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HUAXIN CEMENT CO., LTD.*

1. CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Consolidated Income Statement *(continued)*
Six months ended 30 June 2023

	Note
(1) Classified by continuity of operations	
1. Net profit from continuing operations	
2. Net profit from discontinued operations	
(2) Classified by ownership of the equity	
1. Net profit attributable to shareholders of the Company	
2. Profit or loss attributable to minority interests	
Other comprehensive income, net of tax	
(1) Other comprehensive income attributable to owners of the Company, net of tax	
1. Other comprehensive income that cannot be reclassified to profit or loss Changes in fair value of other equity instrument investments	
2. Other comprehensive income that will be reclassified to profit or loss	
Exchange differences on translation of financial statements denominated in foreign currencies	
(2) Other comprehensive income attributable to minority interests, net of tax	
Total comprehensive income	
Total comprehensive income attributable to owners ofthe Company	
Total comprehensive income attributable to minority interests	
Earnings per share	
Basic earnings per share (RMB/ share)	
Diluted earnings per share (RMB/	

CONSOLIDATED BALANCE SHEET
30 JUNE 2023

	Note
Current assets:	
Cash and bank balances	
Held for trading financial assets	
Notes receivable	
Accounts receivable	
Receivables financing	
Prepayments	
Other receivables	
Inventories	
Other current assets	
Total current assets	
Non-current assets:	

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CONSOLIDATED BALANCE SHEET*(continued)*
30 JUNE 2023

Other payables	
Non-current liabilities due within one year	
Other current liabilities	
Total current liabilities	
Non-current liabilities:	
Long-term borrowings	
Bonds	

Notes:

1 Basis for preparation

The Group implemented the Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance. Financial information are

4 Income tax expenses

(1) Table of income tax expenses

Item

6 Accounts receivable

(1) Disclosure by aging

	30 June 2023	31 December 2022
Within 6 months	1,781,603,416	1,130,096,842
6 - 12 months	325,091,044	164,377,772
Subtotal within 1 year	2,106,694,460	1,294,474,614
1 - 2 years	136,515,523	129,150,787
2 - 3 years	57,912,324	34,853,374
Over 3 years	96,052,534	102,009,512
Less: Bad debt provision for accounts receivable	228,631,721	177,857,087
Total	2,168,543,120	1,382,631,200

(2) Disclosure by bad debt provision methods

	30 June 2023					31 December 2022				
	Account balance		Bad debt provision			Account balance		Bad debt provision		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Carrying amount	Amount	Proportion (%)	Amount		Carrying amount

6 Accounts receivable(continued)

Receivables for which bad debt provision is assessed on a portfolio basis

Category of cement receivable

	30 June 2023
Name	

6 Accounts receivable(continued)

(3) Bad debt provision

Category	31 December 2022	Changes for the period			30 June 2023
		Provision	Recovery or reversal	Write-off or elimination	
Bad debt provision accounts receivable	177,857,087	82,724,568	30,913,790	1,036,144	228,631,721
Total	177,857,087	82,724,568	30,913,790	1,036,144	228,631,721

(4) Accounts receivable written off in the current period

Item	Write-off amount
Accounts receivable written off	

(5) Amounts due from top five clients are summarized as below

	30 June 2023			
Name	Closing balance of accounts receivable	% of total balance	Closing balance of bad debt provision	Net accounts receivable
Client F	43,608,036	2	4,730,935	38,877,101
Client G	33,785,722	1	6,406,719	27,379,003
Client H	26,655,712	1	2,665,571	23,990,141
Client I	24,667,450	1	4,598,003	20,069,447
Client J	24,268,577	1	875,008	23,393,569
Total	152,985,497	6	19,276,236	133,709,261

7 Receivables financing

(1) Classification of receivables financing

Item	30 June 2023	31 December 2022

7 Receivables financing (continued)

(3) Receivables financing of the Company that has been endorsed but has not yet expired as at the balance sheet date at the end of the period

Item	Derecognized amount	Non-derecognized amount
Bank acceptances - Endorsed but not yet expired as at the balance sheet date	1,928,574,873	-

8 Accounts payable

(1) Significant accounts payable aged over one year

Aging	**30 June 2023**	**31 December 2022**
Within 1 year	6,024,607,163	7,234,349,975
1 - 2 years	590,850,965	631,936,804
2 - 3 years	452,836,760	238,643,172
Over 3 years	341,610,656	261,353,365
Total		

II. Dividend

The Board did not recommend the payment of interim dividend nor capital reserve converted to equity capital for the Reporting Period.

III. MANAGEMENT DISCUSSION AND ANALYSIS

Analysis on the operation of the first half of 2023

In the first half of 2023, the Company anchored the established goals, adhered to green, low carbon and circular development of building materials, coordinated the epidemic prevention control and safety production, adhered to green and low carbon development, vigorously promote integrated development, steadily promote overseas business and digital development, insisted on the strategy of "stabilize price and volume and stable operation". While maintaining production and operational stability, the Company continued to consolidate and strengthen its foundation.

In the first half of 2023, due to the increase in the sales volume of cement overseas, the Company recorded sales volume of cement and clinker of 29.9514 million tons, representing an increase of 2.13% as compared with the same period of last year (among which: the sales volume of cement and clinker in domestic plants decreased by 0.76% against the same period of last year). As a result of business integration, the sales volume of aggregate was 50.5124 million tons, representing an increase of 103.30% as compared against the same period of last year; and that of RMX was 10.9497 m^3, representing a period-to-period increase of 82.31%. In the meantime, the Company continued to promote eco-friendly business development, controlled energy consumption and reduced costs. Therefore, wastes received amounted to 1.94 million tons, representing a period-to-period increase of 11%. During the Reporting Period, the operating income was RMB 15.832 billion, representing an increase of 10.02% as compared with that of the corresponding period in 2022. Due to the period-to-period decrease in the selling price and sales volume of domestic cement and clinker, as at the end of the Reporting Period, net profit attributable to the owners of the Company was RMB 1.193 billion, representing a decrease of 24.85% as compared with that of the corresponding period in 2022.

During the Reporting Period, operating revenue generated from the cement business amounted to RMB 9.76 billion, representing a decrease of 5.04% compared with the same period of last year, in which the operating revenue from domestic cement business was RMB 7.462 billion, representing a decrease of 12.41% against the same period of last year; the operating revenue of overseas cement business was RMB 2.302 billion, representing an increase of 30.57%. Operating revenue from non-cement business was RMB 5.836 billion, representing a period-to-period increase of 49.19%. In terms of profit, the selling price of cement products decreased from 24.60 RMB/ton to 326 RMB/ton period-to-period, and the cost decreased by 10.47 .

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increased, EBITDA contribution of the non-cement business for the

overcapacity and intensified competition will not change dramatically. The

During the Reporting Period, the Company nor its subsidiaries had purchased, sold and redeemed listed securities of the Company.

V. DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT

During the Reporting Period, Mr. Martin Kriegner was elected as a non-executive director of the Tenth Board of Directors of the Company at the Company's First Extraordinary Shareholders' General Meeting of 2023 held on 9 January 2023. There were no changes in other directors, supervisors and senior management of the Company.

As at 30 June 2023, the following directors, supervisors and chief executives of the Company held interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests kept by the Company

VII. CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules of the Stock Exchange during the Reporting Period.

VIII. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the code provisions regarding the purchase and sale of the Company's shares by the Directors and supervisors of

