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## **HUAXIN CEMENT CO., LTD.\***

*(a joint stock limited company incorporated in the Republic of China)*  
**(Stock Code: 6655)**

### **2023 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).

**PRC  
Company**

**Quarterly Report  
Group**

**Reporting Period**

**C on**

28 April 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 legal representative, the financial controller and the accounting supervisor 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	6,628,435,263	1.49
Net profit attributable to shareholders of the Company	247,979,284	-63.09
Net profit attributable to shareholders of the Company after extraordinary items	233,723,270	-64.03
Net cash flow from operating activities	331,923,337	203.92
Basic earnings per share (RMB/share)	0.12	-62.5
Diluted earnings per share (RMB/share)	0.12	

Unit: Yuan  
Currency: RMB

Items	Amount for the Reporting Period
Profit or loss from disposal of non-current assets	-2,164,843
Government grants recognized in profit or loss (other than grants which are amounts or determined under quantitative methods in accordance with the national standard)	31,598,174
Profit or loss on changes in the fair value of held-for-trading financial assets, derivative financial assets, held-for-trading 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 the effective hedging activities relating to the normal operating business	-1,246,359
Reversal of provision for impairment of receivables and contract assets that have been separately tested for impairment	216,981
Other non-operating income and expenses other than the above	-10,097,707
Less: Effect on income tax	4,498,166
Effect on minority interests (after tax)	-447,934
Total	14,256,014

Disclosure of Companies Offering Their Securities to the Public items

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

Item	Proportion of changes (%)	Main reason
Held-for-trading financial assets	-100.00	Liquidate interest rate swap
Accounts receivable	40.27	Impact from seasonal sales
Financing with receivables	-43.30	Increase in bill payment
Other non-current assets	31.56	Down payment of equity purchase
Short-term borrowings	33.09	Supplement short term operating cash demand
Other comprehensive income	-112.07	Overseas subsidiaries foreign currency depreciation
R&D expenses	49.22	Increase in environmental protection and new material R&D projects and corresponding R&D investment
Investment income	488.32	Fair value change transferred to investment income before liquidation of interest rate swap

Gains from changes in fair value	-257.52	Fair value change transferred to investment income before liquidation of interest rate swap
Impairment losses on credit	-741.85	Increase in the collection of receivables that had been accrued for bad debts
Loss of impairment on assets	-515.61	Increase in inventory depreciation provision
Non-operating income	685.08	Increase of income on carbon emission right disposal
Profit or loss attributable to shareholders of the Company	-63.09	Impacted by market demand, major products cement sales dropped
Other comprehensive income, net of tax	-169.30	Impacted by exchange fluctuation, foreign currency translation differences increased
Net cash flow from operating activities	203.92	Tax payment decreased due to profit decrease, and non-cash payment from clients increased
Net cash flow from financing activities	69.05	Increase in project loans

## 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 31 March 2023, the total number of shareholders of the Company was: 57,705 shareholders of A shares and 3 registered shareholders of H shares, 57,708 in total.

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	57,708	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 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	60,066,679	2.87	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	16,346,545	0.78	0	Nil	0
National Social Security Fund 413 Portfolio	Others	15,900,000	0.76	0	Nil	0
China Railway Wuhan Bureau Group Co., Ltd.	Unknown	11,289,600	0.54	0	Nil	0
ICBC Credit Suisse Fund - Chinese Life Insurance Co., Ltd. - Participating Insurance - ICBC Credit Suisse Fund China Life Equity Balanced Equity Portfolio Single Asset Management Plan (available for sale)	Others	10,722,016	0.51	0	Nil	0

Agriculture Bank of China - ICBC Credit Suisse Innovation Drive Share Securities Investment Fund	Others	7,770,036	0.37	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 <sup>(Note)</sup>	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	60,066,679	RMB-denominated ordinary shares	60,066,679			
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	16,346,545	RMB-denominated ordinary shares	16,346,545			
National Social Security Fund 413 Portfolio	15,900,000	RMB-denominated ordinary shares	15,900,000			
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB-denominated ordinary shares	11,289,600			
ICBC Credit Suisse Fund - Chinese Life Insurance Co., Ltd. - Participating Insurance - ICBC Credit Suisse Fund China Life Equity Balanced Equity Portfolio Single Asset Management Plan (available for sale)	10,722,016	RMB-denominated ordinary shares	10,722,016			
Agriculture Bank of China - ICBC Credit Suisse Innovation Drive Share Securities Investment Fund	7,770,036	RMB-denominated ordinary shares	7,770,036			
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** wholly-owned subsidiary of the Stock Exchange. It is the total number of shares registered.





## CONSOLIDATED BALANCE SHEET

31 March 2023

Prepared by: Huaxin Cement Co., Ltd.

*Unit: Yuan Currency: RMB Type of Audit: Unaudited*

<b>Items</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Current assets:</b>		
Cash and bank balances	7,144,098,988	7,038,341,792
Held for trading financial assets	-	41,711,538
Notes receivable	494,256,548	545,960,470

<b>Current liabilities:</b>		
Short-term borrowings	789,769,924	593,415,661
Notes payable	921,193,834	729,227,787
Accounts payable	7,219,751,069	8,366,283,316
Contract liabilities	824,545,607	681,610,930
Employee benefits payable	140,268,116	131,081,719
Taxes payable	557,874,172	692,510,079
Other payables	1,079,736,831	915,096,046
Non-current liabilities due within one year	4,300,629,709	4,427,049,341
Other current liabilities	88,609,421	88,609,421
<b>Total current liabilities</b>	<b>15,922,378,683</b>	<b>16,624,884,300</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	8,301,732,828	7,282,088,824
Bonds payable	4,397,868,259	4,426,286,852
Lease liabilities	963,944,841	759,905,754
Long-term payables	2,843,562,287	2,837,076,467
Long-term employee benefits payable	46,207,569	47,606,682
Provisions	428,039,639	442,260,626
Deferred income	288,961,854	291,877,454
Deferred tax liabilities	600,379,797	586,568,845
Other non-current liabilities	104,940,000	104,940,000
<b>Total non-current liabilities</b>	<b>17,975,637,074</b>	<b>16,778,611,504</b>
<b>Total liabilities</b>	<b>33,898,015,757</b>	<b>33,403,495,804</b>
<b>Equity:</b>		
Share capital	2,096,599,855	2,096,599,855
Capital reserves	1,975,889,177	1,975,889,177
Less: Treasury shares	610,051,971	610,051,971
Other comprehensive income	-371,670,751	-175,257,484
Specialized reserves	37,644,851	37,644,851
Surplus reserves	1,111,880,257	1,111,880,257
Retained profit	23,257,579,627	23,009,600,343
<b>Total equity attributable to owners of the parent</b>	<b>27,497,871,045</b>	<b>27,446,305,028</b>

Non-controlling interests	3,345,736,189	3,391,875,433
<b>Total equity</b>	30,843,607,234	30,838Q44 ref*4

## CONSOLIDATED INCOME STATEMENT

January to March 2023

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

	<b>The First Quarter of 2023</b>	<b>The First Quarter of 2022</b>
I. Total operating income	6,628,435,263	6,531,000,365
Including Operating income	6,628,435,263	6,531,000,365
II. Total operating costs	6,273,661,701	5,694,474,985
Including: Cost of sales	5,287,280,133	4,810,754,318
Taxes and surcharges	136,792,332	128,936,008
Cost of sales	372,401,071	337,186,318
Administrative expenses	396,969,877	352,194,350
Research and development expenses	11,645,467	7,804,315
Finance costs	68,572,821	57,599,676
Including: Interest expenses	138,246,722	57,936,048

1. Net profit attributable to the owners of the company	247,979,284	671,783,419
2. Non-controlling interests	34,742,232	29,146,582
VI. Other comprehensive income, net of tax	-273,116,963	-101,418,341
(I) Other comprehensive income attributable to owners of the Company, net of tax	-196,413,267	-105,988,419
1. Other comprehensive income that cannot be reclassified to profit or loss	-	-
2. Other comprehensive income to be reclassified into profit or loss	-196,413,267	-105,988,419
(1) Exchange differences on translation of financial statements denominated in foreign currencies	-196,413,267	-105,988,419
(II) Other comprehensive income attributable to non		

## CONSOLIDATED CASH FLOW STATEMENT

January to March 2023

Prepared by: Huaxin Cement Co., Ltd.

Unit: Yuan Currency: RMB Type of Audit: Unaudited

	The First Quarter of 2023	The First Quarter of 2022
<b>I. Cash flows from operating activities:</b>		
Cash receipts from sale of goods or rendering of services	6,169,998,853	6,115,483,240
Receipts of tax refunds	8,112,549	29,352,359
Other cash receipts relating operating activities	198,534,056	143,306,518
Subtotal of cash inflows from operating activities	6,376,645,458	6,288,142,117
Cash payments for goods purchased and services received	4,303,963,154	4,603,321,477
Cash payments to and on behalf of employees	682,074,322	744,846,703
Payments of various types of taxes	710,300,709	960,257,216
Other cash payments relating to operating activities	348,383,936	299,116,511
Subtotal of cash outflows from operating activities	6,044,722,121	6,607,541,907
Net cash flows from operating activities	331,923,337	-319,399,790
<b>II. Cash flows from investing activities:</b>		
Cash receipts from redemption of investments		

activities		
Net cash flows from investing activities	-1,121,597,464	-1,196,160,379
<b>III. Cash flows from financing activities</b>		
Cash receipts from capital contributions	12,780,906	98,000,000
Cash receipts from borrowings	1,665,228,926	954,519,692
Other cash receipts relating to financing activities	32,931,222	62,110,181
Subtotal of cash inflows from financing activities	1,710,941,054	1,114,629,873
Cash repayment of borrowings	423,426,624	203,980,755
Cash repayment for distribution of dividends or profits or settlement interest expenses	122,301,645	95,717,475
Other cash payments relating to financing activities	80,999,111	173,577,159
Subtotal of cash outflows from financing activities	626,727,380	473,275,389
Net cash flows from financing activities	1,084,213,674	641,354,484
IV. Effect of changes in exchange rate on cash and cash equivalents	-27,751,792	-5,347,921
V. Net increase in cash and cash equivalents	266,787,755	-879,553,606
Add: Balance of cash and cash equivalents at the beginning of the year	6,616,021,778	8,550,475,141
VI. Balance of cash and cash equivalents at the end of the year	6,882,809,533	7,670,921,535

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 2023

By Order of the Board