

Huaxin Cement Co., Ltd.
Announcement on Forecast Decrease of Operation Results for the First
Three Quarters of 2020

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false or misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

Highlights:

Performance of the Company is predicted to decrease by 730 million RMB to 910 million RMB, down by 15%-20% over the same period of last year.

I. Performance forenotice

(I) Period of performance forenotice

From January 1, 2020 to September 30, 2020.

(II) Performance forenotice

1. According to the preliminary accounting of the Financial Department of the Company, it is estimated that the net profit attributable to shareholders of the Company for the first three quarters of 2020 would decrease by 730 million RMB to 910 million RMB, down by 15% to 20% over the same period of last year (data disclosed in the periodic report according to the relevant regulations).

2. Net profit attributable to shareholders of the Company after extraordinary items would decrease by 720 million RMB to 900 million RMB, down by 15% to 19% over the same period of last year (data disclosed in the periodic report according to the relevant regulations).

(III) The performance prediction has not been audited by the CPA yet.

II. Performance for the same period of the previous year

1. The net profit attributable to shareholders of the Company disclosed in the Third Quarter Report 2019: 4,843,892.6 thousand RMB. The net profit attributable to shareholders of the Company after extraordinary items: 4,800,511.1 thousand RMB.

2. Earnings per share: 2.31 Yuan.

III. Main reasons for the forecast decrease of operation results in the reporting period

The performance decreased significantly for the first three quarters of 2020 mainly due to the hit of COVID-19 in the first half of this year and vast flood disaster along Yangtze River in July. The sales volume of main products were hugely affected and the price fell to some extent, leading to the reduction in the operating revenue.

It's worth noting that in the 3rd quarter of 2020, net profit attributable to shareholders of the Company was up by about 5% over last year, demonstrating the rebound of profitability of the Company.

IV. Risks notice

There are no uncertain factors that have a significant impact on the accuracy of the forecast decrease of operation results of the Company.

V. Other relevant explanation

The data listed above are just preliminary accounted. For detailed and accurate financial data, please refer to the Third Quarter Report 2020. Public investors are hereby kindly requested to notice investment risks.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.
October 10, 2020