

Huaxin Cement Co., Ltd.

600801

Half Year Report 2020

Important Notice

I. 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.

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

III. This Half Year Report has not been audited.

IV. Chairman of the Company Mr. Xu Yongmo, Legal Representative and CEO Mr. Li Yeqing, person in charge of accounting Ms. Kong Lingling, and Chief of Accounting Department Mr. Wu Xin declare and confirm that the Financial Statements contained in this Half Year Report is true, accurate and complete.

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.

VI. Risk statement of the forward-looking description

Future plan, development strategy and other forward-looking description in this Report are not essential commitments of the Company to its investors. Investors are kindly requested to note the investment risk.

VII. There was no frequent fund occupation by the controlling shareholders or their related parties.

VIII. All the external guarantees provided by the Company were in compliance with the decision-making procedures.

IX. Significant Risk Warning

None

X.Others

Applicable Inapplicable

Chapter 1 Interpretation

In this Report, unless otherwise requires, the below terms have the following meanings:

Interpretation of the common words		
The Company, Company and Huaxin Cement	means	Huaxin Cement Co., Ltd.
Reporting period	means	1 January 2020 – 30 June 2020
Yuan, K Yuan, 10 K Yuan, mio Yuan, 100 mio Yuan	means	RMB, RMB thousand Yuan, RMB 10 thousand Yuan, RMB million Yuan, RMB 100 million Yuan, China's legal currency
NOX	means	Nitrogen oxide(s)
SNCR	means	Selective Non-Catalytic Reduction
SO2	means	Sulfur dioxide

Chapter 2 General and Key Financial Indicators

I. Company Information

Name of the Company in Chinese	华新水泥股份有限公司
Abbreviation in Chinese	华新水泥
Name of the Company in English	Huaxin Cement Co., Ltd.
Abbreviation in English	HUAXINCEM
Legal Representative	Mr. Li Yeqing

II. Liaison Information

	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
Tel	02787773896	02787773898
Fax	02787773992	02787773992
E-mail	investor@huaxincem.com	investor@huaxincem.com

III. Basic Information

Registered location of the Company	No. 600 East Daqi Avenue, Huangshi City, Hubei Province
Post code of the registered location	435007
Administrative location of the Company	Tower B, Huaxin Tower, No.426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province
Post code of the administrative location	430073
Website of the Company	www.huaxincem.com
E-mail	investor@huaxincem.com
Search index for changes during the reporting period	Basic information of the Company has not been changed during the reporting period.

IV. Information Disclosure and Place Available

Press for Information Disclosure	China Securities Journal, Shanghai Securities News
Annual Report available on the Internet website appointed by CSRC	www.sse.com.cn
Place available	Securities and Investors Relations Department of the Company

V. Company Stock

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

VI. Other Information

Applicable Inapplicable

VII. Financial Statements Summary and Financial Indicators

(I) Financial Statements Summary

Unit: Yuan

Item	Current reporting period (January-June)	Same period of last year	Change over last year (%)
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
Net cash flow from operating activities	3,500,974,684	4,181,029,108	-16.27
	Current period end	At the end of 2018	Change over last year (%)
Net assets attributable to shareholders of the Company	20,846,833,388	21,309,042,690	-2.17
Total assets	40,257,709,796	36,645,386,717	9.86

(II) Financial Highlights

Item	Current reporting period (January-June)	Same period of last year	Change over last year (%)
Basic earnings per share (Yuan/share)	1.08	1.51	-28.48
Diluted earnings per share (Yuan/share)	1.08	1.51	-28.48
Basic earnings per share after extraordinary items (Yuan/share)	1.07	1.49	-28.19
Return on net assets, weighted average (%)	10.08	17.30	A decrease of 7.22 percentage point
Return on net assets after extraordinary items, weighted average (%)	10.04	17.12	A decrease of 7.08 percentage point

Notes on financial statements summary and financial indicators

VIII. Differences between Accounting Data under Overseas Accounting Standard and Accounting Data under Domestic Accounting Standard

Applicable Inapplicable

IX. Non-routine items and Amount

Unit: Yuan

Item	Amount
Profit or loss on disposal of non-current assets	-1,753,965
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)	41,153,912
In addition to the effective hedging business related to the normal business of the Company, gains and losses on changes in fair value arising from tradable financial assets, derived financial assets, tradable financial liabilities and derived financial liabilities, as well as investment income from disposal of tradable financial assets, derived financial assets, tradable financial liabilities, derived financial liabilities, or other credit investments	-5,513,294
Non-operating items other than aforesaid items	-23,594,358
Effect of minority interest (after tax)	599,503
Effect of income tax	-1,704,504
Total	9,187,294

X. Others

Applicable Inapplicable

Chapter 3 Brief Introduction on the Company's Businesses

I. the Company's main businesses, operating model and industrial situation during the reporting period

(I) The Company's main businesses

At the beginning of the listing, the Company was engaging in manufacturing and sale of cement, cement technical services, research, manufacturing, installation and maintenance of cement equipment, as well as cement import and export trade. In recent years, through vertical integration, Eco business transformation strategy, overseas development strategy and high-tech building material business expansion, the Company expanded its businesses to production and sales of RMX, aggregates, cement kiln co-processing of waste materials, EPC for both domestic and international cement projects, equipment business and project contracting regarding cement kiln co-processing technology and related business in cement based new and high-tech building materials .

The Company ranks among Chinese Manufacturing Industry Top 500 and Fortune China Top 500. So far, the Company owns around 230 subsidiaries and branches in 10 provinces and cities including Hubei, Hunan, Yunnan, Sichuan, Guizhou, Guangdong, Henan, Chongqing, Jiangxi and Tibet as well as 6 countries including Tajikistan, Cambodia, Kyrgyzstan, Tanzania, Uzbek and Nepal with total cement capacity of 100 million tons/year, cement equipment manufacturing capacity of 50,000 tons/year, commercial concrete capacity of 22.35 million M³/year, aggregate capacity of 49 million tons/year, integrated eco wall material 120 million units/year, mortar capacity 300, 000 tons/y, cement package bag capacity of 700 million/year and wastes disposal capacity of 5.7 million tons/year (including CIPs).

In the first half of 2020, revenue of cement business accounts for 86% of the Company's total revenue, taking the lead in all businesses of the Company.

(II) The Company's operation model

1. Management model

In line with the group management and specialized operation, the Company has set up a framework with Group Headquarters, BUs and subsidiaries, which is efficiently operated with clearly defined rights and responsibilities and strong execution capacity in a group management manner.

2. Production model

The Company's production is determined according to sales. Branches and subsidiaries formulate their annual production and operation plans and organize production based on the local demand.

3. Sales model

Business model of the Company is headquarters' guidance, unified management of BUs and equal emphasis on direct marketing and distribution. Pursuit of quality is at the core. Brand promotion and value maintenance is valued to continuously improve market competitiveness.

4. Procurement model

The Company has established procurement management model of “unified procurement” + “online procurement”. Important raw materials and fuels are procured by the headquarter collectively while office suppliers, IT consumables and some industry products are purchased online. Raw material, fuels, auxiliary materials and spare parts that are not included in unified procurement nor online procurement are collectively purchased through the standardized and procedural bidding platform of the headquarters in an open and transparent manner.

(III) Industrial situation

Cement is an important and basic building material widely used in national infrastructure construction, municipal infrastructure and facility construction, real estate development, new rural infrastructure and civil construction. In the meantime, featuring with wide distribution of raw material and good performance in construction, cement will remain an irreplaceable construction material for quite a long time in the future.

In the first half of 2020, the sudden outbreak of COVID-19 hit cement industry, resulting in the decline of both sales volume and price. From January to June, accumulated cement output totaled 998 million tons, decreasing 4.8% against last year. (Data source: National Statistics Bureau). Average ex-plant price declined 1.9% over the same period of last year. (Data source: Ministry of Industry and Information Technology). From the trend in this quarter, the epidemic in the first quarter slowed down the start of cement demand after spring festival, production and sales of cement nationally slid 23.93% against the same period of last year, the biggest decline since the beginning of this century; since the epidemic was effectively controlled in the second quarter, demand in the infrastructure and real estate resumed. Suppressed demand was released, cement output rapidly rebounded, increasing 6.9% over the same period of last year.

In the second half of 2020, central government issued a slew of policies, raised deficit rate, issued special national bond, increased local debt for special purpose and supported private enterprises to participate in the development of traffic infrastructure. After the huge flood disaster, flood control facility construction and water conservancy projects investment will continue to breed demand. It is predicted that the investment in infrastructure in the second half will accelerate, boosting smooth progress of Chinese economy. Meanwhile, as the epidemic is gradually contained, economic and social order accelerates the resumption. Demand in cement market is likely to be further released and cement price is expected to stabilize and rebound.

II. Major assets changes of the Company during the reporting period

III. Core Competitiveness

Established in 1907, the Company enjoys a long history and profound culture heritage and it is one of the top 100 large scale Companies listed in “China’s 500 Most Valuable Brands”. By unswervingly taking efforts in management and technological innovation and scientific development, the Company has always been one of the most influential enterprises in building materials industry with strong comprehensive competitiveness.

Core competitiveness of the Company is reflected as followed:

1. Advantages in scale operation and integral industry chain

The Company lowers the cost by scale effect, channels the upstream and downstream of the industry chain and gives play to the whole industry chain so as to form relatively strong competitiveness.

Since being listed, through continuous investment in new plants, merge and acquisition, the Company has been equipped with nearly 100 million tons of capacity across 9 provinces and cities in China and neighboring countries. In the meantime, the Company advocates and fulfills the development concept of “Rational Competition, Industrial Integration and Environmental Transformation”. Depending on the Company’s major business of cement, the Company steadily developed RMX, aggregate, cement equipment and engineering businesses, cement based new building materials and eco business relied on Cement Kiln Co-processing, realizing vertically integral development earlier than other companies and forming coordinated competitiveness of synergy in both upstream and downstream in terms of products, service and integral solution.

2. Advantages in technology innovation and sustainable development

The Company has upheld the concept of “Development Driven by Innovation”. Starting from industry practical application and combining introduction and self-development, the Company has established a complete set of full-fledged technology innovation system and cultivated a strong and professional technology R&D team which maintains its leading place in technology innovation. The Company now has the overall contracting capacity in R&D, designing, manufacturing, installation, commissioning and “Turnkey Projects” of cement production facilities. It also has the capacity of exploring technology in cement kiln co-processing of wastes, as well as the capacity of applying the relevant technologies into real industrial production practice.

The Company was awarded the Second Prize in the National Science and Technology Progress Awards in 2009 and 2017 (the first batch of units to finish the award). During the reporting period, the Company was awarded the First Prize in the National Science and Technology Progress Awards by the project “Digital system development and innovation in cement enterprise”. By the end of the reporting period, the Company obtained 42 patents for invention derived from production practice and 115 patents of utility model.

3. Advantages in Trademark and Brand

“Huaxin Castle” is a Chinese well-known trademark owned by the Company, and it is one of the oldest cement brands in China. The century old trademark and brand are well-known and highly recognized in the industry.

In 2020, the Company ranked 82th in the “China’s 500 Most Valuable Brands” with the brand value at 59.875 billion RMB, continuously up the ranking.

4. Advantages in the tradition of quality product

The Company was selected as one of the national “Quality Model” Enterprises. The Company is the first enterprise in cement industry that passed the GB/T19001—ISO9001 quality system authentication. All 15 types of cement products were in the roll of the first batch of National Quality Inspection-Free Products and the quality of its cement products has been among the best in the national cement quality competition. The cement products of the Company have been used as building material in construction of the national landmark buildings and key projects such as the Great Hall of the People, Wuhan Yangtze River Bridge, Jingzhu Expressway, Qinghai-Tibet Railway, Three Gorges Dam and Hongkong-Zhuhai-Macau Bridge etc. and have won widespread acclaim.

5. Advantages in strategy layout

Chinese plants of the Company are mostly located along Yangtze River economic belt, key areas or hot spots in the west where economy is vibrant and market demand can be guaranteed comparatively. For overseas plants of the Company, they are planned like filling the blanks, in countries along the Belt and Road Initiative that have good friendship with China. In the meantime, the choice of location abides by the principle of “guaranteed resources, convenient traffic and potential in market growth”. As for the layout of cement based new material business and eco business of cement kiln co-processing, the Company fully considers the relevance, the coupling and synergy with its main business cement. Business layout, concentration and synergy of market layout have formulated the Company’s own strategic advantages.

6. Advantages in professional, stable and efficient management team

Top management’s leadership is the key to the Company’s strategy success. For the past 20 years, compound annual growth rate of the Company maintained highly efficient growth at 24%. It’s contributed by the entrepreneurship management team that is professional, dedicated, stable, advanced in concept, diligent, devoted, good at learning and efficient in management.

Chapter 4 Discussion and Analysis on Business Operation

I. 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.

(I) Major Operations

1. Changes of Items in Financial Statement

Unit: Yuan

Item	Current period	Same period of last year	Change (%)
Sales revenue	12,564,947,176	14,387,169,099	-12.67
Cost of sales	7,667,011,135	8,379,857,315	-8.51
Selling and distribution expenses	862,846,359	867,108,518	-0.49
General and administrative expenses	725,182,057	608,465,774	19.18
Financial costs	90,426,347	155,793,721	-41.96
R&D expenditures	8,441,524	10,961,107	-22.99
Net cash flows from operating activities	3,500,974,684	4,181,029,108	-16.27
Net cash flows from investing activities	-2,462,368,757	-1,317,741,552	-86.86
Net cash flows from financing activities	1,394,967,421	-3,366,353,880	141.44

Reasons of financial costs change: weighted average liability with interest decreased, interest fee decreased.

Reasons for net cash flows from investing activities change: production line projects construction investment in and out of China increased.

Reasons for net cash flows from financing activities change: new loans.

2. Others

(1) Significant change in profit structure or profit sources

Applicable Inapplicable

(2) Others

Applicable Inapplicable

(II) Significant profit change due to non-core business

Applicable Inapplicable

(III) Assets and Liabilities

1. Assets and Liabilities

Unit: Yuan

Item	June 30, 2020	% in the total assets	End of last period	% in the total assets	Change over the end of last period (%)	Remarks
Cash at bank and in hand	7,594,186,224	18.86	5,107,514,423	13.94	48.69	Announced but undistributed cash

						dividend provision
Notes receivable	46,300,522	0.12	97,734,290	0.27	-52.63	Proportion of cash in outstanding receivables increased, outstanding notes decreased.
Accounts receivable	966,727,502	2.40	561,894,121	1.53	72.05	Outstanding receivables delayed due to the impact of COVID-19.
Financing from receivables	687,798,744	1.71	1,308,788,934	3.57	-47.45	Proportion of cash in outstanding receivables increased, outstanding notes decreased.
Other receivables	321,955,909	0.80	485,987,186	1.33	-33.75	Reclassification of equity M&A payment
Other non-current assets	922,124,242	2.29	128,051,017	0.35	620.12	New addition of equity M&A payment.
Short-term borrowings	629,000,000	1.56	197,000,000	0.54	219.29	Supplement working capital
Notes payable	371,681,389	0.92	191,505,647	0.52	94.08	Notes stock decreased, new notes increased.
Contract liabilities	639,537,401	1.59	0	-	-	Reclassification based on New Accounting Standard for Revenue
Other payables	3,310,531,656	8.22	679,448,864	1.85	387.24	Announced but undistributed cash dividend
Current portion of non-current liabilities	484,204,261	1.20	769,685,711	2.10	-37.09	Due payment of long term borrowings
Long-term borrowings	3,477,101,590	8.64	2,039,543,196	5.57	70.48	Debt increase due to M&A and new projects
Reduce: stock shares	122,533,983	0.30	0	-	-	Share repurchase for ESOP
Other comprehensive income	-73,583,512	-0.18	-17,416,212	-0.05	322.50	Increase in difference of foreign currency conversion

2. Major restrictions on assets by the period end

Item	Book value at the end of the period
Cash at bank and in hand	245,654,578
Notes receivable	4,000,000
Financing from accounts receivable	164,242,731
Fixed assets	5,992,164
Intangible assets	1,877,002
Total	421,766,475

Equities of some subsidiaries of the Group have been pledged to bank for long term borrowings (Notes VII 28. As of 2020 June 30, book value of net asset balance equivalent to those equities is around 4,249,558,651 RMB.

3. Other explanations

Applicable Inapplicable

(IV) Investments

1. External equity investment

Applicable Inapplicable

Unit: Yuan

Item	Current period	Last period	Change (%)
Credit investment	7,500,000	7,500,000	0
Other equity instrument investment	33,774,995	38,230,101	-11.65
Other non-current financial assets	27,557,280	35,003,608	-21.27
Long term equity investment	474,787,862	414,090,759	14.66

(1) Major equity investment

Unit: Yuan

Invested party	Main business	Investment proportion (%)
Tibet Gaoxin Building Materials Group Co., Ltd.	Production and sales of cement	43%

(2) Major non-equity investmentApplicable Inapplicable**(3) Financial Assets valued by fair value**

Unit: Yuan

Stock investment:

Stock code	Stock abbreviation	Original investment (Yuan)	Equity proportion (%)	Book value at period end (Yuan)	Profits/ losses during the reporting period	Accounting title
601328	Bank of Communication	3,165,725	0.0029%	11,207,280	-1,092,328	Other non-current financial assets
601601	China Pacific Insurance	696,000	0.0066%	16,350,000	-5,634,000	Other non-current financial assets
Total			/	27,557,280	-6,726,328	

(V) Major assets and equity saleApplicable Inapplicable

(VI) Major holding and joint stock companies

Unit: Yuan

Company name	Major product and service	Registered capital	Total assets	Net assets	Net profit	Sales revenue
Huaxin Cement (Yangxin) Co., Ltd	Production and sales of cement	500,000,000	1,356,860,159	881,911,128	163,558,792	644,832,350
Huaxin Cement (Wuxue) Co., Ltd	Production and sales of cement	300,000,000	1,188,062,797	686,917,743	193,725,274	648,323,327
Huaxin Cement (Tibet) Co., Ltd	Production and sales of cement	50,000,000	1,768,348,413	1,007,582,965	150,138,046	550,605,444

(VII) Structural main body changes controlled by the CompanyApplicable Inapplicable**III. Other Information Disclosure****(I) Warning and Explanation on Forecasting Loss or Major Change in Net Profit from the Period Beginning till the Next Period End Compared with the Same Period of Last Year**Applicable Inapplicable**(II) Potential risks**Applicable Inapplicable**1. Risk of fluctuation in market demand**

Cement demand is in positive correlation with the prosperity of national economy and fixed asset investment growth speed. It's highly periodical. Once the epidemic breaks out again, or flood, drought, economy slowdown occurs, fixed asset investment scale is bound to go downturn, leading to the decrease in cement demand. Under the circumstance of cement industry overcapacity, cement demand slide will result in aggravated competition, price fluctuation and decline, which will pose negative impacts on the profit of the Company.

2. Risk of safety production and compliance operation

The production covers quarry exploitation, cement and cement product manufacturing, disposal of hazard wastes, household garbage, sludge. Cement production is usually regarded as heavy load on the environment. As national government steps up restrictions on safety production, eco emission, the Company needs to increase cost of operation and once there is safety accident, eco accident, it will bring about losses on the reputation and property of the Company and pose adverse impacts on the operation.

(III) Other disclosureApplicable Inapplicable

Chapter 5 Major Events

I. Introduction of Shareholders' General Meetings

Meeting	Date	Appointed website for reference of the Resolution	Disclosure date of the Resolution
2020 Extraordinary Shareholders' General Meeting	January 7, 2020	www.sse.com.cn	January 8, 2020
Annual Shareholders' General Meeting 2019	June 3, 2020	www.sse.com.cn	June 4, 2020

Explanation of the Shareholders' General Meetings

Applicable Inapplicable

II. Dividends distribution or capital reserve

(I) Plan or proposal of dividend distribution, conversion of capital reserve into share capital in the first half of the year

Dividend distribution, conversion of capital reserve into share capital	None
Bonus share for 10 shares (share)	0
Dividends for 10 shares (Yuan) (incl. tax)	0
Stock split for 10 shares (share)	0
Relevant explanations on dividend distribution, conversion of capital reserve into share capital	Nil

III. Execution of Commitments

Applicable Inapplicable

IV. Appointment or dismissing of Certified Public Accountants

Appointment or dismissing of certified public accountants

Applicable Inapplicable

2019 Annual Shareholders' General Meeting reviewed and approved to extend the contract with Deloitte Touche Tohmatsu LLP to be the accounting firm for 2020 annual financial accounting and internal control.

Change of appointment of certified public accountants during the audit period

Applicable Inapplicable

Company's Explanation on "Non-standard Audit Report" issued by the CPAs

Applicable Inapplicable

Company's Explanation on "Non-standard Audit Report" in the Financial Statements of the Annual Report 2019 issued by the CPAs

Applicable Inapplicable

V. Related Issue on Bankruptcy and Reform

Applicable Not applicable

VI. Material Lawsuit or Arbitration

(I) Lawsuits and arbitrations that had been disclosed in extraordinary announcements and had no further progress

Events summary and type	Reference
Huaxin Concrete Xiangyang Co., Ltd. sued Xiangyang Jianshan Technology Co., Ltd about claims and debts dispute	For detailed information, please refer to Item 10 “Material Lawsuit or Arbitration” in the Chapter 5 of Huaxin Cement Co., Ltd. Annual Report 2018 at www.sse.com.cn .

(II) Lawsuits and arbitrations that were not disclosed in extraordinary announcements or that had further progress

Unit: 0000 Yuan

Plaintiff	Appellee	Party bearing joint liability	Type	Basic Information	Amount	Is there any accrued liabilities and the amount	Progress	Result and effect	Execution of judgment
Huaxin Cement Co.,Ltd	The Company sued Tianxing Group Co, Ltd., Yongkang Tianyi Enamelware Co., Ltd., Zhejiang Hengtai Aluminum Industry Co., Ltd., Wuyi Huaou Furniture Co., Ltd., shareholders of Guanghan Sanxingdui Cement Co., Ltd., including Mr. Xu Weiqiang, Mr. Liu Ligu, Mr. Xu Liansheng, Mr. Lin Kuande, Ms. Liu Mingyan, Mr. Cheng Dongqing, Mr. Xu Lianmeng, Mr. Sun Fusong and Mr. Li Yuanhong etc. as well as Mr. Ying Tianxing		Civil Action	For detailed information, please refer to the Half Year Report 2012 of the Company, the Half Year Report 2015 of the Company and the Annual Report of 2018 at www.sse.com.cn	6,000	No	On February 25, 2015, Sichuan Provincial Superior People's Court made second instance judgement.	The appellee Sichuan Guanghan Sanxingdui Limited Company and other shareholders returned the down payment 60 million RMB in double. Mr. Ying Tianxing bears joint and several liability to the above liabilities of Sangxingdui shareholders.	In 2018, Huaxin received 2.28 million RMB. In May 2020, Huaxin signed Aggrement on Assignment of Creditor's Rights with Yongkang Huangguan Electrical Tools Manufacturing Limited Company. Huaxin transferred outstanding debt of the case to Yongkang Huangguan Electrical Tools Manufacturing Limited Company with 37 million RMB. On July 2, Huaxin received all the payment.
Hubei Guoxin Property Co., Ltd	Huaxin Concrete (Wuhan) Co., Ltd.	Xinqi Construction Group Co., Ltd.	Civil Action	For detailed information, please refer to the Annual Report 2013 of the Company, the Annual Report 2016 of the	3,683.17	No	In December 2019, Hubei Provincial Superior People's Court made	The appellee shal compensate 15,528,127.49 RMB to the plaintiff; party bearing joint liability shall	Except for the dissent on the calculation of interests, other payment has been paid.

				Company and the Annual Report of 2018, the Annual Report of 2019 at www.sse.com.cn			second instance judgement.	compensate 4,436,607.85 RMB to the plaintiff; the plaintiff should pay the appellee 4,963,525 RMB and fund occupation fee of overdue payment.	
Huaxin Concrete (Wuhan) Co., Ltd.	Hubei Guoxin Property Co., Ltd		Civil Action	Same as the above	490	No	Same as the above	Same as the above	Same as the above
Jiangsu Huohua Steel Structure Group Co., Ltd.	Huaxin Cement (Enping) Co., Ltd.		Civil Action	For detailed information, please refer to the Annual Report 2014, Annual Report 2015, Annual Report 2019 of the Company at www.sse.com.cn.	494.97	No	In August 2019, Enping Municipal People's Court made the first instance judgement.	The appellee shall compensate 3,496,660 RMB construction fee and overdue interests to the plaintiff and return guarantee fund of 420,000 RMB.	Execution completed.

(III) Other explanations

Applicable Not applicable

VII. Punishment on Directors, Supervisors, Senior Managers, Controlling Shareholder, Actual Controller or purchaser and the rectification

Applicable Not applicable

VIII. Explanation on the credibility and integrity of the Controlling Shareholder and the Actual Controller of the Company in the Reporting period

Applicable Not applicable

During the reporting period, the Company, there exists no such case as not performing effective court order, due debt unpaid in the largest shareholder, actual controller of the largest shareholder

IX. Equity Incentive Plan of the Company and its impacts

(I) Events that were disclosed in extraordinary announcements and that had no progress or changes during the further implementation

Applicable Not applicable

(II) Incentives that were not disclosed in extraordinary announcements and that had progress or changes during the further implementation

Equity incentive

Applicable Not applicable

Others

Applicable Not applicable

Employee holding shares plan

Applicable Not applicable

Other incentive measures:

Applicable Not applicable

Long-term Incentive Plan of the Company for Top Management 2017-2019 was reviewed and approved by the Board Meeting on December 2, 2016 and Shareholder's General Meeting on April 20, 2017 respectively.

On April 27, 2020, the Sixteenth Meeting of the Ninth Board of Directors of the Company reviewed and approved the *Proposal on Vesting and Cashing in "Phantom Performance Stock (PPS) Incentives" 2017 for the Top Management* and confirmed the result of cash in of 2017 Top Management PPS incentive.

X. Important Related Transactions

(I) Related Transactions in Connection with Daily Operation

1. Events that have been disclosed in extraordinary announcements and that had no progress or changes during the further implementation

Applicable Not applicable

2. Events that were disclosed in extraordinary announcements but had progress or changes during the further implementation

Applicable Not applicable

3. Events that have not been disclosed in extraordinary announcements

Applicable Not applicable

(II) Related Transactions involve Purchasing or Selling Assets or Share Equity

1. Events that were disclosed in extraordinary announcements and that had no progress or changes during the further implementation

Applicable Not applicable

2. Events that were disclosed in extraordinary announcements but had progress or changes during the further implementation

Applicable Not applicable

3. Items that were not disclosed in extraordinary announcements

Applicable Not applicable

4. If the Company has performance commitment, it should disclose the performance fulfilment in the reporting period

Applicable Not applicable

(III) Significant related transactions of joint investment

1. Items that were disclosed in extraordinary announcements and had no progress or changes during the implementation

Applicable Not applicable

2. Items that were disclosed in extraordinary announcements but had progress or changes during the implementation

Applicable Not applicable

3. Items that were not disclosed in extraordinary announcements

Applicable Not applicable

(IV) Related Claims and Debts

1. Items that were disclosed in extraordinary announcements and had no progress or changes during the implementation

Applicable Not applicable

2. Items that were disclosed in extraordinary announcements but had progress or changes during the implementation

Applicable Not applicable

3. Items that were not disclosed in extraordinary announcements

Applicable Not applicable

(V) Other significant related transactions

Applicable Not applicable

(VI) Others

Applicable Not applicable

XI. Major Contracts and Implementation

1. Entrustment, Contract and Leasing

Applicable Not applicable

2. Guarantee

Unit: CNY

Guarantee provided by the Company (excluding guarantee for its subsidiaries)													
Guarantor	Relationship with the Listed Company	Be guaranteed	Guarantee amount	Guarantee date (signing date)	Starting date	Maturity date	Guarantee type	Has the guarantee been completed	Is the guarantee overdue	Amount overdue	Is there a counter-guarantee	Is the guarantee provided for related party	Relation
Total guarantee amount during the reporting period (excluding guarantee for subsidiaries)													
Guarantee amount left at the reporting period end (A) (excluding guarantee for subsidiaries)													
Guarantee provided by the Company for its controlling subsidiaries													
Guarantee amount for subsidiaries occurred during the reporting period							1,247,128,035						
Guarantee amount for subsidiaries left at the reporting period end (B)							3,037,415,143						
Total guarantee amount (including guarantee for its subsidiaries)													
Total guarantee amount (A+B)							3,037,415,143						
% in net assets of the Company							14.57						
Including:													
Guarantee amount provided to the shareholders, actual controller and its related parties (C)													
Debt guarantee amount provided directly or indirectly to subjects whose debt ratio is over 70% (D)							264,550,000						
Guarantee amount exceeded 50% of the net assets (E)							0						
Total guarantee amount of the above three (C+D+E)							264,550,000						

3. Other Major Contracts

Applicable Not applicable

XII. Poverty alleviation work of the listed Company**1. Targeted poverty alleviation plan**

To comprehensively implement the Central Government's guidance of poverty alleviation through development and fulfill the corporate social responsibility, the Company made targeted poverty alleviation plan:

Firstly, according to the principle of "government lead, society involved, self-relied and poverty alleviation through development", the Company made efforts in environment improvement constructions, and mainly on road hardening, dilapidated house renovation, water conservancy facilities construction and mine rehabilitation to help rural infrastructure construction.

Secondly, the Company adapted itself to the local situation and guaranteed low price cement supply to the relocation project as part of the targeted poverty alleviation program.

Thirdly, the Company partnered with villages and families to help the impoverished disabled people, orphans and stay-at home children.

Fourthly, the Company helped education development and human resources in poverty area.

Fifthly, the Company conducted transfer employment; branches and subsidiaries took in poverty subjects in the plants to receive occupational training.

Sixthly, the Company promoted the work on "save the people in emergency and difficulty" and temporary special activities for helping poor families caused by illness, disaster and disability.

2. Outline of targeted poverty alleviation of the reporting period

In the first half of 2020, the Company invested 2.6261 million RMB in targeted poverty relief, among which cash is 493.7 thousand RMB, 2.1324 million RMB worth of materials and helped 497 government-recognized poor people get rid of poverty.

Based on the overall arrangement of local governments where subsidiaries and branches located, the targeted poverty alleviation of the Company focuses on industry development, employment transfer, education, eco protection, basic living guarantee and social poverty relief to effectively carry out the work on poverty alleviation so as to effectively implement targeted poverty relief work.

3. Targeted property alleviation situation statistic table of the listed Company in the reporting period

Unit: 0000 Yuan

Indicators	Number and situation
I. the overall situation	
include: 1. funds	49.37
2. material discount	213.24
3. help to build the file for poor people out of poverty (person)	497
II. sub-investment	
1. Industry development poverty alleviation	

include: 1.1 industry poverty alleviation project type	√Agriculture and Forestry Industry Poverty Alleviation <input type="checkbox"/> tourism poverty alleviation <input type="checkbox"/> E-commerce Poverty Alleviation <input type="checkbox"/> asset income poverty alleviation <input type="checkbox"/> science and technology poverty alleviation <input checked="" type="checkbox"/> other
1.2 Number of industrial poverty alleviation projects (unit)	6
1.3 Amount of investment in poverty alleviation projects	14.83
1.4 help to build the file for poor people out of poverty (person)	85
2. Transfer employment	
3.Relocation poverty alleviation	
4. Educational poverty alleviation	
Include:4.1 Amount of investment of helping poor students	3.50
4.2 Number of poverty students (person)	138
4.3 Amount of investment in improving educational resources in poor areas	0.70
5.Health poverty alleviation	
Include 5.1 Amount of investment in medical resources	0.4
6. Ecological protection Poverty alleviation	
7. Basic living security	
7.1 investment for helping “children, seniors and women left behind”	0
7.2 Number of “children, seniors and women left behind”	2.64
7.3 Investment for helping poor people with disabilities	17
7.4 Number of poor people with disabilities	
8. Social poverty alleviation	
9. Other projects	
9.1 Number of projects	42
9.2. Amount invested	240.54
9.3 Number of people who are in the file of poverty population	412
9.4 Other projects	
III. Awards received (Title, level)	
Huaxin Cement (Lincang) Co., Ltd was awarded with “Excellent Group in Poverty Alleviation” ; Huaxin Cement (Xiangyang) Co., Ltd was awarded with “100 Enterprises Helping 100 Villages” targeted poverty relief model.	

4. Follow-up targeted poverty alleviation

Firstly, organize employees in headquarters, business units, and factories to study the national document policy for targeted poverty alleviation.

Secondly, the company's domestic cement divisions, all cement kiln line factories, and some other qualified companies can actively formulate annual targeted poverty alleviation plans in accordance with the requirements of local governments and companies.

The third is to donate cement and other materials to help poor people carry out infrastructure construction such as transportation and road facilities, hardening of peasant rice fields, agricultural and forestry industry bases, low-rent housing facilities and maintenance and renovation of poor households' housing.

The fourth is to invest special funds for poverty alleviation to implement fixed-point poverty alleviation, and achieve poverty alleviation through industry, consumption, education, and health.

The fifth is to cooperate with government departments to pair villages to households to provide guarantee and assistance to the disabled, rural orphans and left-behind children.

Sixth, through the promotion of "emergency relief" protection work, temporary special assistance is provided to needy families who are impoverished due to illness, disasters, disability and other special expenditure reasons to help them tide over the difficulties.

Seventh, actively carry out vocational skills training and employment assistance for poor households, and implement transfer employment to alleviate poverty.

5. Follow-up targeted poverty alleviation

First, the Company's poverty alleviation poverty must persist in completing the poverty alleviation goals and tasks on schedule, and make every effort to overcome the impact of the epidemic and floods, and effectively carry out poverty alleviation activities.

Secondly, continue to require relevant subsidiaries and companies to focus on poverty alleviation through industrial development, employment transfer, relocation, poverty alleviation, education poverty alleviation, health poverty alleviation, ecological protection poverty alleviation, basic living guarantee, consumer poverty alleviation, and social poverty alleviation according to the overall planning and arrangements of the local government for precision poverty alleviation. Effectively implement the targeted poverty alleviation work of enterprises.

Thirdly, require relevant subsidiaries and affiliates to further strengthen the implementation of responsibilities, focus on weak links of problems, refine tasks, assign responsibilities to people, and make precise efforts to promote the effective implementation of poverty alleviation work.

Fourthly, effectively promote the implementation of targeted assistance activities in accordance with the overall requirements and target task requirements of the enterprise's "Don't forget the original heart and keep in mind the mission" theme education implementation plan.

XIII. Convertible Corporate Bond

Applicable Not applicable

XIV. Environmental information

(I) Description on Environmental Protection of Listed Companies and Their Subsidiaries in Heavy Polluting Industries Provided by National Environmental Protection Departments

√ Applicable Not applicable**1. Pollution discharge information**√ Applicable Not applicable

In the first half of 2020, pollution emission status of the Company's key emission units is detailed in the following table:

No.	Name	Name of the major pollutants and characteristic pollutants	Emission manner	Quantity of the emission outlet	Distribution of the emission outlet	Emission concentration (mg/m ³)	Emission standard (mg/m ³)	Total emission amount (t)	Verified emission (t)	Excess emission
1	Huaxin Cement (Yangxin) Ltd.	SO ₂	Organized	2	Kiln inlet	<100	100	68.29	580.6	No
		NO _X	Organized	2	Kiln inlet	<320	320	845.41	3557.4	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<20	20	33.97	441.45	No
2	Huaxin Cement (Wuxue) Ltd.	SO ₂	Organized	2	Kiln inlet	<200	200	11.58	409.2	No
		NO _X	Organized	2	Kiln inlet	<400	400	1241.37	3682.8	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	64.40	457	No
3	Huaxin Cement (Daye) Ltd.	SO ₂	Organized	2	Kiln inlet	<200	200	26.99	1058.75	No
		NO _X	Organized	2	Kiln inlet	<400	400	288.79	2117.5	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	23.55	262.763	No
4	Huaxin Cement (Xiangyang) Ltd.	SO ₂	Organized	2	Kiln inlet	<100	100	16.65	120	No
		NO _X	Organized	2	Kiln inlet	<320	320	513.00	2424	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<20	20	25.24	338.52	No
5	Huaxin Cement (Xinyang) Ltd.	SO ₂	Organized	1	Kiln inlet	<35	35	2.46	120	No
		NO _X	Organized	1	Kiln inlet	<100	100	61.22	1100	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<10	10	8.55	154.7	No
6	Huaxin Jinlong Cement (Yunxian) Ltd.	SO ₂	Organized	2	Kiln inlet	<200	200	38.38	100	No
		NO _X	Organized	2	Kiln inlet	<400	400	231.53	1285	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	22.34	275.05	No
7	Huaxin Cement (Fangxian) Ltd.	SO ₂	Organized	1	Kiln inlet	<200	200	4.81	120	No
		NO _X	Organized	1	Kiln inlet	<400	400	146.49	687.5	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	10.46	88.69	No
8	Huaxin Cement (Yichang) Ltd.	SO ₂	Organized	2	Kiln inlet	<100	100	9.63	1138.5	No
		NO _X	Organized	2	Kiln inlet	<320	320	429.75	2277	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<20	20	25.17	282.6	No
9	Huaxin Cement (Zigui) Ltd.	SO ₂	Organized	1	Kiln inlet	<100	100	10.49	682	No
		NO _X	Organized	1	Kiln inlet	<320	320	402.93	1327	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	22.64	169.3	No

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10	Huaxin Cement (Enshi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	5.40	80	No
		NOX	Organized	1	Kiln inlet	<400	400	139.30	564.25	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	8.76	72.79	No
11	Huaxin Cement (Changyang) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	10.00	756.26	No
		NOX	Organized	1	Kiln inlet	<320	320	216.00	1512.5	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	7.80	195.15	No
12	Huaxin Cement Co., Ltd. Huangshi Branch	SO2	Organized	2	Kiln inlet	<200	200	18.48	914.93	No
		NOX	Organized	2	Kiln inlet	<400	400	367.14	1829.85	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	34.76	236.05	No
13	Huaxin Cement (Hefeng) Minzu Building Materials Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.88	41	No
		NOX	Organized	1	Kiln inlet	<400	400	52.16	275	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	4.20	35.48	No
14	Huaxin Cement (Zhuzhou) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	68.08	620.09	No
		NOX	Organized	1	Kiln inlet	<320	320	347.03	1996.5	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	21.21	165.17	No
15	Huaxin Cement (Chenzhou) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	40.27	248.34	No
		NOX	Organized	1	Kiln inlet	<320	320	455.68	1200	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	7.32	191.57	No
16	Huaxin Cement (Daoxian) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	28.90	167.4	No
		NOX	Organized	1	Kiln inlet	<320	320	297.50	992	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	12.06	159.96	No
17	Huaxin Cement (Lengshuijiang) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	2.14	225	No
		NOX	Organized	1	Kiln inlet	<320	320	253.69	1296	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	10.73	247.75	No
18	Huaxin Cement (Sangzhi) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	5.39	331.25	No
		NOX	Organized	1	Kiln inlet	<320	320	195.79	662.5	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	7.69	85.47	No
19	Huaxin Cement (Chibi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	24.78	130	No
		NOX	Organized	1	Kiln inlet	<400	400	435.19	1452	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	20.76	180.18	No
20	Huaxin Cement (Emping) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	38.19	211.1	No
		NOX	Organized	1	Kiln inlet	<320	320	344.73	992	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	30.43	112.84	No
21	Huaxin	SO2	Organized	1	Kiln inlet	<200	200	80.70	137.53	No

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	Cement (Quxian) Ltd.	NOX	Organized	1	Kiln inlet	<400	400	309.87	1280	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	19.36	165.12	No
22	Huaxin Cement Chongqing Fuling Ltd.	SO2	Organized	1	Kiln inlet	<200	200	67.63	771.65	No
		NOX	Organized	1	Kiln inlet	<350	350	399.08	1350.39	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	4.31	191.51	No
23	Huaxin Cement (Wanyuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.34	67.3	No
		NOX	Organized	1	Kiln inlet	<400	400	292.96	541.54	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	12.46	109.2	No
24	Huaxin Cement (Tibet) Ltd.	SO2	Organized	3	Kiln inlet	<200	200	134.16	620.27	No
		NOX	Organized	3	Kiln inlet	<400	400	680.02	1732	No
		Particulate matters	Organized	6	Kiln inlet Kiln outlet	<30	30	68.89	223.428	No
25	Chongqing Huaxin Diwei Cement Ltd.	SO2	Organized	1	Kiln inlet	<100	100	38.81	426.25	No
		NOX	Organized	1	Kiln inlet	<320	320	125.55	745.94	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	15.98	105.79	No
26	Chongqing Huaxin Yanjing Cement Ltd.	SO2	Organized	1	Kiln inlet	<100	100	27.02	545.6	No
		NOX	Organized	1	Kiln inlet	<320	320	174.54	954.8	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	10.87	135.41	No
27	Huaxin Guizhou Dingxiao Special Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	9.49	160	No
		NOX	Organized	1	Kiln inlet	<400	400	133.82	320	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	5.34	41.28	No
28	Guizhou Shuicheng Shui On Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.30	79.14	No
		NOX	Organized	1	Kiln inlet	<400	400	274.00	825	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	10.70	106.43	No
29	Yunnan Huaxin Dongjun Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	5.26	140	No
		NOX	Organized	1	Kiln inlet	<400	400	435.66	1240	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	20.30	159.96	No
30	Huaxin Cement (Fumin) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	8.49	81.84	No
		NOX	Organized	1	Kiln inlet	<400	400	299.38	682	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	14.31	84.63	No
31	Huaxin Cement (Honghe) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	17.19	59.67	No
		NOX	Organized	2	Kiln inlet	<400	400	530.87	1220	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	32.71	82.52	No
32	Huaxin Cement (Zhaotong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.70	120	No
		NOX	Organized	1	Kiln inlet	<400	400	224.00	1200	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	25.00	119.86	No

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33	Huaxin Cement (Kunming Dongchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.40	72.06	No
		NOX	Organized	1	Kiln inlet	<400	400	245.25	600	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	23.39	77.4	No
34	Huaxin Cement (Diqing) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	7.60	22	No
		NOX	Organized	1	Kiln inlet	<400	400	323.70	655	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	21.82	90.23	No
35	Huaxin Hongta Cement (Jinghong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.01	130.69	No
		NOX	Organized	1	Kiln inlet	<400	400	257.05	620	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	21.35	79.98	No
36	Huaxin Cement (Yunlong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	2.61	63.24	No
		NOX	Organized	1	Kiln inlet	<400	400	283.85	720.94	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	7.82	96.75	No
37	Huaxin Cement (Jianchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.64	45.31	No
		NOX	Organized	1	Kiln inlet	<400	400	171.22	740.35	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	19.10	96.75	No
38	Huaxin Cement (Lijiang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	1.01	63.54	No
		NOX	Organized	1	Kiln inlet	<400	400	276.52	620	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	19.67	79.98	No
39	Huaxin Cement (Lincang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	12.11	82.63	No
		NOX	Organized	1	Kiln inlet	<400	400	266.66	620	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<30	30	22.47	79.98	No
40	Tibet Shigatse High-tech Snow Lotus Cement Ltd.	SO2	Organized	2	Kiln inlet	<200	200	55.28	756.94	No
		NOX	Organized	2	Kiln inlet	<400	400	479.36	1520.49	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	33.15	180.7	No
41	Chongqing Huaxin Cantian Cement Co., Ltd.	SO2	Organized	1	Kiln inlet	<200	200	91.12	790	No
		NOX	Organized	1	Kiln inlet	<350	350	350.90	1395.67	No
		Particulate matters	Organized	1	Kiln inlet	<30	30	19.18	205.76	No
42	Kunming Chongde Cement Co., Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.62	140.08	No
		NOX	Organized	1	Kiln inlet	<400	400	268.62	1168.49	No
		Particulate matters	Organized	2	Kiln outlet Kiln inlet	<30	30	10.65	157.06	No
43	Yunwei Baoshan	SO2	Organized	1	Kiln inlet	<200	200	45.53	292.09	No

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	Organic Chemical Industry Co., Ltd.	NOX	Organized	1	Kiln inlet	<400	400	200.63	1240	No
		Particulate matters	Organized	2	Kiln outlet Kiln inlet	<30	30	149.06	294.44	No
44	Huaxin Environmental Ezhou Co., Ltd.	NH3	Organized	1	Biological filter	<35kg/h	35 kg/h	-	Implement emission rate control without performing total accounting	No
		H2S	Organized	1	Biological filter	<2.3kg/h	2.3 kg/h	-		No
45	Wuhan Wugang Huaxin Cement Limited Liability	SO2	Organized	2	Hot-blast furnace	<400	400	0	341	No
		NOX	Organized	2	Hot-blast furnace	<300	300	71.5	255.75	No
		Particulate matters	Organized	2	Hot-blast furnace	<20	20	1.02	22.55	No
46	Hunan Huaxin Xianggang Cement Ltd.	SO2	Organized	2	Hot-blast furnace	<400	400	1.99	Not included in the total control for emission permit of Hunan Province	No
		NOX	Organized	2	Hot-blast furnace	<300	300	16.819		No
		Particulate matters	Organized	2	Hot-blast furnace	<20	20	2.13		No
47	Huaxin Cement (Ezhou) Ltd.	Particulate matters	Organized	3	Cement grinding mill	<20	20	4.44	Implement concentration control without quotas	No
48	Huaxin Cement (Xiantao) Ltd.	Particulate matters	Organized	2	Cement grinding mill	<20	20	0.6	Implement concentration control without quotas	No
49	Huaxin Cement Suizhou Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.11	Implement concentration control without quotas	No
50	Huaxin Cement (Jingzhou) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.61	Implement concentration control without quotas	No
51	Panzhuhua Huaxin Cement Ltd.	SO2	Organized	1	Furnace in fluid bed	<600	600	0.33	Implement concentration control without quotas	No
		NOX	Organized	1	Furnace in fluid bed	<400	400	7.8		No
		Particulate matters	Organized	1	Cement grinding mill	<20	20	3.14		No
52	Huaxin Cement (Chuxiong) Ltd.	SO2	Organized	1	Furnace in fluid bed	<600	600	0.41	Implement concentration control without quotas	No
		NOX	Organized	1	Furnace in fluid bed	<400	400	0.49		No
		Particulate matters	Organized	3	Furnace in fluid bed Cement grinding mill	<30	30	3.97		No
53	Huaxin Cement (Honghe) Ltd. Kunming Branch	Particulate matters	Organized	2	Cement grinding mill	<20	20	10.5	Implement concentration control without quotas	No

54	Huaxin Cement (Yueyang) Ltd.	Particulate matters	Organized	2	Cement grinding mill	<10	10	3.88	Implement concentration control without quotas	No
55	Huaxin Cement (Honghe) Ltd. Geju Branch	Particulate matters	Organized	1	Cement grinding mill	<20	20	4.1	Implement concentration control without quotas	No
56	Huaxin Cement (Macheng) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	2.22	Implement concentration control without quotas	No
57	Huaxin Cement Xiangyang Xiangcheng Ltd.	Particulate matters	Organized	1	Cement grinding mill	<10	10	0.51	Implement concentration control without quotas	No
58	Huaxin Cement (Danjiangkou) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.12	Implement concentration control without quotas	No
59	Hunan Huaxiang Environmental Industry Development Co., Ltd.	SO2	Organized	2	Furnace in fluid bed	<400	400	1.98	Not included in the total control for emission permit of Hunan Province	No
		NOX	Organized	2	Furnace in fluid bed	<300	300	14.27		No
		Particulate matters	Organized	2	Furnace in fluid bed	<20	20	1.98		No

2. Construction and operation of pollution prevention facilities

During the reporting period, the Company strictly abided by the requirements of national and local environmental protection laws and regulations, strengthened management on eco related work. The Company continued to implement pollutants emission reduction program of NOx, particles, SO2, promoted management of hazard wastes, solid wastes, standardized environment monitoring, optimized water treatment facility, control unorganized particles emission, manage noise control, thus performance in eco steadily improved.

3. Environmental impact assessment on construction projects and other environmental protection administrative licenses

During the reporting period, CIPs of the Company were implemented in accordance with the requirements of the EIA Law and put "Three Simultaneous in Eco" into practice. The Company conducted clean production audit in strict accordance with the requirements of the Clean Production Law and the Departments of clean production.

4. Emergency plan for emergent environmental incidents

During the reporting period, all subsidiaries of the Company strictly implemented and improved the emergency plans and drills according to the requirements of the Law of PRC on Response to Emergencies and the Interim Administrative Measures for Emergency Management of Environmental Emergencies. On the basis of the requirements of the emergency plan for environmental emergencies, the Company implemented emergency drills to ensure that the Company can respond quickly and in a timely manner after the environmental incident, and to prevent environmental events from affecting the environment and the public.

5. Plan of environment self-monitoring

During the reporting period, branches and subsidiaries carried out self-monitoring in strict accordance with the *Requirements of National Environmental Monitoring Technical Specifications-Cement Industry (HJ848-2017)* and *Pollution Emission Monitoring Guidance General Principles (HJ 819-2017)*. Self-monitoring projects included smoke, sulfur dioxide, nitrogen oxides, etc. Self-monitoring method combined automatic monitoring and manual monitoring. Automatic monitoring equipment used has passed the acceptance test of the environmental protection department, and the smoke and gas comparison monitoring was carried out regularly to ensure the normal operation of the equipment and the normal transmission of data. Manual monitoring was entrusted with a qualified third-party monitoring company to truly reflect the level of pollutant emissions.

6. Other environmental information that should be disclosed

During the reporting period, the Company's subsidiaries, in accordance with the requirements of the national and local governments on off-peak production and heavy pollution weather emergency suspended production or restricted production to minimize the impacts on the environment.

In accordance with the requirements of the environmental protection department, each branch and subsidiary regularly published emission data on the environmental monitoring information release platforms of provinces and cities and accepts public supervision through LED screens in plants.

During the reporting period, no event of major significance to the Company occurred. Except for the subsidiary Huaxin Concrete(Xiangyang) Co., Ltd Dongjin Branch, had not conducted eco project acceptance inspection according to requirements, was fined 350,000 RMB by Xiangyang Municipal Environment Protection Bureau through administrative penalty (Xianghuan (Dong) Huanfa (2020) No. 1).

(II) Description on environmental protection of other subsidiaries besides the key pollutant discharge units

Applicable Not applicable

The subsidiaries of the Company that are not included in the list of the national key pollutant emission units strictly implemented the environmental self-monitoring system in accordance with relevant requirements of national laws and regulations, and continuously optimized and improved pollution control facilities to achieve continuous and stable emission of pollutants.

(III) Explanation on reasons for non-disclosure of environmental information of other subsidiaries besides the key pollutant discharge units

Applicable Not applicable

(IV) Explanation on the follow-up progress or changes of the disclosure of environmental information during the reporting period

Applicable Not applicable

XV. Remarks on Other Major Events

(I) Reasons and Impact on Changes in Account Policies, Account Estimates or Accounting Methods

In July 2017, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 14-Revenue" and required domestic listed companies to implement it from January 1, 2020.

On August 26, 2020, the Twentieth Meeting of the Ninth Board of Directors reviewed and approved the "Proposal on the Modification of Corporate Accounting Policy" and agreed to implement the above new accounting standards in accordance with the requirements of the Ministry of Finance.

The specific adjustment content and the impact on the company are detailed in "Chapter X Financial Report/V. Important Accounting Policies and Accounting Estimates/29. Changes in Important Accounting Policies and Accounting Estimates" of this report.

(II) Reasons and Impact on Correction of Significant Accounting Errors

Applicable Not applicable

(III) Others

Applicable Not applicable

1. Matters on overseas bond issuance

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

The overseas bond issuance is in progress.

2. A share repurchase

On December 17, 2019, the Fourteenth Meeting of the Ninth Board of Directors approved *Proposal on the Repurchase of A Shares of the Company By Means of Centralized Bidding*. The Company shall repurchase A shares of the Company through centralized bidding with self-fund. The total fund for share repurchase will 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 will be no more than 32.03 Yuan/share (including 32.03 Yuan/share). The shares repurchased will 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.

As of June 30, 2020, the Company cumulatively repurchased 5,329,650 shares by the means of centralized bidding through Shanghai Stock Exchange trading system with total payment of 122,533,983 RMB(trading fees included).

Chapter 6 Changes in Share Capital and Shareholders

I. Changes in Share Capital

(I) Changes in Shares

1. Changes in Shares

There was no change of total shares or share capital structure during the reporting period.

2. Notes on changes in shares

Applicable Not applicable

3. Impact of changes in share capital on financial indicators such as earnings per share and net assets per share during July 1 to the disclosure date of this Half Year Report (if any)

Applicable Not applicable

4. Additional Information that the Company believed it necessary to disclose or that securities regulatory authorities required to disclose

Applicable Not applicable

(II) Changes of Shares Subject to Conditional Sales

Applicable Not applicable

II. Shareholders

(I) Total number of shareholders

Total number of shareholders at the end of reporting period	101,214
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(II) Top Ten Shareholders and Top Ten Holders of Listed Shares (not subject to conditional sales)

Unit: share

Top ten shareholders							
Full Names of Shareholders	Change during the reporting period	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.	0	835,543,825	39.85	0	nil	0	Foreign corporation
Huaxin Group Co., Ltd.	0	335,560,000	16.01	0	nil	0	State owned corporation
Hong Kong Securities Clearing Company Ltd.	-35,641,045	86,255,116	4.11	0	nil	0	Unknown

HOLPAC LIMITED	0	41,691,843	1.99	0	nil	0	Foreign corporation
Central Huijin Investment Ltd	0	30,476,180	1.45	0	nil	0	Unknown
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	3,018,796	21,650,054	1.03	0	nil	0	Unknown
Qi Shichuan	15,415,208	15,415,208	0.74	0	nil	0	Domestic natural person
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	-2,385,009	11,420,384	0.55	0	nil	0	Unknown
China Railway Wuhan Bureau Group Co., Ltd.	0	11,289,600	0.54	0	nil	0	Unknown
Huang Jianjun	605,337	8,865,342	0.42	0	nil	0	Domestic natural person
Top ten holders of shares not subject to conditional sales							
Names of Shareholders	Amount of shares	Shares type and amount					
		Type	Amount				
HOLCHIN B.V.	835,543,825	RMB ordinary shares	451,333,201				
		Domestic 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.	86,255,116	RMB ordinary shares	86,255,116				
HOLPAC LIMITED	41,691,843	Domestic listed foreign investment shares	41,691,843				
Central Huijin Investment Ltd	30,476,180	RMB ordinary shares	30,476,180				
Bank of Communications-Rongtong Industry Prosperity Securities Investment Fund	21,650,054	RMB ordinary shares	21,650,054				
Qi Shichuan	15,415,208	RMB ordinary shares	15,415,208				
FTIF-TEMPLETON ASIAN SMALLER COMPANIES FUND	11,420,384	Domestic listed foreign investment shares	11,420,384				
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB ordinary shares	11,289,600				
Huang Jianjun	8,865,342	RMB ordinary shares	8,865,342				
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".						

The number of shares held by the top ten holders of shares subject to conditional sales and the conditions for sale

Applicable Not applicable

(III) Strategic investors or common Legal Corporation become the top ten shareholders due to new share placement

Applicable Not applicable

III. Change of the Largest Shareholder or the Actual Controller

Applicable Not applicable

Chapter 7 Preferred Stock

Applicable Not applicable

Chapter 8 Directors, Supervisors and Senior Management

I. Shareholding Changes

(I) Shareholding change of Directors, Supervisors and Senior Management

Applicable Inapplicable

Unit: share

Name	Position	Shares held at the period beginning	Shares held at the period end	Change during the period	Reason for the change
Li Yeqing	Director/CEO	482,460	649,630	167,170	Secondary market trading
Liu Fengshan	Director/VP	112,000	195,600	83,600	Secondary market trading
Peng Qingyu	Chairman of the Board of Supervisors	304,032	381,932	77,900	Secondary market trading
Wang Ximing	Secretary to Board	283,544	377,344	93,800	Secondary market trading
Kong Lingling	CFO	275,453	375,853	100,400	Secondary market trading
Ke Youliang	VP	220,472	289,072	68,600	Secondary market trading
Chen Bing	VP	0	34,400	34,400	Secondary market trading
Du Ping	VP	0	81,400	81,400	Secondary market trading
Liu Yunxia	VP	58,240	128,440	70,200	Secondary market trading
Mei Xiangfu	VP	26,460	82,460	56,000	Secondary market trading
Yuan Dezu	VP	0	76,300	76,300	Secondary market trading
Yang Hongbing	VP	0	69,564	69,564	Secondary market trading
Xu Gang	VP	0	31,000	31,000	Secondary market trading

Other remarks

Applicable Not applicable

(II) Stock Option Incentive Granted to Director, Supervisor and Senior Management

Applicable Not applicable

II. Changes of Directors, Supervisor or Senior Management

Applicable Not applicable

Notes on changes of the Directors, Supervisors and Senior Management of the Company

Applicable Not applicable

III. Other illustrations

Applicable Not applicable

Chapter 9 Corporate Bonds

I. Basic information of the corporate bonds

Unit: 100 million Yuan

Name	Abbreviation	Code	Issuing date	Date of expiry	Bond balance	Coupon rate	Principal and interest payment	Trading place
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%	Adopt annually counted simple interest rather than compound interest. The interest shall be paid once per year, and the principal of the bonds shall be repaid in one time when matured. The last tranche of interests shall be paid together with the principal as the principal matured.	Shanghai Stock Exchange

Corporate bond redemption and interest payment

 Applicable Not applicable

Other information about the corporate bonds

 Applicable Not applicable

II. Contact information of the corporate bond trustee and credit rating organization

Trustee of Corporate	Name	Essence Securities Co., Ltd.
	Address	A02 at the 35 th floor and 28 th floor of Anlian Tower, Jintian Road 4018#, Futian District, Shenzhen
	Contacts	Xiao Jun
	Number	010-83321292
Credit rating organization	Name	China ChengXin Rating Co., Ltd.
	Address	8 th floor, Anji Tower, No. 760 Xizang South Road, Huangpu District, Shanghai

Other remarks:

 Applicable Not applicable

III. Use of the raised funds from the corporate bonds

 Applicable Not applicable

Issuance amount of 2016 first tranche of corporate bonds totaled 1.2 billion Yuan, the Company has used the raised funds in accordance with the stipulations contained in the

Prospectus, and the raised funds from 2016 first tranche of corporate bonds have been used up.

IV. Information of the credit rating

Applicable Not applicable

On June 18, 2020, the credit rating organization (China ChengXin Rating Co., Ltd.) issued "Huaxin Cement Co., Ltd. 2016 Corporate Bonds (the first tranche) Rating Report", maintained the main credit rating and bond credit rating of the Company as AAA.

The periodic tracking rating report is issued once a year, and the results of the rating and the report are released within two months after the disclosure of the Company's annual report. The sustained tracking rating result is announced at the website of the rating organization (<http://www.ccxr.com.cn/index.asp>) within 10 working days after the rating report is issued.

V. Credit updating mechanism for the corporate bonds, the repayment plan and other relevant information during the reporting period

Applicable Not applicable

During the reporting period, there is no change on the credit updating mechanism for the corporate bonds, the repayment plan and other safeguards for the repayments. In order to sufficiently and effectively safeguard the interests of the bondholders, the Company has made a series of arrangements for the timely and full repayment to the bonds, including the appointing specialized departments and personnel, arranging funds for the repayment, establishing and strictly implementing the fund management plan.

VI. Meeting held for the bondholders

Applicable Not applicable

VII. Performance of duties of the corporate bond trustee

Applicable Not applicable

The bond trustee of 2016 corporate bonds (the first tranche) was Essence Securities Co., Ltd., it had disclosed "Huaxin Cement Co., Ltd. 2016 Corporate Bonds (the first tranche) Trustee's Report (2019)" on the website of Shanghai Stock Exchange on June 24, 2020. Profiles of corporate bonds, annual operations and financial condition of the issuer in 2019, use of the raised funds, interest repayment and meetings for the holders were disclosed.

VIII. Financial highlights for the reporting period end and last year end (or the reporting period and the same period of last year)

Unit: Yuan

Item	Reporting period end	Last year end	Change over last year end (%)	Reason for the change
Liquid ratio	1.09	1.12	-2.68	
Quick ratio	0.89	0.87	2.3	
Asset-liability ratio (%)	42.68	36.00	6.68	

Loan repayment rate (%)	100	100	-	
	Reporting period (Jan-Jun)	Same period of last year	Change over same period of last year (%)	Reason for the change
EBITDA Interest Protection Multiples	37.19	30.28	22.82	
Interest repayment rate (%)	100	100	-	

IX. Remarks on the overdue debts

Applicable Not applicable

X. Interest repayment of other bonds and debt financing instruments

Applicable Not applicable

XI. Bank credit of the Company during the reporting period

Applicable Not applicable

By the reporting period end, bank credit amount of the Company was 14.68 billion CNY, and the usable credit amount was 9.39 billion CNY. The Company has timely and sufficiently repaid both principal and interest of the bank loans in the first half of 2020.

XII. Execution of the relevant stipulations or commitments in the Prospectus of Corporate Bonds during the reporting period

Applicable Not applicable

During the reporting period, the Company strictly fulfilled the relevant contents in the Prospectus of Corporate Bonds, used the raised funds compliantly, timely repaid the interest, and there was no harm to the interests of bond investors.

XIII. Major issues and the impact on operations and repayment ability of the Company

Applicable Not applicable

Chapter 10 Financial Report

I. Audit Report

Applicable Inapplicable

II. Financial Statements

HUAXIN CEMENT CO., LTD. CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2020

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	30 June 2020	December 31 2019
Current assets		
Cash at bank and in hand	7,594,186,224	5,107,514,423
Notes receivable	46,300,522	97,734,290
Accounts receivable	966,727,502	561,894,121
Financing from receivables	687,798,744	1,308,788,934
Advances to suppliers	324,158,047	258,828,106
Other receivables	321,955,909	485,987,186
Including: Interest receivable	535,436	55,985
Dividend receivable	720,000	1,255,397
Inventories	2,265,040,920	1,996,995,776
Other current assets	386,661,957	330,744,967
Total current assets	12,592,829,825	10,148,487,803
Non-current assets		
Credit investment	7,500,000	7,500,000
Long-term receivables	29,148,833	29,148,833
Long-term equity investments	474,787,862	414,090,759
Other equity instrument Investment	33,774,995	38,230,101
Other non-current financial assets	27,557,280	35,003,608
Fixed assets	16,263,027,463	16,718,113,646
Construction in progress	4,966,735,516	4,113,162,732
Intangible assets	3,820,541,140	3,869,622,351
Development expenditure	516,462	440,897
Goodwill	476,084,798	476,084,798
Long-term prepaid expenses	318,327,320	328,639,529
Deferred tax assets	324,754,060	338,810,643
Other non-current assets	922,124,242	128,051,017
Total non-current assets	27,664,879,971	26,496,898,914
TOTAL ASSETS	40,257,709,796	36,645,386,717
Current liabilities		
Short-term borrowings	629,000,000	197,000,000
Notes payable	371,681,389	191,505,647
Accounts payable	4,723,611,417	5,120,908,908
Advances from customers	-	616,086,758
Contract liability	639,537,401	-
Employee benefits payable	402,659,331	484,465,267
Taxes payable	1,012,104,328	965,576,744

Other payables	3,310,531,656	679,448,864
Including: Interests payable	51,809,900	21,770,866
Dividends payable	2,648,313,035	34,268,915
Current portion of non-current liabilities	484,204,261	769,685,711
Total current liabilities	11,573,329,783	9,024,677,899
Non-current liabilities		
Long-term borrowings	3,477,101,590	2,039,543,196
Debentures Payable	1,198,671,384	1,198,058,176
Long-term payables	63,555,360	81,962,612
Long-term employee benefits payable	76,606,353	124,555,420
Provisions	193,413,912	192,091,010
Deferred income	317,959,134	317,140,694
Deferred tax liabilities	282,272,510	299,674,965
Total non-current liabilities	5,609,580,243	4,253,026,073
Total liabilities	17,182,910,026	13,277,703,972
SHAREHOLDERS' EQUITY		
Paid-in capital	2,096,599,855	2,096,599,855
Capital surplus	1,914,842,562	1,913,438,767
Less: treasury stock	122,533,983	-
Other comprehensive income	-73,583,512	-17,416,212
Surplus reserves	1,111,880,257	1,111,880,257
Undistributed profits	15,919,628,209	16,204,540,023
Total equity attributable to shareholders of the Company	20,846,833,388	21,309,042,690
Minority interests	2,227,966,382	2,058,640,055
Total shareholders' equity	23,074,799,770	23,367,682,745
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	40,257,709,796	36,645,386,717

Legal representative: Mr. Li Yeqing

Principal in charge of accounting:
Ms. Kong LinglingHead of accounting
department: Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
COMPANY BALANCE SHEET
AS AT 30 June 2020

(All amounts in RMB Yuan unless otherwise stated)

ASSETS	30 June 2020 Company	December 31 2019 Company
Current assets		
Cash at bank and on hand	4,341,592,725	3,148,929,763
Notes receivable	1,500,000	-
Accounts receivable	609,310,238	555,399,137
Financing from receivables	105,293,363	245,181,208
Advances to suppliers	90,234,600	135,379,260
Other receivables	4,615,398,520	4,546,663,414
Including: Interest receivable	-	-
Dividends receivable	329,886,406	21,255,397
Inventories	381,573,593	268,911,570
Current portion of non-current assets	4,855,490	4,855,490
Other current assets	31,371,638	19,981,554
Total current assets	10,181,130,167	8,925,301,396
Non-current assets		
Long-term receivables	19,617,957	18,916,961
Long-term equity investments	11,112,671,681	10,486,027,137
Other equity instrument Investment	33,774,995	38,230,101
Other non-current financial assets	27,557,280	35,003,608
Fixed assets	424,585,614	347,148,222
Construction in progress	245,598,208	292,601,071
Intangible assets	40,376,721	42,058,446
Long-term prepaid expenses	17,652,995	18,918,836
Deferred tax assets	35,944,175	23,418,017
Total non-current assets	11,957,779,626	11,302,322,399
TOTAL ASSETS	22,138,909,793	20,227,623,795
Current liabilities		
Short-term borrowings	300,000,000	-
Notes payable	16,600,000	49,700,000
Accounts payable	359,786,997	386,736,905
Advances from customers	-	9,921,984
Contract liability	37,793,466	
Employee benefits payable	39,578,854	76,980,665
Taxes payable	165,456,865	175,298,992
Other payables	7,411,614,063	4,830,428,433
Including: Interests payable	51,084,937	20,756,667
Dividends payable	2,537,462,151	576,326
Current portion of non-current liabilities	128,291,790	444,346,556
Total current liabilities	8,459,122,035	5,973,413,535
Non-current liabilities		
Long-term borrowings	1,083,710,000	702,340,753
Debentures Payable	1,198,671,384	1,198,058,176
Long-term employee benefits payable	46,829,589	46,829,589
Provisions	7,962,425	7,962,425

VI. Other comprehensive income, net of tax	-64,615,963	4,554,489
(i) Other comprehensive income attributable to shareholders of the parent company, net of tax	-56,167,300	3,580,291
1. Other comprehensive income that cannot be reclassified to profit or loss	-3,341,329	-
Changes in fair value of other equity instrument investments	-3,341,329	-
2. Items that will be reclassified subsequently to profit or loss	-52,825,971	3,580,291
Exchange differences on translation of financial statements denominated in foreign currencies	-52,825,971	3,580,291
(ii) Other comprehensive income attributable to minority interests, net of tax	-8,448,663	974,198
VII. Total comprehensive income	2,391,046,644	3,497,527,638
Total comprehensive income attributable to shareholders of the parent company	2,195,806,711	3,166,103,848
Total comprehensive income attributable to minority interests	195,239,933	331,423,790
VIII. Earnings per share		
Basic earnings per share (RMB)	1.08	1.51

Legal representative: Mr. Li Yeqing

Principal in charge of accounting:
Ms. Kong LinglingHead of accounting
department: Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
COMPANY INCOME STATEMENT
FOR JANUARY-JUNE 2020

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Half Year 2020	Half Year 2019
I. Operating income	1,597,282,876	1,796,044,958
Less: Operating costs	1,398,379,989	1,455,511,659
Taxes and levies	7,879,108	9,054,329
Selling and distribution expenses	35,270,956	30,557,709
General and administrative expenses	171,142,944	127,946,631
Research and development expense	2,705,214	-
Financial expenses	11,008,263	36,205,730
Including: Interest expenses	104,943,099	154,849,098
Interest income	78,419,015	135,389,263
Add: Other income	2,129,972	2,045,833
Investment income	1,738,080,189	1,497,649,298
Including: Income from investment in associates	25,240,749	37,384,161
Gains from changes in fair values	-7,446,328	-1,531,809
Losses on credit impairment	-1,377,388	49,703
Losses on assets impairment	-37,766	180,646
Gains on disposal of assets	58,295	2,251,321
II. Operating profit	1,702,303,376	1,637,413,892
Add: Non-operating income	9,713	128,392
Less: Non-operating expenses	7,056,418	117,917
III. Profit before tax	1,695,256,671	1,637,424,367
Less: Income tax expenses	-11,412,381	25,788,615
IV. Net profit	1,706,669,052	1,611,635,752
Net profit for the year from continuing operations	1,706,669,052	1,611,635,752
V. Other comprehensive income, net of tax	-3,341,329	-
(i) Other comprehensive income that cannot be reclassified to profit or loss	-3,341,329	-
Changes in fair value of other equity instrument investments	-3,341,329	-
VI. Total comprehensive income	1,703,327,723	1,611,635,752

The accompanying notes form an integral part of these financial statements.

Legal representative: Mr. Li Yeqing

Principal in charge of accounting: Ms. Kong Lingling

Head of accounting department: Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
CONSOLIDATED CASH FLOW STATEMENT
FOR JANUARY-JUNE 2020

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Half Year 2020	Half Year 2019
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	14,212,636,697	16,331,563,853
Receipts of tax refunds	88,156,749	116,018,383
Other cash receipts relating to operating activities	147,919,775	148,944,592
Sub-total of cash inflows from operating activities	14,448,713,221	16,596,526,828
Cash payments for goods purchased and services received	7,835,803,386	8,478,515,657
Cash payments to and on behalf of employees	1,331,025,807	1,388,886,490
Payments of various types of taxes	1,449,767,278	2,222,283,405
Other cash payments relating to operating activities	331,142,066	325,812,168
Sub-total of cash outflows from operating activities	10,947,738,537	12,415,497,720
Net Cash Flow from Operating Activities	3,500,974,684	4,181,029,108
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	500,070,000	800,000,000
Cash receipts from investment income	2,518,544	11,546,751
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,383,289	29,135,439
Net cash receipts from disposals of subsidiaries and other business units	-	1,500,000
Other cash receipts relating to investing activities	40,918,268	73,148,900
Sub-total of cash inflows from investing activities	547,890,101	915,331,090
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,819,958,508	1,621,949,797
Cash payments to acquire investments	528,304,258	602,489,500
Net cash paid for acquisitions of subsidiaries	7,100,000	8,633,345
Other cash payments relating to investing activities	654,896,092	-
Sub-total of cash outflows from investing activities	3,010,258,858	2,233,072,642
Net Cash Flow from Investing Activities	-2,462,368,757	-1,317,741,552
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	106,160,000	30,000,000
Cash receipts from borrowings	2,238,224,814	310,626,504
Other cash receipts relating to financing activities	-	137,900,000
Sub-total of cash inflows from financing activities	2,344,384,814	478,526,504
Cash repayments of borrowings	640,007,835	1,828,765,102
Cash payments for interest expenses and distribution of dividends	128,544,252	1,931,854,794
Other cash payments relating to financing activities	180,865,306	84,260,488
Sub-total of cash outflows from financing activities	949,417,393	3,844,880,384
Net Cash Flow from Financing Activities	1,394,967,421	-3,366,353,880
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-3,338,154	2,948,210
V. Net Increase in Cash and Cash Equivalents	2,430,235,194	-500,118,114
Add: Opening balance of Cash and Cash Equivalents	4,918,296,452	5,236,222,134
VI. Closing Balance of Cash and Cash Equivalents	7,348,531,646	4,736,104,020

The accompanying notes form an integral part of these financial statements.

Legal representative: Mr. Li Yeqing

Principal in charge of accounting:
Ms. Kong Lingling

Head of accounting department:
Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
COMPANY CASH FLOW STATEMENT
FOR JANUARY-JUNE 2020

(All amounts in RMB Yuan unless otherwise stated)

ITEM	Half Year 2020	Half Year 2019
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	1,775,804,019	1,098,234,147
Receipts of tax refunds	-	2,534,499
Other cash receipts relating to operating activities	900,405,421	875,988,242
Sub-total of cash inflows from operating activities	2,676,209,440	1,976,756,888
Cash payments for goods purchased and services received	1,654,513,295	1,639,529,261
Cash payments to and on behalf of employees	368,233,167	222,388,422
Payments of various types of taxes	26,785,929	135,303,739
Other cash payments relating to operating activities	489,199,630	720,643,206
Sub-total of cash outflows from operating activities	2,538,732,021	2,717,864,628
Net Cash Flow from Operating Activities	137,477,419	-741,107,740
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	500,000,000	800,000,000
Cash receipts from investment income	1,404,208,431	1,413,198,673
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,042,758	2,481,952
Other cash receipts relating to investing activities	84,297,793	-
Sub-total of cash inflows from investing activities	1,990,548,982	2,215,680,625
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	60,147,680	51,048,434
Cash payments to acquire investments	500,000,000	600,000,000
Net cash paid for acquisitions of subsidiaries	600,000,000	440,000,000
Other cash payments relating to investing activities	-	-
Sub-total of cash outflows from investing activities	1,160,147,680	1,091,048,434
Net Cash Flow from Investing Activities	830,401,302	1,124,632,191
III. Cash Flows from Financing Activities:		
Cash receipts from borrowings	900,000,000	-
Other cash receipts relating to financing activities	5,657,201,026	5,732,638,986
Sub-total of cash inflows from financing activities	6,557,201,026	5,732,638,986
Cash repayments of borrowings	534,705,887	1,086,342,123
Cash payments for interest expenses and distribution of dividends	25,573,619	1,691,232,424
Other cash payments relating to financing activities	5,767,658,206	4,360,276,850
Sub-total of cash outflows from financing activities	6,327,937,712	7,137,851,397
Net Cash Flow from Financing Activities	229,263,314	-1,405,212,411
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-779,349	-3,304,343
V. Net Increase in Cash and Cash Equivalents	1,196,362,686	-1,024,992,303
Add: Opening balance of Cash and Cash Equivalents	3,141,838,852	3,444,018,042
VI. Closing Balance of Cash and Cash Equivalents	4,338,201,538	2,419,025,739

The accompanying notes form an integral part of these financial statements.

Legal representative: Principal in charge of accounting:
Mr. Li Yeqing Ms. Kong Lingling

Head of accounting department:
Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR JANUARY-JUNE 2020

(All amounts in RMB Yuan unless otherwise stated)

Item	JAN TO JUN 2020								
	Attributable to shareholders of the company							Minority interests	Total shareholders' equity
	Paid-in capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Surplus reserves	Undistributed profits	Sub-total		
1. As at 31 December 2019	2,096,599,855	1,913,438,767	-	-17,416,212	1,111,880,257	16,204,540,023	21,309,042,690	2,058,640,055	23,367,682,745
2. As at 1 January 2020	2,096,599,855	1,913,438,767	-	-17,416,212	1,111,880,257	16,204,540,023	21,309,042,690	2,058,640,055	23,367,682,745
3. Changes for the period	-	1,403,795	122,533,983	-56,167,300	-	-284,911,814	-462,209,302	169,326,327	-292,882,975
(1) Total comprehensive income				-56,167,300		2,251,974,011	2,195,806,711	195,239,933	2,391,046,644
(2) Capital contribution and withdrawal by shareholders	-	1,403,795	122,533,983	-	-	-	-121,130,188	106,160,000	-14,970,188
Capital contribution by shareholders			122,533,983				-122,533,983	106,160,000	-16,373,983
Others		1,403,795					1,403,795		1,403,795
(3) Profit distribution	-	-	-	-	-	-2,536,885,825	-2,536,885,825	-132,073,606	-2,668,959,431
Profit distribution to shareholders	-	-	-	-	-	-2,536,885,825	-2,536,885,825	-132,073,606	-2,668,959,431
(4) Transfer within shareholders' equity									
(5) Others	-								
4. As at 30 June 2020	2,096,599,855	1,914,842,562	122,533,983	-73,583,512	1,111,880,257	15,919,628,209	20,846,833,388	2,227,966,382	23,074,799,770

HUAXIN CEMENT CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR JANUARY-JUNE 2019
(All amounts in RMB Yuan unless otherwise stated)

Item	JAN TO JUN 2019							
	Attributable to shareholders of the company						Minority interests	Total shareholders' equity
	Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserves	Undistributed profits	Sub-total		
1. As at 31 December 2018	1,497,571,325	2,510,252,020	-9,023,883	952,685,662	11,721,477,654	16,672,962,778	1,646,426,343	18,319,389,121
Add: Changes in accounting policies			5,249,225		22,159,671	27,408,896		27,408,896
2. As at 1 January 2019	1,497,571,325	2,510,252,020	-3,774,658	952,685,662	11,743,637,325	16,700,371,674	1,646,426,343	18,346,798,017
3. Changes for the period	599,028,530	-599,028,530	3,580,291	-	1,440,316,533	1,443,896,824	180,848,606	1,624,745,430
(1) Total comprehensive income			3,580,291		3,162,523,557	3,166,103,848	331,423,790	3,497,527,638
(2) Capital contribution and withdrawal by shareholders	-	-	-	-	-	-	33,355,823	33,355,823
Capital contribution by shareholders						-	33,355,823	33,355,823
(3) Profit distribution	-	-	-	-	-1,722,207,024	-1,722,207,024	-183,931,007	-1,906,138,031
Appropriation to surplus reserves								
General risk provision								
Profit distribution to shareholders					-1,722,207,024	-1,722,207,024	-183,931,007	-1,906,138,031
(4) Transfer within shareholders' equity	599,028,530	-599,028,530	-	-	-	-	-	-
Capital Reserve Transferred to Increase Share Capital	599,028,530	-599,028,530				-		-
(5) Others	-							
4. As at 30 June 2019	2,096,599,855	1,911,223,490	-194,367	952,685,662	13,183,953,858	18,144,268,498	1,827,274,949	19,971,543,447

The accompanying notes form an integral part of these financial statements.

Legal representative: Mr. Li Yeqing
Principal in charge of accounting: Ms. Kong Lingling

Head of accounting department: Mr. Wu Xin

HUAXIN CEMENT CO., LTD.
COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR JANUARY-JUNE 2020
(All amounts in RMB Yuan unless otherwise stated)

Item	JAN TO JUN 2020						
	Paid-in capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Surplus reserves	Undistributed profits	Total shareholders' equity
1. As at 31 December 2019	2,096,599,855	2,311,782,051	-	17,103,476	1,111,880,257	6,745,724,011	12,283,089,650
Add: Changes in Accounting policy							
2. As at 1 January 2020	2,096,599,855	2,311,782,051		17,103,476	1,111,880,257	6,745,724,011	12,283,089,650
3. Changes for the period	-	1,403,795	122,533,983	-3,341,329	-	-830,216,773	-954,688,290
(1) Total comprehensive income				-3,341,329		1,706,669,052	1,703,327,723
(2) Capital contribution and withdrawal by shareholders	-	1,403,795	122,533,983	-	-	-	-121,130,188
Capital contribution by shareholders			122,533,983				-122,533,983
Others		1,403,795					1,403,795
(3) Profit distribution	-	-	-	-	-	-2,536,885,825	-2,536,885,825
Appropriation to surplus reserves							
Profit distribution to shareholders						-2,536,885,825	-2,536,885,825
Others							
(4) Transfer within shareholders' equity							
(5) Others							
4. As at 30 June 2020	2,096,599,855	2,313,185,846	122,533,983	13,762,147	1,111,880,257	5,915,507,238	11,328,401,360

HUAXIN CEMENT CO., LTD.
COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR JANUARY-JUNE 2019
(All amounts in RMB Yuan unless otherwise stated)

Item	JAN TO JUN 2019					
	Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserves	Undistributed profits	Total shareholders' equity
1. As at 31 December 2018	1,497,571,325	2,908,595,304	19,384,071	952,685,662	5,717,023,232	11,095,259,594
Add: Changes in Accounting policy			5,249,225		22,159,671	27,408,896
2. As at 1 January 2019	1,497,571,325	2,908,595,304	24,633,296	952,685,662	5,739,182,903	11,122,668,490
3. Changes for the period	599,028,530	-599,028,530	-	-	-110,571,272	-110,571,272
(1) Total comprehensive income					1,611,635,752	1,611,635,752
(2) Capital contribution and withdrawal by shareholders	-	-	-	-	-	-
(3) Profit distribution	-	-	-	-	-1,722,207,024	-1,722,207,024
Appropriation to surplus reserves	-					
Profit distribution to shareholders					-1,722,207,024	-1,722,207,024
Others	-					
(4) Transfer within shareholders' equity	599,028,530	-599,028,530	-	-	-	-
Capital Reserve Transferred to Increase Share Capital	599,028,530	-599,028,530				-
(5) Others	-					
4. As at 30 June 2019	2,096,599,855	2,309,566,774	24,633,296	952,685,662	5,628,611,631	11,012,097,218

The accompanying notes form an integral part of these financial statements.

Legal representative: Principal in charge of accounting:
Mr. Li Yeqing Ms. Kong Lingling

Head of accounting department:
Mr. Wu Xin