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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)

2024 FIRST 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 First 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 January 2024 to 31 March 2024 (the "**Reporting Period**") will be published in newspapers circulating in the PRC on 27 April 2024. 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 legal representative, the financial controller and the accounting supervisor (the head of the accounting department) confirm 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 (%)
Operating income	7,083,601,678		6.87
Net profit	291,984,821		3.28
Net profit attributable to shareholders of the Company	177,469,351		-28.43
Net profit attributable to shareholders of the Company after extraordinary items	151,703,644		-35.09
Net cash flow from operating activities	106,994,109		-67.77
Basic earnings per share (RMB/share)	0.09		-25.00
Diluted earnings per share (RMB/share)	0.08		-33.33
Weighted average return on net assets (%)	0.61		Decreased by 0.29 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	69,240,660,681	68,800,268,263	0.64
Total equity attributable to shareholders of the Company	29,164,435,662	28,932,949,847	0.80

(2) Extraordinary items and amount

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period
Profit or loss on disposal of non-current assets, including asset impairment provision written off	-534,441
Government grants recognized in profit or loss (except for the government grants that are closely related to the ordinary course of business of the Company and received in a certain amount or have continuing effect on profit or loss in accordance with the state's regulations)	36,801,166
Except for those gain/loss relating to the hedging transactions under the Company's ordinary course of business, profit/loss from the change of fair value of financial assets and financial liabilities, and investment income from the disposal of financial assets and financial liabilities in non-financial enterprises	2,187,279
Reversal of provisions for impairment of receivables that are individually tested for impairment	15,000
Other non-operating income and expenses other than the above	-2,202,103
Less: Effect on income tax	7,980,388
Effect on minority interests (after tax)	2,520,806
Total	25,765,707

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

√ Applicable Not applicable

Item	Proportion of changes (%)	Main reason
Net profit attributable to shareholders of the Company after extraordinary items	-35.09	Profit of some wholly-owned subsidiaries fell while the proportion of the profit of controlled subsidiaries increased
Net cash flow from operating activities	-67.77	Increase of working capital in inventory

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 31 March 2024, the total number of shareholders of the Company was: 49,115 shareholders of A shares and 8 registered shareholders of H shares, 49,123 in total.

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	49,123	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	35.34	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	23,624,862	1.14	0	Nil	0
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	Others	19,081,692	0.92	0		
National Social Security Fund 413 Portfolio	Others	15,900,000	0.76	0	Nil	0
National Social Security Fund 601 Portfolio	Others	13,527,856	0.65	0	Nil	0
Agricultural Bank of China Limited Company-Gongyin Ruixin Innovation Dynamism Stock Investment Fund	Others	12,900,000	0.62	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.	Unknown	11,289,600	0.54	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 ^(Note)	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	23,624,862	RMB-denominated ordinary shares	23,624,862			
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	19,081,692	RMB-denominated ordinary shares	19,081,692			
National Social Security Fund 413 Portfolio	15,900,000	RMB-denominated ordinary shares	15,900,000			
National Social Security Fund 601 Portfolio	13,527,856	RMB-denominated ordinary shares	13,527,856			
Agricultural Bank of China Limited Company-Gongyin Ruixin Innovation Dynamism Stock Investment Fund	12,900,000	RMB-denominated ordinary shares	12,900,000			
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			
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

IV. Quarterly financial statements

(1) Type of auditor opinions

Applicable Not applicable

(2) Financial statements

CONSOLIDATED BALANCE SHEET

31 March 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	31 March 2024	31 December 2023
Current assets:		
Cash and bank balances	6,332,848,244	5,849,465,351
Financial assets held for trading	1,539,298	1,495,675
Notes receivable	179,008,164	275,075,423
Accounts receivable	3,032,437,003	2,259,496,157
Receivables financing	234,442,448	746,018,692
Prepayments	445,539,944	417,878,731
Other receivables	784,215,610	747,268,432
Inventories	3,597,246,539	3,462,938,165
Other current assets	1,123,926,806	1,459,951,396
Total current assets	15,731,204,056	15,219,588,022
Non-current assets:		
Debt investments	-	7,500,000
Long-term receivables	86,607,047	80,976,447
Long-term equity investments	608,077,020	512,863,351
Other equity investments	964,633,899	964,633,899
Other non-current financial assets	27,650,713	26,807,920
Fixed assets	27,981,513,022	27,752,373,906
Construction in progress	3,541,788,634	3,614,814,430
Right-of-use assets	1,661,586,886	1,680,707,457
Intangible assets	15,588,786,118	15,957,837,101
Development expenditures	69,233,056	69,333,195
Goodwill	794,289,719	769,271,896
Long-term prepaid expenses	973,134,252	956,770,986
Deferred tax assets	580,017,549	554,133,589
Other non-current assets	632,138,710	632,656,064
Total non-current assets	53,509,456,625	53,580,680,241
Total assets	69,240,660,681	68,800,268,263

Current liabilities:		
Short-term borrowings	571,049,790	644,333,928
Notes payable	809,722,586	935,465,582
Accounts payable	7,402,144,907	7,827,004,238
Contract liabilities	713,853,596	717,019,466
Employee benefits payable	238,561,533	312,414,840
Taxes and surcharges payable	421,867,710	705,993,128
Other payables	1,341,981,326	1,004,517,942
Current portion of non-current liabilities	6,811,944,255	6,720,902,895
Other current liabilities	66,800,662	66,563,047
Total current liabilities	18,377,926,365	18,934,215,066
Non-current liabilities:		
Long-term borrowings	9,410,026,488	8,623,019,715
Bonds payable	3,969,435,624	3,964,479,030
Lease liabilities	1,373,237,750	1,348,727,671
Long-term payables	463,187,542	330,821,706
Long-term employee benefits payable	60,270,653	58,844,121
Provisions	741,838,783	757,554,644
Deferred income	256,083,866	264,404,822
Deferred tax liabilities	1,121,999,044	1,123,626,046
Other non-current liabilities	99,693,000	99,693,000
Total non-current liabilities	17,495,772,750	16,571,170,755
Total liabilities	35,873,699,115	35,505,385,821
Equity:		
Share capital	2,078,995,649	2,078,995,649
Capital reserves	1,586,014,852	1,586,014,852
Less: Treasury shares	62,203,991	62,203,991
Accumulated other comprehensive income	-494,730,461	-548,746,925
Specialized reserves	63,717,385	63,717,385
Surplus reserves	1,111,880,257	1,111,880,257
Unappropriated profit	24,880,761,971	24,703,292,620
Total equity attributable to owners of the parent	29,164,435,662	28,932,949,847
Non-controlling interests	4,202,525,904	4,361,932,595
Total equity	33,366,961,566	33,294,882,442
Total liabilities and equity	69,240,660,681	68,800,268,263

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

CONSOLIDATED INCOME STATEMENT

January to March 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2024 (January to March)	The first three quarters of 2023 (January to March)
I. Total operating income	7,083,601,678	6,628,435,263
Including: Operating income	7,083,601,678	6,628,435,263
II. Total operating costs	6,770,044,998	6,273,661,701
Including: Cost of sales	5,533,105,577	5,287,280,133
Taxes and surcharges	164,368,421	136,792,332
Selling expenses	396,564,401	372,401,071
Administrative expenses	459,957,015	396,969,877
Research and development expenses	33,984,891	11,645,467
Finance costs	182,064,693	68,572,821
Including: Interest expenses	200,471,836	138,246,722
Interest income	53,095,155	20,669,136
Add: Other income	45,173,874	39,527,126
Investment income	-6,941,845	30,821,370
Including: Income from investments in associates and joint ventures	-8,286,331	-7,995,488
Losses (gains) from changes in fair value	842,793	-40,063,216
Credit impairment losses	3,371,895	-6,388,057
Impairment losses of assets	-1,116,893	-3,366,502
Gains (Losses) on disposal of non-current assets	679,434	-630,845
III. Operating profit	355,565,938	374,673,438
Add: Non-operating income	4,728,235	2,648,283
Less: Non-operating expenses	8,142,213	14,277,987
IV. Profit before taxes	352,151,960	363,043,734
Less: Income tax expenses	60,167,139	80,322,218
V. Net profit	291,984,821	282,721,516

(I) Classified by the continuity of operations		
1. Net profit from continuing operations	291,984,821	282,721,516
2. Net profit from discontinued operations		
(II) Classified by attribution of ownership		
1. Net profit attributable to owners of the parent	177,469,351	247,979,284
2. Net profit attributable to non-controlling interests	114,515,470	34,742,232
VI. Other comprehensive income, net of tax	83,767,946	-273,116,963
(I) Other comprehensive income, net of tax, attributable to owners of the parent	54,016,464	-196,413,267
1. Other comprehensive income that cannot be reclassified into profit or loss	-	-
2. Other comprehensive income to be reclassified into profit or loss	54,016,464	-196,413,267
(1) Exchange differences on translation of foreign currency financial statements	54,016,464	-196,413,267
(II) Other comprehensive income, net of tax, attributable to non-controlling interests	29,751,482	-76,703,696
VII. Total comprehensive income	375,752,767	9,604,553
(I) Total comprehensive income attributable to owners of the Company	231,485,815	51,566,017
(II) Total comprehensive income attributable to non-controlling interests	144,266,952	-41,961,464
VIII. Earnings per share		
(I) Basic earnings per share	0.09	0.12
(II) Diluted earnings per share	0.08	0.12

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 March 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first quarter of 2024 (January to March)	The first quarter of 2023 (January to March)
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	6,247,674,304	6,169,998,853
Receipts of tax refunds	10,635,357	8,112,549
Other cash receipts relating operating activities	314,408,117	198,534,056
Total of cash inflows from operating activities	6,572,717,778	6,376,645,458
Cash payments for goods purchased and services	4,424,342,047	4,303,963,154
Cash payments to and on behalf of employees	791,022,154	682,074,322
Payments of all types of taxes and surcharges	834,674,817	710,300,709
Other cash payments relating to operating activities	415,684,651	348,383,936
Total cash outflows from operating activities	6,465,723,669	6,044,722,121
Net cash flows from operating activities	106,994,109	331,923,337
II. Cash flows from investing activities:		
Cash receipts from returns of investments	812,076,500	1,231,088,671
Cash receipts from returns on investments	22,324,923	7,357,104
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	659,628	136,843
Other cash receipts relating to investing activities	179,698,081	189,996,441
Total cash inflows from investing activities	1,014,759,132	1,428,579,059
Cash payments to acquire fixed assets, intangible assets and other long-term assets	569,406,415	1,126,739,268
Cash payments for investments	467,500,000	1,200,000,000
Net cash payments for acquisition of subsidiaries and other business units	2,000,000	-
Other cash payments relating to investing activities	244,809,394	223,437,255
Total cash outflows from investing activities	1,283,715,808	2,550,176,523
Net cash flows from investing activities	-268,956,676	-1,121,597,464

III. Cash flows from financing activities:		
Cash proceeds from investments by others	-	12,780,906
Cash receipts from borrowings	1,246,000,000	1,665,228,926
Other cash receipts relating to financing activities	118,000,000	32,931,222
Total of cash inflows from financing activities	1,364,000,000	1,710,941,054
Cash repayment for debts	393,141,262	423,426,624
Cash repayment for distribution of dividends or profits or settlement interest expenses	178,524,275	122,301,645
Other cash payments relating to financing activities	114,223,225	80,999,111
Total cash outflows from financing activities	685,888,762	626,727,380
Net cash flows from financing activities	678,111,238	1,084,213,674
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-4,917,146	-27,751,792
V. Net increase in cash and cash equivalents	511,231,525	266,787,755
Add: Cash and cash equivalents at beginning of year	5,370,115,985	6,616,021,778
VI. CASH AND CASH EQUIVALENTS AT END OF YEAR	5,881,347,510	6,882,809,533

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 2024

Applicable Not applicable

V. REVIEW OF UNAUDITED FIRST QUARTERLY RESULTS

The Company has set up the audit committee of the Company (the “Audit Committee”). The terms of reference adopted by the Audit Committee complied with all the applicable code provisions set out in Appendix C1 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 quarterly results for the three months ended 31 March 2024 as disclosed in this announcement have been reviewed by the Audit Committee.

VI. CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules of the Stock Exchange during the Reporting Period.

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

Wuhan City, Hubei Province, the PRC

26 April 2024

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*