

Huaxin Cement Co., Ltd.
Announcement on the Modification of Corporate Accounting Policy

The board of directors and all directors of the Company confirm that there are no false records, misleading statements or material omissions in the content of this announcement, and assume individual and joint responsibility for the authenticity, accuracy and completeness of its content.

Key notes:

The accounting policy change will not affect the total assets, total liabilities, net assets and net profit of 2021.

I. Overview of the change in accounting policy

1. Reason for the change in accounting policy

On November 1, 2021, the country's Ministry of Finance issued the fifth batch of Q&A

the financial statements and other significant financial indicators. Transportation fee booked as the operation cost of 2021 is 836,173,691 yuan.

Details after the adjustment as below:

Items	Amounts for 2020	Reclassification	Amounts for 2020 after the reclassification
Operating costs	17,440,231,760	595,029,706	18,035,261,466
Selling and distribution expenses	2,022,707,842	-595,029,706	1,427,678,136

III. Opinions of independent directors

The independent directors of the company believe that the change of the company's accounting policy is a change made by the company in accordance with the relevant regulations and requirements of the Ministry of Finance. The company's implementation of the accounting policies change can more objectively and fairly reflect the company's financial status and operating results. The relevant decision-making procedures comply with the relevant laws and regulations and the "Articles of Association", and there is no situation that damages the interests of the company and minority shareholders. We agree with this proposal.

IV. Opinions of supervisors

The Board of Supervisors of the company believes that: the company's accounting policy change is a reasonable change made by the company in accordance with the relevant regulations and requirements of the Ministry of Finance, and is in compliance with the regulations. The implementation of the accounting policy change can objectively and fairly reflect the company's financial status and operating results; relevant decision-making procedure complies with relevant laws and regulations and the "Articles of Association" and other provisions, and there is no situation that damages the interests of the company and shareholders.

It is herewith announced.

Board of Directors
Huaxin Cement Co., Ltd.
30th March 2022