

HUAXIN BUILDING MATERIALS GROUP CO., LTD.
Announcement on the Granting Results of 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.

Important Notice:

- Registration date of the restricted shares: 31 December 2025
- Amount of restricted shares granted: 2.578 million shares

According to the Measures for the Administration of Equity Incentives of Listed Companies issued by China Securities and Regulatory Commission, regulations of the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited Shanghai Branch, Huaxin Building Materials Group Co., Ltd (hereinafter referred to as the Company) has completed the registration of granting of restricted shares under the Huaxin Building Materials Group Co., Ltd 2025 A-Share Restricted Share Incentive Scheme. The relevant situations are as followed:

I. Granting of the Restricted Shares

On 9 December 2025, the Company held the 20th Meeting of the Eleventh Board of Directors approved the Proposal on Granting A-Share Restricted Shares to Incentive Participants. The Remuneration and Assessment Committee has reviewed the list of incentive participants of the incentive scheme. The granting of restricted shares are as follows:

1. Date of Grant: December 9, 2025
2. Number of Shares Granted: 2,578,000 shares
3. Number of Participants: 11 individuals
4. Grant Price: 8.90 yuan per share
5. Source of Shares: The shares involved in this incentive scheme are ordinary A-shares of the company repurchased from the secondary market.
6. List of the Incentive Participants and the Granting

Name	Position	Number of restricted shares granted (in 10,000 shares)	Proportion of the total number of restricted shares granted under this Scheme	Proportion of the Company's total share capital as of the grant date
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Li Yeqing #	Executive Director and CEO	91.59	35.53%	0.044%
Chen Qian	Chief Financial Officer and Vice President	17.86	6.93%	0.009%
Liu Fengshan #	Executive Director and Vice President	16.77	6.51%	0.008%
Du Ping	Vice President	17.05	6.61%	0.008%
Mei Xiangfu	Vice President	17.05	6.61%	0.008%
Yang Hongbing	Vice President	16.50	6.40%	0.008%
Xu Gang	Vice President	17.86	6.93%	0.009%
Wang Jiajun	Vice President	16.77	6.51%	0.008%
Ye Jiaying	Board Secretary and Vice President	16.77	6.51%	0.008%
Lu Guobing	Vice President	14.07	5.46%	0.007%
Tang Jun	Vice President	15.51	6.02%	0.007%
Total		257.80	100%	0.1240%

Notes:

1. # are the Company's executive directors, all of whom are involved in the Company's daily operations. When the Board of Directors deliberates on this Scheme and related proposals, the director(s) concerned shall abstain from voting; during the implementation of this Scheme, the director(s) shall not participate in administration of the Scheme.

2. None of the Incentive Participants mentioned above has been granted company shares exceeding 1.00% of the Company's total share capital as at the grant date of this Scheme under all valid equity incentive Scheme. The total number of underlying shares involved in all valid incentive schemes of the Company shall not exceed 10.00% of the Company's total share capital as at the grant date of this Scheme.

3. Any mismatch between the total value in the above table and the sum of the individual values, if any, will be due to rounding.

II. The Validity Period, Lock-up Period and Unlocking Arrangement of This Scheme

(1) Validity period of this Scheme

The validity period of this Scheme shall commence on the date of completion of the

registration of the granted A-share restricted shares and shall continue until the date on which all the A-share restricted shares granted to the Incentive Participants is unlocked or repurchased and canceled, with a maximum duration not exceeding 60 months.

(2) The lock-up period and unlocking arrangements under this Scheme

The lock-up period for the A-share restricted shares granted under this Scheme shall be 36 months and 48 months respectively from the date of registration completion for the corresponding portion of the grant. The Incentive Participants shall not transfer, use as collateral, or repay debts with the A-share restricted shares granted under this Incentive Scheme before unlocking.

During the lock-up period, the cash dividends received by the Incentive Participants in respect of the granted A-share restricted shares shall be held by the Company and paid to the Incentive Participants as payable dividends upon the unlocking; if the unlocking cannot be done in accordance with this Incentive Scheme, the cash dividends corresponding to the restricted shares that cannot be unlocked shall be reclaimed by the Company.

The shares obtained by the Incentive Participants from the granted A-share restricted shares due to capitalisation of capital reserves, bonus issue, or stock splits shall also be subject to the lock-up, and shall not be traded on the secondary market or otherwise transferred, and shall be subject to the same lock-up period as the corresponding restricted shares. If the Company repurchases the restricted shares that have not yet been unlocked, such shares shall also be repurchased together with the restricted shares.

If the conditions for unlocking are not met in the current period, the restricted shares shall not be unlocked or the unlocking of which shall be deferred to the next period. After the expiry of the lock-up period, the Company shall process the unlocking for the Incentive Participants who meet the unlocking conditions, and the restricted shares held by those who do not meet the conditions shall be repurchased by the Company.

The unlocking period and unlocking schedule for each phase of the A-share restricted shares granted under this Incentive Scheme are as follows:

Unlocking Arrangement	Unlocking Schedule	Maximum proportion of restricted shares eligible for unlocking in the restricted shares granted under this Scheme
First Unlocking Period	From the first trading day after 36 months from the completion of the registration of the granted restricted shares to the last trading day within 48 months from the completion of the registration of the granted restricted shares	50%
Second Unlocking Period	From the first trading day after 48 months from the completion of the registration of the granted restricted shares to the last trading day within 60 months from the completion of the registration of the granted	50%

	restricted shares	
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III. The Capital Verification of the Subscription Funds for Restricted Shares

Daxin Certified Public Accountants (Special General Partnership) issued the capital verification report Daxin Yan [2025] 2-00012 on December 15, 2025, verifying the actual receipt of subscription funds from the incentive participants granted by the company's 2025 A-share Restricted Share Incentive Scheme as of December 12, 2025. As of December 12, 2025, the company received subscription funds from the incentive participants granted by the restricted share incentive scheme amounting to RMB 22,944,200.00 in its RMB account 70040078801500000534 opened at Shanghai Pudong Development Bank Co., Ltd. Wuhan Optics Valley Branch.

IV. Registration of Restricted Shares

On 30 December 2025, China Securities Depository and Clearing Corporation Limited Shanghai Branch issued a Securities Change Registration Certificate, changing the nature of the company's 2.578 million shares from unrestricted tradable shares to restricted tradable shares. On 31 December 2025, China Securities Depository and Clearing Corporation Limited Shanghai Branch issued a Transfer Registration Confirmation Letter, transferring the company's 2.578 million restricted tradable shares from the company's repurchase special securities account to the securities accounts of the 11 incentive participants and completing registration confirmation. The total restricted shares granted and registered under this incentive scheme amounted to 2.578 million shares, with a registration completion date of 31 December 2025.

V. The Impact to the Controlling Shareholders of the Company Before and After the Granting

The source of restricted shares involved in the company's current share incentive scheme is the company's A-share ordinary shares repurchased by the Company from the secondary market, therefore after the completion of this grant, the company's total share capital remains unchanged. It will not lead to changes in the shareholding ratio of the company's controlling shareholder and actual controller.

VI. Change of the Equity Structure

The change of the equity structure before and after the granting:

Type of securities	Amount before the change	Changing amount	After the change
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Restricted shares (A share)	0	2,578,000	2,578,000
Unrestricted shares (A share)	1,344,275,649	-2,578,000	1,341,697,649
Unrestricted shares (H share)	734,720,000	0	734,720,000
Total	2,078,995,649	0	2,078,995,649

VII. Plan for the Utilization of the Raised Fund

The total amount of funds raised from granting restricted shares to incentive participants this time is RMB 22,944,200.00, which will be used to supplement the company's working capital.

VIII. The impact on the company's financial situation after the grant

According to the provisions of Accounting Standard for Business Enterprises No. 11 - Share Payment and Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the company will, on each balance sheet date during the restricted period, revise the estimated number of restricted shares that can be unlocked based on the latest information such as changes in the number of participants for the unlocking and the completion of performance indicators, and according to the fair value of the restricted shares on the grant date, the service obtained in the current period will be included in the relevant costs or expenses and capital reserves.

Based on calculations, the impact of the A-share restricted shares granted by this incentive scheme on the accounting costs of each period is as shown in the table below:

Year	2025	2026	2027	2028	2029
Expenses to be amortized (10,000 RMB)	61.86	1,026.37	1,026.37	991.02	413.36

Remark:

1. The expenses above are not necessarily the final word on accounting costs. The actual costs will depend on the grant date, grant price, market price at the grant date, and the number of shares granted, as well as the actual number of shares that become effective or ineffective. Also, shareholders should be aware of the potential dilution.
2. The final impact on the business results of the company will depend on the annual audit reports issued by the accounting firm for the respective years, combined with any adjustments (if any) calculated in accordance with the mechanisms specified in the incentive scheme.

Based on the preliminary information, it is estimated that the amortization of expenses related to this incentive scheme, without considering its stimulative effect on the company's performance, will have a moderate impact on annual net profits during the

validity period, though the extent of this impact is not significant. Considering the positive impact of this incentive scheme on the company's operational development, it is expected to stimulate the core team's motivation, enhance operational efficiency, and cut down on agency costs, ultimately contributing positively to the company's long-term performance improvement.

It is herewith announced.

Board of Directors of Huaxin Building Materials Group Co., Ltd.

6 January 2026