I. Important Notice

1.1 The Board of Directors and its members, the Board of Supervisors and its members and the Senior Management of the Company confirm, to the best of their knowledge, that there is no false or misleading statement or material omission in this Report and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its contents.

1.2 All Directors of the Company attended the Board Meeting and reviewed the First Quarter Report 2018.

1.3 Chairman of the Company Mr. Xu Yongmo, Legal representative and CEO Mr. Li Yeqing, Chief in charge of Corporate Finance Ms. Kong Lingling and Manager of Accounting Department Mr. Wu Xin confirm that the financial statements in this First Quarter Report are true, accurate and complete.

1.4 The First Quarter Report of the Company was not audited.

II. Basic information of the Company

2.1 Financial Highlights

Unit: Yuan

	Reporting period end	Last year end	Change (%) of reporting period end / last year end
Total assets	29,698,967,787	30,499,323,197	-2.62
Net assets attributable to shareholders of the Company	12,411,329,107	11,899,804,274	4.3
	Year beginning to reporting period end (Jan-Mar)	Same period of last year (Jan-Mar)	Change (%) of the reporting period / same period of last year
Net cash flow from operating activities (Yuan)	596,907,873	322,734,716	

Extra-ordinary items and amount:
☑ Applicable ☐Not Applicable

Unit: Yuan

Item	Current period (Jan-Mar)	Remarks
Gains from disposal of non-current assets	-402,665	
Government subsidies, excluding regular fixed amount government subsidies	16,633,295	
Other non-operating income and expenditures	-1,748,427	-
Impacts from minority shareholders' interests (after tax)	138,412	-
Impacts from income tax	3,748,603	-
Total	18,369,218	-

2.2 Total number of shareholders, top ten shareholders and top ten holders of shares not subject to conditional sales at the reporting period end

Unit: share

Total number of shareholders						61,455
Top ten shareholders						
Names of Shareholders (full name)	Shares held at the period end	%	Shares subject to conditional sales	Mortgage or frozen		Shareholder type
				Shares condition	number	

	not subject to conditional sales	Type	Number
Holchin B.V.	596,817,018	RMB ordinary shares	322,380,858
		Domestic listed foreign investment shares	274,436,160
Huaxin Group Co., Ltd	239,685,714	RMB ordinary shares	239,685,714
HOLPAC LIMITED	29,779,888	Domestic listed foreign investment shares	29,779,888
Central Huijin Asset Management Ltd.	21,768,700	RMB ordinary shares	21,768,700
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	13,235,738	Domestic listed foreign investment shares	13,235,738
Shi Zheng	10,936,257	RMB ordinary shares	10,936,257
TEMPLETON GLOBAL INVESTMENT TRUST-TEMPLETON EMERGING MARKETS SMALL CAP FUND	9,955,953	Domestic listed foreign investment shares	9,955,953
FTIF-TEMPLETON EMERGING MKT SMALLER COMPANIES FUND	9,084,567	Domestic listed foreign investment shares	9,084,567
China Railway Wuhan Bureau Group Co., Ltd.	8,064,000	RMB ordinary shares	8,064,000
Huang Jianjun	7,990,288	RMB ordinary shares	7,990,288
Remarks on relationship or concerted actions of the above shareholders	1. Holpac Limited is the party acts in concert with Holchin B.V. 2. It is unknown to the Company whether there is any relationship among the shareholders or any concerted persons referred in the “Administrative Measures of Disclosing Changes in Shareholding for Listed Companies”.		

2.3 Total number of preference stock shareholders, top ten preference stock shareholders and top ten preference stock holders of shares not subject to conditional sales at the reporting period end

☐Applicable ☑ Not Applicable

III. Major Events

3.1 Status and reasons for major changes on major items and financial indicators in financial statements

☑ Applicable ☐Not Applicable

3.1.1 Changes of Major Financial Indicators in the Balance Sheet

Unit: Yuan

Item	Period end	Year beginning	Change	%	Remarks
Financial assets at fair value through profit or loss	445,673	453,990,407	-453,544,734	-100%	Decreased because the moneyfund was redeemed
Accounts receivable	897,287,097	642,210,893	255,076,204	40%	Increased income scale
Advances to suppliers	311,206,526	225,637,668	85,568,858	38%	Increased advance payment in fuel and maintenance
Construction materials	11,028,747	54,877,711	-42 519.47 T		

Net profit	582,029,007	76,985,919	505,043,088	656%	Product price rose, profit increased
Minority interests	51,664,604	-17,936,674	69,601,278	388%	Product price rose, profit increased
Net profit attributable to shareholders of the Company	530,364,403	94,922,593	435,441,810	459%	Product price rose, profit increased

3.1.3 Changes of Major Financial Indicators in the Cash flow statement

Unit: Yuan

Item	From year beginning to reporting period end (Jan Mar 2018)	Same period of last year (Jan Mar 2017)	Change	%	Remarks
Net cash flows from operating activities	596,907,873	322,734,716	274,173,157	85%	Performance improved, operating cash flow increased
Net cash flows from investing activities	32,248,998	271,388,091	-239,139,093		

IV. Attachments

4.1 Financial statements

Balance Sheet (Consolidated)

March 31, 2018

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Period end	Year beginning
Current assets		
Cash at bank and in hand	3,086,217,531	3,606,246,276
Financial assets at fair value through profit or loss	445,673	453,990,407
Notes receivable	1,492,363,017	1,711,160,593
Accounts receivable	897,287,097	642,210,893
Advances to suppliers	311,206,526	225,637,668
Other receivables	375,922,364	379,786,691
Inventories	1,928,376,469	1,621,482,745
Current portion of non-current assets	3,600,000	3,600,000
Other current assets	119,388,965	122,926,210
Total current assets	8,214,807,642	8,767,041,483
Non-current assets		
Available-for-sale financial assets	66,639,334	71,198,874
Long-term receivables	30,629,258	31,124,087
Long-term equity investments	440,820,272	435,003,431
Fixed assets	15,340,280,455	15,756,941,609
Construction in progress	1,467,158,250	1,248,084,829
Construction materials	11,028,747	54,877,711
Fixed assets pending for disposal	2,590,877	1,721,313
Intangible assets	3,036,654,558	3,026,753,484
Goodwill	447,472,492	447,472,492
Long-term prepaid expenses	272,571,539	281,061,433
Deferred income tax assets	368,314,363	378,042,451

Dividends payable	168,787,722	174,309,238
Other payables	623,980,573	622,919,230
Current portion of non-current liabilities	1,327,252,803	1,682,733,582
Total current liabilities	8,288,638,535	9,240,396,460
Non-current liabilities		
Long-term borrowings	3,672,552,008	4,058,959,121
Debentures payable	3,295,911,950	3,295,605,346
Long-term payables	99,391,268	99,385,421
Long-term employee benefits payable	96,303,199	96,353,657
Provisions	163,125,854	162,893,548
Deferred income	248,094,347	252,146,422
Deferred income tax liabilities	134,998,133	138,012,090
Total non-current liabilities	7,710,376,759	8,103,355,605
Total liabilities	15,999,015,294	17,343,752,065
Share capital	1,497,571,325	1,497,571,325

Balance Sheet (Parent Company)

March 31, 2018

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Period end	Year beginning
Current assets		
Cash at bank and in hand	1,757,969,296	2,452,643,578
Financial assets at fair value through profit or loss	445,673	453,990,407
Notes receivable	294,073,038	446,551,919
Accounts receivable	315,551,289	342,023,268
Advances to suppliers	143,100,541	106,287,105
Interests receivable	31,040,000	20,000,000
Other receivables	5,645,472,196	5,408,951,612
Inventories	68,249,216	44,099,137
Current portion of non-current assets	4,855,490	4,855,490
Other current assets	16,033,752	12,828,851
Total current assets	8,276,790,491	9,292,231,367
Non-current assets		
Available-for-sale financial assets	45,583,834	50,143,374
Long-term receivables	19,595,531	19,239,519
Long-term equity investments	9,680,212,994	9,674,396,153
Fixed assets	327,073,724	336,047,804
Construction in progress	37,929,976	13,211,609
Construction materials	113,466	84,573
Intangible assets	48,858,450	49,881,743
Long-term prepaid expenses	394,685	881,758
Deferred income tax assets	40,166,709	39,026,824
Total non-current assets	10,199,929,369	10,182,913,357
TOTAL ASSETS	18,476,719,860	19,475,144,724
Current liabilities		
Short-term borrowings	120,000,000	220,000,000
Notes payable	-	-
Accounts payable	170,954,648	280,018,627
Advances from customers	42,744,100	21,027,466
Employee benefits payable	21,008,643	29,714,834
Taxes and other levies payable	24,434,821	39,351,347
Interests payable	116,031,779	109,814,961
Dividends payable	29,581,523	29,581,523
Other payables	1,666,596,414	1,826,220,501
Current portion of non-current, borr		

Total current liabilities	2,943,284,700	3,673,237,679
Non-current liabilities		
Long-term borrowings	2,535,538,590	2,854,573,061
Debentures payable	3,295,911,950	3,295,605,346
Long-term accounts payable		
Long-term employee benefits payable	19,236,904	19,236,904
Provisions	7,551,106	7,551,106
Deferred income	15,899,583	16,035,000
Deferred income tax liabilities	-	-
Other non-current liabilities		
Total non-current liabilities	5,874,138,133-	6,193,001,417-
Total liabilities	8,817,422,833	9,866,239,096
Share capital	1,497,571,325	1,497,571,325
Capital surplus	2,908,595,304	2,908,595,304
Other comprehensive income	22,498,082	25,917,737
Surplus reserve	761,464,902	761,464,902
Retained earnings	4,469,167,414	4,415,356,360
Total owners' equity	9,659,297,027	9,608,905,628
TOTAL LIABILITIES AND OWNERS' EQUITY	18,476,719,860	19,475,144,724

Legal Representative: Mr. Li Yeqing Chief in charge of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Income Statements (Consolidated)

Jan-Mar, 2018

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	This period	Last period
1. Total sales revenue	4,508,950,906	3,876,399,209
Including: sales revenue	4,508,950,906	3,876,399,209
2. Total cost of sales	3,845,936,626	3,798,211,477
Including: Cost of sales	3,014,233,018	3,043,997,546
Taxes and surcharges	83,892,120	30,992,799
Selling and distribution expenses	339,781,240	276,379,668
General and administrative expenses	269,764,511	266,031,095
Financial expenses - net	138,306,799	182,809,935
Asset impairment losses	-41,062	-1,999,566
Add: Changes in fair value recognized in profit or loss	-3,537,476	4,509,799
Investment income	13,738,134	271,476
Including: Investment income from associates and joint ventures	5,816,841	-
Gains on disposal of assets	1,139,203	-
Other incomes	53,654,923	-
3. Operating profit	728,009,064	82,969,007
Add: Non-operating income	2,686,710	39,177,715
Less: Non-operating expenses	4,968,720	9,246,071
4. Total Profit	725,727,054	112,900,651
Less: Income tax expenses	143,698,047	35,914,732

Differences on translation of foreign currency financial statements	-15,419,915	-5,846,430
Attributable to minority interest, net of tax	-8,148,076	-8,294,864
7. Total comprehensive income	555,041,361	63,440,831
Attributable to shareholders of the Company	511,524,833	89,672,369
Attributable to minority interest	43,516,528	-26,231,538
8. Earnings per share		
(1) Basic earnings per share (Yuan/share)	0.35	0.06
(2) Diluted earnings per share (Yuan/share)	0.35	0.06

As for the business merger under the same control occurred in the current period, the net profit realized by the acquired party before the merger is 0 Yuan, net profit realized by the acquired party in the

(2) Other comprehensive income that will be subsequently reclassified as gain or loss	-3,419,655	596,206

Cash Flow Statements (Consolidated)

Jan-Mar, 2018

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	This period	Last period
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	5,378,712,405	4,372,611,778
Refund of taxes and surcharges	34,424,693	18,006,804
Cash received relating to other operating activities	117,337,974	73,059 0.75

Cash received from borrowings	120,000,000	400,000,000
Cash received from other financing activities	1,482,706,992	849,109,439
Sub-total of cash inflows	1,602,706,992	1,249,109,439
Cash repayments of borrowings		