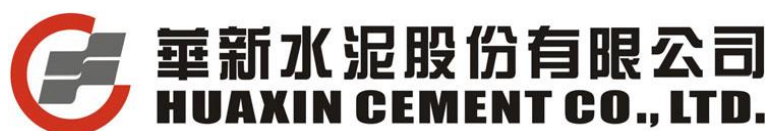


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HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

Results Announcement for the Six Months ended 30 June 2022

- Unaudited revenue of the Company for the six months ended 30 June 2022 amounted to RMB 14,389 million, representing a decrease of 2.41% as compared with that of the corresponding period in 2021.
- As of the six months ended 30 June 2022, unaudited net profit attributable to equity shareholders of the Company amounted to approximately RMB 1,587 million, representing a decrease of 34.92% as compared with that of the corresponding period in 2021. Earnings per share were RMB 0.77.

The board of directors (the “**Board**”) of Huaxin Cement Co., Ltd* (the “**Company**”) hereby presents the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 (the “**Reporting Period**”) prepared in accordance with the China Accounting Standard for Business Enterprises. Unless otherwise stated, the currency unit in this announcement is Renminbi (“**RMB**”), the lawful currency of the People’s Republic of China (“**PRC**”).

1. CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited consolidated income statement and unaudited consolidated balance sheet for the six months ended 30 June 2022 made pursuant to China Accounting Standards for Business Enterprises and the comparative figures for the six months ended 30 June 2021 and as at 31 December 2021 respectively are as follows:

Consolidated Income Statement Six months ended 30 June 2022

	Note	January to June 2022 (unaudited)	(Unit: RMB) January to June 2021 (unaudited)
Total operating income	2	14,389,448,963	14,744,386,072
Including: Operating income	2	14,389,448,963	14,744,386,072
Total operating costs	2	12,268,372,426	11,438,418,665
Including: Operating costs	2	10,357,040,560	9,698,746,976
Taxes and levies		267,917,078	278,083,038
Selling and distribution expenses		709,133,292	657,762,012
General and administrative expenses		723,755,898	677,883,399
Research and development expenses		45,693,691	23,001,179
Financial expenses	3	164,831,907	102,942,061
Including: Interest expenses		149,218,223	134,691,908
Interest income		44,998,331	54,748,194
Add: Other income		98,008,668	112,778,854
Investment income		21,291,835	28,068,456
Including: Income from investments in associates and a joint venture		(4,137,667)	11,240,371
Gains (Losses) from changes in fair value		16,465,744	(12,910,048)
Impairment losses on credit		(43,425,957)	(15,190,828)
Impairment losses on asset		(10,278,652)	(21,803,772)
(Loss) Gains on disposals of asset		(1,248,095)	(3,377,758)
Operating profit		2,201,890,080	3,393,532,311
Add: Non-operating income		2,892,447	19,409,089
Less: Non-operating expenses		38,731,861	36,022,596
Profit before tax		2,166,050,666	3,376,918,804
Less: Income tax expense	4	483,159,383	711,280,078
Net profit		1,682,891,283	2,665,638,726

Consolidated Income Statement (continued)
Six months ended 30 June 2022

	Note	January to June 2022 (unaudited)	(Unit: RMB) January to June 2021 (unaudited)
(1) Classified by continuity of operations			
1. Net profit from continuing operations		1,682,891,283	2,665,638,726
2. Net profit from discontinued operations			
(2) Classified by ownership of the equity			
1. Net profit attributable to shareholders of the Company		1,586,839,657	2,438,324,279
2. Profit or loss attributable to minority interests		96,051,626	227,314,447
Other comprehensive income, net of tax		198,854,792	(42,086,008)
(1) Other comprehensive income attributable to owners of the Company, net of tax		121,168,915	(35,052,847)
1. Other comprehensive income that cannot be reclassified to profit or loss		(12,585,879)	1,054,402
Changes in fair value of other equity instrument investments		(12,585,879)	1,054,402
2. Other comprehensive income that will be reclassified to profit or loss		133,754,794	(36,107,249)
Exchange differences on translation of financial statements denominated in foreign currencies		133,754,794	(36,107,249)
(2) Other comprehensive income attributable to minority interests, net of tax		77,685,877	(7,033,161)
Total comprehensive income		1,881,746,075	2,623,552,718
Total comprehensive income attributable to owners of the Company		1,708,008,572	2,403,271,432
Total comprehensive income attributable to minority interests		173,737,503	220,281,286
Earnings per share			
Basic earnings per share (RMB/ share)	5	0.77	1.18
Diluted earnings per share (RMB/ share)	5	0.77	1.18

CONSOLIDATED BALANCE SHEET
30 JUNE 2022

		(Unit: RMB)
	Note	As at 30 June 2022 (unaudited)
		As at 31 December 2021 (audited)
Current assets:		
Cash and bank balances		8,836,439,385
Held for trading Financial assets		711,964,323
Notes receivable		145,430,152
Accounts receivable	6	956,580,152
Financing with receivables	7	761,050,910
Advances to suppliers		339,315,919
Other receivables		356,013,351
Including: interests receivable		89,797
dividends receivable		-
Inventories		3,541,954,674
Other current assets		477,967,711
Total current assets		16,126,716,577
Non-current assets:		
Debt investments		7,500,000
Long-term receivables		35,934,266
Long-term equity investments		523,612,871
Other equity instrument investments		55,867,066
Other non-current financial assets		26,343,260
Fixed assets		21,326,030,410
Construction in progress		4,199,141,042
Right-of-use assets		273,191,262
Intangible assets		7,377,964,445
Development expenditure		10,392,804
Goodwill		643,192,969
Long-term prepaid expense		582,072,668
Deferred tax assets		410,534,318
Other non-current assets		951,124,092
Total non-current assets		36,422,901,473
Total assets		52,549,618,050
Current liabilities:		
Short-term borrowings		642,946,608
Notes payable		670,993,082
Accounts payable	8	7,112,302,355
Contract liabilities		847,443,693
Employee benefits payable		409,092,005
Taxes payable		1,060,916,467

CONSOLIDATED BALANCE SHEET(*continued*)
30 JUNE 2022

	Note	As at 30 June 2022 (unaudited)	(Unit: RMB) As at 31 December 2021 (audited)
Other payables		1,660,631,843	756,194,670
Including: interests payable		53,735,763	34,819,098
dividends payable		820,140,317	58,154,514
Non-current liabilities due within one year		2,153,586,771	1,213,650,184
Total current liabilities		14,182,338,250	12,713,539,064
Non-current liabilities:			
Long-term borrowings		6,225,805,838	5,081,924,506
Bonds payable		3,436,286,755	3,327,860,620
Lease liabilities		371,141,996	223,580,118
Long-term payables		1,254,007,357	463,257,160
Long-term employee benefits payable		55,987,249	54,458,394
Provisions		398,231,413	347,473,462
Deferred income		294,785,551	292,376,076
Deferred tax liabilities		582,520,293	572,865,342
Other Non-current liabilities		94,446,000	94,446,000
Total non-current liabilities		12,713,212,452	10,458,241,678
Total liabilities		26,895,550,702	23,171,780,742
Shareholders' Equity:			
Share capital		2,096,599,855	2,096,599,855
Capital reserve		2,060,612,939	2,031,151,748
Less: Treasury shares		610,051,971	610,051,971
Other comprehensive income		(184,181,217)	(305,350,132)
Surplus reserve		1,111,880,257	1,111,880,257
Retained profits		21,897,571,490	22,405,681,711
Total equity attributable to shareholders of the Company		26,372,431,353	26,729,911,468
Minority interests		2,981,779,959	2,647,925,840
Total Shareholders' Equity		29,354,211,312	29,377,837,308
Total liabilities and shareholders' equity		56,249,762,014	52,549,618,050

Notes:

1 Basis for preparation

The Group implemented the Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance. Financial information are disclosed in accordance with Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Rules on Financial Reporting (revised in 2014). Additionally, the financial statements are disclosed as per the requirements of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual consolidated financial statements for the year ended 31 December 2021. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

2 Operating income and operating costs

(a) Operating income and operating costs

	Amount for current period		Amount for the prior period	
	Income	Costs	Income	Costs
Principal operations	14,231,621,784	10,326,709,591	14,643,007,559	9,662,466,006
Other operations	157,827,179	30,330,969	101,378,513	36,280,970
Total	14,389,448,963	10,357,040,560	14,744,386,072	9,698,746,976

(b) Income from principal operations is presented by products

Analysis of main operations by product is set out as below:

	Amount for current period		Amount for the prior period	
	Income	Costs	Income	Costs
Sales of cement	9,423,012,454	6,934,646,908	10,920,233,526	7,290,077,076
Sales of concrete	2,002,177,396	1,650,480,490	1,186,932,022	979,643,918
Sales of clinker	859,114,934	751,880,980	1,013,658,687	744,509,865
Sales of aggregate	1,278,877,805	508,685,723	920,012,395	340,686,310
Others	668,439,195	481,015,490	602,170,929	307,548,837
Total	14,231,621,784	10,326,709,591	14,643,007,559	9,662,466,006

(c) Significant performance obligation

The Group is mainly engaged in sales of building materials and products.

2 Operating income and operating costs(continued)

For the revenue generated from the business model which the customers pick up the goods by themselves from the Group, the Group recognizes revenue when control of the goods is transferred to the customer, which is the time of deliver the goods; for the revenue generated from the business model which the Group is responsible for delivering the goods to the customers, the Group recognizes revenue when control of the goods is transferred to the customer, which is the time of distributing goods to the place designated by the customer. Since the delivery of goods to the customer represents the right to receive the contract consideration unconditionally and the payment is due only depending on the passage of time, the Group acknowledges a receivable when the goods are delivered to the customer.

(d) Transaction price allocated to the remaining performance obligation

As at 30 June 2022, the aggregate amount of the transaction price allocated to performance obligation that are unsatisfied or partially unsatisfied was RMB 769,353,649, which will be recognized in its entirety as revenue during the next year.

(e) External revenue by geographical location

	Amount for the current period	Amount for the prior period
China	12,576,171,564	13,509,982,921
Central Asia	776,151,871	826,501,205
Cambodia	309,925,438	264,541,570
Africa	674,566,736	143,360,376
Nepal	52,633,354	-
Total	14,389,448,963	14,744,386,072

3 Financial expenses

Item	Amount for the current period	Amount for the prior period
Interest expense	149,218,223	134,691,908
Less: Interest income	(44,998,331)	(54,748,194)
Exchange gains or losses	54,476,345	6,876,943
Others	6,135,671	16,121,404
Total	164,831,907	102,942,061

4 Income tax expenses

(a) Table of income tax expenses

Item	Amount for the current period	Amount for the prior period
Current tax expenses	456,781,273	717,031,261
Deferred tax expenses	26,378,110	(5,751,183)
Total	<u>483,159,383</u>	<u>711,280,078</u>

(b) Reconciliations of profits before tax and income tax expense

Item	Amount for the current period	Amount for the prior period
Profit before tax	2,166,050,666	3,376,918,804
Income tax expenses calculated at 25% of tax rate	541,512,667	844,229,701
Effect of preferential tax rates applicable to subsidiaries	(79,649,396)	(145,533,189)
Non-taxable income	(2,867,989)	(2,810,093)
Effect of non-deductible costs, expenses and losses	16,808,703	15,727,481
Effect of utilizing deductible losses and deductible temporary differences not recognized for deferred tax assets for prior period	(35,176,169)	(40,150,622)
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the current period	31,822,203	57,030,997
Others	10,709,364	(17,214,197)
Income tax expenses	<u>483,159,383</u>	<u>711,280,078</u>

5 Return on net assets and earnings per share ("EPS")

Profit for the Reporting Period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	5.75	0.77	0.77
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	5.57	0.74	0.74

6 Accounts receivable

(a) Disclosure by aging

Aging	30 June 2022	31 December 2021
Within 6 months	1,120,247,537	778,062,044
6 - 12 months	162,569,307	115,293,052
1 - 2 years	131,676,281	87,456,302
2 - 3 years	24,764,064	29,814,904
Over 3 years	107,430,041	110,183,790
Total	1,546,687,230	1,120,810,092

(b) Disclosure by bad debt provision methods

Category	Account balance		30 June 2022			Account balance		31 December 2021		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Carrying amount	Amount	Proportion (%)	Amount	Proportion of provision (%)	Carrying amount
Receivables for which bad debt provision is assessed on an individual basis	97,367,601	6	85,424,426	88	11,943,175	81,626,344	7	70,549,889	86	11,076,455
Receivables for which bad debt provision is assessed on a portfolio basis	1,449,319,629	94	123,822,471	9	1,325,497,158	1,039,183,748	93	93,680,051	9	945,503,697
Total	1,546,687,230	100	209,246,897	13	1,337,440,333	1,120,810,092	100	164,229,940	19	956,580,152

Receivables for which bad debt provision is individually assessed:

Name	30 June 2022		Proportion of provision (%)	Reasons for the provision
	Account balance	Bad debt provision		
Client A	10,728,778	10,728,778	100	Recoverability
Client B	9,028,779	9,028,779	100	Recoverability
Client C	6,047,509	6,047,509	100	Recoverability
Client D	5,254,652	5,254,652	100	Recoverability
Client E	5,052,525	5,052,525	100	Recoverability
Others	61,255,358	49,312,183	81	Recoverability
Total	97,367,601	85,424,426	88	/

Receivables for which bad debt provision is assessed on a portfolio basis:

6 Accounts receivable(*continued*)

Category of cement receivable:

Name	Accounts receivable	30 June 2022	
		Bad debt provision	Expected average loss rate (%)
Within 6 months	213,429,801	10,671,490	5
6 - 12 months	14,106,581	1,692,790	12
1 - 2 years	7,987,086	2,715,609	34
2 - 3 years	2,438,121	1,292,204	53
Over 3 years	7,775,118	7,230,860	93
Total	245,736,707	23,602,953	

Category of concrete receivable:

Name	Accounts receivable	30 June 2022	
		Bad debt provision	Expected average loss rate (%)
Within 6 months	568,012,490	34,080,749	6
6 - 12 months	127,681,698	10,214,536	8
1 - 2 years	91,733,069	22,933,267	24
2 - 3 years	17,843,889	7,672,872	43
Over 3 years	25,061,573	18,796,180	75
Total	830,332,719	93,697,604	

Category: other business receivables

Name	Accounts receivable	30 June 2022	
		Bad debt provision	Expected average loss rate (%)
Within 6 months	312,764,887	-	-
6 - 12 months	20,781,027	-	-
1 - 2 years	31,173,667	1,870,420	6
2 - 3 years	4,182,055	1,129,155	27
Over 3 years	4,348,567	3,522,339	81
Total	373,250,203	6,521,914	

As part of the Group's credit risk management, the Group assesses the ECL of accounts receivable from various businesses based on aging of accounts receivable. These businesses involve a large number of clients and share identical risk characteristics; therefore, the aging information can reflect the solvency of such clients when the receivables are due.

6 Accounts receivable(continued)

(c) Bad debt provision

Category	31 December 2021	Changes for the period			30 June 2022	
		Provision	Others	Recovery or reversal	Write-off or elimination	
Bad debt provision						
accounts receivable	164,229,940	47,556,406	2,225,028	3,858,536	905,941	209,246,897
Total	164,229,940	47,556,406	2,225,028	3,858,536	905,941	209,246,897

(d) Accounts receivable written off in the current period

Item	Write-off amount
Accounts receivable written off	905,941

(e) Amounts due from top five clients are summarized as below

Name	Closing balance of accounts receivable	% of total balance	Closing balance of bad debt provision
Client F	60,280,118	4	193,694
Client G	31,206,493	2	355,655
Client H	22,273,206	1	1,776,603
Client I	16,374,274	1	189,588
Client J	16,315,351	1	290,674
Total	146,449,442	9	2,806,214

7 Financing with receivables

(a) Classification of financing with receivables

Item	30 June 2022	31 December 2021
Bank acceptances	379,930,781	761,050,910
Total	379,930,781	761,050,910

(b) Financing with receivables of the Group pledged at the end of the period

Item	Pledged amount
Bank acceptances	68,400,000

(c) Financing with receivables of the Company that has been endorsed but has not yet expired as at the balance sheet date at the end of the period

Item	Derecognized amount	Non-derecognized amount
Bank acceptances - Endorsed but not yet expired as at the balance sheet date	1,653,752,675	-

8 Accounts payable

(a) Disclosure by categories

Item	30 June 2022	31 December 2021
Payables for construction and equipment	2,913,391,163	2,340,144,973
Payables for production	4,433,475,590	4,772,157,382
Total	7,346,866,753	7,112,302,355

(b) Significant accounts payable aged over one year

Item	30 June 2022	Reasons for being outstanding or carried forward
Payables for construction and equipment	277,060,417	The main project etc. has not been settled
Payables for production	136,517,388	The bill has not been cleared yet
Total	413,577,805	/

(c) Disclosure by aging

Aging	30 June 2022	31 December 2021
Within 1 year	6,286,700,902	6,238,836,617
1 - 2 years	649,987,451	503,909,807
2 - 3 years	244,748,434	214,470,142
Over 3 years	165,429,966	155,085,789
Total	7,346,866,753	7,112,302,355

II. Dividend

The Board did not recommend the payment of interim dividend nor capital reserve converted to equity capital for the Reporting Period.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Analysis on the operation of the first half of 2022

In the first half of 2022, amid negative impacts such as the continued outbreak of the pandemic in the PRC, sharp decline in demand in the cement industry, high cost of fuel and the pressure on cement price, Huaxin anchored the established goals, adhered to green, low carbon and circular development of building materials, coordinated the epidemic prevention control and safety production, adhered to green and low carbon development, vigorously promote integrated development, steadily promote overseas business and digital development, insisted on the strategy of “stabilize price and volume and stable operation”. While maintaining production and operational stability, the Company continued to consolidate and strengthen its foundation.

In the first half of 2022, due to the extreme macro-economic environment, sales volume of cement and RMX amounted to approximately 29.3272 million tons, representing a decrease of 21.5% as compared with that of the corresponding period in 2021. Benefiting from the forward-looking integrated development, the aggregate output amounted to approximately 36.60 million tons, representing an increase of 83% as compared with that of the corresponding period in 2021; sales volume of RMX amounted to approximately 6.0061 million m³, representing an increase of 78.89% as compared with that of the corresponding period in 2021; the volume of hazardous wastes received amounted to approximately 1.74 million tons, representing an increase of 6% as compared with that of the corresponding period in 2021. Due to the decrease in sales volume of cement, our principal product, and the increase in fuel cost, the Company recorded operating income of approximately RMB 14.389 billion for the Reporting Period, representing a decrease of 2.41% as compared with that of the corresponding period in 2021 and net profit attributable to shareholders of the Company amounted to approximately RMB 1.587 billion, representing a decrease of 34.92% as compared with that of the corresponding period in 2021.

During the Reporting Period, operating income generated from the Group’s cement segment amounted to approximately RMB 10.282 billion, representing a period-to-period decrease of 13.8% , among which operating income generated from domestic cement was approximately RMB 8.485 billion, representing a decrease of 21% as compared with that of the corresponding period in 2021; revenue generated from non-cement business was approximately RMB 3.949 billion, representing a period-to-period increase of 45.8%. In relation to the profitability for the Reporting Period, production costs of cement increased by RMB 47 per ton (or 21.9%) as compared with the corresponding period in 2021 due to the decrease in sales and increase in costs of fuel and power, which in turn lead to the decrease of gross margin per ton by approximately RMB 16 per ton to RMB 89 per ton. For the non-cement business segment, the gross margin of aggregate decrease by approximately RMB 6 per ton to RMB 31 per ton due to the decrease in average selling price. Gross profit of RMX decreased to approximately RMB 59 per m³ due to the decrease in selling price by RMB 20 per m³ and the increase in cost by RMB

17 per m³. Due to the increase in sales of aggregate and concrete, EBITDA contribution of the non-cement business segment reached over 35% during the Reporting Period.

During the Reporting Period, the Company adhered to green and low carbon development, reducing pollution, consumption and cost and saving energy. By means of increasing the alternative fuels, upgrading the technology of reducing pollution and saving energy, the comprehensive consumption per unit clinker has improved while fuel cost has decreased. In the first half of 2022, the TSR of all kiln lines with AFR reached approximately 10.87%, representing an increase by 4.67 percentage points as compared with the corresponding period in 2021, and combined traditional thermal consumption decreased by approximately 34.4 kcal/kg; the comprehensive consumption per unit clinker of 13 out of the 52 kiln lines of the Company are lower than the national standard of 100 kgcet/t.

During the Reporting Period, the Company continued to advance the integration development. In terms of the Company's cement business, Nepal Narayani Limited put into operation a new dry cement clinker with capacity of 3,000 tons per day during the Reporting Period; and the 2nd phase cement clinker production line in Tanzania Maveni with a capacity of 4,000 tons per ton completed the design stage, it has obtained approval and is ready for operation. In relation to the Company's aggregate business, the Group completed the aggregate projects in Hubei Yidu, Hubei Zigui, Yunnan Honghe, Henan Xinyang and were put into operation, which increased the production capacity by 13.5 million tons per year; the Company initialed the installation of Phase I the Yangxin 100 million tons per year machine-made sand project and conducted test runs in mid-June 2022. In relation to the Company's concrete business: the Company pushed forward light-asset operation, started 17 concrete projects in Jiangsu, Hainai, Hubei, Hunan, Yunnan with new capacity of 16.30 million m³ per year.

During the Reporting Period, the Company continued to advance digital development to support the realization of corporate strategy. The intelligent plant featuring "Made by Huaxin" covers sales, purchasing, production, logistics and finance with 29 sub-systems of intelligence in industry, commerce and management. In the plant, intelligence runs through the whole process including raw material access, production, packaging and shipment. 77% of the plants of the Company have implemented over 15 sets of the intelligence system.

During the Reporting Period, there was no change to the competitive strengths and risk factors of the Company. Please refer to the 2021 Annual Report for details.

Outlook for the Second Half of 2022

In the second half of 2022, the economic development of the PRC will continue to adhere to the general principle of pursuing progress while ensuring stability. As the pandemic eases, policies takes effect, the Chinese economy will improve and accelerate to return to normal. It is expected that the demand for cement would improve. Nevertheless, the recovery of performance of the industry may be affected by the implementation of the normalized staggered production policy and competition and cooperation within the industry.

In the second half of 2022, the Group will implement the integration strategy, adhere to the concept of "Cash is King" and attach great importance to the management of operating cashflow.

Through the targeted sales system oriented towards the need of end customers, the Group will ensure that its core interests will not be undermined. On that basis, the Group will maintain stability of the market to avoid vicious competition. The Company will properly manage operation, massively use alternative fuel to control costs and lower the expenses, with a view to improving business performance.

IV. SIGNIFICANT MATTERS

On 28 January 2021, the First Extraordinary Shareholders' General Meeting of 2021 approved the Proposal on Building Huangshi Huaxin Green Building Materials Park. During the Reporting Period, the 1st phase of 100 million tons per year machine-made sand project (40 million tons per year) in the park has been progressing as scheduled and it is expected to trial run in late August.

On 13 September 2021, the Fifth Extraordinary Shareholders' General Meeting of 2021 approved the "Plan Regarding Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by Way of Introduction on the Main Board of the Stock Exchange". On 28 March 2022, the H shares were listed and traded on the Main Board of the Stock Exchange.

During the Reporting Period, the Company was not involved in any significant litigation or arbitration.

During the Reporting Period, the Company nor its subsidiaries had purchased, sold and redeemed listed securities of the Company.

V. DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT

During the Reporting Period, there was no change to the director, supervisor and senior management of the Company.

As at 30 June 2022, the following directors, supervisors and chief executives of the Company held interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests kept by the Company in accordance with Section 336 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Name	Nature of interest	Class of shares	Number of shares	Approximate% of shares held in the relevant share class	Approximate% of shares held in the total amount of share capital
Mr. Li Yeqing	Beneficial owner	A shares	364,334	0.0268%	0.0174%
		H shares	451,596	0.0615%	0.0215%
Mr. Liu Fengshan	Beneficial owner	A shares	161,400	0.0119%	0.0077%
		H shares	83,600	0.0114%	0.0040%
Mr. Ming Jinhua	Beneficial owner	H shares	6,500	0.0009%	0.0003%
Mr. Zhang Lin	Beneficial owner	A shares	11,600	0.0009%	0.0009%
		H shares	75,600	0.0103%	0.0036%
Mr. Liu Weisheng	Beneficial owner	H shares	13,700	0.0019%	0.0007%

Note: the percentage is calculated by the issued underlying shares or total shares of the Company as at 30 June 2022.

During the Reporting Period, the directors and supervisors of the Company had no material interests in any contract entered into by the Company or its subsidiaries.

VI. REVIEW OF UNAUDITED INTERIM RESULTS

The Company has set up the Audit Committee. The terms of reference adopted by the Audit Committee complied with all the applicable code provisions set out in Appendix 14 to the Listing Rules. The Audit Committee is responsible for the review and supervision of financial reporting procedures, risk management and the internal control systems of the Group as well as the giving of advice and recommendations to the Board. The interim results for the six months ended 30 June 2022 as disclosed in this announcement have been reviewed by the Audit Committee.

VII. CORPORATE GOVERNANCE CODE

The Company was listed on the Main Board of the Stock Exchange on 28 March 2022 (the “**H Share Listing Date**”). Since the H Share Listing Date, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules. The Company has been in compliance with all the applicable principles and code provisions as set out in the CG Code during the period from the H Share Listing Date to 30 June 2022.

VIII. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the code provisions regarding the purchase and sale of the Company’s shares by the Directors and supervisors of the Company as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 of the Listing Rules. The Company has made specific enquiries to all Directors and supervisors of the Company and each of them confirmed that they have complied with the requirements contained in the Model Code during the period from the H Share Listing Date to 30 June 2022.

IX. MATERIAL IMPACT EVENT AFTERWARDS

In accordance with the Proposal on the Public Issuance of Corporate Bonds in 2021 approved by the 2nd Extraordinary Shareholders’ General Meeting 2021, the company successfully issued the first corporate bonds linked to low-carbon transformation on Shanghai Stock Exchange on July 19, 2022. The issuance scale is 900 million yuan in two types. Type 1 scale is 500 million yuan with 3 years and 2.99% coupon rate; type 2 scale is 400 million yuan with 5 years and 3.39% coupon rate.

After the Reporting Period and up to the date of this announcement, save for the events disclosed in this announcement, the Group did not have any material subsequent events

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

Wuhan, Hubei, the PRC
24 August 2022

As at the date of this announcement, the Board comprises Mr. LI Yeqing (President) and Mr. LIU Fengshan (Vice President), as executive directors; Mr. XU Yongmo (Chairman), Ms. Geraldine PICAUD, Mr. LO Chi Kong and Ms. TAN Then Hwee, as non-executive directors; Mr. WONG Kun Kau, Mr. ZHANG Jiping and Mr. JIANG Hong, as independent non-executive directors.

** For identification purpose only*