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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 ~~BRS~~ 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)

## 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. – SSE Dividend 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

### 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 2<sup>nd</sup> 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 3<sup>rd</sup> Extraordinary Shareholders' General Meeting reviewed and approved the Proposal on the 2023-2025 Employee Stock Ownership Plan (Draft). On the same day, the 27<sup>th</sup> 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 1<sup>st</sup> 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

<b>Items</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Current assets</b>		
Cash and bank balances	5,521,127,309	



<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>16,895,807,826</b>	<b>18,934,215,066</b>
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>18,565,480,193</b>	<b>16,571,170,755</b>
<b>Total liabilities</b>	<b>35,461,288,019</b>	<b>35,505,385,821</b>
<b>Equity</b>		
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
<b>Total equity attributable to owners of the parent</b>	<b>28,918,938,997</b>	<b>28,932,949,847</b>
Non-controlling interests	4,450,668,955	4,361,932,595
<b>Total equity</b>	<b>33,369,607,952</b>	<b>33,294,882,442</b>
<b>Total liabilities and equity</b>	<b>68,830,895,971</b>	<b>68,800,268,263</b>

Legal representative: Li Yeqing

## 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) 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 of zed by ofm0 g( )JTJETQQ EM ef\*98 t9(ea)-2(256.1Q EM be(t)-4(r)(n)11(e EM ab56.10

## 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)
<b>I. Cash flows from operating activities:</b>		
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

<b>III. Cash flows from financing activities:</b>		
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
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	-77,245,128	98,532,299
<b>V. Net increase in cash and cash equivalents</b>	-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
<b>VI. Balance of cash and cash equivalents at the end of the Reporting Period</b>	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-*