

Huaxin Cement Co., Ltd. Preliminary Performance Bulletin for Year 2017

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.

The 2017 financial data listed below are just preliminarily accounted and not yet audited (confirmed) by accounting firm. For detailed and accurate financial data, please refer to the Annual Report 2017 which will be officially disclosed after auditing.

Public investors are hereby kindly requested to notice investment risks.

I. Main Financial Data and Indicators of 2017

Unit: million Yuan

Item	This reporting period	Same period of last year	Change (%)
Total operating revenue	20,889	13,526	54.44
Operating profit	2,580	684	277.19
Total profit	2,812	807	248.45
Net profit attributable to shareholders of the Company	2,078	452	359.73
Net profit attributable to shareholders of the Company after extraordinary items	1,804	464	288.79
Basic earnings per share (Yuan/share)	1.39	0.3	363.33
Return on net assets, weighted average (%)	18.98	4.61	Increased by 14.37 percentage points
	Reporting period end	Beginning of the reporting period	Change (%)
Total assets	30,499	27,427	11.20
Shareholders' equity attributable to shareholders of the Company	11,900	9,995	19.06
Share capital	1,498	1,498	-
Net assets per share attributable to shareholders of the Company (Yuan)	7.94	6.67	19.04

II. Statement on operation results and financial status

During the reporting period, gross revenue of the Company increased by around 7.4 billion RMB, up by 54.44% over the same period of last year. Main reasons for growth are: (1) Due to financial statement consolidation of acquired original Lafarge China Cement Limited plants in Yunnan, Guizhou and Chongqing, the capacity was thus expanded and operation status was improved greatly and revenue increased by about 4.3 billion RMB; (2) Thanks to supply demand change led by government strengthening on environmental protection and supply side reform, the price of pillar products including cement and clinker experienced a significant rise over the same period of last year, leading to revenue growth at around 2.3 billion RMB; (3) During the reporting period, sales volume of cement and clinker (calculated on same standard) increased by around 3% and revenue was up by about 300 million RMB.

During the reporting period, net profit attributable to shareholders of the listed company increased by around 1.6 billion RMB over the same period of last year, an increase of about 360%. Main reasons for the growth are: (1) acquired asset contributed around 600 million RMB to the net profit (including capacity expansion and significant improvement in operation); (2) operation performance improvement in aggregate and Eco business increased by around 100 million RMB in net profit.

During the reporting period, gross asset of the Company increased by 11.20% at the end of the period over the beginning of the period due to asset acquisition and operation expansion. Owing to the profit growth, liquidity ratio increased to 0.95 from 0.76 and asset-liability ratio decreased to 57% from 59%.

III. Risk warning

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IV. Documents for inspection

Comparable balance sheet and income statement signed and stamped by CEO of the Company/Legal Representative Mr. Li Yeqing, Principal in charge of accounting Ms. Kong Lingling and Head of Accounting Department Mr. Wu Xin.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.
February 28, 2018