

Huaxin Cement Co., Ltd.

Announcement on Forecast Growth of Operation Results for Year 2017

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false or misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

Highlights:

1. Performance of the Company is predicted to increase by 1.36 billion Yuan-1.58 billion Yuan, up by 300%-350% over the same period of last year.
2. The predicted growth in operation results are due to the following reasons: 1) Supply demand balance change resulted from government's emphasis on environmental protection and supply side structural reform led to price surge of cement and clinker compared with the same period of last year; profitability of unit product gained strength. 2) During the reporting period, the Company consolidated the financial statements of acquired plants in Yunan, Guizhou and Chongqing originally belonging to LAFARGE CHINA CEMENT LIMITED, thus its operation scale has been expanded, and in addition, performance of the acquired plants has also been improved greatly. 3) The performance of new businesses in the Company such as aggregate and Eco enjoyed substantial improvement.

I. Performance forenotice

(I) Period of performance forenotice

From January 1, 2017 to December 31, 2017.

(II). Performance forenotice

1. According to the preliminary accounting of the Financial Department of the Company, it is estimated that the net profit attributable to shareholders of the Company for the year 2017 would increase by 1.36 billion Yuan-1.58 billion Yuan, up by 300% to 350% over the same period of last year.

2. Net profit attributable to shareholders of the Company after extraordinary items would increase by 1.26 billion Yuan- 1.49 billion Yuan, up by 270% to 320% over the same period of last year (data disclosed in the periodic report according to the relevant regulations).

(III). The performance prediction has not been audited by the CPA yet.

II. Performance for the same period of the previous year

1. The net profit attributable to shareholders of the Company: 451,940.4 thousand Yuan. The net profit attributable to shareholders of the Company after extraordinary items: 464,128.5 thousand Yuan.
2. Earnings per share: 0.30 Yuan.

III. Main reasons for the forecast increase of operation results in the reporting period
The main reasons for the substantial growth of operation results in the reporting period are as follows:

emphasis on environmental protection and supply side structural reform led to price surge of cement and clinker compared with the same period of last year; profitability of unit product gained strength. 2) During the reporting period, the Company consolidated the financial statements of acquired plants in Yunan, Guizhou and Chongqing originally belonging to LAFARGE CHINA CEMENT LIMITED, thus its operation scale has been expanded, and in addition, performance of the acquired plants has also been improved greatly. 3) The performance of new businesses in the Company such as aggregate and Eco enjoyed substantial improvement.

IV. Risks notice

There are no uncertain factors that have an impact on the accuracy of the forecast growth of operation results of the Company.

V. Other relevant explanation

The data listed above are just preliminary accounted. For detailed and accurate financial data, please refer to the Annual Report 2017 which will be officially disclosed after auditing. Public investors are hereby kindly requested to notice investment risks.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.
January 12, 2018