

HUAXIN CEMENT CO., LTD.

First Quarter Report 2020

I. Important Notice

1.1 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.

1.2 All Directors of the Company were present at the Board Meeting and reviewed the First Quarter Report 2020.

1.3 Chairman of the Company Mr. Xu Yongmo, Legal representative and CEO Mr. Li Yeqing, Chief in charge of Corporate Finance Ms. Kong Lingling and Manager of Accounting Department Mr. Wu Xin confirm that the financial statements in this First Quarter Report are true, accurate and complete.

1.4 The First Quarter Report of the Company was not audited.

II. Basic information of the Company

2.1 Financial Highlights

Unit: Yuan

	Reporting period end	Last year end	Change (%) of reporting period end / last year end
Total assets	36,335,665,690	36,645,386,717	-0.85
Net assets attributable to shareholders of the Company	21,513,488,370	21,309,042,690	0.96
	Year beginning to reporting period end (Jan-Mar)	Same period of last year (Jan-Mar)	Change (%) of the reporting period / same period of last year
Net cash flow from operating activities (Yuan)	434,960,772	1,304,929,362	-66.67
	Year beginning to reporting period end (Jan-Mar)	Same period of last year (Jan-Mar)	Change (%) of the reporting period / same period of last year
Sales revenue	3,849,201,089	5,975,730,102	-35.59
Net profit attributable to shareholders of the Company	354,137,040	1,010,896,167	-64.97
Net profit attributable to shareholders of the Company after extraordinary items	361,768,654	970,798,976	-62.73
Return on net assets, weighted average (%)	1.65	5.87	Reduced by 4.22 percentage points
Basic earnings per share (Yuan/share)	0.17	0.48	-64.58
Diluted earnings per share (Yuan/share)	0.17	0.48	-64.58

Extra-ordinary items and amount:

Applicable Not Applicable

Unit: Yuan

Item	Current period (Jan-Mar)	Remarks
Gains from disposal of non-current assets	-5,955,115	
Government subsidies, excluding regular fixed amount government subsidies	14,639,609	
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, derivative financial assets, tradable financial liabilities and derivative financial liabilities, and investment income gained from disposal of tradable financial assets, derivative finance, tradable financial liabilities, derivative financial liabilities and other credit investments	-6,505,297	
Other non-operating income and expenditures	-11,894,928	
Impacts from minority shareholders' interests (after tax)	263,924	
Impacts from income tax	1,820,193	
Total	-7,631,614	

2.2 Total number of shareholders, top ten shareholders and top ten holders of listed shares (not subject to conditional sales) at the reporting period end

Unit: share

Total number of shareholders				89,869		
Top ten shareholders						
Names of Shareholders (full name)	Shares held at the period end	%	Shares subject to conditional sales	Mortgage or frozen		Shareholder type
				Shares condition	number	
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 corporation
Hong Kong Securities Clearing Company Ltd.	94,494,785	4.51	0	nil	0	unknown
HOLPAC LIMITED	41,691,843	1.99	0	nil	0	Foreign corporation
Central Huijin Asset Management Ltd.	30,476,180	1.45	0	nil	0	unknown
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	25,188,856	1.20	0	nil	0	unknown
Qianhai Life Insurance Co., Ltd.-Dividend insurance product Huatai portfolio	13,136,752	0.63	0	nil	0	unknown

Industrial and Commercial Bank of China Limited-Rongtong China Wind No. 1 Flexible Allocation Hybrid Securities Investment Fund	12,042,473	0.57	0	nil	0	unknown
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	11,420,384	0.54	0	nil	0	unknown
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	0.54	0	nil	0	unknown

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	335,560,000	RMB ordinary shares	335,560,000
Hong Kong Securities Clearing Company Ltd.	94,494,785	RMB ordinary shares	94,494,785
HOLPAC LIMITED	41,691,843	Domestically listed foreign investment shares	41,691,843
Central Huijin Asset Management Ltd.	30,476,180	RMB ordinary shares	30,476,180
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	25,188,856	RMB ordinary shares	25,188,856
Qianhai Life Insurance Co., Ltd.-Dividend insurance product Huatai portfolio	13,136,752	RMB ordinary shares	13,136,752
Industrial and Commercial Bank of China Limited-Rongtong China Wind No. 1 Flexible Allocation Hybrid Securities Investment Fund	12,042,473	RMB ordinary shares	12,042,473
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	11,420,384	Domestically listed foreign investment shares	11,420,384
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB ordinary shares	11,289,600
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 relationship among the shareholders or any concerted persons referred in the "Administrative Measures of Disclosing Changes in Shareholding for Listed Companies".		

2.3 Total number of preference stock shareholders, top ten preference stock shareholders and

top ten preference stock holders of shares not subject to conditional sales at the reporting period end

Applicable Not Applicable

III. Major Events

3.1 Status and reasons for major changes on major items and financial indicators in financial statements

Applicable Not Applicable

3.1.1 Changes of Major Financial Indicators in the Balance Sheet

Unit: Yuan

Item	Period end	Year beginning	Change	%	Remarks
Financial assets held for trading	60,000,000	-	60,000,000	Not applicable	Bought monetary fund
Notes receivable	5,451,740	97,734,290	-92,282,550	-94%	Affected by the New Coronavirus Pneumonia Epidemic, notes receivable reduced
Accounts receivable	804,868,913	561,894,121	242,974,792	43%	Collection of receivables declined
Accounts receivable financing	718,793,276	1,308,788,934	-589,995,658	-45%	Decline in notes receivable
Inventories	2,541,330,913	1,949,050,780	592,280,133	30%	Increased inventories of semi-finished and finished products
Notes payable	107,885,255	191,505,647	-83,620,392	-44%	Decline in new notes
Treasury stock	83,411,595	-	83,411,595	Not applicable	Implementation of the company A share repurchase
Other comprehensive income	-83,695,977	-17,416,212	-66,279,765	-381%	Kyrgyzstan's currency Som has fallen against RMB

3.1.2 Changes of Major Financial Indicators in the Income statement

Unit: Yuan

Item	From year beginning to reporting period end (Jan-Mar 2020)	Same period of last year (Jan-Mar 2019)	Change	%	Remarks
Sales revenue	3,849,201,089	5,975,730,102	-2,126,529,013	-36%	Affected by the New Coronavirus Pneumonia Epidemic, product sales volume fell
Cost of sales	2,557,652,049	3,791,831,838	-1,234,179,789	-33%	Affected by the New Coronavirus Pneumonia Epidemic, product sales volume fell
General and administrative expenses	371,845,735	282,819,308	89,026,427	31%	Idle cost increased
Financial expenses	37,964,289	91,164,139	-53,199,850	-58%	Borrowings reduced
Investment income	-3,673,432	7,519,178	-11,192,610	-149%	Income from associated companies decline

Gains from changes in fair value	-6,798,788	-2,795,343	-4,003,445	-143%	Market value of the holding stocks fell
Non-operating income	805,612	8,381,130	-7,575,518	-90%	Long-term debt write-off reduced
Non-operating expenses	18,305,364	5,201,128	13,104,236	252%	Donations and epidemic prevention expenses increased
Income tax expenses	112,710,873	256,435,733	-143,724,860	-56%	Profits declined caused by the New Coronavirus Pneumonia Epidemic,
Net profit attributable to shareholders of the Company	354,137,040	1,010,896,167	-656,759,127	-65%	Profits declined caused by the New Coronavirus Pneumonia Epidemic,
Minority interests	25,937,083	87,007,207	-61,070,124	-70%	Profits declined caused by the New Coronavirus Pneumonia Epidemic,
Net of other comprehensive income after tax	-74,167,794	-19,688,504	-54,479,290	-277%	Kyrgyzstan's currency Som has fallen against RMB

3.1.3 Changes of Major Financial Indicators in the Cash flow statement

Unit: Yuan

Item	From year beginning to reporting period end (Jan – Mar 2020)	Same period of last year (Jan – Mar 2019)	Change	%	Remarks
Net cash flows from operating activities	434,960,772	1,304,929,362	-869,968,590	-67%	Affected by the New Coronavirus Pneumonia Epidemic, income scale shrank
Net cash flows from investing activities	-956,152,836	-470,954,141	-485,198,695	-103%	Net redemption of monetary funds decreased, and investment in projects increased
Net cash flows from financing activities	-52,477,050	-421,263,716	368,786,666	88%	Loan repayment reduced

3.2 Remarks on progress of major events, their impacts and solutions

1. Issuance of overseas bonds

On December 17, 2019, the Fourteenth Meeting of the Ninth Board of Directors of the Company reviewed and approved the "Proposal on the Issuance of Overseas Bonds through a Wholly Owned Subsidiary". The Company plans to issue overseas bonds totalling no more than US\$500 million (US\$500 million included) through a directly or indirectly wholly controlled subsidiary outside the PRC.

The issuance of overseas bonds is currently underway.

2. Repurchase of A Shares of the Company

On December 17, 2019, the Fourteenth Meeting of the Ninth Board of Directors of the Company reviewed and approved the "Proposal on the Repurchase of A Shares of the Company By Means of Centralized Bidding". The Company would repurchase its A shares through centralized bidding with self-fund. The total fund for share repurchase would not be less than 100 million

Yuan (100 million Yuan is included) and not be over 125 million Yuan (125 million Yuan is included). The price of the repurchased shares would be no more than 32.03 Yuan/share (including 32.03 Yuan/share). The shares repurchased would all be used for the ESOP or stock incentive plan. Time limit is within 12 months after the day when the Board reviewed and approved the share repurchase plan.

By March 31, 2020, the Company cumulatively repurchased 3,759,650 shares of the Company by means of centralized bidding through the trading system of Shanghai Stock Exchange. Total paid amount is 83,411,595 RMB (excluding trading fees)

3.3 Commitments that have not been fulfilled during the reporting period

Applicable Not Applicable

3.4 Reason, warning and remarks in respect of that accumulative net profit is predicted to be loss or have great change compared with those of the same period of previous year from beginning of this year to end of next reporting period.

Applicable Not Applicable

Huaxin Cement Co., Ltd.
Legal Representative: Mr. Li Yeqing
April 27, 2020

IV. Attachments

4.1 Financial statements

Balance Sheet (Consolidated)

March 31, 2020

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	31 Mar 2020	31 Dec 2019
Current assets		
Cash at bank and in hand	4,479,190,602	5,107,514,423
Financial assets held for trading	60,000,000	-
Notes receivable	5,451,740	97,734,290
Accounts receivable	804,868,913	561,894,121
Accounts receivable financing	718,793,276	1,308,788,934
Advances to suppliers	363,861,693	306,773,102
Other receivables	568,724,143	485,987,186
Including: Interest receivable	502,405	55,985
Dividend receivable	1,255,397	1,255,397
Inventories	2,541,330,913	1,949,050,780
Other current assets	425,512,349	330,744,967
Total current assets	9,967,733,629	10,148,487,803
Non-current assets		
Credit investments	7,500,000	7,500,000
Long-term receivables	28,766,074	29,148,833
Long-term equity investments	410,123,836	414,090,759
Other equity instrument investments	38,230,101	38,230,101
Other non-current financial assets	28,204,820	35,003,608
Fixed assets	16,287,036,927	16,718,113,646
Construction in progress	4,431,397,519	4,113,162,732
Intangible assets	3,833,887,790	3,869,622,351
Development expenditure	440,897	440,897
Goodwill	476,084,798	476,084,798
Long-term prepaid expenses	317,112,621	328,639,529
Deferred income tax assets	379,518,487	338,810,643
Other non-current assets	129,628,191	128,051,017
Total non-current assets	26,367,932,061	26,496,898,914
TOTAL ASSETS	36,335,665,690	36,645,386,717
Current liabilities		
Short-term borrowings	204,000,000	197,000,000
Notes payable	107,885,255	191,505,647
Accounts payable	4,558,713,740	5,120,908,908

Advances from customers	729,830,122	616,086,758
Employee benefits payable	553,010,303	484,465,267
Taxes and other levies payable	749,955,309	965,576,744
Other payables	693,839,529	679,448,864
Including: Interests payable	41,749,974	21,770,866
Dividends payable	24,745,896	34,268,915
Current portion of non-current liabilities	863,925,219	769,685,711
Total current liabilities	8,461,159,477	9,024,677,899
Non-current liabilities		
Long-term borrowings	2,034,883,816	2,039,543,196
Debentures payable	1,198,364,780	1,198,058,176
Long-term payables	83,062,193	81,962,612
Long-term employee benefits payable	124,555,240	124,555,420
Provisions	236,849,314	192,091,010
Deferred income	312,288,967	317,140,694
Deferred income tax liabilities	299,464,424	299,674,965
Total non-current liabilities	4,289,468,734	4,253,026,073
Total liabilities	12,750,628,211	13,277,703,972
OWNERS'S EQUITY		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	1,913,438,767	1,913,438,767
Less: treasury stock	83,411,595	
Other comprehensive income	-83,695,977	-17,416,212
Surplus reserve	1,111,880,257	1,111,880,257
Retained earnings	16,558,677,063	16,204,540,023
Total equity attributable to owners of the Company	21,513,488,370	21,309,042,690
Minority interests	2,071,549,109	2,058,640,055
Total owners' equity	23,585,037,479	23,367,682,745
TOTAL LIABILITIES AND OWNERS' EQUITY	36,335,665,690	36,645,386,717

Legal Representative: Mr. Li Yeqing Chief in charge of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Balance Sheet (Parent Company)

March 31, 2020

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	31 Mar 2020	31 Dec 2019
Current assets		
Cash at bank and in hand	2,471,839,365	3,148,929,763
Financial assets held for trading	60,000,000	-
Notes receivable	3,000,000	-
Accounts receivable	553,172,539	555,399,137
Accounts receivable financing	142,861,397	245,181,208
Advances to suppliers	127,613,442	183,324,256
Other receivables	4,980,338,306	4,546,663,414
Including: Interest receivable	-	-
Dividend receivable	31,955,397	21,255,397
Inventories	294,818,084	220,966,574
Current portion of non-current assets	4,855,490	4,855,490
Other current assets	23,087,190	19,981,554
Total current assets	8,661,585,813	8,925,301,396
Non-current assets		
Long-term receivables	19,267,459	18,916,961
Long-term equity investments	10,482,060,214	10,486,027,137
Other equity instrument investments	38,230,101	38,230,101
Other non-current financial assets	28,204,820	35,003,608
Fixed assets	337,856,270	347,148,222
Construction in progress	289,991,008	292,601,071
Intangible assets	41,404,334	42,058,446
Long-term prepaid expenses	18,333,261	18,918,836
Deferred income tax assets	25,117,714	23,418,017
Total non-current assets	11,280,465,181	11,302,322,399
TOTAL ASSETS	19,942,050,994	20,227,623,795
Current liabilities		
Notes payable	19,700,000	49,700,000
Accounts payable	319,843,224	386,736,905
Advances from customers	18,446,806	9,921,984
Employee benefits payable	89,839,221	76,980,665
Taxes and other levies payable	153,253,370	175,298,992
Other payables	4,717,607,956	4,830,428,433
Including: Interests payable	36,813,713	20,756,667
Dividends payable	576,326	576,326

Current portion of non-current liabilities	560,645,870	444,346,556
Total current liabilities	5,879,336,447	5,973,413,535
Non-current liabilities		
Long-term borrowings	583,340,820	702,340,753
Debentures payable	1,198,364,780	1,198,058,176
Long-term employee benefits payable	46,829,589	46,829,589
Provisions	7,962,425	7,962,425
Deferred income	15,794,250	15,929,667
Total non-current liabilities	1,852,291,864	1,971,120,610
Total liabilities	7,731,628,311	7,944,534,145
OWNERS'S EQUITY		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	2,311,782,051	2,311,782,051
Less: treasury stock	83,411,595	
Other comprehensive income	17,103,476	17,103,476
Surplus reserve	1,111,880,257	1,111,880,257
Retained earnings	6,756,468,639	6,745,724,011
Total owners' equity	12,210,422,683	12,283,089,650
TOTAL LIABILITIES AND OWNERS' EQUITY	19,942,050,994	20,227,623,795

Legal Representative: Mr. Li Yeqing Chief in charge of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Income Statements (Consolidated)

Jan-Mar 2020

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	Q1 2020	Q1 2019
1. Total sales revenue	3,849,201,089	5,975,730,102
Including: sales revenue	3,849,201,089	5,975,730,102
2. Total cost of sales	3,360,634,947	4,678,689,113
Including: Cost of sales	2,557,652,049	3,791,831,838
Taxes and surcharges	86,206,896	105,976,381
Selling and distribution expenses	304,535,914	403,844,705
General and administrative expenses	371,845,735	282,819,308
Research and development expenses	2,430,064	3,052,742
Financial expenses-net	37,964,289	91,164,139
Including: Interest expenses	46,277,479	91,028,475
Interest income	11,550,905	10,993,931
Add: Other incomes	32,907,578	46,535,012
Investment income	-3,673,432	7,519,178
Including: Investment income from associates and joint ventures	-3,966,923	-4,107,574
Gains from changes in fair values	-6,798,788	-2,795,343
Losses on credit impairment	-484,350	722,939
Losses on assets impairment	2,068	-
Gains on disposal of assets	-234,470	2,136,330
3. Operating profit	510,284,748	1,351,159,105
Add: Non-operating income	805,612	8,381,130
Less: Non-operating expenses	18,305,364	5,201,128
4. Total Profit	492,784,996	1,354,339,107
Less: Income tax expenses	112,710,873	256,435,733
5. Net profit	380,074,123	1,097,903,374
(1) Classified by going concern basis		
Net profit of continuing operation	380,074,123	1,097,903,374
Net profit of discontinuing operation		
(2) Classified by ownership		
Attributable to shareholders of the Company	354,137,040	1,010,896,167
Minority interests	25,937,083	87,007,207
6. Other comprehensive income - net of tax	-74,167,794	-19,688,504
Attributable to shareholders of the Company, net of tax	-66,279,765	-11,554,755
(1) Other comprehensive income that will not be	-	-

reclassified to gain or loss		
(2) Other comprehensive income that will be subsequently reclassified as gain or loss	-66,279,765	-11,554,755
Differences on translation of foreign currency financial statements	-66,279,765	-11,554,755
Attributable to minority interest, net of tax	-7,888,029	-8,133,749
7. Total comprehensive income	305,906,329	1,078,214,870
Attributable to shareholders of the Company	287,857,275	999,341,412
Attributable to minority interest	18,049,054	78,873,458
8. Earnings per share		
(1) Basic earnings per share (Yuan/share)	0.17	0.48
(2) Diluted earnings per share (Yuan/share)	0.17	0.48

Legal Representative: Mr. Li Yeqing Chief in charge of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Income Statement (Parent Company)

Jan-Mar 2020

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	Q1 2020	Q1 2019
1. Sales revenue	660,384,148	902,610,254
Less: Cost of sales	586,260,015	759,958,952
Taxes and surcharges	4,286,299	3,396,222
Selling and distribution expenses	10,187,380	13,259,405
General and administrative expenses	70,006,738	55,830,658
Research and development expenses	-	-
Financial expenses-net	-15,682,695	27,992,466
Including: Interest expenses	19,513,654	24,383,310
Interest income	11,253,416	8,864,125
Add: Other incomes	148,557	735,417
Investment income	17,026,568	85,019,178
Including: Investment income from associates and joint ventures	-3,966,923	85,019,178
Gains from changes in fair values	-6,798,788	-2,795,343
Losses on credit impairment	-	-
Losses on assets impairment	-	-
Gains on disposal of assets	-	2,251,321
2. Operating profit	15,702,748	127,383,124
Add: Non-operating income	4,201	3,828
Less: Non-operating expenses	2,732,466	20,000
3. Total Profit	12,974,483	127,366,952
Less: Income tax expenses	2,229,855	10,586,943
4. Net profit	10,744,628	116,780,009
Net profit of continuing operation	10,744,628	116,780,009
Net profit of discontinuing operation		
5. Other comprehensive income - net of tax		
6. Total comprehensive income	10,744,628	116,780,009
7. Earnings per share		
(1) Basic earnings per share (Yuan/share)		
(2) Diluted earnings per share (Yuan/share)		

Legal Representative: Mr. Li Yeqing Chief in charge of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Cash Flow Statements (Consolidated)

Jan-Mar 2020

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,833,632,179	6,812,644,946
Refund of taxes and surcharges	28,237,235	26,990,424
Cash received relating to other operating activities	84,211,057	114,172,549
Sub-total of cash inflows	4,946,080,471	6,953,807,919
Cash paid for goods and services	3,191,776,205	3,909,850,603
Cash paid to and on behalf of employees	514,389,631	655,522,021
Payments of taxes and surcharges	661,222,496	835,011,530
Cash paid relating to other operating activities	143,731,367	248,494,403
Sub-total of cash outflows	4,511,119,699	5,648,878,557
Net cash flows from operating activities	434,960,772	1,304,929,362
2. Cash flows from investing activities		
Cash received from disposal of investments	300,020,917	800,000,000
Cash received from returns on investments	343,604	11,126,751
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	602,693	22,013,333
Net cash received from disposal of subsidiaries and other operating units	-	1,500,000
Cash received relating to other investing activities	-	34,285,800
Sub-total of cash inflows	300,967,214	868,925,884
Cash paid to acquire fixed assets, intangible assets and other long-term assets	810,320,167	731,246,680
Cash paid relating to investing activities	360,000,000	600,000,000
Net cash paid for acquisition of subsidiaries and other operating units	-	8,633,345
Cash paid relating to other investing activities	86,799,883	-
Sub-total of cash outflows	1,257,120,050	1,339,880,025
Net cash flows from investing activities	-956,152,836	-470,954,141
3. Cash flows from financing activities		
Cash received from capital contributions	4,160,000	-
Cash received from borrowings	126,994,000	40,000,000
Cash received from other financing activities	10,470,287	137,900,000
Sub-total of cash inflows	141,624,287	177,900,000
Cash repayments of borrowings	12,706,725	483,312,489
Cash payments for interest expenses and distribution of dividends or profits	49,494,430	82,028,034
Cash payments relating to other financing activities	131,900,182	33,823,193

Sub-total of cash outflows	194,101,337	599,163,716
Net cash flows from financing activities	-52,477,050	-421,263,716
4. Effect of foreign exchange rate changes on cash	-12,737,843	-1,566,276
5. Net increase in cash and cash equivalents	-586,406,957	411,145,229
Add: Cash and cash equivalents at the period beginning	4,918,296,452	5,237,665,031
6. Cash and cash equivalents at the period end	4,331,889,495	5,648,810,260

Legal Representative: Mr. Li Yeqing Chief of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

Cash Flow Statements (Parent Company)

Jan-Mar 2020

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	688,924,259	498,947,635
Cash received relating to other operating activities	144,984,060	474,052,906
Sub-total of cash inflows	833,908,319	973,000,541
Cash paid for goods and services	694,528,353	741,753,227
Cash paid to and on behalf of employees	193,004,801	88,367,038
Payments of taxes and surcharges	15,408,175	38,385,313
Cash paid relating to other operating activities	46,332,773	276,130,302
Sub-total of cash outflows	949,274,102	1,144,635,880
Net cash flows from operating activities	-115,365,783	-171,635,339
2. Cash flows from investing activities		
Cash received from disposal of investments	300,000,000	800,000,000
Cash received from returns on investments	10,293,491	124,044,631
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,751	2,473,416
Sub-total of cash inflows	310,308,242	926,518,047
Cash paid to acquire fixed assets, intangible assets and other long-term assets	24,074,842	26,574,088
Cash paid relating to investing activities	360,000,000	600,000,000
Sub-total of cash outflows	384,074,842	626,574,088
Net cash flows from investing activities	-73,766,600	299,943,959
3. Cash flows from financing activities		
Cash received from other financing activities	1,397,768,430	1,974,387,147
Sub-total of cash inflows	1,397,768,430	1,974,387,147
Cash repayments of borrowings	2,690,837	4,183,333
Cash payments for interest expenses and distribution of dividends or profits	-13,318,429	-27,392,340

Cash payments relating to other financing activities	1,894,630,544	1,767,848,473
Sub-total of cash outflows	1,884,002,952	1,744,639,466
Net cash flows from financing activities	-486,234,522	229,747,681
4. Effect of foreign exchange rate changes on cash	-590,548	-291,495
5. Net increase in cash and cash equivalents	-675,957,453	357,764,806
Add: Cash and cash equivalents at the period beginning	3,141,838,852	3,444,018,042
6. Cash and cash equivalents at the period end	2,465,881,399	3,801,782,848

Legal Representative: Mr. Li Yeqing Chief of Corporate Finance: Ms. Kong Lingling Person in charge of Accounting Department: Mr. Wu Xin

4.2 Adjustment to the financial statements for the beginning of the year after implementing the New Financial Instrument Standards, New Revenue Standards, New Leasing Standards for the first time since 2020

Applicable Not Applicable

4.3 Explanation on tracing previous statistics due to application of New Financial Instrument Guideline, New Leasing Guideline for the first time since 2020

Applicable Inapplicable

4.4 Audit Report

Applicable Not Applicable