Stock Codes: 600801, 900933 Stock Abbreviations: Huaxin Cement, Huaxin B Share

HUAXIN CEMENT CO., LTD.
Third Quarter Report 2021

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.

Important Notice

The Board of Directors and its members, the Board of Supervisors and its members and the Senior Management of the Company confirm, to the best of their knowledge, that there is no false or misleading statement or material omission in this Report and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its contents.

Leading officials of the Company, Chief in charge of Corporate Finance and Manager of Accounting Department confirm that the financial statements in this Third Quarter Report are true, accurate and complete.

This Third Quarter Report of the Company was not audited.

I. Financial highlights

(1) Financial statements summary and financial indicators

Unit: Yuan

	Reporting period	Change of this reporting period over the same period of last year (%)	Year beginning to reporting period end	Change of year beginning to reporting period end over the same period of last year (%)
Sales revenue	7,709,476,944	-1.75	22,453,863,016	10.01
Net profit attributable to shareholders of the Company	1,125,021,084	-36.53	3,563,345,363	-11.46
Net profit attributable to shareholders of the Company after extraordinary items	1,128,335,171	-35.76	3,524,245,789	-11.90
Net cash flow from operating activities	N/A	N/A	3,567,050,316	-36.89
Basic earnings per share (Yuan/share)	0.54	-36.47	1.72	-10.88
Diluted earnings per share (Yuan/share)	0.54	-36.47	1.72	-10.88
Return on net assets, weighted average (%)	4.94	Down by 2.99 percentage points	14.77	Down by 3.24 percentage points

	Reporting period end	Last year end	Change of reporting period end over last year end (%)
Total assets	47,613,176,250	43,928,509,151	8.39
Total equity attributable to shareholders of the Company	24,915,334,483	23,571,375,317	5.70

Note: "reporting period" refers to the three-month period from the beginning to the end of this quarter, the same below.

(2) Extra-ordinary items and amount

Unit: Yuan

Item	Reporting period	Year beginning to reporting period end	Remarks
Gains from disposal of non-current assets	-670,257	-8,806,377	
Government subsidies, excluding regular fixed amount government subsidies	13,901,233	79,181,300	
In addition to the effective hedging business related to the normal business of the Company, the gains and losses from changes in fair value from the holding of tradable financial assets and tradable financial liabilities, and investment income gained from disposal of tradable financial assets, tradable financial liabilities and available-for-sale financial assets	-9,513,493	-8,731,946	
Reversal of provisions for assets impairment of accounts	-	3,663,891	
Other non-operating income and expenses	-9,030,722	-18,386,080	
Minus: Impacts from income tax	-1,052,784	10,530,619	
Impacts from minority shareholders' interests (after tax)	-946,368	-2,709,405	
Total	-3,314,087	39,099,574	

(3) Changes of accounting data and financial indicators and reasons

Item	Change (%)	Reason
Held-for-trading financial assets	-70.14	Redeemed part of currency funds according to capital demand
Notes receivable	595.85	Standard adjustment for the classification of bank acceptances
Accounts receivable	113.98	RMX business scale expanded and receivables increased correspondingly
Financing from receivables	-48.41	Standard adjustment for the classification of bank acceptances
Advances to suppliers	42.73	Fuel advance payment increased
Other equity instrument investments	45.49	Increase of the fair value in joint stock companies
Construction in progress	47.98	Increased investment in vertical integration of the industrial chain, aggregate, overseas projects
Right-of-use asset	N/A	Presentation adjustment according to the new lease standard
Long-term deferred expenses	41.97	Quarry development expenditure increased
Employee benefits payable	-45.50	Paid performance-related salary of last year
Current portion of non-current liabilities	-49.40	Repaid mature corporate bonds
Debentures Payable	73.04	Newly issued corporate bonds
Lease liabilities	N/A	Presentation adjustment according to the new lease standard
Long-term payables	75.35	Mineral resources payables increased
Long-term employee benefits payable	-54.99	Long-term performance-related salary to be paid was transferred to current liabilities
Taxes and levies	31.45	Sales volume of aggregate and cement grew and resource tax rose
Research and development expenses	77.51	Increased human investment in R&D projects
Investment income	-71.37	Profits of associates declined
Gains from changes in fair values	-245.66	The increase of fair value of preference shares of subsidiaries and redeemed currency fund and the income was transferred to investment income
Losses on assets impairment	-90.14	Long-term loss-making plants accrued long-term asset impairment losses
Gains/(Losses) on disposal of assets	-117.44	Earnings from the sale of large equipment last year
Net Cash Flow from Operating Activities	-36.89	Taxes and procurement payments increased

Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	92.55	Exchange rate fluctuations of overseas plants reduced

II. Shareholder information

(1) Total number of ordinary shareholders, number of preferred shareholders with voting rights restored and shareholding of the top ten shareholders

Unit: share

Total number of ordinary shareholders at the end of the reporting period	80,108	Total number of preferred shareholders with voting rights restored at the end of the reporting period (if any)	N/A

Shareholding of the top ten shareholders

Shareholder	Shareholder type	Shares held	%	Shares subject to conditional sales	Pledged or frozen	
					Shares condition	number
HOLCHIN B.V.	Foreign corporation	835,543,825	39.85	0	Nil	0
Huaxin Group Co., Ltd	State corporation	338,060,739	16.12	0	Nil	0
Hong Kong Securities Clearing Company Ltd.	Unknown	72,772,960	3.47	0	Nil	0
HOLPAC LIMITED	Foreign corporation	41,691,843	1.99	0	Nil	0
Huaxin Cement Co., Ltd.-2020-2022 ESOP	Other	21,039,361	1.00	0	Nil	0
China Railway Wuhan Bureau Group Co., Ltd.	Unknown	11,289,600	0.54	0	Nil	0
Bank of Communications - Rongtong Industry Prosperity Securities Investment Fund	Unknown	10,962,860	0.52	0	Nil	0
Industrial and Commercial Bank of China Limited-Xingquan Green Investment Hybrid Securities Investment Fund (LOF)	Unknown	9,179,598	0.44	0	Nil	0

Guotai Jun'an Securities Asset Management - China Construction Bank-Guotai Junan Jundexin Two-Year Holding Period Hybrid Collective Asset Management Plan	Unknown	9,114,100	0.43	0	Nil	0
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	Unknown	9,093,422	0.43	0	Nil	0

Top ten holders of shares not subject to conditional sales			
Names of Shareholders	Number of shares not subject to conditional sales	Type and Number of Shares	
		Type	Number
HOLCHIN B.V.	835,543,825	RMB ordinary shares	451,333,201
		Domestically listed foreign investment shares	384,210,624
Huaxin Group Co., Ltd	338,060,739	RMB ordinary shares	338,060,739
Hong Kong Securities Clearing Company Ltd.	72,772,960	RMB ordinary shares	72,772,960
HOLPAC LIMITED	41,691,843	Domestically listed foreign investment shares	41,691,843
Huaxin Cement Co., Ltd.-2020-2022 ESOP	21,039,361	RMB ordinary shares	21,039,361
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB ordinary shares	11,289,600
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	10,962,860	RMB ordinary shares	10,962,860
Industrial and Commercial Bank of China Limited-Xingquan Green Investment Hybrid Securities Investment Fund (LOF)	9,179,598	RMB ordinary shares	9,179,598

Guotai Jun'an Securities Asset Management-China Construction Bank-Guotai Junan Jundexin Two-Year Holding Period Hybrid Collective Asset Management Plan	9,114,100	RMB ordinary shares	9,114,100
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	9,093,422	Domestically listed foreign investment shares	9,093,422
Remarks on relationship or concerted actions of the above shareholders	1. Holpac Limited is the party acts in concert with Holchin B.V. 2. It is unknown to the Company whether there is any associated relationship or concerted action among other shareholders.		
Top 10 shareholders and top 10 holders of shares not subject to conditional sales participating in margin trading, securities lending and refinancing business (if any)	N/A		

III. Other reminders

Other important information on operating status of the Company during the reporting period that needs to be pay attention to by investors

☐Applicable √Not applicable

VI. Quarterly financial statements

(1) Type of audit opinions

☐Applicable √Not applicable

(2) Financial statements

Consolidated Balance Sheet

September 30, 2021

Huaxin Cement Co., Ltd.

Unit: Yuan RMB Type: not been audited

Item	Balance at 30 September 2021	Balance at 31 December 2021
Current assets：		
Cash at bank and in hand	7,833,915,492	8,641,612,847
Financial assets held for trading	300,000,000	1,004,581,752
Notes receivable	556,253,296	79,939,117
Accounts receivable	1,397,731,368	653,219,779
Accounts receivable financing	526,398,348	1,020,306,419
Advances to suppliers	540,416,731	378,619,350
Other receivables	369,630,179	375,253,958
Including: Interest receivable	118,415	641,915
Dividend receivable	-	-
Inventories	2,864,012,988	2,349,156,189
Other current assets	608,722,596	631,922,798
Total current assets	14,997,080,998	15,134,612,209
Non-current assets：		
Credit investments	7,500,000	7,500,000
Long-term receivables	33,408,908	29,141,216
Long-term equity investments	527,368,113	512,281,201
Other equity instrument investments	49,138,327	33,774,995
Other non-current financial assets	26,114,948	32,827,254
Fixed assets	19,878,569,965	19,185,630,257
Construction in progress	4,593,882,712	3,104,429,340
Assets with use right	163,124,435	-
Intangible assets	5,371,074,695	4,267,008,181
Development expenditure	8,916,594	2,050,090
Goodwill	611,050,112	476,084,798
Long-term prepaid expenses	516,447,191	363,760,774

Deferred income tax assets	405,541,052	437,800,338
Other non-current assets	423,958,200	341,608,498
Total non-current assets	32,616,095,252	28,793,896,942
TOTAL ASSETS	47,613,176,250	43,928,509,151
Current liabilities：		
Short-term borrowings	522,000,000	625,000,000
Financial liabilities held for trading	3,587,852	-
Notes payable	337,029,152	472,696,537
Accounts payable	6,563,227,772	5,297,633,770
Contract liabilities	859,779,636	830,492,042
Employee benefits payable	288,761,411	529,877,921
Taxes and other levies payable	955,590,561	1,186,166,143
Other payables	952,299,524	786,246,239
Including: Interests payable	30,618,806	30,026,120
Dividends payable	121,471,377	63,842,710
Current portion of non-current liabilities	948,494,364	1,874,484,159
Total current liabilities	11,430,770,272	11,602,596,811
Non-current liabilities：		
Long-term borrowings	4,127,860,687	3,504,279,973
Debentures payable	3,363,532,389	1,943,763,447
Leasing liabilities	136,899,682	-
Long-term payables	334,948,456	191,011,663
Long-term employee benefits payable	57,260,931	127,205,104
Provisions	230,794,317	233,393,286
Deferred income	284,887,319	301,399,766
Deferred income tax liabilities	287,458,595	284,920,603
Total non-current liabilities	8,823,642,376	6,585,973,842
Total liabilities	20,254,412,648	18,188,570,653
OWNERS'S EQUITY：		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	2,014,138,654	1,943,538,052

Less: treasury stock	610,051,971	610,051,971
Other comprehensive income	(302,733,694)	(275,292,763)
Surplus reserve	1,111,880,257	1,111,880,257
Retained profits	20,605,501,382	19,304,701,887
Total equity attributable to owners of the Company	24,915,334,483	23,571,375,317
Minority interests	2,443,429,119	2,168,563,181
Total owners' equity	27,358,763,602	25,739,938,498
TOTAL LIABILITIES AND OWNERS' EQUITY	47,613,176,250	43,928,509,151

Corporate responsible person: Mr. Li Yeqing

Chief in charge of Corporate Finance: Mr. Chen Qian

Person in charge of Accounting Department: Mr. Wu Xin

Consolidated Income Statement

January to September, 2021

Huaxin Cement Co., Ltd.

Unit: Yuan RMB Type: not been audited

Item	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Total sales revenue	22,453,863,016	20,411,674,930
Including: sales revenue	22,453,863,016	20,411,674,930
Total cost of sales	17,593,878,631	15,137,213,865
Including: Cost of sales	14,260,569,092	12,180,073,412
Taxes and surcharges	438,790,589	333,808,037
Selling and distribution expenses	1,602,704,526	1,383,963,263
General and administrative expenses	1,143,546,310	1,077,025,528
Research and development expenses	29,137,008	16,414,345
Financial expenses-net	119,131,106	145,929,280
Including: Interest expenses	191,389,998	139,794,935
Interest income	98,907,637	46,426,172
Add: Other incomes	144,986,222	171,544,839
Investment income	32,477,209	113,457,395
Including: Investment income from associates and joint ventures	14,355,105	71,155,551
Gains from changes in fair values	-21,981,729	-6,359,274
Losses on credit impairment	-23,908,265	-26,214,188
Losses on assets impairment	-23,699,983	-12,464,424
Gains on disposal of assets	-1,763,916	10,114,587
Operating profit	4,966,093,923	5,524,540,000
Add: Non-operating income	23,956,421	20,242,108
Less: Non-operating expenses	50,234,855	59,184,925
Total Profit	4,939,815,489	5,485,597,183
Total Profit	1,045,402,145	1,055,043,129
Net profit	3,894,413,344	4,430,554,054
Classified by going concern basis		

1. Net profit of continuing operation	3,894,413,344	4,430,554,054
2. Net profit of discontinuing operation		
Classified by ownership		
1. Attributable to shareholders of the Company	3,563,345,363	4,024,415,213
2. Minority interests	331,067,981	406,138,841
Other comprehensive income - net of tax	-32,620,268	-180,334,689
Attributable to shareholders of the Company, net of tax	-27,440,931	-142,229,572
1. Other comprehensive income that will not be reclassified to gain or loss	11,522,499	-1,626,386
Changes of the fair value of other equity instrument investment	11,522,499	-1,626,386
2. Other comprehensive income that will be subsequently reclassified as gain or loss	-38,963,430	-140,603,186
Differences on translation of foreign currency financial statements	-38,963,430	-140,603,186
Attributable to minority interest, net of tax	-5,179,337	-38,105,117
Total comprehensive income	3,861,793,076	4,250,219,365
Attributable to shareholders of the Company	3,535,904,432	3,882,185,641
Attributable to minority interest	325,888,644	368,033,724
Earnings per share:		
Basic earnings per share (Yuan/share)	1.72	1.93
Diluted earnings per share (Yuan/share)	1.72	1.93

The merge under the same control in this period, the net profit of the combined party is 0 Yuan before the merge, the net profit of the combined party is 0 Yuan in the last period.

Corporate responsible person: Mr. Li Yeqing

Chief in charge of Corporate Finance: Mr. Chen Qian

Person in charge of Accounting Department: Mr. Wu Xin

Consolidated Cash Flow Statements

September 30, 2021

Huaxin Cement Co., Ltd.

Unit：Yuan　RMB　Type：not been audited

Item	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Cash flows from operating activities：		
Cash received from sales of goods or rendering of services	21,240,586,758	22,923,621,377
Refund of taxes and surcharges	70,856,132	149,568,773
Cash received relating to other operating activities	261,721,451	230,931,760
Sub-total of cash inflows	21,573,164,341	23,304,121,910
Cash paid for goods and services	12,960,985,301	12,617,304,114
Cash paid to and on behalf of employees	2,192,637,644	1,938,152,403
Payments of taxes and surcharges	2,394,254,553	2,523,193,035
Cash paid relating to other operating activities	458,236,527	573,406,942
Sub-total of cash outflows	18,006,114,025	17,652,056,494
Net cash flows from operating activities	3,567,050,316	5,652,065,416
Cash flows from investing activities：		
Cash received from disposal of investments	1,700,000,000	650,070,000
Cash received from returns on investments	16,145,820	4,737,700
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	23,872,602	19,372,382
Net cash received from disposal of subsidiaries and other operating units	22,000	171,932,839
Cash received relating to other investing activities	5,602,256	46,634,283
Sub-total of cash inflows	1,745,642,678	892,747,204
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,343,434,372	2,648,711,564

Cash paid relating to investing activities	1,000,000,000	978,304,258
Net cash paid for acquisition of subsidiaries and other operating units	328,542,886	7,100,000
Cash paid relating to other investing activities	-	655,069,453
Sub-total of cash outflows	4,671,977,258	4,289,185,275
Net cash flows from investing activities	-2,926,334,580	-3,396,438,071
Cash flows from financing activities：		
Cash received from capital contributions	153,333,766	112,310,000
Cash received from borrowings	2,911,018,638	2,724,644,872
Cash received from other financing activities	124,507,075	-
Sub-total of cash inflows	3,188,859,479	2,836,954,872
Cash repayments of borrowings	2,100,386,913	964,694,532
Cash payments for interest expenses and distribution of dividends or profits	2,507,330,094	2,819,598,192
Cash payments relating to other financing activities	52,358,440	710,952,073
Sub-total of cash outflows	4,660,075,447	4,495,244,797
Net cash flows from financing activities	-1,471,215,968	-1,658,289,925
Effect of foreign exchange rate changes on cash	-2,447,481	-32,863,775
Net increase in cash and cash equivalents	-832,947,713	564,473,645
Add: Cash and cash equivalents at the period beginning	8,420,246,369	4,918,296,452
Cash and cash equivalents at the period end	7,587,298,656	5,482,770,097

Corporate responsible person: Mr. Li Yeqing
Chief of Corporate Finance: Mr. Chen Qian
Person in charge of Accounting Department: Mr. Wu Xin

(III) Relevant information of the financial statements at the beginning of the year when the new lease standard was implemented for the first time since 2021.

Consolidated Balance Sheet

Unit: Yuan RMB

Item	Balance at 31 December 2020	Balance at 1 January 2021	ADJ.
Current assets:			
Cash at bank and in hand	8,641,612,847	8,641,612,847	
Financial assets held for trading	1,004,581,752	1,004,581,752	
Notes receivable	79,939,117	79,939,117	
Accounts receivable	653,219,779	653,219,779	
Accounts receivable financing	1,020,306,419	1,020,306,419	
Advances to suppliers	378,619,350	371,948,617	-6,670,733
Other receivables	375,253,958	375,253,958	
Including: Interest receivable	641,915	641,915	
Dividend receivable	-	-	
Inventories	2,349,156,189	2,349,156,189	
Other current assets	631,922,798	631,922,798	
Total current assets	15,134,612,209	15,127,941,476	-6,670,733
Non-current assets:			
Credit investments	7,500,000	7,500,000	
Long-term receivables	29,141,216	29,141,216	
Long-term equity investments	512,281,201	512,281,201	
Other equity instrument investments	33,774,995	33,774,995	
Other non-current financial assets	32,827,254	32,827,254	
Fixed assets	19,185,630,257	19,185,630,257	
Construction in progress	3,104,429,340	3,104,429,340	
Assets with use right	-	165,832,759	165,832,759

Intangible assets	4,267,008,181	4,267,008,181	
Development expenditure	2,050,090	2,050,090	
Goodwill	476,084,798	476,084,798	
Long-term prepaid expenses	363,760,774	363,760,774	
Deferred income tax assets	437,800,338	437,800,338	
Other non-current assets	341,608,498	341,608,498	
Total non-current assets	28,793,896,942	28,959,729,701	165,832,759
TOTAL ASSETS	43,928,509,151	44,087,671,177	159,162,026
Current liabilities：			
Short-term borrowings	625,000,000	625,000,000	
Notes payable	472,696,537	472,696,537	
Accounts payable	5,297,633,770	5,297,633,770	
Contract liabilities	830,492,042	830,492,042	
Employee benefits payable	529,877,921	529,877,921	
Taxes and other levies payable	1,186,166,143	1,186,166,143	
Other payables	786,246,239	786,246,239	
Including: Interests payable	30,026,120	30,026,120	
Dividends payable	63,842,710	63,842,710	
Current portion of non-current liabilities	1,874,484,159	1,904,815,975	30,331,816
Total current liabilities	11,602,596,811	11,632,928,627	30,331,816
Non-current liabilities：			
Long-term borrowings	3,504,279,973	3,504,279,973	
Debentures payable	1,943,763,447	1,943,763,447	
Leasing liabilities	-	128,830,210	128,830,210
Long-term payables	191,011,663	191,011,663	
Long-term employee benefits payable	127,205,104	127,205,104	
Provisions	233,393,286	233,393,286	
Deferred income	301,399,766	301,399,766	
Deferred income tax	284,920,603	284,920,603	

liabilities			
Total non-current liabilities	6,585,973,842	6,714,804,052	128,830,210
Total liabilities	18,188,570,653	18,347,732,679	159,162,026
OWNERS'S EQUITY：			
Share capital	2,096,599,855	2,096,599,855	
Capital reserve	1,943,538,052	1,943,538,052	
Less: treasury stock	610,051,971	610,051,971	
Other comprehensive income	-275,292,763	-275,292,763	
Surplus reserve	1,111,880,257	1,111,880,257	
Retained profits	19,304,701,887	19,304,701,887	
Total equity attributable to owners of the Company	23,571,375,317	23,571,375,317	
Minority interests	2,168,563,181	2,168,563,181	
Total owners' equity	25,739,938,498	25,739,938,498	
TOTAL LIABILITIES AND OWNERS' EQUITY	43,928,509,151	44,087,671,177	159,162,026

Descriptions of the adjustments for each item：

The Ministry of Finance issued CAS 21——LEASE (CK 2018 [35]) in 2018.The Company has implemented the new lease standards since January 1, 2021, and adjusted relevant items in the financial statements as above.

It is herewith announced.

Board of Huaxin Cement

October 29, 2021