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HUAXIN CEMENT CO., LTD.*

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

(Stock Crtrtp22 Tm 0.8f[as]TET EMC P MCZtrEMC P MCIDUSps

completed, the Company will go through the relevant industrial and commercial change registration procedures in accordance with the law.

III. Changes of the share structure

Share structure changes before and after the partial cancellation of shares under the ESOP are as follows:

Type of share	Before the change (share)	Change (share)	After the change (share)
A share	1,361,879,855	-17,604,206	1,344,275,649
Tradable shares not subject to sales restrictions	1,361,879,855	-17,604,206	1,344,275,649
Tradable shares subject to sales restrictions	-	-	-
H share	734,720,000	-	734,720,000
Total amount	2,096,599,855	-17,604,206	2,078,995,649

IV. Statements and undertakings

1. Statements of the Board of Directors: the decision-making procedures and information disclosure for the cancellation are in compliance with the requirements of laws, regulations, the Guiding Opinions on the Implementation of Employee Stock Ownership Plan for Listed Companies (the

V. Conclusive opinion of the legal opinion

According to the legal opinion issued by Hubei Sunshine Law Firm on the repurchase and cancellation of partial shares under the ESOP, as of the date of releasing its legal opinion, the Company has obtained the necessary approval and authorization for the repurchase and cancellation for current period, which were in compliance with the Company Law, Securities Law, Self-discipline Guidelines No. 7- Repurchase of Shares for Listed Companies of the Shanghai Stock Exchange (the “**Repurchase of Shares**”) and other laws and regulations, as well as the Articles of Association, the ESOP and Administration Measures; the reasons for, price and number of the repurchase and cancellation are in compliance with the Company Law, the Guiding Opinions, the Repurchase of Shares and other laws and regulations, and the relevant arrangements of the ESOP and Administration Measures; the repurchase and cancellation is subject to the share cancellation and capital reduction procedures in accordance with the Company Law, the Articles of Association and other relevant provisions in accordance with the law.

By Order of the Board
Huaxin Cement Co., Ltd.
XU Yongmo
Chairman

Wuhan, Hubei Province, the PRC
25 August