

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false, misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

Highlights:

The name of the audit firm: Ernst & Young Hua Ming Certified Public Accountants LLP

I. Basic information of the accounting firm to be appointed**(I) Information on the agency****1. Basic information**

Ernst & Young Hua Ming Certified Public Accountants LLP (Special General Partnership) (hereinafter referred to as "EY Hua Ming"), established in September 1992, completed the localization transformation in August 2012, transforming from a Sino-foreign cooperative limited liability firm to a special general partnership firm. Ernst & Young Hua Ming is headquartered in Beijing and its registered address is Room 01-12, 17th Floor, EY Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing.

EY Hua Ming has always focused on talent training, and as of the end of 2021, it has 203 partners, and the chief partner is Mr. Mao Anning. There are 1,604 certified public accountants, including more than 1,300 certified public accountants with experience in securities-related business services, and more than 400 certified public accountants who have signed audit reports on securities service business.

EY Hua Ming's total operating revenue in 2021 was RMB5.49 billion, of which the revenue from audit business was RMB5.282 billion (including RMB2.27 billion from securities business). In 2021, a total of 116 A-share listed companies audited their annual reports, with a total fee of RMB 763 million. The main industries involve manufacturing, finance, wholesale and retail, information transmission, software and information technology services, real estate, etc., and have audit business experience in the company's industry.

2. Capacity to protect investors

EY Hua Ming has good investor protection capabilities, and has calculated occupational risk funds and purchased occupational insurance in accordance with relevant laws and regulations, covering the Beijing head office and all offices. The sum of the cumulative compensation limit of the accrued occupational risk fund and the purchased occupational insurance exceeds RMB200 million. EY Hua Ming has not assumed civil liability in relevant civil lawsuits due to its practice in the past three years.

3. Integrity record

EY Hua Ming and its employees have not received any criminal or administrative penalties due to their practice in the past three years, and have not received any self-regulatory measures and disciplinary sanctions by self-regulatory organizations such as stock exchanges and industry associations. It has twice received a decision from the securities regulatory authority to issue a warning letter measure, involving 13 employees. The aforementioned decision to issue a warning letter is a supervision and management measure, not an administrative punishment. According to the relevant laws and regulations, the supervision and management measures will not affect the continued undertaking or execution of securities service business and other businesses of EY Hua Ming.

(II) Information on the project

1. Basic information

The project partner and signing certified public accountant is Ms. Fu Yi, who became a certified public accountant in 2003, began to engage in the audit of listed companies in 2001, began to practice in EY Hua Ming in 2004, and intended to provide audit services for the Company in 2022; In the past three years, she has signed/reviewed the annual reports/internal control audits of 2 listed companies, covering industries including manufacturing.

Ms. He Pei, a signing certified public accountant, became a certified public accountant in 2012, began to engage in the audit of listed companies in 2009 and practiced in EY Hua Ming, and intended to provide audit services for the Company in 2022; In the past three years, she has signed or reviewed the annual reports/internal control audits of 2 listed companies, covering industries including manufacturing.

The project quality control re-auditor is Mr. Meng Dong, who became a certified public accountant in 1998, began to engage in the audit of listed companies in 1996, began to practice in Ernst & Young Hua Ming in 2005, and intended to provide audit services for the Company in 2022; In the past three years, he has signed or reviewed the annual reports/internal control audits of 11 listed companies, covering industries including aviation, ports, automobiles, microelectronics, real estate and many other industries.

2. Integrity record

In the past three years, the partners, the quality control re-auditor and the intended signing certified public accountants of the above-mentioned projects have not been subject to criminal penalties for their professional conduct, administrative penalties, supervision and management measures by the CSRC and its dispatched agencies, industry regulatory departments, etc., or self-regulatory measures or disciplinary sanctions by self-regulatory organizations such as stock exchanges and industry associations.

3. Independence

EY Hua Ming, the above-mentioned project partner, the signing certified public accountants and the project quality control re-auditor, etc. did not violate the independence requirements of the Code of Ethics for Chinese Certified Public Accountants.

4. Audit fee

The audit fee for this period is calculated on the basis of the time consumed in the audit by EY Hua Ming partners and other employees at all levels, taking into account

the responsibilities and risks assumed by professional services. Audit fee for 2022 financial statements and internal control totals at 5.7 million RMB, up by 21.2% over 2021 audit fee. The increase in audit fees was mainly due to the complexity and scale of the company's business, which made it more difficult to audit.

II. Procedures of reappointing the audit firm

(I) The Audit Committee of the Board has obtained adequate knowledge on Ernst & Young Hua Ming Certified Public Accountants LLP and believed that EY Hua Ming had fulfilled its duty during the audit process in accordance with the requirements of the auditing standards for China's Certified Public Accountants, complied with the criteria of professional ethics of accounting firms, and issued its opinions on the effectiveness of corporate finance and internal control objectively and justly. It had fulfilled the responsibility and obligation as an external audit firm and it's professional and competent to protect investors, which could meet the requirements of annual financial audit and internal control audit of the Company. Therefore, the Audit Committee agreed to reappoint Ernst & Young Hua Ming Certified Public Accountants LLP, and agreed to submit the *Proposal Reappointing the Accounting Firm for 2023 Financial Audit and Internal Control Audit of the Company* to the Twenty Third Meeting of the Tenth Board of Directors of the Company for review on March 27-28, 2023.

(II) Independent Directors expressed their independent opinions on the *Proposal Reappointing the Accounting Firm for 2023 Financial Audit and Internal Control Audit of the Company*. Independent Directors believed that EY Hua Ming has audit qualifications to engage in securities and futures-related business, it can perform its duties seriously during the practice, it has good business standards and professional ethics and has the professional ability to provide audit services on financial reporting and internal control to the Company. The decision-making procedures for reappointing the audit firm are in compliance with laws, regulations and the "Articles of Association", with no harm to the interests of the Company and its shareholders. The Audit Committee agreed to reappoint Ernst & Young Hua Ming Certified Public Accountants LLP as the audit firm to conduct 2023 annual financial audit and internal control audit of the Company.

(III) On March 28, 2023, the Company convened the Twenty Third Meeting of the Tenth Board of Directors. The Meeting approved the *Proposal Reappointing the Accounting Firm for 2023 Financial Audit and Internal Control Audit of the Company*. The Board agreed to submit the proposal to Shareholders' General Meeting for approval on reappointment of Ernst & Young Hua Ming Certified Public Accountants LLP as the audit firm of 2023 financial audit and internal control audit and authorization to the Board to decide the audit fee of Ernst & Young Hua Ming Certified Public Accountants LLP for providing 2023 annual audit service to the Company.

(IV) The reappointment will be submitted to Shareholders' General Meeting for review and takes effective since the approval of Shareholders' General Meeting.

It is hereby announced.

Huaxin Cement Co., Ltd.
Board of Directors
March 29, 2023