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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 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 (the “**Listing Rules**”) 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 2024 to 30 September 2024 (the “**Reporting Period**”) will be published in newspapers circulating in the PRC on 26 October 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 is true, accurate and complete, and does not contain any misrepresentation, misleading statements or material omission, for which they jointly and severally accept legal liability.

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 are 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	8,481,719,094	1.78	24,719,092,748	2.29
Net profit attributable to shareholders of the Company	407,874,433	-40.17	1,138,427,807	-39.26
Net profit attributable to shareholders of the Company after extraordinary items	383,066,355	-41.34	1,063,361,614	-41.69
Net cash flow from operating activities	Not applicable	Not applicable	3,381,818,805	-3.46
Basic earnings per share (RMB/share)	0.20	-37.50	0.55	-38.89
Diluted earnings per share (RMB/share)	0.20	-39.39	0.55	-38.89
Weighted average return on net assets (%)	1.42	Down by 1.08 percentage points	3.91	Down by 2.83 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	68,830,895,971		68,800,268,263	0.04
Total equity attributable to shareholders of the Company	28,918,938,997		28,932,949,847	-0.05

Note:

1. 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. From the beginning of the year to the end of the Reporting Period, the earnings before interest, taxes, depreciation, and amortisation (“EBITDA”) of the Group was RMB5.586 billion, representing a decrease of 9.04% as compared with that of the corresponding period in 2023.

(2) Extraordinary items and amount

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	1 January 2024 to 30 September 2024
Profit or loss on disposal of non-current assets, including the reversal portion of the provision for impairment of assets already recognised	13,213,724	16,873,167
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)	22,432,866	83,022,931
In addition to the effective hedging business related to the normal business of the Company, gains and losses on changes in fair value arising from financial assets and derived financial assets held by non-financing corporations as well as gains and losses arising from the disposal of financial assets and financial liabilities	7,059,351	16,322,875
Reversal of provisions for impairment of receivables tested separately for impairment	134,019	9,576,059
Non-operating items other than aforesaid items	-5,755,783	-19,481,294
Effect of income tax	9,876,767	26,943,370
Effect of minority interest (after tax)	2,399,332	4,304,175
Total	24,808,078	75,066,193

The Company is required to provide explanations if it categorizes items unlisted in the “Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Their Securities to the Public – Extraordinary Profit and Loss” as significant non-recurring items, or if it reclassifies the non-recurring gains and losses listed 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 profit attributable to shareholders of the Company	-39.26	Decrease in the selling price of domestic cement

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 2024, the total number of shareholders of the Company was: 46,288 shareholders of A shares and 9 registered shareholders of H shares, totaling 46,297.

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	46,297	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	32,529,329	1.56	0	Nil	0
China Merchants Bank Co., Ltd. – SSE Dividend Trading Open-ended Index Securities Investment Fund	Others	18,252,648	0.88	0	Nil	0
The National Social Security Fund 413 Portfolio	Others	15,780,000	0.76	0	Nil	0
The National Social Security Fund 107 Portfolio	Others	12,498,720	0.60	0	Nil	0
ICBC Credit Suisse Fund-China Life Insurance Co., Ltd. -Dividend Insurance -ICBC Credit Suisse Fund China Life Equity Balanced Equity Portfolio Single Asset Management Plan (available for sale)	Others	12,477,416	0.60	0	Nil	0
Agriculture Bank of China Co., Ltd.- ICBC Credit Suisse Innovative Drive Equity Securities Investment Fund	Others	12,420,000	0.60	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	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	32,529,329	RMB-denominated ordinary shares	32,529,329
China Merchants Bank Co., Ltd. – SSEDividend Trading Open-ended Index Securities Investment Fund	18,252,648	RMB-denominated ordinary shares	18,252,648
The National Social Security Fund 413 Portfolio	15,780,000	RMB-denominated ordinary shares	15,780,000
The National Social Security Fund 107 Portfolio	12,498,720	RMB-denominated ordinary shares	12,498,720
ICBC Credit Suisse Fund-China Life Insurance Co., Ltd. – Dividend Insurance -ICBC Credit Suisse Fund China Life Equity Balanced Equity Portfolio Single Asset Management Plan (available for sale)	12,477,416	RMB-denominated ordinary shares	12,477,416
Agriculture Bank of China Co., Ltd.- ICBC Credit Suisse Innovative Drive Equity Securities Investment Fund	12,420,000	RMB-denominated ordinary shares	12,420,000
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 above mentioned Shareholders	It is unknown to the Company whether there was any connected relationship or acting in concert relationship among the above mentioned 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 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, and it 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 (which may be issued by installment).

In August 2024, the Company has completed the issuance of the first tranche of Technology Innovation Corporate Bond targeted at professional investors. The scale of issuance is RMB 1.1 billion, the term of the bond is 5 years, and the nominal interest rate is 2.49%.

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.

According to relevant provisions of the plan, the first lock-up period has expired on 27 September 2024. 802,646 shares were unlocked, accounting for 0.0386% of the Company's total share capital.

3. Matters related to the Phase II (2024) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan

On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors reviewed and approved the Proposal on the Phase II (2024) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan of the Company.

The Plan has finished the share purchase on 30 September 2024. The dedicated securities account for the Plan holds 3,290,225 A shares, accounting for 0.1583% of the total shares of the Company.

VI. Quarterly financial statements

(1) Type of auditor opinions

Applicable Not applicable

(2) Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	30 September 2024	31 December 2023
Current assets:		
Cash and bank balances	5,521,127,309	5,849,465,351
Held for trading financial assets	31,658,820	1,495,675
Notes receivable	160,630,513	275,075,423
Accounts receivable	3,556,063,272	2,259,496,157
Receivables financing	317,016,348	746,018,692
Prepayments	417,143,915	417,878,731
Other receivables	812,353,235	747,268,432
Inventories	3,245,455,503	3,462,938,165
Other current assets	1,025,569,467	1,459,951,396
Total current assets	15,087,018,382	15,219,588,022
Non-current assets:		
Debt investments	-	7,500,000
Long-term receivables	87,071,030	80,976,447
Long-term equity investments	573,699,537	512,863,351
Other equity investments	992,586,305	964,633,899
Other non-current financial assets	39,903,518	26,807,920
Fixed assets	27,217,475,409	27,752,373,906
Construction in progress	4,258,059,377	3,614,814,430
Right-of-use assets	1,644,908,155	1,680,707,457
Intangible assets	15,973,439,953	15,957,837,101
Development expenditures	60,434,857	69,333,195
Goodwill	794,289,719	769,271,896
Long-term prepaid expenses	1,022,566,339	956,770,986
Deferred tax assets	688,858,155	554,133,589
Other non-current assets	390,585,235	632,656,064
Total non-current assets	53,743,877,589	53,580,680,241
Total assets	68,830,895,971	68,800,268,263

Current liabilities:		
Short-term borrowings	516,567,055	644,333,928
Notes payable	773,088,961	935,465,582
Accounts payable	7,573,199,587	7,827,004,238
Contract liabilities	848,830,405	717,019,466
Employee benefits payable	140,111,380	312,414,840
Taxes payable	438,457,329	705,993,128
Other payables	1,025,570,418	1,004,517,942
Non-current liabilities due within one year	5,513,395,629	6,720,902,895
Other current liabilities	66,587,062	66,563,047
Total current liabilities	16,895,807,826	18,934,215,066
Non-current liabilities:		
Long-term borrowings	8,842,117,165	8,623,019,715
Bonds payable	5,028,345,849	3,964,479,030
Lease liabilities	1,301,765,093	1,348,727,671
Long-term payables	1,005,336,134	330,821,706
Long-term employee benefits payable	58,954,847	58,844,121
Provisions	799,536,488	757,554,644
Deferred income	259,319,847	264,404,822
Deferred tax liabilities	1,170,411,770	1,123,626,046
Other non-current liabilities	99,693,000	99,693,000
Total non-current liabilities	18,565,480,193	16,571,170,755
Total liabilities	35,461,288,019	35,505,385,821
Equity:		
Share capital	2,078,995,649	2,078,995,649
Capital reserves	1,584,499,255	1,586,014,852
Less: Treasury shares	86,568,231	62,203,991
Other comprehensive income	-573,438,050	-548,746,925
Specialized reserves	63,717,385	63,717,385
Surplus reserves	1,111,880,257	1,111,880,257
Retained profit	24,739,852,732	24,703,292,620
Total equity attributable to owners of the parent	28,918,938,997	28,932,949,847
Non-controlling interests	4,450,668,955	4,361,932,595
Total equity	33,369,607,952	33,294,882,442
Total liabilities and equity	68,830,895,971	68,800,268,263

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

CONSOLIDATED INCOME STATEMENT

January to September 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2024 (January to September)	The first three quarters of 2023 (January to September)
I. Total operating income	24,719,092,748	24,164,876,879
Including: Operating income	24,719,092,748	24,164,876,879
II. Total operating costs	22,746,306,525	21,351,174,063
Including: Cost of sales	18,780,378,191	17,807,464,549
Taxes and surcharges	582,531,343	510,089,045
Selling expenses	1,196,240,511	1,109,476,087
Administrative expenses	1,363,917,038	1,296,999,392
Research and development expenses	116,916,609	166,211,575
Finance costs	706,322,833	460,933,415
Including: Interest expenses	578,438,117	478,987,344
Interest income	133,715,645	90,207,781
Add: Other income	122,709,261	126,372,543
Investment income (losses are indicated by a “-” sign)	24,276,253	52,414,110
Including: Income from investments in associates and joint ventures	20,771,905	17,409,676
Losses (gains) from changes in fair value (losses are indicated by a “-” sign)	12,818,527	-37,041,190
Impairment losses on credit (losses are indicated by a “-” sign)	-35,746,322	-49,771,608
Impairment losses of assets (losses are indicated by a “-” sign)	-3,604,067	-2,936,237
Gains (losses) on disposal of assets (losses are indicated by a “-” sign)	19,991,396	6,968,661
III. Operating profit (losses are indicated by a “-” sign)	2,113,231,271	2,909,709,095
Add: Non-operating income	11,832,322	8,957,254
Less: Non-operating expenses	34,165,393	39,266,500

IV. Profit before taxes (losses are indicated by a “-” sign)	2,090,898,200	2,879,399,849
Less: Income tax expenses	510,691,445	655,813,967
V. Net profit (net losses are indicated by a “-” sign)	1,580,206,755	2,223,585,882
(i) Classified by the continuity of operations		
1. Net profit from continuing operations (net losses are indicated by a “-” sign)	1,580,206,755	2,223,585,882
2. Net profit from discontinued operations (net losses are indicated by a “-” sign)	–	–
(ii) Classified by attribution of ownership		
1. Net profit attributable to the owners of the company	1,138,427,807	1,874,323,694
2. Non-controlling interests	441,778,948	349,262,188
VI. Other comprehensive income, net of tax	-36,812,043	-70,121,979
(i) Other comprehensive income attributable to owners of the Company, net of tax	-24,691,125	-97,781,895
1. Other comprehensive income that cannot be reclassified into profit or loss	20,964,304	-38,128,688
(1) Remeasurement of changes in defined benefit plans	–	–
(2) other comprehensive income that cannot be transferred to profit or loss under the equity method	–	–
(3) Change in the fair value of other equity investment instruments	20,964,304	-38,128,688
(4) changes in fair value of the enterprise’s own credit risk	–	–
2. Other comprehensive income to be reclassified into profit or loss	-45,655,429	-59,653,207
(1) other comprehensive income available for profit or loss under the equity method	–	–
(2) changes in fair value of other debt investments	–	–
(3) reclassification of financial assets to other comprehensive income	–	–
(4) provision for credit impairment of other credit investments	–	–
(5) cash flow hedge reserve	–	–
(6) Exchange differences on translation of financial statements denominated in foreign currencies	-45,655,429	-59,653,207
(7) Other	–	–

(ii) Other comprehensive income attributable to non-controlling interests, net of tax	-12,120,918	27,659,916
VII. Total comprehensive income	1,543,394,712	2,153,463,903
(i) Total comprehensive income attributable to owners of the Company	1,113,736,682	1,776,541,799
(ii) Total comprehensive income attributable to non-controlling interests	429,658,030	376,922,104
VIII. Earnings per share		
(i) Basic earnings per share	0.55	0.90
(ii) Diluted earnings per share	0.55	0.90

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 Qiaoli

CONSOLIDATED CASH FLOW STATEMENT

January to September 2024

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2024 (January to September)	The first three quarters of 2023 (January to September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	22,100,973,564	21,870,865,750
Receipts of tax refunds	57,281,720	52,695,960
Other cash receipts relating operating activities	501,216,077	506,434,708
Subtotal of cash inflows from operating activities	22,659,471,361	22,429,996,418
Cash payments for goods purchased and services received	13,286,503,637	13,382,600,527
Cash payments to and on behalf of employees	2,303,720,298	2,101,852,304
Payments of various types of taxes	2,554,664,425	2,440,336,737
Other cash payments relating to operating activities	1,132,764,196	1,002,285,352
Subtotal of cash outflows from operating activities	19,277,652,556	18,927,074,920
Net cash flows from operating activities	3,381,818,805	3,502,921,498
II. Cash flows from investing activities:		
Cash receipts from redemption of investments	1,442,656,854	2,538,902,741
Cash receipts from investment income	24,584,280	38,112,432
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	11,882,293	20,429,554
Other cash receipts relating to investing activities	42,601,193	181,736,441
Subtotal of cash inflows from investing activities	1,521,724,620	2,779,181,168
Cash payment for acquisition of fixed assets, intangible assets and other long-term assets	1,976,816,843	2,367,040,654
Cash payment for investments	1,173,252,660	2,530,000,000
Net cash payment for acquisition of subsidiaries and other operating units	109,727,362	613,717,043
Cash payments for other investing activities	10,000,000	35,914,092
Subtotal of cash outflows from investing activities	3,269,796,865	5,546,671,789
Net cash flows from investing activities	-1,748,072,245	-2,767,490,621

III. Cash flows from financing activities:		
Cash receipts from capital contributions	168,315,473	120,655,906
Cash receipts from borrowings	3,958,009,950	3,363,818,655
Other cash receipts relating to financing activities	125,678,756	76,731,095
Subtotal of cash inflows from financing activities	4,252,004,179	3,561,205,656
Cash repayment of borrowings	3,744,945,993	3,181,947,797
Cash repayment for distribution of dividends or profits or settlement interest expenses	2,074,455,777	1,838,189,732
Other cash payments relating to financing activities	275,692,594	403,996,020
Subtotal of cash outflows from financing activities	6,095,094,364	5,424,133,549
Net cash flows from financing activities	-1,843,090,185	-1,862,927,893
IV. Effect of changes in exchange rate on cash and cash equivalents	-77,245,128	98,532,299
V. Net increase in cash and cash equivalents	-286,588,753	-1,028,964,717
Add: Balance of cash and cash equivalents at the beginning of the year	5,370,115,985	6,616,021,778
VI. Balance of cash and cash equivalents at the end of the Reporting Period	5,083,527,232	5,587,057,061

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

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 30 September 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 during the Reporting Period.

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

Wuhan City, Hubei Province, the PRC

25 October 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*