

Huaxin Cement Co., Ltd.

600801

Abstract of Half Year Report 2020

I. Important Notice

I. The abstract is the excerpt from half year report. To fully understand the operation result, financial status and future plan of the Company, investors should refer to the full script of half year report on Shanghai Stock Exchange website and designated media by China Securities Regulatory Commission.

II. The Board of Directors of the Company and its members, the Board of Supervisors of the Company and its members and Top Management members 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.

III. All Directors of the Company attended the Board Meeting.

IV. This Half Year Report has not been audited.

V. Profit distribution proposal for the reporting period reviewed by the Board of Directors

The Company would not conduct profits distribution during this reporting period and no capital reserve would be transferred to share capital.

II. Basic information

2.1 Company information

Company Stock			
Type	Place of listing	Abbreviation	Stock code
A share	Shanghai Stock Exchange	Huaxin Cement	600801
B share	Shanghai Stock Exchange	Huaxin B share	900933

	Secretary to the Board	Securities Affairs Representative
Name	Mr. Wang Ximing	Ms. Wang Lu
Liaison Address	Tower B, Huaxin Tower, No.426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province	Tower B, Huaxin Tower, No.426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province
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2. 2 Financial Statements Summary and Financial Indicators

Item	Current reporting period (January-June)	Same period of last year	Change over last year (%)
Total assets	40,257,709,796	36,645,386,717	9.86
Net assets attributable to shareholders of the Company	20,846,833,388	21,309,042,690	-2.17
Item	Current reporting period (January-June)	Same period of last year	Change over last year (%)
Net cash flow from operating activities	3,500,974,684	4,181,029,108	-16.27
Sales revenue	12,564,947,176	14,387,169,099	-12.67
Net profit attributable to shareholders of the Company	2,251,974,011	3,162,523,557	-28.79
Net profit attributable to shareholders of the Company after extraordinary items	2,242,786,717	3,130,652,271	-28.36
Return on net assets, weighted average (%)	10.08	17.30	A decrease of 7.22 percentage point
Basic earnings per share (Yuan/share)	1.08	1.51	-28.48
Diluted earnings per share (Yuan/share)	1.08	1.51	-28.48

2.3 Top Ten Shareholders and Top Ten Holders of Listed Shares

Total number of shareholders at the end of reporting period						101,214
Full Names of Shareholders	Shares amount at the end of the period	%	Amount of shares subject to conditional sales	Mortgage or frozen		Shareholder type
				Status	Amount	
HOLCHIN B.V.	835,543,825	39.85	0	nil	0	Foreign corporation
Huaxin Group Co., Ltd.	335,560,000	16.01	0	nil	0	State owned corporation
Hong Kong Securities Clearing Company Ltd.	86,255,116	4.11	0	nil	0	Unknown
HOLPAC LIMITED	41,691,843	1.99	0	nil	0	Foreign corporation
Central Huijin Investment Ltd	30,476,180	1.45	0	nil	0	Unknown
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	21,650,054	1.03	0	nil	0	Unknown

Qi Shichuan	15,415,208	0.74	0	nil	0	Domestic natural person
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	11,420,384	0.55	0	nil	0	Unknown
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	0.54	0	nil	0	Unknown
Huang Jianjun	8,865,342	0.42	0	nil	0	Domestic natural person
Remarks on relationship or concerted actions of the above shareholders		1. Holpac Limited is the party act in concert with Holchin B.V. 2. It is unknown to the Company whether there is any relationship among the shareholders or any concerted persons referred in the "Administrative Measures of Disclosing Changes in Shareholding for Listed Companies".				

2.4 Number of preferred stock shareholders as of the reporting period, top ten preferred stock shareholder

Not applicable

2.5 Change of controlling shareholder or actual controller

Not applicable

2.6 Undue and outstanding corporate bond

Unit:100 million RMB

Name	Abbreviation	Code	Issuing date	Date of expiry	Bond balance	Coupon rate
Huaxin Cement Co., Ltd. 2016 Corporate Bonds (tranche 1) (5 years)	16 Huaxin 01	136647	Aug. 19, 2016	Aug. 22, 2021	12.00	4.79%

Index reflecting the capability of paying debt

Item	Reporting period end	Last year end
Asset-liability ratio (%)	42.68	36.00
	Reporting period (Jan-Jun)	Same period of last year
EBITDA Interest Coverage Ratio	37.19	30.28

III. Discussion and Analysis on Business Operation

3.1 Discussion and Analysis on Business Operation

The first half of 2020 is the period to face unprecedented challenges for production and operation, transformation period to breed opportunities amid crisis and break new ground amid changes. During the reporting period, the Company strictly contained the epidemic and drove progress, unitedly and actively pushing forward safety control, market expansion, cost reduction and integrated project construction, making achievements in consolidating the basics and expanding whole industry chain.

For the first quarter, the sudden outbreak of COVID-19 resulted in grave insufficient demand in the markets of main products and rapid slump in price, coupled with restrictions on personnel flow and traffic, equipment maintenance plan was affected severely. Against such harsh conditions, the Company stabilized market order, stabilize price, stick to marketing innovation to increase sales volume, innovated thinking to stabilize operation, reducing the impact of the epidemic on production and operation to the lowest; in the meantime, the Company purchased all around the world to donate to local government to help with the epidemic control, fulfilled social responsibility with Yangxin, Wuxue, Yichang plants disposing medical wastes for free, contributing in a solid way to fight against the epidemic. In the second quarter, the Company seized the opportunity of market resumption, kept efficient operation while conducting daily contain of the epidemic. The sales volume of cement hit a new quarter high for the second quarter.

During the reporting period, the Company sold 32.74 million tons of cement and commercial concrete, down by 8% of against last year; aggregate 8.3969 million tons, up by 7.73% over last year; commercial concrete 1.5953 million m³, down by 9.76% against last year; disposal of wastes amounted to 1.3296 million tons, up by 33% against last year. Sales revenue achieved 12.565 billion RMB, down by 12.67% against last year; total profit 3.083 billion RMB, down by 28.42% over last year; net profit attributable to shareholders of the Company achieved 2.252 billion RMB, down by 28.79% against last year.

During the reporting period, Uzbek 4,000 tpd cement clinker production line kick off and put into production, increasing 2 million t/y capacity; aggregate projects in Hubei Changyang, Sichuan Quxian and Chongqing Yanjing add 9.5 million t/y capacity; Huangshi New Material and Intelligent Equipment Manufacturing Zone was completed and put into operation, adding 500 million units/y hot-sealed packaging bags, 200,000 t/y impermeable material, 50,000 t/y compound building material and self-developed UHPC capacity.