

HUAXIN BUILDING MATERIALS GROUP CO., LTD.
Announcement on Adjusting Related Matters in the 2025 A-Share Restricted Share Incentive Scheme

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

The Board of Directors of Huaxin Building Materials Group Co., Ltd. (hereinafter referred to as the Company) held its 20th meeting of the 11th Board of Directors on December 9, 2025, and approved the Proposal on Granting A-Share Restricted Shares to Incentive Participants. The relevant matters are explained as follows:

I. Decision-making procedures and information disclosure completed for the 2025 A-Share Restricted Share Incentive Scheme (hereinafter referred to as “this Incentive Scheme”)

1. On October 3, 2025, the Remuneration and Assessment Committee approved the Proposal on the Company's 2025 A-Share Restricted Share Incentive Scheme (Draft) and its Summary and the Proposal on the Implementation and Assessment Management Measures of the 2025 A-Share Restricted Share Incentive Scheme. The Committee has issued its review opinions on the matters related to this Incentive Scheme.
2. On October 3, 2025, the Company held the 18th meeting of the 11th Board of Directors and approved the Proposal on the Company's 2025 A-Share Restricted Share Incentive Scheme (Draft) and its Summary and the Proposal on the Implementation and Assessment Management Measures of the 2025 A-Share Restricted Share Incentive Scheme. On October 24, 2025, the Company held its 19th meeting of the 11th Board of Directors and approved Proposal on Requesting Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the 2025 A-Share Restricted Share Incentive Scheme.
3. From October 21 to October 30, 2025, the Company publicly disclosed the names and positions of the incentive participants of this Incentive Scheme through internal network. During the public comment period, the Company did not receive any objections regarding the incentive participants. On November 5, 2025, the Company disclosed the Remuneration and Assessment Committee's Review and Public Announcement Regarding the List of Incentive Participants for the Company's 2025 A-share Restricted Share Incentive Scheme by the Remuneration and Assessment Committee to Board of Directors.
4. The Company conducted a self-check on the trading of the Company's shares by insiders of the 2025 A-Share restricted share incentive scheme (draft) within 6 months before its announcement. No insider trading was found. On November 5, 2025, the Company disclosed the Self-examination Report on the Trading of Company Shares by Insiders with Knowledge of Inside Information Regarding the 2025 A-share Restricted Share Incentive Scheme on the website of the Shanghai Stock Exchange (www.sse.com.cn).
5. On November 12, 2025, the Company held its 2025 4th Extraordinary Shareholders'

Meeting, and approved the Proposal on 2025 A-Shares Restricted Share Incentive Scheme (Draft) and its Summary, the Proposal on the Implementation and Assessment Management Measures of the 2025 A-Shares Restricted Share Incentive Scheme and the Proposal on Requesting Shareholders' Meeting to Authorize the Board of Directors to Handle Matters Related to the 2025 A-Share Restricted Share Incentive Scheme.

6. On December 9, 2025, the Company held the 20th meeting of the 11th Board of Directors, and approved the Proposal on Adjusting Matters in the 2025 A-Share Restricted Share Incentive Scheme and the Proposal on Granting A-Share Restricted Shares to Incentive Participants. The Board of Directors' Remuneration and Assessment Committee verified the list of incentive participants on the date of grant and expressed its opinions.

II. Reasons for the adjustment and the results

(I) Reasons for the Adjustment:

Pursuant to the provisions of this Incentive Scheme, if, during the period from the announcement date of this Incentive Scheme to the completion of the registration of A-share restricted shares by the Incentive Participants, the Company undergoes capital reserve to share capital conversion, bonus issue, stock split, rights issue, stock consolidation, or dividend distribution, the grant price of the restricted share shall be adjusted accordingly.

Given that the company has implemented the profit distribution plan for the first three quarters of 2025 on December 4, 2025, specifically: based on the company's total share capital of 2,078,995,649 shares, after deducting 2,578,000 A-shares held in the company's repurchase special securities account, the remaining 2,076,417,649 shares are used as the base, with a cash dividend of 0.34 yuan per share (including tax), totaling 705,982,000.66 yuan in cash dividends.

(II) Adjustment Results:

According to the Measures for the Administration of Equity Incentives of Listed Companies and the relevant provisions of this incentive scheme, as with the aforementioned adjustment reasons, the company's board of directors, authorized by the 4th Extraordinary Shareholders' Meeting in 2025, has adjusted the grant price of the restricted shares in this incentive scheme as follows:

Adjustment method for dividends distribution:

$$P = P_0 - V$$

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

According to the above formula, the adjusted grant price of this incentive scheme is

$$P = 9.24 - 0.34 = 8.90 \text{ yuan per share.}$$

Therefore, the grant price of the restricted shares in this incentive scheme is adjusted from 9.24 yuan per share to 8.90 yuan per share.

According to the authorization of the company's 4th Extraordinary Shareholders' Meeting in 2025, the adjustment does not necessitate the company's shareholders' meeting for approval.

III. Impact to the Company

The company's adjustment of the grant price for the restricted shares in this incentive scheme has no substantial impact on the company's financial condition and operating results.

IV. Opinions of the Remuneration and Assessment Committee

The Remuneration and Assessment Committee has reviewed the adjustments related to this incentive scheme and believes that the board's adjustment of the grant price for the company's 2025 A-share Restricted Share Incentive Scheme, authorized by the 4th Extraordinary Shareholders' Meeting in 2025, is appropriate and sufficient. The review procedure was legal and compliant, in line with the Measures for the Administration of Equity Incentives of Listed Companies and other relevant laws, regulations, and the company's 2025 A-share Restricted Share Incentive Scheme. There is no situation that harms the company and the interests of all shareholders. The Remuneration and Assessment Committee agrees with the adjustments to the company's 2025 A-share Restricted Share Incentive Scheme.

V. Conclusive Opinion in the Legal Opinion Letter

Hubei Sunshine Law Firm has provided a legal opinion, stating that as of the date of this legal opinion letter, the company's current adjustment of the grant price has obtained the necessary approvals and authorizations at this stage, in compliance with the Measures and other laws, regulations, normative documents, the Articles of Association, and the company's 2025 A-share Restricted Share Incentive Scheme (Draft).

It is herewith announced.

Board of Directors of Huaxin Building Materials Group Co., Ltd.
10 December 2025