

**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 on the implementation of the 2021 Accounting Standards for Basic Business Enterprises in normal circumstances, the transportation activities that occurred before the control of the goods or services are transferred to the customer and in order to perform the customer's contract which

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 bel