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

The board of directors (the "Board") of HUAXIN BUILDING MATERIALS GROUP CO., LTD.* (the "Company") announces that: in accordance with the Company Law of the People's Republic of China, the Articles of Association of Listed Companies, and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other laws, regulations, and normative documents, combined with the actual situation of the company, it is proposed to cancel the Board of Supervisors and amend some articles in the Articles of Association and its attachments. The details are as follows:

I. Canceling the Board of Supervisors

The Board of Supervisors will be canceled, with the Board of Directors' Audit Committee assuming the responsibilities according to the Company Law of the People's Republic of China. Consequently, the Rules of Procedures of the Board of Supervisors of Huaxin Building Materials Co., Ltd. will be obsolete, and any references to the Board of Supervisors

The aforementioned matters are subject to approval by a special resolution at an extraordinary general meeting of the shareholders of the Company (the "EGM"). The Board of Directors further requests that the EGM grants authorization to the CEO Mr. Li Yeqing, and his designated representatives, to undertake all necessary procedures related to industrial and commercial registration changes and the filing of the revised articles of association. The final changes will be those confirmed by the relevant business registration authority. Prior to the EGM's approval, the Board of Supervisors and its members will continue to perform their duties. A circular containing, among other things, information regarding the cancellation of the Board of Supervisors and amendments to certain provisions of the Articles of Association, together with a notice convening the EGM, will be despatched to the shareholders of the Company in due course.

By Order

Appendix I: Amendments to the Articles of Association and their appendices

I. Amendments on the Articles of Association

All references related to “Supervisors”, “Resolutions of the Board of Supervisors Meetings”, “Rules of Procedure of the Board of Supervisors”, and “Chairman of the Board

proceedings within 30 days

	previous board of supervisors. Shareholders individually or jointly holding 1% or more of the shares may propose the candidates for supervisors.	——
	While proposing the candidates for directors or supervisors, the board of directors or the board of supervisors shall consult with the shareholders with best efforts.	While proposing the candidates for directors ————————, the board of directors———————————— shall consult with the shareholders with best efforts.
	The board of directors shall announce the resumes and basic information of these candidates for directors or supervisors.	The board of directors shall announce the resumes and basic information of these candidates for directors ————————.
	Each candidate for directors or supervisors shall make a written confirmation, expressing his/ her willingness to accept the nomination, promising to disclose his/her personal information truthfully and completely, and warranting to faithfully perform his/her duties as a director or supervisor after election.	Each candidate for directors ——————————shall make a written confirmation, expressing his/ her willingness to accept the nomination, promising to disclose his/her personal information truthfully and completely, and warranting to faithfully perform his/her duties as a director ———————— after election.
	Before the relevant motion is voted on at the shareholders' meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the voting. Any shareholder who has conflict of interests in the matter under consideration and his/her proxy shall not take part in counting and scrutinizing the voting.	Before the relevant motion is voted on at the shareholders' meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the voting. Any shareholder who has conflict of interests in the matter under consideration and his/her proxy shall not take part in counting and scrutinizing the voting.
6	There shall be lawyers, representatives of shareholders and representatives of supervisors to count and scrutinize the voting jointly when motions are voted on a shareholders' meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.	There shall be lawyers, representatives of shareholders ———————————————— to count and scrutinize the voting jointly when motions are voted on a shareholders' meeting. The results shall be declared at the meeting and recorded in the minutes of the meeting.
	Shareholders or their proxies, who have cast their votes by internet or other methods, shall have the right to verify their voting results in the corresponding voting system.	Shareholders or their proxies, who have cast their votes by internet or other methods, shall have the right to verify their voting results in the corresponding voting system.
	Chapter 9 Board of Supervisors	
	Section 1 Supervisors	
7	Article 168 to	

The shareholders' meeting is the organ of authority of the Company and its functions and powers shall be exercised in accordance with law.	The shareholders' meeting is the organ of authority of the Company and its functions and powers shall be exercised in accordance with law.
1 to determine the business policies and investment plans of the Company;	1 to determine the business policies and investment plans of the Company;
2 to elect and change the directors and supervisors assumed by non-representatives of the employees and determine the remuneration of the directors and supervisors;	2 to elect and change the directors assumed by non-representatives of the employees and det... ...eration of the directors
3 to examine and approve report submitted by the board of directors;	...amine and approve report ... the board of directors;
4 to examine and approve report submitted by the board of supervisors;	
5 to examine and approve the annual financial budget and final accounts of the Company;	
....	

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of the board of supervisor is unable to perform his/her duties or he/she fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

A shareholders' meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any shareholders' meeting, if the chairperson of the meeting has violated any rules of meeting such that the meeting may not proceed further, with the consent of shareholders representing more than half of the voting rights present an h

	information ... warranting to faithfully perform his/her duties as ... director or supervisor after election.	... information truthfully ... complete ... and warranting to faithfully perform ... /her duties as a ... ector ———— after election.

III. Amendments to the Rules of Procedures of the B...

	Special Committees of Board of Directors The Board of Directors shall set up special committees in charge of strategy making, audit, nomination, remuneration ... assessment. Those special committees shall be responsible to the Board, fulfill duties according to the Articles of Association and the authorization of the Board. Proposals shall be submitted to the Board for deliberation. Members of special committees are all directors. In Audit Committee, Nomination Committee and Remuneration and Assessment Committee, independent directors take the majority and assume the role of ... The Convener of the Audit Committee shall be an accountant professional. .....ubp.. The main terms of reference of the Audit Committee are as follows: (1) Proposing the appointment or replacement of external auditors; (2) Supervising and assessing the work performance of external auditors and internal control; (3) Supervising and ... audit of the ... and supervising the internal audit system of the Company and its implementation; (4) Being in charge of the communications between ...

(5) Reviewing the financial information of the Company and its disclosure;

(6) Assessing the effectiveness of internal control;

(7) Carrying out controls and management over related transactions of the Company;

(8) Reviewing interim and annual financial statements on behalf of the Board and issuing opinions thereon to the Board;

(9) Proposing the appointment or dismissal of the head of finance of the Company;

(10) Other matters authorized by the Board.

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Convening a Board Meeting

The meetings of Board of Directors shall not be held without the presenc

(5) Reviewing the financial information of the Company and its disclosure;

(6) Assessing the effectiveness of internal control;

(7) Carrying out controls and management over related transactions of the Company;

(8) Reviewing interim and annual financial statements on behalf of the Board and issuing opinions thereon to the Board;

(9) Proposing the appointment or dismissal of the head of finance of the Company;

Other matters authorized by the Board.

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Board of Directors for the latter's calculation of