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HUAXIN CEMENT CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 6655)

2022 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 rule

**PRC
Company**

Quarterly Report

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) 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 (%)	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	7,421,469,057	-3.74	21,810,918,020	-2.86
Net profit attributable to shareholders of the Company	637,814,396	-43.31	2,224,654,053	-37.57
Net profit attributable to shareholders of the Company after extraordinary items	595,220,189	-47.25	2,131,239,376	-39.53
Net cash flow from operating activities	N/A	N/A	2,510,671,236	-29.61
Basic earnings per share (RMB/share)	0.30	-44.44	1.07	-37.79
Diluted earnings per share (RMB/share)	0.30	-44.44	1.07	-37.79
Weighted average return on net assets (%)	2.38	Decreased by 2.56 percentage points	8.13	Decreased by 6.64 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 (%)

Item	Proportion of changes (%)	Main reason
Held-for-trading financial assets	-85.22	

II. SHAREHOLDER INFORMATION

(I) 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 2022, the total number of shareholders of the Company was: 60,469 shareholders of A shares and 3 registered shareholders of H shares, totaling 60,472.

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	60,472		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	734,719,989	35.04	0	Unknown	0
HOLCHIN B.V.	Foreign legal person	451,333,201	21.53	0	Nil	0
Huaxin Group Co., Ltd.	State-owned legal person	338,060,739	16.12	0	Nil	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	50,172,565	2.39	0	Nil	0
Huaxin Cement Co., Ltd. 2020-2022 Core Employee Stock Ownership Plan	Others	21,039,361	1.00	0	Nil	0
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	Others	14,385,170	0.69	0	Nil	0
China Railway Wuhan Bureau Group Co., Ltd.	Unknown	11,289,600	0.54	0		

National Social Security Fund 413 Portfolio	Others	9,510,000	0.45	0	Nil	0
National Social Security Fund 503 Portfolio	Others	7,999,920	0.38	0	Nil	0
Basic pension fund 1206 portfolio	Others	7,967,400	0.38	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)	734,719,989	Overseas listed foreign shares		734,719,989		
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	50,172,565	RMB-denominated ordinary shares		50,172,565		
Huaxin Cement Co., Ltd. 2020-2022 Core Employee Stock Ownership Plan	21,039,361	RMB-denominated ordinary shares		21,039,361		
China Merchants Bank Co., Ltd. - SSE Dividend Trading Open-ended Index Securities Investment Fund	14,385,170	RMB-denominated ordinary shares		14,385,170		
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB-denominated ordinary shares		11,289,600		
National Social Security Fund 413 Portfolio	9,510,000	RMB-denominated ordinary shares		9,510,000		
National Social Security Fund 503 Portfolio	7,999,920	RMB-denominated ordinary shares		7,999,920		
Basic pension fund 1206 portfolio	7,967,400	RMB-denominated ordinary shares		7,967,400		
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
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Note: Investors deposit their H shares of the Company in the Central Clearing and Settlement System of The Stock Exchange of Hong Kong Limited **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

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of auditor opinions

(II) Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2022

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	30 September 2022	31 December 2021
Current Assets:		
Cash and bank balances	7,409,583,423	8,836,439,385
Held-for-trading financial assets	105,200,393	711,964,323
Notes receivable	254,607,676	145,430,152
Accounts receivable	1,750,529,195	956,580,152
Financing with receivables	455,027,208	761,050,910
Prepayments	560,561,263	339,315,919
Other receivables	531,407,008	356,013,351
Including: Interests receivable	623,760	89,797
Inventories	3,525,026,690	3,541,954,674
Other current assets	536,249,078	477,967,711
Total Current Assets	15,128,191,934	16,126,716,577
Non-current Assets:		
Debt investments	7,500,000	7,500,000
Long-term receivables	133,195,496	35,934,266
Long-term equity investments	454,576,359	

Accounts payable	8,055,677,241	7,112,302,355
Contract liabilities	1,049,011,290	847,443,693
Employee benefits payable	162,449,387	409,092,005
Taxes payable	683,958,053	1,060,916,467
Other payables	974,209,601	756,194,670
Including: Interests payable	39,896,100	34,819,098
Dividend payable	38,498,098	58,154,514
Non-current liabilities due within one year	2,455,796,271	1,213,650,184
Total Current Liabilities	14,719,929,270	12,713,539,064
Non-current Liabilities:		
Long-term borrowings	6,810,996,647	5,081,924,506
Bonds payable	4,458,655,732	3,327,860,620
Lease liabilities	528,045,142	223,580,118
Long-term payables	1,259,615,319	463,257,160
Long-term employee benefits payable	56,075,546	54,458,394
Provisions	408,276,802	347,473,462
Deferred income	296,786,046	292,376,076
Deferred tax liabilities	622,241,197	572,865,342
Other Non-current Liabilities	94,446,000	94,446,000
Total Non-current Liabilities	14,535,138,431	10,458,241,678
TOTAL LIABILITIES	29,255,067,701	23,171,780,742
Shareholders' Equity:		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	2,060,612,939	2,031,151,748
Less: Treasury shares	610,051,971	610,051,971
Other comprehensive income	88,876,862	-305,350,132
Surplus reserve	1,111,880,257	1,111,880,257
Retained profits	22,535,385,886	22,405,681,711
Total equity attributable to shareholders of the Company	27,283,303,828	26,729,911,468
Minority interests	3,470,331,627	2,647,925,840
Total Shareholders' Equity	30,753,635,455	29,377,837,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	60,008,703,156	52,549,618,050

Legal Representative: Li Yeqing

Chief Financial Officer: Chen Qian

Head of Accounting Department: Wu Xin

CONSOLIDATED INCOME STATEMENT

January to September 2022

1. Net profit attributable to shareholders of the Company	2,224,654,053	3,563,345,363
2. Profit or loss attributable to minority shareholders	171,767,437	331,067,981
VI. Other comprehensive income, net of tax	609,695,435	-32,620,268
(i) Other comprehensive income attributable to owners of the Company, net of tax	394,226,994	-27,440,931
1. Other comprehensive income that cannot be reclassified to profit or loss	-12,585,879	11,522,499
(1) Changes in fair value of other equity instrument investments	-12,585,879	11,522,499
2. Other comprehensive income that will be reclassified to profit or loss	406,812,873	-38,963,430
(1) Exchange differences on translation of financial statements denominated in foreign currencies	406,812,873	-38,963,430
(ii) Other comprehensive income attributable to minority shareholders, net of tax	215,468,441	-5,179,337
VII. Total comprehensive income	3,006,116,925	3,861,793,076
(i) Total comprehensive income attributable to owners of the Company	2,618,881,047	3,535,904,432
(ii) Total comprehensive income attributable to minority shareholders	387,235,878	325,888,644
VIII. Earnings per share		
(i) Basic earnings per share (RMB/share)	1.07	1.72
(ii) Diluted earnings per share (RMB/share)	1.07	1.72

The net profit of the acquiree of business combination under common control during the Reporting Period before the acquisition is RMB0. The net profit of the acquiree for the previous period is RMB0.

Legal Representative: Li Yeqing

Chief Financial Officer: Chen Qian

Head of Accounting Department: Wu Xin

CONSOLIDATED CASH FLOW STATEMENT

January to September 2022

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

Items	The first three quarters of 2022 (January to September)	The first three quarters of 2021 (January to September)
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	20,658,257,803	21,240,586,758
Receipts of tax refunds	68,145,567	70,856,132
Other cash receipts relating to operating activities	441,658,903	261,721,451
Sub-total of cash inflows from operating activities	21,168,062,273	21,573,164,341
Cash payments for goods purchased and services received	13,490,603,900	12,960,985,301
Cash payments to and on behalf of employees	2,193,663,941	2,192,637,644
Payments of various types of taxes	2,178,462,811	2,394,254,553
Other cash payments relating to operating activities	794,660,385	458,236,527
Sub-total of cash outflows from operating activities	18,657,391,037	18,006,114,025
Net Cash Flow from Operating Activities	2,510,671,236	3,567,050,316

