

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2023 THIRD QUARTERLY REPORT

This announcement is issued pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In accordance with the applicable rules of the Shanghai Stock Exchange of the People's Republic of China (the "PRC"), the Third Quarterly Report (the "**Quarterly Report**") of Huaxin Cement Co., Ltd. (the "**Company**") and its subsidiaries (together with the Company, the "**Group**") for the period from 1 July 2023 to 30 September 2023 (the "**Reporting Period**") will be published in newspapers circulating in the PRC on 28 October 2023. The financial report contained in this Quarterly Report has been prepared in accordance with China Accounting Standards for Business Enterprises and has not been audited.

This Quarterly Report is prepared in Chinese and translated into English. If there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

IMPORTANT NOTICE

The board of directors, the board of supervisors, the directors, the supervisors and the senior management of the Company confirm that the information contained in this Quarterly Report, for which they jointly and severally accept legal liability, is true, accurate and complete, and does not contain any misrepresentation, misleading statements or material omission.

The officer-in-charge of the Company, the officer-in-charge of the accounting functions and the officer-in-charge of the accounting department (the head of the accounting department) warrant that the financial statements contained in this Quarterly Report is true, accurate and complete.

The financial statements contained in this Quarterly Report have not been audited.

I. MAJOR FINANCIAL INFORMATION

(I) Major accounting information and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	Changes as compared with that of the corresponding period of last year (%)	From the beginning of the year to the end of the Reporting Period	Changes as compared with that of the corresponding period of last year (%)
Operating income	8,333,304,379	12.29	24,164,876,879	10.79
Net profit attributable to shareholders of the Company	681,763,299	6.89	1,874,323,694	-15.75
Net profit attributable to shareholders of the Company after extraordinary items	653,068,339	9.72	1,823,527,761	-14.44
Net cash flow from operating activities	Not applicable	Not applicable	3,502,921,498	39.52
Basic earnings per share (RMB/share)	0.32	6.67	0.90	-15.89
Diluted earnings per share (RMB/share)	0.33	10.00	0.90	-15.89
Weighted average return on net assets (%)	2.50	Increased by 0.12 percentage points	6.74	Down by 1.39 percentage points
	As at the end of the Reporting Period	As at the end of last year		Changes as at the end of the Reporting Period as compared with that at the end of last year (%)
Total assets	66,458,811,594		64,241,676,265	3.45
Total equity attributable to shareholders of the Company	28,242,718,952		27,446,305,028	2.90

Note: Reporting Period refers to 3 months from the beginning of this quarter to the end of this quarter. The same applies to the below period.

(2) Extraordinary items and amount

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	1 January 2023 to 30 September 2023
Profit or loss on disposal of non-current assets	1,349,960	429,515
Government grants recognized in profit or loss (other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	35,633,970	92,549,594
Profit or loss on changes in the fair value of held-for-value financial assets, derivative financial assets, held-for-value financial liabilities and derivative financial liabilities and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in effective hedging activities relating to normal operating business	2,592,591	-3,096,229
Reversal of provision for impairment of receivables and contract assets that have been separately tested for impairment	1,519,436	2,005,739
Other non-operating income and expenses other than the above	-7,984,616	-23,921,269
Less: Effect on income tax	3,599,737	17,536,059
Effect on minority interests (after tax)	816,644	-364,642
Total	28,694,960	50,795,933

Explanations on defining extraordinary items stated in the “Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public - Extraordinary Profit and Loss” as recurring items

Applicable Not applicable

(3) Particulars and reasons for changes in major accounting information and financial indicators

Applicable Not applicable

Item	Proportion of changes (%)	Main reason
Net cash flow from operating activities (From the beginning of the year to the end of the Reporting Period)	39.52	Improvement of turnover of working capital

II. SHAREHOLDER INFORMATION

Total number of ordinary shareholders, the number of preference shareholders with voting rights restored and the shareholding of the top ten shareholders

As at 30 September 2023, the total number of shareholders of the Company was: 50,675 shareholders of A shares and 7 registered shareholders of H shares, totaling 50,682.

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	50,682	Total number of preference shareholders with voting rights restored (if any) as at the end of the Reporting Period	N/A			
Shareholding of the top 10 shareholders						
Name of Shareholder	Nature of Shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares subject to trading restrictions	Pledged, marked or frozen	
					Share status	Number of shares
HKSCC Nominees Limited	Foreign legal person	734,719,919	35.35	0	Unknown	0
HOLCHIN B.V.	Foreign legal person	451,333,201	21.71	0	Nil	0
Huaxin Group Co., Ltd.	State-owned legal person	338,060,739	16.26	0	Nil	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	20,695,031	1.00	0	Nil	0
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	Others	17,726,134	0.85	0	Nil	0
National Social Security Fund 413 Portfolio	Others	15,900,000	0.76	0	Nil	0
Agricultural Bank of China Limited Company-Gongyin Ruixin Innovation Dynamism Stock Investment Fund	Unknown	15,450,000	0.74	0	Nil	0
Gongyin Ruixin Fund-China Life Insurance Company Limited-Dividend Insurance- Gongyin Ruixin Fund China Insurance Balance Stock Portfolio Single Asset Management Plan (available for sale)	Others	11,335,516	0.55	0	Nil	0
China Railway Wuhan Bureau Group Co., Ltd.	Others	11,289,600	0.54	0	Nil	0
Bank of China Co., Ltd-Gongyin Ruixin Core Value Mixed Investment Fund	Others	7,769,985	0.37	0	Nil	0

Shareholding of the top 10 shareholders without restrictions on trading			
Name of Shareholder	Total number of shares held not subject to trading restrictions	Class and number of shares	
		Class of shares	Number of shares
HKSCC Nominees Limited	734,719,919	Overseas listed foreign shares	734,719,919
HOLCHIN B.V.	451,333,201	RMB-denominated ordinary shares	451,333,201
Huaxin Group Co., Ltd.	338,060,739	RMB-denominated ordinary shares	338,060,739
Hong Kong Securities Clearing Company Limited	20,695,031	RMB-denominated ordinary shares	20,695,031
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	17,726,134	RMB-denominated ordinary shares	17,726,134
National Social Security Fund 413 Portfolio	15,900,000	RMB-denominated ordinary shares	15,900,000
Agricultural Bank of China Limited Company-Gongyin Ruixin Innovation Dynamism Stock Investment Fund	15,450,000	RMB-denominated ordinary shares	15,450,000
Gongyin Ruixin Fund-China Life Insurance Company Limited-Dividend Insurance- Gongyin Ruixin Fund China Insurance Balance Stock Portfolio Single Asset Management Plan (available for sale)	11,335,516	RMB-denominated ordinary shares	11,335,516
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB-denominated ordinary shares	11,289,600
Bank of China Co., Ltd- Gongyin Ruixin Core Value Mixed Investment Fund	7,769,985	RMB-denominated ordinary shares	7,769,985
Explanation of the connected relationship or acting in concert relationship among the abovementioned Shareholders	It is unknown to the Company whether there was any connected relationship or acting in concert relationship among the abovementioned shareholders.		
Explanation on the top 10 Shareholders and the top 10 Shareholders not subject to trading restrictions participating in margin trading and refinancing business (if any)	N/A		

Note: Investors deposit their H shares of the Company in the Central Clearing and Settlement System of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in the name of HKSCC Nominees Limited, a wholly-owned subsidiary of the Stock Exchange. It is the total number of shares registered.

III. OTHER POINTS TO NOTE

Other important information regarding the Company's operation during the Reporting Period which shall draw investors' attention

✓ Applicable Not applicable

1. Matters related to the repurchase and cancellation of partial shares in the 2020-2022 Core Employee Stock Ownership Plan

On 20 July 2023, the 3rd Extraordinary Shareholders' General Meeting 2023, the 1st A Share Class Meeting in 2023, the 1st H Share Class Meeting in 2023 respectively reviewed and approved the Proposal on the Repurchase and Cancellation of Partial Shares in the 2020-2022 Core Employee Stock Ownership Plan. According to relevant regulations and the result of evaluation, the Company will repurchase and cancel 17,604,206 shares at RMB 0/share under the plan that can't be vested due to failure in achieving the performance target.

The cancellation of 17,604,206 A shares was completed on 28 August 2023.

2. Matters related to the Phase I (2023) Core Employee Stock Ownership Plan Under 2023-2025 Core Employee Stock Ownership Plan

On 20 July 2023, the 3rd Extraordinary Shareholders' General Meeting reviewed and approved the Proposal on the 2023-2025 Employee Stock Ownership Plan (Draft). On the same day, the 27th Meeting of the Tenth Board of Directors reviewed and approved the Proposal on the Phase I (2023) Core Employee Stock Ownership Plan Under 2023-2025 Core Employee Stock Ownership Plan of the Company (hereinafter referred to as the "the Plan").

The Plan has finished the share purchase on 27 September 2023. The special securities account under the Plan holds 2,917,577 A shares, accounting for 0.1403% of the total shares of the Company.

3. Matters related to the public issuance of corporate bonds

On 17 February 2023, the 2nd Extraordinary Shareholders' General Meeting 2023 reviewed and approved the *Proposal on the Public Issue of Corporate Bonds*.

On 23 May 2023, the Company received the Approval on Huaxin Cement's Public Issue of Corporate Bonds to Professional Investors issued by the China Securities Regulatory Commission (CSRC). According to the Approval, CSRC agreed to register the application of the Company's public issue of corporate bonds with a face value of not more than RMB 3 billion to professional investors (it can be issued in installments).

The issuance is now in progress as planned.

4. Matters related to the acquisition of equities of Natal Portland Cement Company (Pty) Ltd.

On 27 June 2023, Huaxin (Hong Kong) International Holdings Limited, a wholly-owned subsidiary of the Company, entered into an agreement with INTERCEMENT TRADING INVERSIONES, S.A.U. to purchase 100% equity interest in Natal Portland Cement Company (Pty) Ltd. at a consideration of USD 231.6 million (adjustable, based on the audited closing financial statements net cash and working capital).

The transaction is now in progress as planned.

VI. Quarterly financial statements

(1) Type of auditor opinions

Applicable Not applicable

(2) Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2023

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	30 September 2023	31 December 2022
Current assets:		
Cash and bank balances	6,634,006,591	7,038,341,792
Held for trading financial assets	1,537,028	41,711,538
Notes receivable	184,854,389	545,960,470
Accounts receivable	2,561,736,094	1,382,631,200
Receivables financing	401,486,742	527,248,935
Prepayments	433,870,746	353,870,798
Other receivables	628,566,517	477,956,891
Inventories	3,644,515,438	3,405,122,012
Other current assets	795,134,893	677,454,529
Total current assets	15,285,708,438	14,450,298,165
Non-current assets:		
Debt investments	7,500,000	7,500,000
Long-term receivables	101,106,796	131,594,447
Long-term equity investments	510,480,531	438,886,647
Other equity investments	962,012,073	1,012,850,323
Other non-current financial assets	29,737,613	25,067,265
Fixed assets	26,390,324,690	22,720,804,975
Construction in progress	4,604,799,443	6,575,465,631
Right-of-use assets	1,733,862,114	979,311,070
Intangible assets	14,204,054,371	15,182,751,513
Development expenditures	54,196,455	45,429,082
Goodwill	657,020,570	618,543,411
Long-term prepaid expenses	771,956,895	817,417,303
Deferred tax assets	455,994,641	387,429,400
Other non-current assets	690,056,964	848,327,033

Total non-current assets	51,173,103,156	49,791,378,100
Total assets	66,458,811,594	64,241,676,265
Current liabilities:		
Short-term borrowings	712,392,901	593,415,661
Notes payable	734,072,543	729,227,787
Accounts payable	7,235,952,766	8,366,283,316
Contract liabilities	918,932,136	681,610,930
Employee benefits payable	114,249,474	131,081,719
Taxes payable	543,637,524	692,510,079
Other payables	986,312,032	915,096,046
Non-current liabilities due within one year	5,520,947,959	4,427,049,341
Other current liabilities	91,255,703	88,609,421
Total current liabilities	16,857,753,038	16,624,884,300
Non-current liabilities:		
Long-term borrowings	8,593,381,339	7,282,088,824
Bonds payable	3,211,924,085	4,426,286,852
Lease liabilities	1,341,890,572	759,905,754
Long-term payables	2,427,554,976	2,837,076,467
Long-term employee benefits payable	64,198,657	47,606,682
Provisions	408,816,385	442,260,626
Deferred income	277,051,406	291,877,454
Deferred tax liabilities	612,412,585	586,568,845
Other non-current liabilities	104,940,000	104,940,000
Total non-current liabilities	17,042,170,005	16,778,611,504
Total liabilities	33,899,923,043	33,403,495,804
Equity:		
Share capital	2,078,995,649	2,096,599,855
Capital reserves	1,603,772,128	1,975,889,177
Less: Treasury shares	132,034,153	610,051,971
Other comprehensive income	-273,039,379	-175,257,484
Specialized reserves	37,644,851	37,644,851
Surplus reserves	1,111,880,257	1,111,880,257
Retained profit	23,815,499,599	23,009,600,343
Total equity attributable to owners of the parent	28,242,718,952	27,446,305,028
Non-controlling interests	4,316,169,599	3,391,875,433
Total equity	32,558,888,551	30,838,180,461
Total liabilities and equity	66,458,811,594	64,241,676,265

Legal representative: Li Yeqing Financial controller: Chen Qian Accounting supervisor: Wu Xin

CONSOLIDATED INCOME STATEMENT

January to September 2023

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
I. Total operating income	24,164,876,879	21,810,918,020
Including: Operating income	24,164,876,879	21,810,918,020
II. Total operating costs	21,351,174,063	18,858,589,543
Including: Cost of sales	17,807,464,549	15,825,106,319
Taxes and surcharges	510,089,045	413,902,439
Selling expenses	1,109,476,087	1,098,808,304
Administrative expenses	1,296,999,392	1,143,985,008
Research and development expenses	166,211,575	59,084,002
Finance costs	460,933,415	317,703,471
Including: Interest expenses	478,987,344	261,227,426
Interest income	90,207,781	64,919,199
Add: Other income	126,372,543	163,022,982
Investment income	52,414,110	23,653,528
Including: Income from investments in associates and joint ventures	17,409,676	384,020
Losses (gains) from changes in fair value	-37,041,190	20,679,469
Impairment losses on credit	-49,771,608	-48,145,429
Impairment losses of assets	-2,936,237	-14,619,028
Gains (losses) on disposal of assets	6,968,661	-2,881,819
III. Operating profit	2,909,709,095	3,094,038,180
Add: Non-operating income	8,957,254	29,561,780
Less: Non-operating expenses	39,266,500	55,884,630
IV. Profit before taxes	2,879,399,849	3,067,715,330
Less: Income tax expenses	655,813,967	671,293,840
V. Net profit	2,223,585,882	2,396,421,490
(i) Classified by the continuity of operations		

1. Net profit from continuing operations	2,223,585,882	2,396,421,490
2. Net profit from discontinued operations		
(ii) Classified by attribution of ownership		
1. Net profit attributable to the owners of the company	1,874,323,694	2,224,654,053
2. Non-controlling interests	349,262,188	171,767,437
VI. Other comprehensive income, net of tax	-70,121,979	609,695,435
(i) Other comprehensive income attributable to owners of the Company, net of tax	-97,781,895	394,226,994
1. Other comprehensive income that cannot be reclassified into profit or loss	-38,128,688	-12,585,879
(1) Change in the fair value of other equity investment instruments	-38,128,688	-12,585,879
2. Other comprehensive income to be reclassified into profit or loss	-59,653,207	406,812,873
(1) Exchange differences on translation of financial statements denominated in foreign currencies	-59,653,207	406,812,873
(ii) Other comprehensive income attributable to non-controlling interests, net of tax	27,659,916	215,468,441
VII. Total comprehensive income	2,153,463,903	3,006,116,925
(i) Total comprehensive income attributable to owners of the Company	1,776,541,799	2,618,881,047
(ii) Total comprehensive income attributable to non-controlling interests	376,922,104	387,235,878
VIII. Earnings per share		
(i) Basic earnings per share	0.90	1.07
(ii) Diluted earnings per share	0.90	1.07

The net profit realized by the parties being absorbed prior to the business combinations under common control was RMB nil during the Reporting period and RMB nil for the previous corresponding period.

Legal representative: Li Yeqing Financial controller: Chen Qian Accounting supervisor: Wu Xin

CONSOLIDATED CASH FLOW STATEMENT

January to September 2023

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2023 (January to September)	The first three quarters of 2022 (January to September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	21,870,865,750	20,658,257,803
Receipts of tax refunds	52,695,960	68,145,567
Other cash receipts relating operating activities	506,434,708	441,658,903
Subtotal of cash inflows from operating activities	22,429,996,418	21,168,062,273
Cash payments for goods purchased and services received	13,382,600,527	13,490,603,900
Cash payments to and on behalf of employees	2,101,852,304	2,193,663,941
Payments of various types of taxes	2,440,336,737	2,178,462,811
Other cash payments relating to operating activities	1,002,285,352	794,660,385
Subtotal of cash outflows from operating activities	18,927,074,920	18,657,391,037
Net cash flows from operating activities	3,502,921,498	2,510,671,236
II. Cash flows from investing activities:		
Cash receipts from redemption of investments	2,538,902,741	3,837,853,050
Cash receipts from investment income	38,112,432	22,737,684
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	20,429,554	25,305,945
Other cash receipts relating to investing activities	181,736,441	164,718,387
Subtotal of cash inflows from investing activities	2,779,181,168	4,050,615,066
Cash payment for acquisition of fixed assets, intangible assets and other long-term assets	2,367,040,654	5,217,068,945
Cash payment for investments	2,530,000,000	3,809,575,331
Net cash payment for acquisition of subsidiaries and other operating units	613,717,043	44,029,581
Cash payments for other investing activities	35,914,092	652,237,125
Subtotal of cash outflows from investing activities	5,546,671,789	9,722,910,982
Net cash flows from investing activities	-2,767,490,621	-5,672,295,916
III. Cash flows from financing activities:		

Cash receipts from capital contributions	120,655,906	462,250,000
Cash receipts from borrowings	3,363,818,655	4,575,088,613
Other cash receipts relating to financing activities	76,731,095	4,410,181
Subtotal of cash inflows from financing activities	3,561,205,656	5,041,748,794
Cash repayment of borrowings	3,181,947,797	1,076,296,585
Cash repayment for distribution of dividends or profits or settlement interest expenses	1,838,189,732	2,548,094,627
Other cash payments relating to financing activities	403,996,020	174,670,628
Subtotal of cash outflows from financing activities	5,424,133,549	3,799,061,840
Net cash flows from financing activities	-1,862,927,893	1,242,686,954
IV. Effect of changes in exchange rate on cash and cash equivalents	98,532,299	154,830,707
V. Net increase in cash and cash equivalents	-1,028,964,717	-1,764,107,019
Add: Balance of cash and cash equivalents at the beginning of the year	6,616,021,778	8,550,475,141
VI. Balance of cash and cash equivalents at the end of the year	5,587,057,061	6,786,368,122

Legal representative: Li Yeqing Financial controller: Chen Qian Accounting supervisor: Wu Xin

Relevant information about the financial statements at the beginning of the year for the initial application of new Accounting Standard adjustments since 2023

Applicable Not applicable

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

Wuhan City, Hubei Province, the PRC

27 October 2023

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, 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*