Investment/ Total Equity	Not more than 70%	0	0	0
Inter-bank borrowing ratio	Total Interbank Borrowing/ Total Equity	Not more than 100%	0	0	0
Guarantee ratio	Guarantee Risk Exposure/ Total Equity	Not more than 100%	22.03%	2.06%	4.06%

As per the above table, we note that the key regulatory risk indicators of Tianrui Finance are in compliance with regulatory requirements. Furthermore, pursuant to the Measures, Tianrui Finance is required to comply with the deposit reserve requirements of the PBOC by placing certain amounts of deposit reserve with the PBOC in proportion to the deposit balances, which the Management considers, and we concur that such requirement is a measure to safeguard its deposits in Tianrui Finance. We also understand from the Management that there was no record of non-compliance with the relevant laws, rules and regulations applicable to Tianrui Finance from 1 January 2023 and up to the Latest Practicable Date (the “**Review Period**”).

*Financial performance of Tianrui Finance*

As part of due diligence work, we have obtained and reviewed the audited annual report of Tianrui Finance for the year ended 31 December 2024 and the unaudited management accounts of Tianrui Finance for the six months ended 30 June 2025. The table below sets out certain financial information of Tianrui Finance:

	For the year ended 31 December		For the six months ended 30 June	
	2023 RMB'000 (audited)	2024 RMB'000 (audited)	2025 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
<b>Revenue</b>	62,726	56,703		19,506
<b>Net profit</b>	4,248	19,333		4,725
As at 31 December				
	2023 RMB'000 (audited)	2024 RMB'000 (audited)	2025 RMB'000 (audited)	2025 RMB'000 (unaudited)
<b>Net assets</b>	1,152,339	1,171,672		1,176,493

Tianrui Finance recorded revenue and net profit for FY2023, FY2024 and 1H2025. Tianrui Finance’s net assets increased by approximately RMB19.4 million or 2.0% from approximately RMB1,152.3 million as at 31 December 2023 to approximately RMB1,176.5 million as at 30 June 2025.

We concur with the Directors’ view that the risk of placing deposits with Tianrui Finance can be effectively controlled and monitored because (i) Tianrui Finance is a non-bank financial institution subject to the regulation of NFRA; (ii) Tianrui Finance complied with the risk regulatory indicators as at 31 December 2023, 31 December 2024 and 30 June 2025; (iii) Tianrui Finance is required to comply with the deposit reserve requirements of the PBOC; (iv) there was no record of non-compliance with the relevant laws, rules and regulations applicable to Tianrui Finance during the Review Period; and (v) Tianrui Finance is a profit-making company, and its net asset value remained relatively stable during the Review Period.

### **1.3 Information of Tianrui Group Company, Tianrui Foundry, Tianrui Travel and Tianrui Cement**

Tianrui Group Company is a company established in the PRC with limited liability and held as to 70% by Mr. Li and 30% by Mrs. Li Fengluan, the spouse of Mr. Li, who have investment in different businesses such as foundry business, tourism, hotel business, energy and mining. Tianrui Group Company indirectly owns 52.78% of the shareholding of the Company. Tianrui Foundry and Tianrui Travel are subsidiaries of Tianrui Group Company.

Tianrui Foundry is owned as to 87.75% by Tianrui Group Company and as to 12.25% by Ms. Li Fengluan. Tianrui Travel is owned as to 67.57% by Tianrui Group Company, as to 26.73% by Tianrui Foundry, as to 5.5% by Henan Yinxiang Cultural Tourism Commercial Operation Center (Limited Partnership) (河南銀象文旅商業運營中心 (有限合夥人) ) and 0.2% by Ms. Li Fengluan.

Tianrui Cement is a wholly foreign-owned enterprise established in the PRC with limited liability and a wholly-owned indirect subsidiary of the Company which is held as to 52.78% by Tianrui Group Company. Tianrui Cement is the principal subsidiary of the Company in PRC for the manufacture and sale of cement, clinker and limestone aggregate.

## **2. Reasons for and benefits of the 2025 Deposit Services Agreement**

As stated in the Letter from the Board, the Company entered into the 2025 Deposit Services Agreement after having considered that:

- (1) subject to compliance with the interest rate policies of the PBOC, the interest rate(s) offered to the member(s) of the Cement Group by Tianrui Finance for Deposit Services shall be higher than deposit rate(s) offered by major commercial banks in the PRC to the member(s) of the Cement Group, for comparable deposits, are on equal or better terms than those available from independent third parties;
- (2) the deposit and loan rates offered by Tianrui Finance are determined in accordance with applicable PBOC guidance and within the relevant regulatory framework;
- (3) regarding the financial strength of Tianrui Finance, Tianrui Finance recorded total assets of approximately RMB2,604.6 million, RMB2,119.8 million and RMB1,828.3 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively, and total revenue of approximately RMB62.7 million, RMB56.7 million and RMB19.5 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively. In addition, Tianrui Finance recorded net assets of approximately RMB1,152.3 million, RMB1,171.7 million and RMB1,176.5 million as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively. As at 31 December 2023, Tianrui Finance had total deposits of approximately RMB166.98 million. As at 31 December 2024, Tianrui Finance had total deposits of approximately RMB83.29 million. As at 30 June 2025, Tianrui Finance had total deposits of approximately RMB91.72 million. Having considered the above financial information and liquidity position, the Board is

of the view that Tianrui Finance has maintained adequate financial resources and liquidity to provide the services contemplated under the 2025 Deposit Services Agreement;

- (4) the Board also reviewed Tianrui Finance's service fee charging policy and noted that no administration charges or service fees are payable by the Group for the settlement services provided by Tianrui Finance; and
- (5) the deposit services provided by independent third parties in the past and the Deposit Services to be provided by Tianrui Finance are similar in nature. In addition, the Cement Group requires the Deposit Services for its daily operation, which are in the ordinary and usual course of business of the Group.

As advised by the Company, Tianrui Finance is currently under the supervision of the NFRA and its corresponding branch offices and it has been maintaining satisfactory operating results and financial position in the past years. In addition, the Board believes that Tianrui Finance has a more thorough understanding of the business development and capital needs of the subsidiaries of the Company at lower cost and more efficient manner. As discussed in the section headed "1.2 Information of Tianrui Finance" above, we concur with the Directors' view that the risk of placing deposits with Tianrui Finance can be effectively controlled and monitored.

In addition, the entering into of the 2025 Deposit Services Agreement will not prevent the Group from using services offered by other independent PRC commercial banks. The Group may still select other major and independent PRC commercial banks for the deposits as it thinks fit and appropriate for the benefits of the Group.

In light of the above, we consider that the deposit services provided by Tianrui Finance to the Group are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

### **3. Pricing Policy**

Pursuant to the 2025 Deposit Services Agreement, the Group may from time to time deposit cash with Tianrui Finance. The deposits placed by the Cement Group to Tianrui Finance are repayable on demand. Subject to compliance with the interest rate policies of the PBOC, the interest rate offered by Tianrui Finance to the Cement Group for the Deposit Services shall be higher than the interest rate(s) offered to the Cement Group by other mainstream financial institutions in the PRC for comparable deposits of similar nature and under similar terms during the same period.

We note that the interest rates for the Deposit Services will be no less favorable than, among other things, the deposit interest rates in the market. As advised by the Management, the Company's deposits maintained with Tianrui Finance consist of demand deposits and time deposits of six months. As part of our due diligence work, we have (i) obtained and reviewed two sets of demand deposit and two sets of time deposit transaction records of the Cement Group's deposits placed at Tianrui Finance of principal amount of over RMB100 million per year during the Review Period (i.e. four sets of transaction record per year and 12 sets of transaction record in total during the Review Period), which are randomly selected by the

Company as per our request (the “**Sample Deposit Transactions**”); (ii) compared the interest rates of each of the Sample Deposit Transactions with the that of one set of demand deposit or time deposit transaction with similar duration (as the case may be) entered into between the Cement Group and independent PRC commercial banks during similar period (the “**Comparable Deposit Transactions**”); and (iii) independently researched the demand deposit and time deposit interest rates published by two major independent PRC commercial banks on their respective websites during the Review Period. In respect of demand deposits, the interest rate applicable to all Sample Deposit Transactions is 0.455% per annum, whereas the interest rates for Comparable Deposit Transactions range from 0.05% to 0.30% per annum. In respect of time deposits, the interest rate applicable to all Sample Deposit Transactions is 1.495% per annum, whereas the interest rates for Comparable Deposit Transactions range from 1.00% to 1.45% per annum. Given the Sample Deposit Transactions cover (i) two types of deposits of the Company at Tianrui Finance; (ii) deposit samples of principal amount of over RMB100 million, being approximately 10.9% of the Company’s cash, deposits, and bank balances as at 31 December 2024; and (iii) four calendar months of each year, being the only months with available statements (as finance companies are required by regulation to issue deposit interest statements quarterly, as advised by the Management), we consider that the sample size of the Sample Deposit Transactions obtained by us are sufficient and representative for our due diligence purpose. Based on our review of the aforementioned sample transactions and information, we note that the interest rates of the Sample Deposit Transactions are no less favorable than those of the Comparable Deposit Transactions and those provided by the independent PRC commercial banks.

In view of the above, we are of the view that the deposit transactions under the 2025 Deposit Services Agreement are carried out on normal commercial terms and are fair and reasonable.

#### 4. Proposed Annual Caps

RMB' million (except for utilisation rates)	Existing annual caps for the years ended/ending 31 December			Proposed Annual Caps for the years ending 31 December		
	2023	2024	2025	2026	2027	2028
	Annual Caps	1,200.0	1,200.0	1,200.0	1,000.0	1,000.0
Historical Amounts	1,073.7	1,040.4	839.4	—	—	—
Utilisation Rates	89.5%	86.7%	70.0%	—	—	—

As disclosed in the Letter from the Board, the Proposed Annual Caps for the three years ending 31 December 2028 are determined after taking into account:

- the historical highest daily balances under the 2022 Deposit Services Agreement were RMB1,073.7 million in FY2023, RMB1,040.4 million in FY2024 and RMB839.4 million in FY2025 respectively. The decrease from FY2023 to FY2024 was mainly due to the Group’s decrease in revenue in FY2024 (approximately RMB6,117.0 million) compared with FY2023 (approximately RMB7,888.8 million). The revenue of the Group was approximately RMB2,962.7 million in the first half of 2025, representing an increase of RMB378.9 million, or 14.7% from approximately RMB2,583.8 million in the same period of 2024. The increase of revenue in the first

half of 2025 was primarily driven by higher cement sales, which reached approximately RMB2,235.6 million in 1H2025, representing an increase of 19.5% as compared with approximately RMB1,870.2 million in 1H2024. The proposed annual cap is set with reference to the historical highest daily balances under the 2022 Deposit Services Agreement, which were slightly higher than RMB1,000 million in FY2023 and FY2024. Taking into account the historical highest daily balances and the Group's anticipated deposit requirements, the Board proposes to set the annual cap at RMB1,000 million. The Board will review the Group's full year performance for 2025 when available and take into account the Group's cash position in determining the actual amount of deposits to be placed from time to time;

- (b) as disclosed in the 2024 Annual Report and 2025 Interim Report, the Group's net cash generated from operating activities for FY2024 and 1H2025 were approximately RMB1.6 billion and RMB1.3 billion respectively. Provided that the operating environment of the Group remains unchanged, the Management anticipates that the Group is able to sustain strong operating cash inflow from its business going forward. Assuming there are no material adverse changes to the Group's operating environment, the Board consider it fair and reasonable to reduce the Proposed Annual Caps to RMB1,000 million; and
- (c) the Cement Group is not under any obligation to place deposits with the Tianrui Finance pursuant to the 2025 Deposit Services Agreement.

We have reviewed the historical amounts of the deposits and interest income for the three years ended 31 December 2025 and note that the utilisation rates were approximately 89.5%, 86.7% and 70.0% for the corresponding periods, which were at relatively high level.

Reference is made to section "1.1 Information of the Group" above, the Group's cash, deposits, and bank balances amounted to approximately RMB1,174.8 million, RMB915.1 million, and RMB467.7 million as at 31 December 2023, 31 December 2024, and 30 June 2025, respectively. As disclosed in the 2024 AR and 2025 IR, the Gorup's net cash generated from operating activities for FY2024 and 1H2025 were approximately RMB1.6 billion and RMB1.3 billion, respectively. Provided that the operating environment of the Group remain unchanged, the Management anticipates that the Group is able to sustain strong operating cash inflow from its business going forward. The robust operating cash generation is expected to drive a further increase in the Group's cash balance in the coming periods. As part of our due diligence work, we have obtained and reviewed the Management's cash flow forecast model for 2026 and note that the Company is expected to generate a net cash inflow of approximately RMB200 million, calculated by deducting the net repayment of bank and other borrowings from the net cash flows from operating activities. In assessing the Proposed Annual Caps for 2026, we have made reference to (i) the forecasted net cash inflow of approximately RMB200 million for year ending 31 December 2026; and (ii) the average of the highest historical amounts in 2023, 2024 and the first nine months of 2025 of approximately RMB985 million, resulting in an expected highest annual cap of RMB1,185 million, which is higher than the Proposed Annual Caps in 2026 of RMB1,000 million. Assuming there is no material adverse changes to the Group's operating environment, we consider it fair and reasonable to reduce the Proposed Annual Caps for 2027 and 2028 to RMB1,000 million.

We have discussed with the Management and understand that the majority of the Group's contract payments are received at the end of each financial year. Accordingly, the deposit balance is expected to increase substantially at the end of each financial year. We have reviewed the interim report of the Company for the six months ended 30 June 2024, and note that the Group's cash, deposits, and bank balances amounted to approximately RMB600.1 million as at 30 June 2024. This balance increased by approximately RMB315.0 million or 52.5%, to RMB915.1 million as at 31 December 2024. As such, the year-end deposit balance provides a more representative and meaningful indicator of the Group's expected highest deposit balance. Given the Group's year-end cash, deposits and bank balances for 2023 and 2024 already represented approximately 117.5% and 91.5% of the Proposed Annual Caps, respectively, we consider the Proposed Annual Caps are determined on a fair basis.

Having considered that (i) historical utilization rates of existing annual caps during the three years ending 31 December 2025 are at relatively high level; (ii) the Group is expected to continue to generate positive operating cash flows; and (iii) the Group's historical year-end cash balances represents a substantial portion of the Proposed Annual Caps, we are of the view that the Proposed Annual Caps are fair and reasonable.

## 5. Internal Control Measures

The Company has formulated certain internal guidelines and policy specifications for the Transactions, details of which are included in the section headed "INTERNAL CONTROL AND RISK MANAGEMENT OF THE COMPANY" in the Letter from the Board. We have also obtained and reviewed the Company's internal procedures and systems for approving and monitoring such services and transactions, including the Measures of the Administration of Connected Transactions (关联交易管理办法) and the Internal Control Management Manual (内部控制管理手册). According to the internal procedures and systems, different departments will be involved in the internal control procedures, involving review and compare major terms offered to connected persons with major terms offered to members of the Company with similar qualification and (if applicable) terms obtained by the connected persons from other financial institutions.

Based on our review of the sample transaction documents as discussed in the sections headed "3. Pricing Policy" above, we note that the Group had adhered to the aforementioned internal control policies, in particular, the pricing principles under the Deposit Services have been strictly complied.

We have also obtained and reviewed all monthly monitoring reports of historical amounts of the existing deposit services provided by Tianrui Finance to the Group from 1 January 2023 to 30 November 2025, and note that all the utilisation amount is within the existing annual caps, which is fully complied with the internal control policy of the Company. Therefore, we consider that the Company has an effective mechanism in place to monitor the Deposit Services on an on-going basis to ensure that the transaction amount under the Deposit Services will not exceed the relevant Proposed Annual Caps.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and auditor of the Company will conduct annual review and issue confirmations regarding the continuing connected transactions of the Company each year. We have reviewed the 2023 AR and 2024 AR and note that the independent non-executive Directors and the

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## LETTER FROM INDEPENDENT FINANCIAL ADVISER

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auditors of the Company have reviewed the transactions under the 2022 Deposit Services Agreement, for FY2023 and FY2024 and provided the relevant confirmations. As confirmed with the Company, the Company will continue to comply with the relevant annual review requirement under the Listing Rules on an on-going basis.

Based on the above, we concur with the Directors' view that the Group has effective internal policies in place to continue to monitor the continuing connected transactions under the 2025 Deposit Services Agreement and relevant Proposed Annual Caps, and hence the interest of the Independent Shareholders would be safeguard.

### RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that (i) the Deposit Services are conducted in the ordinary and usual course of business of the Group and on normal commercial terms; and (ii) the terms of the 2025 Deposit Services Agreement (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend and we also recommend the Independent Shareholders to vote in favour of the resolution in relation to the 2025 Deposit Services Agreement and the Proposed Annual Caps to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
**Maxa Capital Limited**  
**Sammy Leung**  
*Managing Director*

*Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 14 years of experience in the corporate finance industry.*

## 1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 together with the relevant notes to the financial statements of the Company can be found on the annual report of the Company for the year ended 31 December 2022, 2023 and 2024 and the interim report for the six months ended 30 June 2025. Please see below the hyperlinks to the said annual reports and interim report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0505/2024050500039.pdf>  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702166.pdf>  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0620/2025062002330.pdf>  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0930/2025093002038.pdf>

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business of 30 November 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group has outstanding borrowings and indebtedness of approximately RMB12,612.9 million, comprising bank loans of approximately RMB11,656.1 million and other borrowings of approximately RMB956.8 million.

In respect of the bank loans, the Group had secured bank loans of approximately RMB7,773.3 million (secured by the assets of the Group and the shares of the Group's subsidiary), of which secured guaranteed bank loans were approximately RMB 6,121.8 million and secured unguaranteed bank loans were approximately RMB 1,651.5 million. The Group also had unsecured bank loans of approximately RMB3,882.8 million, of which unsecured guaranteed bank loans were approximately RMB3,178.5 million and unsecured unguaranteed bank loans were approximately RMB704.3 million.

Apart from the bank loans, the other borrowings of the Group amounted to approximately RMB 956.8 million, comprising secured other borrowings of approximately RMB 731.6 million (all of which were guaranteed, and were secured by the assets of the Group and the shares of the Group's subsidiary), and unsecured other borrowings of approximately RMB 225.2 million, of which the guaranteed portion was approximately RMB 222.8 million and the unguaranteed portion was approximately RMB 2.4 million.

The issued and outstanding short-term bills which will mature within one year are of approximately RMB2.4 million, obligations under financial guarantee contract which will mature within one year are of approximately RMB34.4 million, other financial liabilities of approximately RMB954.4 million will mature within one year. The total borrowing and bonds which will mature after one year are approximately RMB1,355.3 million.

The maximum daily balance for the guaranteed amount provided by the Group to Tianrui Group and its subsidiaries was RMB2,500 million for the year ended 31 December 2025. As at 30 November 2025, bank borrowings of approximately RMB1,378.5 million are secured by the guarantee provided by the Group to Tianrui Group.

Other than as disclosed above, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business of the Group, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, bank loans, hire purchase commitments (nor any finance lease commitments) or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, mortgage, charges, guarantees or other contingent liabilities as at the close of business on 30 November 2025.

### **3. WORKING CAPITAL**

Taking into account the financial resources of the Group, including internal resources and present available banking and other facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirement, that is, for at least the next 12 months from the date of this circular.

## 1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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.

## 2. DISCLOSURE OF INTERESTS

### Directors' and Senior Management' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at Latest Practicable Date, the interests and short positions of our Directors and chief executives in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules, were as follows:

Name of Director	Capacity/ Nature of interests	Total number of shares	Approximate percentage of shareholding (%)
Mr. Li Liufa <sup>(1)</sup>	Interest of corporation controlled by the director/Long position	1,627,385,716	52.78
Ms. Li Fengluan <sup>(1)</sup>	Interest of corporation controlled by the director/Long position	1,627,385,716	52.78

Notes:

- (1) Yu Kuo Company Limited (“**Yu Kuo**”) is wholly owned by Carosse Limited (“**Carosse**”), which is wholly owned by Tianrui (International) Holding Company Limited (“**Tianrui International**”), which is wholly owned by Tianrui Group Company Limited (“**Tianrui Group Company**”). Tianrui Group Company is 70% owned by Mr. Li Liufa and 30% owned by Ms. Li Fengluan, the spouse of Mr. Li Liufa respectively. Mr. Li Liufa and Ms. Li Fengluan are deemed to be interested in the shares held by Yu Kuo. For details of corporate reorganisation, please refer to the Company’s announcement dated 8 December 2023.
- (2) On 18 January 2024, the pledge of 160,000,000 shares in the Company by Yu Kuo as security for loan facility has been released. On 18 January 2024, Yu Kuo pledged 97,000,000 shares in Company as security for loan facility. Other than above, no disclosure of interest form was filed by Yu Kuo with respect to pledge of shares during the year ended 31 December 2024. For the summary of disclosure of interest forms filed by Yu Kuo during the year of 2024 and the six months ended 30 June 2025, please refer to the 2024 annual report and the 2025 interim report of the Company.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at Latest Practicable Date, to the best knowledge of the Directors and the senior management of the Company, the followings are the persons, who had interests or short positions in the Shares and underlying Shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

<b>Name</b>	<b>Capacity/ Nature of Interests</b>	<b>Total number of Shares</b>	<b>Approximate percentage of shareholding (%)</b>
Yu Kuo	Beneficial owner/Long position <sup>(1)</sup>	1,627,385,716	52.78
Tianrui Group Company	Interest of corporation controlled by the substantial shareholder/ Long position <sup>(1)</sup>	1,627,385,716	52.78
Tianrui International	Interest of corporation controlled by the substantial shareholder/ Long position <sup>(1)</sup>	1,627,385,716	52.78

Name	Capacity/ Nature of Interests	Total number of Shares	Approximate percentage of shareholding (%)
Carosse	Interest of corporation controlled by the substantial shareholder/Long position <sup>(1)</sup>	1,627,385,716	52.78
Mr. Li Liufa	Interest of corporation controlled by the director/Long position <sup>(1)</sup>	1,627,385,716	52.78
Ms. Li Fengluan	Interest of corporation controlled by the director/Long position <sup>(1)</sup>	1,627,385,716	52.78
The Export-Import Bank of China	Party with security interest over the shares/Long position	315,000,000	10.72
Buttonwood Investment Holding Company Ltd	Interest of controlled corporation/Long position	315,000,000	10.72
China Huarong Asset Management Co., Ltd.	Interest of controlled corporation/Long position	470,000,000	16.00
China Huarong International Holdings Limited	Interest of controlled corporation/Long position	300,000,000	10.21
Right Select International Limited	Interest of controlled corporation/Long position	300,000,000	10.21
Best Ego Limited	Party with security interest over the shares/Long position	300,000,000	10.21

Name	Capacity/ Nature of Interests	Total number of Shares	Approximate percentage of shareholding (%)
China Huarong (Macau) International Company Ltd	Interest of controlled corporation/Long position	170,000,000	5.79
<p>(1) Yu Kuo is wholly owned by Carosse, which is wholly owned by Tianrui International, whereas Tianrui International is wholly owned by Tianrui Group Company. Tianrui Group Company is 70% and 30% owned by Mr. Li Liufa and Ms. Li Fengluan, the spouse of Mr. Li Liufa respectively. Mr. Li Liufa, Ms. Li Fengluan, Tianrui Group Company, Tianrui International and Carosse are respectively deemed to be interested in the shares held by Yu Kuo. For details of corporate reorganisation, please refer to the Company's announcement dated 8 December 2023.</p> <p>(2) On 18 January 2024, the pledge of 160,000,000 shares in the Company by Yu Kuo as security for loan facility has been released. On 18 January 2024, Yu Kuo pledged 97,000,000 shares in Company as security for loan facility. Other than above, no disclosure of interest form was filed by Yu Kuo with respect to pledge of shares during the year ended 31 December 2024. For the summary of disclosure of interest forms filed by Yu Kuo during the year of 2024 and the six months ended 30 June 2025, please refer to the 2024 annual report and the 2025 interim report of the Company.</p>			

Saved as disclosed above, as at Latest Practicable Date, no other person has any interest or short position which shall be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

### 3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates that has interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, save and except for the following:

#### (1) Ruiping Shilong

Pingdingshan Ruiping Shilong Cement Company Limited (平頂山瑞平石龍水泥有限公司) ("Ruiping Shilong") is a limited liability company incorporated in the PRC, of which 40% is owned by Tianrui Cement (the Company's wholly-owned subsidiary) and 60% is owned by Ruiping Power. Ruiping Power is held by Tianrui Foundry (indirectly and jointly wholly-owned by Mr. Li and Mrs. Li) as to 40% and by an Independent Third Party as to 60%. Ruiping Shilong is engaged in manufacturing and selling clinker in certain areas of Henan province, so its business competes with the Company's clinker operation in those areas.

As at the Latest Practicable Date, the Directors held the view that the Group is financially and operationally independent from Ruiping Shilong. The controlling shareholders of the Company currently have no intention to inject their indirect interest in Ruiping Shilong into the Group.

## (2) Shanshui Cement

As of the Latest Practicable Date, Tianrui (International) Holding Company Limited, a wholly-owned subsidiary of Tianrui Group Company which is owned as to 70% by Mr. Li, has acquired a total of 951,462,000 shares of China Shanshui Cement Group Limited (691.HK) ("**Shanshui Cement**", a company which is listed on the Main Board of the Stock Exchange) representing approximately 21.85% issued share capital of Shanshui Cement. Shanshui Cement is engaged in production of clinker and cement in China.

As at the Latest Practicable Date, the Directors held the view that the Group is financially and operationally independent from Shanshui Cement. The Company has an option to acquire the shares in Shanshui Cement pursuant to a non-competition deed, but has decided not to exercise the said option at this stage after considering, among others, the recent financial performance of Shanshui Cement.

## 4. MATERIAL CHANGE

As at the Latest Practicable Date, the Directors confirm that there is no material adverse change in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts or appointment letter with the Company or any other member of the Group save for those expiring or determinable by the relevant employer within one year without payment of compensation, other than statutory compensation.

## 6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors of the Company had any interest in any assets which have been since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, save for (i) the clinker purchase agreement entered into between Ruiping Shilong and Tianrui Cement dated 6 June 2025 (the "**2025 Ruiping Shilong Clinker Purchase Framework Agreement**") and the raw coal supply agreement entered into between Ruiping Shilong and Tianrui Cement dated 6 June 2025 (the "**2025 Ruiping Shilong Raw Coal Supply Agreement**"), the coking raw coal supply framework agreement dated 6 June 2025 ("**2025 Ruzhou Coking Raw Coal Supply Framework Agreement**"), details of which have been disclosed in the announcement of the Company dated 6 June 2025; (ii) the deposit services agreement as supplemented by the Supplemental Agreement (the "**2025 Deposit Services Agreement**") entered into between Tianrui Cement and Tianrui Finance dated 8

December 2025 and the financial services agreement (the “**2025 Financial Services Agreement**”) entered into between Tianrui Cement and Tianrui Finance dated 8 December 2025, details of which have been disclosed in the announcement of the Company dated 8 December 2025; (iii) the framework agreement (the “**2025 Framework Agreement**”) entered into between Tianrui Group Company, Tianrui Cement and the Company dated 8 December 2025 and the counter guarantee agreement (the “**2025 Counter Guarantee Agreement**”) entered into between the Company and Mr. Li dated 8 December 2025, details of which have been disclosed in the announcement of the Company dated 8 December 2025.

## 7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its advice for inclusion in this Circular:

Name	Qualification
Maxa Capital Limited	Independent financial adviser and a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulatory activities under the SFO

As at the Latest Practicable Date, Maxa Capital Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and reference to its name and opinion in the form and context in which it appears.

As at the Latest Practicable Date, Maxa Capital Limited did not have any shareholding in the Company or any other member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any other member of the Group.

## 8. EXPERT'S INTERESTS IN ASSETS

As at the Latest Practicable Date, the expert referred to in the paragraph named “Qualification and Consent of Expert” above does not have any interest in any assets which have been since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 9. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Mr. Li Jiangming and Ms. Lui Mei Ka.
- (b) The registered office of the Company is situated at Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111, Cayman Islands. The headquarters and principal place of business of the Company is at No. 63 Guangcheng Road East, Ruzhou City, Henan Province, PRC.

- (c) The place of business in Hong Kong of the Company registered under Part 16 of the Companies Ordinance (Cap 622) is at Room 1806, 18/F, Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong.
- (d) The English text of this Circular shall prevail over the Chinese text in case of any inconsistency.

## **10. DOCUMENTS FOR DISPLAY**

Copies of the following documents will be published on the websites of the Company ([www.trcement.com](http://www.trcement.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of not less than 14 days from the date of this circular up to and including the date of the EGM:

- (a) 2025 Deposit Services Agreement;
- (b) the Supplemental Agreement;
- (c) the letter from Independent Financial Advisor, the text of which is set out in this circular;
- (d) the consent letter of Independent Financial Advisor as referred to in the section headed “Qualifications and Consent of Expert” in this Appendix II.



CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

中國天瑞集團水泥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1252)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of China Tianrui Group Cement Company Limited (the “**Company**”) will be held at 10:30 a.m. on Monday, 16 February 2026 at Conference Room, 10/F., Tianrui Group Building, South Side of Guangcheng East Road, Ruzhou City, Henan Province, PRC for the purpose of considering and, if thought fit, passing the following resolution:

**ORDINARY RESOLUTION**

“**THAT**

- (i) the deposit services agreement (“**2025 Deposit Services Agreement**”) and the Supplemental Agreement dated 8 December 2025 and 28 January 2026 respectively entered into between Tianrui Cement Group Company Limited (天瑞水泥集團有限公司) (“**Tianrui Cement**”) and Tianrui Group Finance Company Limited (天瑞集團財務有限公司) (“**Tianrui Finance**”) (copies of which have been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) in relation to the provision of a range of deposit services by Tianrui Finance to Tianrui Cement and its subsidiaries (collectively, the “**Cement Group**”), including but not limited to the provision of the deposit services as stipulated thereunder, be and is hereby approved, confirmed and ratified;
- (ii) the proposed maximum daily outstanding balance of deposits placed by the Cement Group with Tianrui Finance (including any interest accrued therefrom) in the amount not exceeding RMB1,000 million, RMB1,000 million and RMB1,000 million for the years ending 31 December 2026, 2027 and 2028 be and is hereby approved;
- (iii) any one of the directors of the Company (each a “**Director**”) be and is hereby authorised to take all steps, for and on behalf of the Company, which are in his opinion necessary or expedient to implement and/or give effect to the terms of the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement); and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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(iv) the Directors be and are hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and completion of The 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the related proposed annual caps and the transactions contemplated thereunder or incidental to the 2025 Deposit Services Agreement (as amended by the Supplemental Agreement) and the related proposed annual caps and all other matters incidental thereto or in connection therewith and to agree to the variation and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the guarantee and are in the best interests of the Company."

By order of the Board  
**China Tianrui Group Cement Company Limited**  
**Li Liufa**  
*Chairman*

Ruzhou City, Henan Province, PRC, 29 January 2026

**Notes:**

(a) For determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 11 February 2026 to Monday, 16 February 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 10 February 2026.

(b) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjourned meeting.

(c) In the case of joint holders of any share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the EGM, in person or by proxy, the vote of the joint holder whose name stands first in the register of members and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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(d) Completion and delivery of the form of proxy will not preclude a shareholder from attending and voting at the EGM if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice, the Board consists of:

*Executive Directors*

Ms. Li Fengluan, Mr. Ding Jifeng, Mr. Li Jiangming and Mr. Jin Mingjie

*Non-executive Director and Chairman*

Mr. Li Liufa

*Independent non-executive Directors*

Mr. Kong Xiangzhong, Mr. Mak Tin Sang and Mr. Jiang Senlin