Stock Codes: 600801 Stock Abbreviation: HX BLDG MAT Ref: 2026-021

HUAXIN BUILDING MATERIALS GROUP CO., LTD.
Announcement on Changing the Functional Currency of Some Subsidiaries

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.

Should any director be unable to guarantee or have objections to the truthfulness, accuracy and completeness of the interim announcement, a special note shall be made in the announcement.

The Board of Directors of Huaxin Building Materials Group Co., Ltd. (hereinafter referred to as the Company) held its 25th meeting of the Eleventh Board of Directors on July 10, 2026, and approved the Proposal on Changing the Functional Currency of Some Subsidiaries. This change does not require submission to the shareholders' meeting for deliberation. The relevant matters are hereby announced as follows:

I. Overview

In accordance with the Accounting Standards for Business Enterprises, when an enterprise selects the functional currency for its overseas operations, it shall take into account the currency primarily used in transactions such as sales, procurement, investment and financing of the overseas operations. At present, the primary transaction currency of certain subsidiaries differs from their current functional currency. Significant exchange gains and losses will arise amid sharp exchange rate fluctuations, which fails to accurately reflect the Company's financial position and operating results.

In view of the actual operation status and future development plans of certain subsidiaries, and with a view to presenting the financial position and operating results of the Company in a more objective and fair manner, the Board approves to change the functional currency of certain subsidiaries. Specific details are set out below:

Name of Subsidiary	Place of Registration	Shareholding Ratio	Core Business	Before Change	After Change
				Primary Transaction Currency & Functional Currency	**Primary Transaction Currency & Functional Currency**
Caricement B.V.	the Netherlands	100%	Invest in Nigerian company and receive dividends	Receive dividends in EUR; Functional currency: EUR	Receive dividends in USD; Functional currency: USD
Davis Peak Holdings Limited	Hong Kong, China	100%	Invest in Nigerian company and receive dividends	Receive dividends in EUR; Functional currency: EUR	Receive dividends in USD; Functional currency: USD
NETNIX LTD	Cyprus	100%	Invest in Kyrgyz company and receive dividends	Receive dividends in EUR and USD; Functional currency: EUR	Receive dividends in USD; Functional currency: USD

II. Impacts of This Change

Pursuant to the Accounting Standard for Business Enterprises No. 28 – Changes in Accounting Policies and Accounting Estimates and Corrections of Errors, the change of functional currency for the aforesaid subsidiaries shall be accounted for prospectively. Accordingly, no retrospective adjustment is required.

The Company plans to complete the change before 1 September 2026, and this change will have no impact on the financial position and operating results of the Company for accounting periods ending on 31 December 2025 and prior thereto.

III. Statement of the Board of Directors on the Rationale for This Change

The Board of Directors believes that changing the functional currency for the aforesaid subsidiaries will help provide more reliable accounting information, present more objective, fair and truthful operating results and financial position of the Company, and furnish investors with more credible and accurate accounting data. The Board of Directors hereby approves the change of functional currency for the aforesaid subsidiaries.

IV. Review by the Audit Committee

Upon review at the meeting of the Audit Committee of the Board of Directors, the Audit Committee believes that changing the functional currency for the aforesaid subsidiaries of the Company is in compliance with the relevant laws and regulations of the State and the applicable accounting standards. The change of functional currency can objectively, fairly and truthfully reflect the financial position and operating results of the subsidiaries, and there is no harm to the interests of the Company and all shareholders. The Audit Committee unanimously agreed to the change of functional currency for the aforesaid subsidiaries and submitting the matter to the Board of Directors for deliberation.

It is herewith announced.

Board of Directors of Huaxin Building Materials Group Co., Ltd.
11 July 2026