

HUAXIN CEMENT CO., LTD.

First Quarter Report 2021

I. Important Notice

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

1.2 All Directors of the Company were present at the Board Meeting and reviewed the First Quarter Report 2021.

1.3 Corporate responsible person Mr. Li Yeqing, Chief in charge of Corporate Finance Mr Chen Qian and Manager of Accounting Department Mr. Wu Xin confirm that the financial statements in this First Quarter Report are true, accurate and complete.

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

II. Basic information of the Company

2.1 Financial Highlights

Unit: Yuan

	Reporting period end	Last year end	Change (%) of reporting period end / last year end
Total assets	44,321,132,362	43,928,509,151	0.89
Net assets attributable to shareholders of the Company	24,336,756,031	23,571,375,317	3.25
	Year beginning to reporting period end (Jan-Mar)	Same period of last year (Jan-Mar)	Change (%) of the reporting period / same period of last year
Net cash flow from operating activities (Yuan)	287,961,671	434,960,772	-33.8
	Year beginning to reporting period end (Jan-Mar)	Same period of last year (Jan-Mar)	Change (%) of the reporting period / same period of last year
Sales revenue	6,189,376,312	3,849,201,089	60.8
Net profit attributable to shareholders of the Company	734,258,721	354,137,040	107.34
Net profit attributable to shareholders of the Company after extraordinary items	727,212,130	361,768,654	101.02
Return on net assets, weighted average (%)	3.07	1.65	Up by 1.42 percentage points
Basic earnings per share (Yuan/share)	0.35	0.17	105.88
Diluted earnings per share (Yuan/share)	0.35	0.17	105.88

Extra-ordinary items and amount:

Applicable Not Applicable

Unit: Yuan

Item	Current period (Jan-Mar)	Remarks
Gains from disposal of non-current assets	-4,267,258	
Government subsidies, excluding regular fixed amount government subsidies	17,658,363	
In addition to the effective hedging business related to the normal business of the Company, the gains and losses from changes in fair value from the holding of tradable financial assets, derivative financial assets, tradable financial liabilities and derivative financial liabilities, and investment income gained from disposal of tradable financial assets, derivative finance, tradable financial liabilities, derivative financial liabilities and other credit investments	2,849,961	
Receivables for single impairment test, impaired contract assets ready to be reversed	999,100	
Other non-operating income and expenditures	-7,594,353	
Impacts from minority shareholders' interests (after tax)	-492,984	
Impacts from income tax	-2,106,238	
Total	7,046,591	

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

Unit: share

Total number of shareholders				87,254		
Top ten shareholders						
Names of Shareholders (full name)	Shares held at the period end	%	Shares subject to conditional sales	Mortgage or frozen		Shareholder type
				Shares condition	number	
HOLCHIN B.V.	835,543,825	39.85	0	nil	0	Foreign corporation
Huaxin Group Co., Ltd	338,060,739	16.12	0	nil	0	State corporation
Hong Kong Securities Clearing Company Ltd.	92,141,042	4.39	0	nil	0	unknown
HOLPAC LIMITED	41,691,843	1.99	0	nil	0	Foreign corporation
Central Huijin Asset Management Ltd.	30,476,180	1.45	0	nil	0	unknown
Huaxin Cement Co. Ltd-2020-2022 ESOP	19,963,855	0.95	0	nil	0	other
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	0.54	0	nil	0	unknown
Dai Deming	10,554,053	0.50	0	nil	0	Domestic natural person
Huang Jianjun	6,603,653	0.32	0	nil	0	Domestic natural person

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	6,471,079	0.31	0	nil	0	unknown
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Top ten holders of shares not subject to conditional sales			
Names of Shareholders	Number of shares not subject to conditional sales	Type and Number of Shares	
		Type	Number
Holchin B.V.	835,543,825	RMB ordinary shares	451,333,201
		Domestically listed foreign investment shares	384,210,624
Huaxin Group Co., Ltd	338,060,739	RMB ordinary shares	338,060,739
Hong Kong Securities Clearing Company Ltd.	92,141,042	RMB ordinary shares	92,141,042
HOLPAC LIMITED	41,691,843	Domestically listed foreign investment shares	41,691,843
Central Huijin Asset Management Ltd.	30,476,180	RMB ordinary shares	30,476,180
Huaxin Cement Co. Ltd-2020-2022 ESOP	19,963,855	RMB ordinary shares	19,963,855
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB ordinary shares	11,289,600
Dai Deming	10,554,053	RMB ordinary shares	10,554,053
Huang Jianjun	6,603,653	RMB ordinary shares	6,603,653
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	6,471,079	Domestically listed foreign investment shares	6,471,079
Remarks on relationship or concerted actions of the above shareholders	1. Holpac Limited is the party acts in concert with Holchin B.V. 2. It is unknown to the Company whether there is any relationship among the shareholders or any concerted persons referred in the "Administrative Measures of Disclosing Changes in Shareholding for Listed Companies".		

2.3 Total number of preference stock shareholders, top ten preference stock shareholders and top ten preference stock holders of shares not subject to conditional sales at the reporting period end

Applicable Not Applicable

III. Major Events

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

Applicable Not Applicable

3.1.1 Changes of Major Financial Indicators in the Balance Sheet

Unit: Yuan

Item	Period end	Year beginning	Change	%	Remarks
Tradable financial assets	405,145,031	1,004,581,752	-599,436,721	-60%	Redeemed monetary fund based on capital demand
Notes receivable	10,981,335	79,939,117	-68,957,782	-86%	Increase note payment
Accounts	1,147,905,424	653,219,779	494,685,645	76%	Impact of sales scale

receivable					expansion
Accounts receivable financing	661,208,431	1,020,306,419	-359,097,988	-35%	Increase note payment
Notes payable	315,279,868	472,696,537	-157,416,669	-33%	Acceptance bill to pay for the electric charge is due, the bill issuance was reduced.

3.1.2 Changes of Major Financial Indicators in the Income statement

Unit: Yuan

Item	From year beginning to reporting period end (Jan-Mar 2021)	Same period of last year (Jan-Mar 2020)	Change	%	Remarks
Sales revenue	6,189,376,312	3,849,201,089	2,340,175,223	61%	COVID-19 epidemic impact is basically eliminated, sales of main products increased
Cost of sales	4,165,952,263	2,557,652,049	1,608,300,214	63%	COVID-19 epidemic impact is basically eliminated, sales of main products increased
Tax and surcharge	126,441,834	86,206,896	40,234,938	47%	COVID-19 epidemic impact is basically eliminated, sales of main products increased
Selling expenses	469,193,782	304,535,914	164,657,868	54%	COVID-19 epidemic impact is basically eliminated, sales of main products increased
R&D expenses	3,988,037	2,430,064	1,557,973	64%	R&D project and R&D investment increased
Investment income	6,021,649	-3,673,432	9,695,081	264%	Income from associated companies and monetary fund increased
Gains from changes in fair value	3,540,749	-6,798,788	10,339,537	152%	Appreciation of stock and fund
Loss of credit impairment	1,467,834	-484,350	1,952,184	403%	Receivables reversed to be provision of bad debts
Gains of asset disposal	-3,080,051	-234,470	-2,845,581	-1214%	Loss increase of disposal of idle assets
Non-operating income	3,118,762	805,612	2,313,150	287%	Long-term debt write-off increased
Non-operating expenses	11,900,322	18,305,364	-6,405,042	-35%	Donations decreased
Income tax expenses	234,876,292	112,710,873	122,165,419	108%	Sales of main products increased, profit increased
Net profit attributable to shareholders of the Company	734,258,721	354,137,040	380,121,681	107%	Sales of main products increased, profit increased
Minority interests	70,280,345	25,937,083	44,343,262	171%	Sales of main products increased, profit increased
Net of other comprehensive income after tax	5,139,478	-74,167,794	79,307,272	107%	Stable foreign exchange rate, difference of foreign currency conversion decreased

3.1.3 Changes of Major Financial Indicators in the Cash flow statement

Unit: Yuan

Item	From year beginning to reporting period end (Jan – Mar 2021)	Same period of last year (Jan – Mar 2020)	Change	%	Remarks
Net cash flows from operating activities	287,961,671	434,960,772	-146,999,101	-34%	Tax and procurement payment increased
Net cash flows from investing activities	-629,478,468	-956,152,836	326,674,368	34%	Net redemption of monetary funds increased

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

1. Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd.

On August 20, 2020, the Nineteenth Meeting of the Ninth Board of Directors of the Company reviewed and approved the "Huaxin Cement Co., Ltd. Changing the Listing Venue of the Company's Domestically Listed Foreign Shares & Listing by way of Introduction on the Main Board of the Stock Exchange of Hong Kong Ltd.". The Company intends to convert the place of listing of a total of 734,720,000 domestically-listed foreign shares (B shares), to be listed and traded on the Main Board of the Hong Kong Stock Exchange by way of introduction, and to change into overseas listed foreign shares (H share).

The intermediary agency hired by the Company is currently conducting due diligence on the company. This share conversion plan has yet to be reviewed and approved by the company's Shareholders' General Meeting, and relevant application documents need to be submitted to and approved by the China Securities Regulatory Commission and the Hong Kong Stock Exchange after review and approval by the Shareholders' General Meeting.

2. Major external investment

On January 28, 2021, and the First Extraordinary Shareholders General Meeting in 2021, reviewed and approved the "Proposal on the Construction of the Huangshi Huaxin Green Building Materials Industrial Park". On April 28, 2021, the First Meeting of the Tenth Board of Directors approved the Proposal on Adjusting the Construction Plan of Huangshi Huaxin Green Building Materials Industry Park. Huangshi Huaxin Green Building Materials Industry Co., Ltd., is the main investment body to invest approximately 9.957 billion yuan to build the Huangshi Huaxin Green Building Materials Industrial Park(including 2 million tons/year active calcium and deep-processed production lines, 100 million tons/year machine-made sand and stone production lines and a dock line).

As of now, the first phase of the 100 million tons/year machine-made sand production line project is under construction.

3.3 Commitments that have not been fulfilled during the reporting period

Applicable Not Applicable

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

Applicable Not Applicable

Huaxin Cement Co., Ltd.
Legal Representative: Mr. Li Yeqing
April 28, 2021

IV. Attachments

4.1 Financial statements

Balance Sheet (Consolidated)

March 31, 2021

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	31 Mar 2021	31 Dec 2020
Current assets		
Cash at bank and in hand	8,233,063,486	8,641,612,847
Financial assets held for trading	405,145,031	1,004,581,752
Notes receivable	10,981,335	79,939,117
Accounts receivable	1,147,905,424	653,219,779
Accounts receivable financing	661,208,431	1,020,306,419
Advances to suppliers	432,174,513	378,619,350
Other receivables	336,533,482	375,253,958
Including: Interest receivable	491,349	641,916
Dividend receivable	-	-
Inventories	2,602,420,942	2,349,156,189
Other current assets	646,863,548	631,922,798
Total current assets	14,476,296,192	15,134,612,209
Non-current assets		
Credit investments	7,500,000	7,500,000
Long-term receivables	29,123,216	29,141,216
Long-term equity investments	651,829,235	512,281,201
Other equity instrument investments	33,774,995	33,774,995
Other non-current financial assets	33,518,042	32,827,254
Fixed assets	19,354,183,990	19,185,630,257
Construction in progress	3,501,914,239	3,104,429,340
Assets with use right	161,882,179	-
Intangible assets	4,220,148,613	4,267,008,181
Development expenditure	6,256,504	2,050,090
Goodwill	613,609,144	476,084,798
Long-term prepaid expenses	353,028,035	363,760,774
Deferred income tax assets	443,814,274	437,800,338
Other non-current assets	434,253,704	341,608,498
Total non-current assets	29,844,836,170	28,793,896,942
TOTAL ASSETS	44,321,132,362	43,928,509,151
Current liabilities		
Short-term borrowings	710,735,972	625,000,000
Notes payable	315,279,868	472,696,537

Accounts payable	4,974,209,197	5,297,633,770
Contract liabilities	799,675,178	830,492,042
Employee benefits payable	540,311,411	529,877,921
Taxes and other levies payable	972,062,039	1,186,166,143
Other payables	835,818,890	786,246,239
Including: Interests payable	59,969,602	30,026,120
Dividends payable	63,842,710	63,842,710
Current portion of non-current liabilities	1,929,128,185	1,874,484,159
Total current liabilities	11,077,220,740	11,602,596,811
Non-current liabilities		
Long-term borrowings	3,456,894,196	3,504,279,973
Debentures payable	1,958,255,508	1,943,763,447
Leasing liabilities	127,096,010	-
Long-term payables	191,708,313	191,011,663
Long-term employee benefits payable	127,203,205	127,205,104
Provisions	227,807,667	233,393,286
Deferred income	295,941,166	301,399,766
Deferred income tax liabilities	285,984,722	284,920,603
Total non-current liabilities	6,670,890,787	6,585,973,842
Total liabilities	17,748,111,527	18,188,570,653
OWNERS'S EQUITY		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	1,977,264,721	1,943,538,052
Less: treasury stock	610,051,971	610,051,971
Other comprehensive income	-274,723,363	-275,292,763
Surplus reserve	1,111,880,257	1,111,880,257
Retained earnings	20,035,786,532	19,304,701,887
Total equity attributable to owners of the Company	24,336,756,031	23,571,375,317
Minority interests	2,236,264,804	2,168,563,181
Total owners' equity	26,573,020,835	25,739,938,498
TOTAL LIABILITIES AND OWNERS' EQUITY	44,321,132,362	43,928,509,151

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

Balance Sheet (Parent Company)

March 31, 2021

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	31 Mar 2021	31 Dec 2020
Current assets		
Cash at bank and in hand	4,147,598,165	4,650,418,319
Financial assets held for trading	405,145,031	1,004,581,752
Notes receivable	-	100,000
Accounts receivable	679,560,305	545,749,566
Accounts receivable financing	117,301,381	151,473,769
Advances to suppliers	212,635,378	226,396,232
Other receivables	4,689,800,004	4,396,614,326
Including: Interest receivable	-	-
Dividend receivable	-	-
Inventories	221,116,299	320,998,776
Current portion of non-current assets	1,580,000	1,580,000
Other current assets	14,045,295	18,886,995
Total current assets	10,488,781,858	11,316,799,735
Non-current assets		
Long-term receivables	19,086,407	18,738,953
Long-term equity investments	11,441,064,556	11,119,516,522
Other equity instrument investments	33,774,995	33,774,995
Other non-current financial assets	33,518,042	32,827,254
Fixed assets	416,141,547	437,139,833
Construction in progress	230,034,778	209,773,010
Assets with use right	67,119,122	-
Intangible assets	39,879,911	40,397,874
Long-term prepaid expenses	14,781,386	15,339,306
Deferred income tax assets	20,227,109	17,350,047
Total non-current assets	12,315,627,853	11,924,857,794
TOTAL ASSETS	22,804,409,711	23,241,657,529
Current liabilities		
Short-term borrowings	300,000,000	300,000,000
Notes payable	4,846,455	24,246,455
Accounts payable	276,971,297	410,565,470
Contract liabilities	26,578,882	14,795,403
Employee benefits payable	71,487,503	63,346,794
Taxes and other levies payable	206,999,153	234,439,071
Other payables	6,889,952,838	7,224,579,499
Including: Interests payable	36,909,005	22,543,588

Dividends payable	23,821,382	23,821,382
Current portion of non-current liabilities	1,349,106,407	1,321,867,253
Total current liabilities	9,125,942,535	9,593,839,945
Non-current liabilities		
Long-term borrowings	1,180,780,000	1,202,780,000
Debentures payable	-	-
Leasing liabilities	53,976,477	-
Long-term employee benefits payable	90,846,929	99,997,218
Provisions	7,472,518	8,282,611
Deferred income	12,085,333	12,085,332
Total non-current liabilities	1,345,161,257	1,323,145,161
Total liabilities	10,471,103,792	10,916,985,106
OWNERS'S EQUITY		
Share capital	2,096,599,855	2,096,599,855
Capital reserve	2,353,635,771	2,341,881,336
Less: treasury stock	610,051,971	610,051,971
Other comprehensive income	13,762,146	13,762,146
Surplus reserve	1,111,880,257	1,111,880,257
Retained earnings	7,367,479,861	7,370,600,800
Total owners' equity	12,333,305,919	12,324,672,423
TOTAL LIABILITIES AND OWNERS' EQUITY	22,804,409,711	23,241,657,529

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

Income Statements (Consolidated)

Jan-Mar 2021

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	Q1 2021	Q1 2020
1. Total sales revenue	6,189,376,312	3,849,201,089
Including: sales revenue	6,189,376,312	3,849,201,089
2. Total cost of sales	5,181,649,356	3,360,634,947
Including: Cost of sales	4,165,952,263	2,557,652,049
Taxes and surcharges	126,441,834	86,206,896
Selling and distribution expenses	469,193,782	304,535,914
General and administrative expenses	380,959,833	371,845,735
Research and development expenses	3,988,037	2,430,064
Financial expenses-net	35,113,607	37,964,289
Including: Interest expenses	65,742,904	46,277,479
Interest income	28,422,723	11,550,905
Add: Other incomes	32,512,643	32,907,578
Investment income	6,021,649	-3,673,432
Including: Investment income from associates and joint ventures	-451,966	-3,966,923
Gains from changes in fair values	3,540,749	-6,798,788
Losses on credit impairment	1,467,834	-484,350
Losses on assets impairment	7,138	2,068
Gains on disposal of assets	-3,080,051	-234,470
3. Operating profit	1,048,196,918	510,284,748
Add: Non-operating income	3,118,762	805,612
Less: Non-operating expenses	11,900,322	18,305,364
4. Total Profit	1,039,415,358	492,784,996
Less: Income tax expenses	234,876,292	112,710,873
5. Net profit	804,539,066	380,074,123
(1) Classified by going concern basis		
Net profit of continuing operation	804,539,066	380,074,123
Net profit of discontinuing operation		
(2) Classified by ownership		
Attributable to shareholders of the Company	734,258,721	354,137,040
Minority interests	70,280,345	25,937,083
6. Other comprehensive income - net of tax	5,139,478	-74,167,794
Attributable to shareholders of the Company, net of tax	569,400	-66,279,765
(1) Other comprehensive income that will not be	-	-

reclassified to gain or loss		
(2) Other comprehensive income that will be subsequently reclassified as gain or loss	569,400	-66,279,765
Differences on translation of foreign currency financial statements	569,400	-66,279,765
Attributable to minority interest, net of tax	4,570,078	-7,888,029
7. Total comprehensive income	809,678,544	305,906,329
Attributable to shareholders of the Company	734,828,121	287,857,275
Attributable to minority interest	74,850,423	18,049,054
8. Earnings per share		
(1) Basic earnings per share (Yuan/share)	0.35	0.17
(2) Diluted earnings per share (Yuan/share)	0.35	0.17

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

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

Income Statement (Parent Company)

Jan-Mar 2021

Huaxin Cement Co., Ltd.

Unit: Yuan

Type: not been audited

Item	Q1 2021	Q1 2020
1. Sales revenue	939,864,889	660,384,148
Less: Cost of sales	836,225,075	586,260,015
Taxes and surcharges	2,156,962	4,286,299
Selling and distribution expenses	12,257,692	10,187,380
General and administrative expenses	93,107,248	70,006,738
Research and development expenses	12,579	-
Financial expenses	10,053,454	-15,682,695
Including: Interest expenses	59,158,383	51,913,707
Interest income	40,529,695	43,653,469
Add: Other incomes	2,008,426	148,557
Investment income	2,621,863	17,026,568
Including: Investment income from associates and joint ventures	-451,966	-3,966,923
Gains from changes in fair values	3,540,749	-6,798,788
Losses on credit impairment	-	-
Losses on assets impairment	-	-
Gains on disposal of assets	348,174	-
2. Operating profit	-5,428,909	15,702,748
Add: Non-operating income	13,477	4,201
Less: Non-operating expenses	582,568	2,732,466
3. Total Profit	-5,998,000	12,974,483
Less: Income tax expenses	-2,877,061	2,229,855
4. Net profit	-3,120,939	10,744,628
Net profit of continuing operation	-3,120,939	10,744,628
Net profit of discontinuing operation	-	-
5. Other comprehensive income - net of tax	-	-
6. Total comprehensive income	-3,120,939	10,744,628
7. Earnings per share	-	-
(1) Basic earnings per share (Yuan/share)	-	-
(2) Diluted earnings per share (Yuan/share)	-	-

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

Cash Flow Statements (Consolidated)

Jan-Mar 2021

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	5,974,603,429	4,833,632,179
Refund of taxes and surcharges	16,252,602	28,237,235
Cash received relating to other operating activities	204,326,978	84,211,057
Sub-total of cash inflows	6,195,183,009	4,946,080,471
Cash paid for goods and services	4,078,854,145	3,191,776,205
Cash paid to and on behalf of employees	793,137,939	514,389,631
Payments of taxes and surcharges	831,387,116	661,222,496
Cash paid relating to other operating activities	203,842,138	143,731,367
Sub-total of cash outflows	5,907,221,338	4,511,119,699
Net cash flows from operating activities	287,961,671	434,960,772
2. Cash flows from investing activities		
Cash received from disposal of investments	600,000,000	300,020,917
Cash received from returns on investments	4,616,761	343,604
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,940,155	602,693
Net cash received from disposal of subsidiaries and other operating units	22,000	-
Cash received relating to other investing activities	14,128,878	-
Sub-total of cash inflows	632,707,794	300,967,214
Cash paid to acquire fixed assets, intangible assets and other long-term assets	888,472,830	810,320,167
Cash paid relating to investing activities	140,000,000	360,000,000
Net cash paid for acquisition of subsidiaries and other operating units	233,696,568	-
Cash paid relating to other investing activities	16,864	86,799,883
Sub-total of cash outflows	1,262,186,262	1,257,120,050
Net cash flows from investing activities	-629,478,468	-956,152,836
3. Cash flows from financing activities		
Cash received from capital contributions	2,000,000	4,160,000
Cash received from borrowings	94,000,000	126,994,000
Cash received from other financing activities	-	10,470,287
Sub-total of cash inflows	96,000,000	141,624,287
Cash repayments of borrowings	33,755,618	12,706,725
Cash payments for interest expenses and distribution of dividends or profits	64,400,596	49,494,430
Cash payments relating to other financing activities	45,755,457	131,900,182

Sub-total of cash outflows	143,911,671	194,101,337
Net cash flows from financing activities	-47,911,671	-52,477,050
4. Effect of foreign exchange rate changes on cash	22,130,155	-12,737,843
5. Net increase in cash and cash equivalents	-367,298,313	-586,406,957
Add: Cash and cash equivalents at the period beginning	8,420,246,369	4,918,296,452
6. Cash and cash equivalents at the period end	8,052,948,056	4,331,889,495

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

Cash Flow Statements (Parent Company)

Jan-Mar 2021

Huaxin Cement Co., Ltd.

Unit: Yuan Type: not been audited

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,152,993,044	688,924,259
Cash received relating to other operating activities	383,265,550	144,984,060
Sub-total of cash inflows	1,536,258,594	833,908,319
Cash paid for goods and services	957,296,034	694,528,353
Cash paid to and on behalf of employees	115,821,208	193,004,801
Payments of taxes and surcharges	32,873,808	15,408,175
Cash paid relating to other operating activities	202,237,525	46,332,773
Sub-total of cash outflows	1,308,228,575	949,274,102
Net cash flows from operating activities	228,030,019	-115,365,783
2. Cash flows from investing activities		
Cash received from disposal of investments	600,000,000	300,000,000
Cash received from returns on investments	5,360,511	10,293,491
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	12,172,928	14,751
Sub-total of cash inflows	617,533,439	310,308,242
Cash paid to acquire fixed assets, intangible assets and other long-term assets	27,272,748	24,074,842
Cash paid relating to investing activities	-	360,000,000
Sub-total of cash outflows	322,000,000	-
Net cash flows from investing activities	349,272,748	384,074,842
3. Cash flows from financing activities	268,260,691	-73,766,600
Cash received from other financing activities		
Sub-total of cash inflows	1,471,425,660	1,397,768,430
Cash repayments of borrowings	1,471,425,660	1,397,768,430
Cash payments for interest expenses and distribution of dividends or profits	6,709,396	2,690,837

Cash payments relating to other financing activities	7,177,418	-13,318,429
Sub-total of cash outflows	2,442,257,406	1,894,630,544
Net cash flows from financing activities	2,456,144,220	1,884,002,952
4. Effect of foreign exchange rate changes on cash	-984,718,560	-486,234,522
5. Net increase in cash and cash equivalents	4,656,084	-590,548
Add: Cash and cash equivalents at the period beginning	-483,771,766	-675,957,453
6. Cash and cash equivalents at the period end	4,624,314,323	3,141,838,852
	4,140,542,557	2,465,881,399

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

4.2 Adjustment to the financial statements for the beginning of the year after implementing the New Leasing Standards for the first time since 2021

Balance Sheet (Consolidated)

Unit: Yuan

Item	31 December 2020	1 January 2021	Adjustment
Current assets			
Cash at bank and in hand	8,641,612,847	8,641,612,847	-
Financial assets held for trading	1,004,581,752	1,004,581,752	-
Notes receivable	79,939,117	79,939,117	-
Accounts receivable	653,219,779	653,219,779	-
Accounts receivable financing	1,020,306,419	1,020,306,419	-
Advances to suppliers	378,619,350	371,948,616	-6,670,734
Other receivables	375,253,958	375,253,958	-
Including: Interest receivable	641,916	641,916	-
Dividend receivable	-	-	-
Inventories	2,349,156,189	2,349,156,189	-
Other current assets	631,922,798	631,922,798	-
Total current assets	15,134,612,209	15,127,941,475	-6,670,734
Non-current assets			
Credit investments	7,500,000	7,500,000	-
Long-term receivables	29,141,216	29,141,216	-
Long-term equity investments	512,281,201	512,281,201	-
Other equity instrument investments	33,774,995	33,774,995	-
Other non-current financial assets	32,827,254	32,827,254	-
Fixed assets	19,185,630,257	19,185,630,257	-
Construction in progress	3,104,429,340	3,104,429,340	-
Assets with use right	-	153,876,761	153,876,761
Intangible assets	4,267,008,181	4,267,008,181	-
Development expenditure	2,050,090	2,050,090	-
Goodwill	476,084,798	476,084,798	-

Long-term prepaid expenses	363,760,774	363,760,774	-
Deferred income tax assets	437,800,338	437,800,338	-
Other non-current assets	341,608,498	341,608,498	-
Total non-current assets	28,793,896,942	28,947,773,703	153,876,761
TOTAL ASSETS	43,928,509,151	44,075,715,178	147,206,027
Current liabilities			
Short-term borrowings	625,000,000	625,000,000	-
Notes payable	472,696,537	472,696,537	-
Accounts payable	5,297,633,770	5,297,633,770	-
Contract liabilities	830,492,042	830,492,042	-
Employee benefits payable	529,877,921	529,877,921	-
Taxes and other levies payable	1,186,166,143	1,186,166,143	-
Other payables	786,246,239	786,246,239	-
Including: Interests payable	30,026,120	30,026,120	-
Dividends payable	63,842,710	63,842,710	-
Current portion of non-current liabilities	1,874,484,159	1,904,691,991	30,207,832
Total current liabilities	11,602,596,811	11,632,804,643	30,207,832
Non-current liabilities			
Long-term borrowings	3,504,279,973	3,504,279,973	-
Debentures payable	1,943,763,447	1,943,763,447	-
Leasing liabilities	-	116,998,195	116,998,195
Long-term payables	191,011,663	191,011,663	-
Long-term employee benefits payable	127,205,104	127,205,104	-
Provisions	233,393,286	233,393,286	-
Deferred income	301,399,766	301,399,766	-
Deferred income tax liabilities	284,920,603	284,920,603	-
Total non-current liabilities	6,585,973,842	6,702,972,037	116,998,195
Total liabilities	18,188,570,653	18,335,776,680	147,206,027
OWNERS'S EQUITY			
Share capital	2,096,599,855	2,096,599,855	-
Capital reserve	1,943,538,052	1,943,538,052	-
Less: treasury stock	610,051,971	610,051,971	-
Other comprehensive income	-275,292,763	-275,292,763	-
Surplus reserve	1,111,880,257	1,111,880,257	-
Retained earnings	19,304,701,887	19,304,701,887	-
Total equity attributable to owners of the Company	23,571,375,317	23,571,375,317	-
Minority interests	2,168,563,181	2,168,563,181	-
Total owners' equity	25,739,938,498	25,739,938,498	-
TOTAL LIABILITIES AND OWNERS' EQUITY	43,928,509,151	44,075,715,178	147,206,027

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

Accounting Department: Mr. Wu Xin

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Leases" (Cai Kuai 2018 [35]) in 2018. The company will implement the above new lease standards from January 1, 2021, and make adjustments to related items in the financial statements, See the table above for specific adjustments.

Balance Sheet (Parent Company)

Unit: Yuan

Item	31 December 2020	1 January 2021	Adjustment
Current assets			
Cash at bank and in hand	4,650,418,319	4,650,418,319	-
Financial assets held for trading	1,004,581,752	1,004,581,752	-
Notes receivable	100,000	100,000	-
Accounts receivable	545,749,566	545,749,566	-
Accounts receivable financing	151,473,769	151,473,769	-
Advances to suppliers	226,396,232	221,586,799	-4,809,433
Other receivables	4,396,614,326	4,396,614,326	-
Including: Interest receivable	-	-	-
Dividend receivable	-	-	-
Inventories	320,998,776	320,998,776	-
Current portion of non-current assets	1,580,000	1,580,000	-
Other current assets	18,886,995	18,886,995	-
Total current assets	11,316,799,735	11,311,990,302	-4,809,433
Non-current assets			
Long-term receivables	18,738,953	18,738,953	-
Long-term equity investments	11,119,516,522	11,119,516,522	-
Other equity instrument investments	33,774,995	33,774,995	-
Other non-current financial assets	32,827,254	32,827,254	-
Fixed assets	437,139,833	437,139,833	-
Construction in progress	209,773,010	209,773,010	-
Assets with use right	-	69,660,885	69,660,885
Intangible assets	40,397,874	40,397,874	-
Long-term prepaid expenses	15,339,306	15,339,306	-
Deferred income tax assets	17,350,047	17,350,047	-
Total non-current assets	11,924,857,794	11,994,518,679	69,660,885
TOTAL ASSETS	23,241,657,529	23,306,508,981	64,851,452
Current liabilities			
Short-term borrowings	300,000,000	300,000,000	-
Notes payable	24,246,455	24,246,455	-
Accounts payable	410,565,470	410,565,470	-
Contract liabilities	14,795,403	14,795,403	-
Employee benefits payable	63,346,794	63,346,794	-
Taxes and other levies payable	234,439,071	234,439,071	-

Other payables	7,224,579,499	7,224,579,499	-
Including: Interests payable	22,543,588	22,543,588	-
Dividends payable	23,821,382	23,821,382	-
Current portion of non-current liabilities	1,321,867,253	1,334,105,225	12,237,972
Total current liabilities	9,593,839,945	9,606,077,917	12,237,972
Non-current liabilities			
Long-term borrowings	1,202,780,000	1,202,780,000	
Debentures payable	-	-	
Leasing liabilities	-	52,613,480	52,613,480
Long-term employee benefits payable	99,997,218	99,997,218	
Provisions	8,282,611	8,282,611	
Deferred income	12,085,332	12,085,332	
Total non-current liabilities	1,323,145,161	1,375,758,641	52,613,480
Total liabilities	10,916,985,106	10,981,836,558	64,851,452
OWNERS'S EQUITY			
Share capital	2,096,599,855	2,096,599,855	-
Capital reserve	2,341,881,336	2,341,881,336	-
Less: treasury stock	610,051,971	610,051,971	-
Other comprehensive income	13,762,146	13,762,146	-
Surplus reserve	1,111,880,257	1,111,880,257	-
Retained earnings	7,370,600,800	7,370,600,800	-
Total owners' equity	12,324,672,423	12,324,672,423	-
TOTAL LIABILITIES AND OWNERS' EQUITY	23,241,657,529	23,306,508,981	64,851,452

The Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 21-Leases" (Cai Kuai 2018 [35]) in 2018. The company will implement the above new lease standards from January 1, 2021, and make adjustments to related items in the financial statements, See the table above for specific adjustments.

4.3 Explanation on tracing previous statistics due to application of New Leasing Guideline for the first time since 2021

Applicable Inapplicable

4.4 Audit Report

Applicable Not Applicable