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# HUAXIN CEMENT CO., LTD.*

*(a joint stock limited company incorporated in the 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).

**PRC** Third Quarterly Report (the **Quarterly Report**
**Company** **Group**
July 2023 to 30 September **Reporting Period**
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

## 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

(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 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 3(ela2.51 275.33 29.04 reW* nBT/F3 9.96n)-7(t o)- | | |

## 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 |
|---|---|---|---|---|

| 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- | | | |

## III. OTHER POINTS TO NOTE

## 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 |

## 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 |
|---|---|

| | | |
|---|---|---|
| 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 |

## 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,84



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| | | |
|---|---|---|
| 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 intere8589.4(i)-4(o)11f1 0 0 1 eW*ment forWnEI | | |