

Huaxin Cement Co., Ltd.

600801

2022 Half Year Report

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. Legal Representative and CEO Mr. Li Yeqing, 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 profit 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. No such circumstances where over half of directors can't guarantee the authenticity, accuracy and completeness of this report.

X. Significant Risk Warning

The company has described the possible risks in this report in detail, please refer to the "V. Other disclosures: possible risks" part in "Section III Management Discussion and Analysis" of this report.

XI. Others

Applicable Inapplicable

Chapter 1 Interpretation

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

Interpretation of the common words		
Reporting Period	means	From January 1 to June 30, 2022
Yuan, K Yuan, 10 K Yuan, Million Yuan, 100 Million Yuan	Means	RMB, RMB1,000, RMB10,000, RMB million, RMB100 million Yuan, China's legal currency
EBITDA	Means	Earnings before interest, tax, depreciation and amortization
AFR	Means	Alternative fuel raw material
IT	Means	Information technology
KPI	Means	Key performance indicators
NO _x	Means	Nitrogen oxide(s)
SNCR	Means	Selective non-catalytic reduction
VAP	means	Value-added product
ICC	means	International Chamber of Commerce
EPC	means	Engineering Procurement Contract
kgce/t.KK	means	Kilogram standard coal/ton clinker
CO ₂	means	Carbon dioxide
kgce/t	means	Kilogram standard coal/ton
HKEX	means	Stock Exchange of Hong Kong Limited
SSE	means	Shanghai Stock Exchange
A Shares	means	Ordinary shares listed on the Shanghai Stock Exchange with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in RMB
H Shares	means	Foreign shares listed on the HKEX with a nominal value of [RMB 1.00] per share in the Company's share capital, subscribed and traded in Hong Kong dollars
Hong Kong	means	Hong Kong Special Administrative Region of China
China	means	The People's Republic of China
CSRC	means	China Securities Regulatory Commission
The Company/Company/parent company/Huaxin Cement	means	Huaxin Cement Co., Ltd.
The Group	means	The Company and its subsidiaries

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. Ye Jiaying	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	02787773898	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
Change of the registered address	The original address when the company listed was No. 897 Huangshi Avenue, Huangshi City, Hubei Province. In June 2018, it was changed into No. 600 East Daqi Avenue, Huangshi City, Hubei Province
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

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
H share	Shanghai Stock Exchange	Huaxin B share	06655

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 (%)
Operating income	14,389,448,963	14,744,386,072	-2.41
Net profit attributable to shareholders of the Company	1,586,839,657	2,438,324,279	-34.92
Net profit attributable to shareholders of the Company after extraordinary items	1,536,019,187	2,395,910,618	-35.89
Net cash flow from operating activities	1,267,008,618	2,292,084,640	-44.72
	Current period end	At the end of 2021	Change over last year (%)
Net assets attributable to shareholders of the Company	26,372,431,353	26,729,911,468	-1.34
Total assets	56,249,762,014	52,549,618,050	7.04

(II) Financial Highlights

Item	Current reporting period (January-June)	Same period of last year	Change over last year (%)
Basic earnings per share (Yuan/share)	0.77	1.18	-34.75
Diluted earnings per share (Yuan/share)	0.77	1.18	-34.75
Basic earnings per share after extraordinary items (Yuan/share)	0.74	1.16	-36.21
Return on net assets, weighted average (%)	5.75	9.83	Down by 4.08 percentage points
Return on net assets after extraordinary items, weighted average (%)	5.57	9.66	Down by 4.09 percentage points

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	-4,960,646
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)	55,813,845
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	40,077,522
Reversal of provisions for assets impairment of accounts	3,111,514
Non-operating items other than aforesaid items	-32,126,863
Effect of income tax	11,459,039
Effect of minority interest (after tax)	-364,138
Total	50,820,470

X. Others

Applicable Inapplicable

Chapter 3 Management Discussion and Analysis

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

(I) Industry Situation of the Company

According to the Industry Category of Listed Companies in the Third Quarter of 2021 issued by the CSRC, the Company belongs to the nonmetallic mineral products of the manufacturing industry. According to the main business of the Company, the Company is cement industry.

Demand for cement is highly relevant to the national economic development and fixed asset investment and highly cyclical. In the first half of 2022, Chinese economy has been fluctuating as the complex international situation evolved and domestic epidemic shocked. In the first half, GDP gained 2.5% against last year, and the 2nd quarter gained 0.4%. From January to June, fixed asset investment (excluding farmers) stood at 27.14 trillion, an increase of 6.1% over last year, among which the nationwide infrastructure investment (excluding electricity) increased 7.1% year on year while the real estate investment fell 5.4%.

In the first half of 2022, the accumulated cement output was 977 million tons, down by 15% over last year, hitting a new low for 11 years. Waning national demand for cement has become a reality. As the demand continues to weaken, monthly cement price has kept falling for 8 months in a row since last October, coupled with high price of coal, the production cost keeps hovering at plateau. Performance is under high pressure. (Data source: National Statistics Bureau and China Cement Association)

In the second half of 2022, the economic work will continue to follow the general principle of pursuing progress while ensuring stability. As the epidemic control tends to ease, policies takes effect, Chinese economy will improve and accelerate to return to normal. It's predicted that the demand for cement would improve.

(II) 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. For the past 20 years, through integration development, 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, production and sale of cement based high-tech building materials, 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, gradually developing into a global building material group in China with the whole industry chain and integrated development.

The Company ranks among Chinese Manufacturing Industry Top 500 and Fortune China Top 500. As of June 30, 2022, the Company owns around 290 subsidiaries and branches in 14 provinces and cities including Hubei, Hunan, Yunnan, Chongqing, Sichuan, Guizhou, Tibet, Henan, Guangdong, Shanghai, Jiangsu, Jiangxi, Shanxi and Hainan as well as 6 countries including Tajikistan, Kyrgyzstan, Uzbek, Cambodia, Nepal, Tanzania,

Zambia and Malawi with total cement capacity of 118 million tons/year, (grinding capacity, capacity in joint ventures are included), cement equipment manufacturing capacity of 50,000 tons/year, commercial concrete capacity of 60.10 million m³/year(including leasing), aggregate capacity of 168 million tons/year, composite eco wall material of 540 million units/year, aerated block (board) 850,000 m³/year, mortar production capacity of 1 million tons/year, UHPC 40,000 m³/year, civil building curtain wall slab of 800,000 m²/year, anticorrosion tile and slab for industrial use 3 million m²/year, lime of 690,000 tons/year, cement packaging bag capacity of 700 million bags/year and wastes disposal capacity of 12.36 million tons/year (including projects approved but yet to be operated).

As of June 30, 2022, revenue of cement business accounts for 71% of the Company's total revenue, taking the lead in all businesses of the Company. But non-cement business ratio gained place gradually, contributing an important growth point to the profit.

(III) Main products and the application, market place

1. Cement products

Cement is an important basic construction material, widely used in national infrastructure construction, urban infrastructure and housing development, rural revitalization infrastructure and civil building construction. In the time, cement will remain an irreplaceable construction material for a considerable period of time in the future due to its wide distribution of raw materials, relatively low production cost and good engineering performance.

The widely known brand and excellent quality make Huaxin Cement widely trusted by customers. The Company's cement business has a dominant position in Central China and has become a major player in the cement market in Southwest China. As one of the first Chinese cement companies to go global, the Company has laid out more than 12 million tons/year of production capacity in eight countries in Central Asia, Southeast Asia and Africa. In Central Asia, the Company has become the leader in the local cement market.

2. Concrete products

Ready-mixed concrete is a mixture of cement slurry and aggregate. Cement paste is formed by cement and water and is used to wrap around the surface of coarse and fine aggregates. After the chemical action of hydration, the cement paste hardens and has the strength to form concrete. The Company's concrete products are widely used in real estate projects and infrastructure construction.

Through the strategic layout of investing in the construction of concrete mixing plants around existing cement clinker production lines, the Company is gradually realizing its vertical integration strategy to enhance its influence in the concrete business in the core cement market. The Company's concrete business focuses on the current cutting-edge concrete technology and adopts advanced technique and equipment to provide high-quality ready-mixed concrete (RMX) for general purpose and VAP innovative concrete products tailored to customers' needs, and has transformed from a traditional concrete production supplier to a service provider of RMX and related products design and, construction and overall solutions.

3. Aggregate Products

Aggregate is a granular loose material that plays the role of skeleton or filler in concrete, and accounts for the largest volume in concrete. In addition to being widely used in

various types of concrete, aggregate is also used in various scenarios such as road foundation, railroad slag, mortar and so on.

The Company is the first enterprise in China's cement industry to build a large-scale and eco friendly aggregate plant. After more than ten years of exploration and expansion, the scale of our aggregate business has increased significantly and we have become an important product supplier in the middle and lower reaches of the Yangtze River.

(IV) Operation model of the Company

1. Model of management

The company has established a matrix and flat organization structure of "regional management" + "business operation" + "functional management", and through establishing a technology institute, implements the company's business portfolio strategy through two different directions: "regional management" (horizontal) and "business operation" (vertical), to form an efficient operation model that promotes and supports each other and achieves the company's established goals.

2. Model of production

Production of the Company is defined by sales volume. Subsidiaries formulate annual production and operation plan based on the demand in their respective regions.

3. Model of sale

Huaxin adopts unified governance from the headquarter, direct operation of some core regions; unit operation management of industrial parks and plant base, equal emphasis on direct sales and distribution sales. Huaxin takes the pursuit of quality as the core, promote the brand and maintain its value so as to improve competitiveness in the market.

4. Model of procurement

The Company launched the system in procurement and initiated the procurement strategy of "Unified Procurement" + "Online Procurement". Important raw materials and fuels are procured by the Headquarter collectively. Develop and maintain direct supply of strategic resources. All the office supplies, IT consumables and some industry products are procured through the purchase platform of "internal framework agreement+ external e-commerce" and supplies can be procured one stop. Raw materials, fuels, auxiliary materials and spare parts that are yet to be included in the scope of Unified Procurement and Online Procurement are procured collectively on an open, transparent and standard digital purchasing platform.

II. Core Competitiveness

Since being listed in 1994, the Company remains committed to the philosophy of “Innovation-driven development, leading the industry”, “Operating ongoing business with perseverance”. With 30 years of continuous and healthy development, the Company has been equipped with advantages such as scale and complete industry chain, green and low carbon development, technological innovation, trade name and brand, product quality, strategic layout, digital innovation and professional, stable and efficient management team through independent innovation, scientific decision-making, energy saving and pollution reduction and low-carbon circular economy.

During the reporting period, the Company has further enhanced and consolidated the above advantages by constant integration development, safety and eco investment and accelerated “traditional industry + digital innovation”, strengthening the core competitiveness.

Please refer to the Chapter III Management Discussion and Analysis IV. Core Competiveness in 2021 Annual Report for details.

III. Discussion and Analysis on Business Operation

In the first half of 2022, amid negative impacts such as the continued outbreak of the pandemic in the PRC, sharp decline in demand in the cement industry, high cost of fuel and the pressure on cement price, Huaxin 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 2022, due to the extreme macro-economic environment, sales volume of cement and RMX amounted to approximately 29.3272 million tons, representing a decrease of 21.5% as compared with that of the corresponding period in 2021. Benefiting from the forward-looking integrated development, the aggregate output amounted to approximately 36.60 million tons, representing an increase of 83% as compared with that of the corresponding period in 2021; sales volume of RMX amounted to approximately 6.0061 million m³, representing an increase of 78.89% as compared with that of the corresponding period in 2021; the volume of hazardous wastes received amounted to approximately 1.74 million tons, representing an increase of 6% as compared with that of the corresponding period in 2021. Due to the decrease in sales volume of cement, our principal product, and the increase in fuel cost, the Company recorded operating income of approximately RMB 14.389 billion for the Reporting Period, representing a decrease of 2.41% as compared with that of the corresponding period in 2021 and net profit attributable to shareholders of the Company amounted to approximately RMB 1.587 billion, representing a decrease of 34.92% as compared with that of the corresponding period in 2021.

During the Reporting Period, operating income generated from the Group’s cement segment amounted to approximately RMB 10.282 billion, representing a period-to-period

decrease of 13.8% , among which operating income generated from domestic cement was approximately RMB 8.485 billion, representing a decrease of 21% as compared with that of the corresponding period in 2021; revenue generated from non-cement business was approximately RMB 3.949 billion, representing a period-to-period increase of 45.8%. In relation to the profitability for the Reporting Period, production costs of cement increased by RMB 47 per ton (or 21.9%) as compared with the corresponding period in 2021 due to the decrease in sales and increase in costs of fuel and power, which in turn lead to the decrease of gross margin per ton by approximately RMB 16 per ton to RMB 89 per ton. For the non-cement business segment, the gross margin of aggregate decrease by approximately RMB 6 per ton to RMB 31 per ton due to the decrease in average selling price. Gross profit of RMX decreased to approximately RMB 59 per m³ due to the decrease in selling price by RMB 20 per m³ and the increase in cost by RMB 17 per m³. Due to the increase in sales of aggregate and concrete, EBITDA contribution of the non-cement business segment reached over 35% during the Reporting Period.

During the Reporting Period, the Company adhered to green and low carbon development, reducing pollution, consumption and cost and saving energy. By means of increasing the alternative fuels, upgrading the technology of reducing pollution and saving energy, the comprehensive consumption per unit clinker has improved while fuel cost has decreased. In the first half of 2022, the TSR of all kiln lines with AFR reached approximately 10.87%, representing an increase by 4.67 percentage points as compared with the corresponding period in 2021, and combined traditional thermal consumption decreased by approximately 34.4 kcal/kg; the comprehensive consumption per unit clinker of 13 out of the 52 kiln lines of the Company are lower than the national standard of 100 kgcet/t.

During the Reporting Period, the Company continued to advance the integration development. In terms of the Company's cement business, Nepal Narayani Limited put into operation a new dry cement clinker with capacity of 3,000 tons per day during the Reporting Period; and the 2nd phase cement clinker production line in Tanzania Maveni with a capacity of 4,000 tons per ton completed the design stage, it has obtained approval and is ready for operation. In relation to the Company's aggregate business, the Group completed the aggregate projects in Hubei Yidu, Hubei Zigui, Yunnan Honghe, Henan Xinyang and were put into operation, which increased the production capacity by 13.5 million tons per year; the Company initialed the installation of Phase I the Yangxin 100 million tons per year machine-made sand project and conducted test runs in mid-June 2022. In relation to the Company's concrete business: the Company pushed forward light-asset operation, started 17 concrete projects in Jiangsu, Hainai, Hubei, Hunan, Yunnan with new capacity of 16.30 million m³ per year.

During the Reporting Period, the Company continued to advance digital development to support the realization of corporate strategy. The intelligent plant featuring "Made by Huaxin" covers sales, purchasing, production, logistics and finance with 29 sub-systems of intelligence in industry, commerce and management. In the plant, intelligence runs through the whole process including raw material access, production, packaging and shipment. 77% of the plants of the Company have implemented over 15 sets of the intelligence system.

IV. Major operations during the period

(I) Major Operations

1. Changes of Items in Financial Statement

Unit: Yuan

Item	Current period	Same period of last year	Change (%)
Operating revenue	14,389,448,963	14,744,386,072	-2.41
Operating cost	10,357,040,560	9,698,746,976	6.79
Selling and distribution expenses	709,133,292	657,762,012	7.81
General and administrative expenses	723,755,898	677,883,399	6.77
Financial costs	164,831,907	102,942,061	60.12
R&D expenditures	45,693,691	23,001,179	98.66
Net cash flows from operating activities	1,267,008,618	2,292,084,640	-44.72
Net cash flows from investing activities	-3,121,618,364	-1,124,636,623	-177.57
Net cash flows from financing activities	226,934,452	-2,348,364,550	109.66

Reasons of financial costs change: incurred by foreign exchange loss.

Reasons of R&D expense change: investment increase in the R&D projects and personnel.

Reasons for net cash flows from operating activities change: sales volume of cement declined and cost rose.

Reasons for net cash flows from investing activities change: investment in aggregate and concrete projects increased.

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

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, 2022	% in the total assets	End of last period	% in the total assets	Change over the end of last period (%)	Remarks
Held-for-trading financial assets	100,040,273	0.38	711,964,323	2.66	-85.95	Monetary fund redeemed
Notes receivable	278,706,448	1.06	145,430,152	0.54	91.64	Decrease in notes transfer
Accounts receivable	1,337,440,333	5.07	956,580,152	3.58	39.81	Expansion of concrete business
Financing with receivables	379,930,781	1.44	761,050,910	2.85	-50.08	Revenue declined, so notes receivables decreased
Prepayments	528,992,198	2.01	339,315,919	1.27	55.9	Prepayments of coal increased
Long term receivables	112,745,496	0.43	35,934,266	0.13	213.75	Working capital increased in local governments
Other equity instrument investment	39,085,894	0.15	55,867,066	0.21	-30.04	Evaluation decreased of holding shares
Construction in progress	5,810,805,866	22.03	4,199,141,042	15.71	38.38	Investment of aggregate and concrete increased
Right-of-use assets	501,573,009	1.9	273,191,262	1.02	83.6	Leasing of concrete

						business increased
Development expenditure	14,712,576	0.06	10,392,804	0.04	41.57	R&D projects and personnel increased
Other non-current assets	1,601,330,864	6.07	951,124,092	3.56	68.36	Investment in aggregate and concrete increased
Employee benefits payable	264,857,346	1	409,092,005	1.53	-35.26	Payment of bonus for last year
Taxes payable	583,766,931	2.21	1,060,916,467	3.97	-44.98	Profit declined, taxes payable decreased
Other payables	1,660,631,843	6.3	756,194,670	2.83	119.6	Dividends are yet to be paid
Non-current liabilities due within one year	2,153,586,771	8.17	1,213,650,184	4.54	77.45	Maturing borrowings for working capital increased
Lease liabilities	371,141,996	1.41	223,580,118	0.84	66.00	Leasing of concrete business increased
Long term payables	1,254,007,357	4.75	463,257,160	1.73	170.69	Instalments for mining right increased.
Other comprehensive incomes	-184,181,217	-0.7	-305,350,132	-1.14	-39.68	Currency depreciation in overseas subsidiaries

2. Overseas assets

(1) Assets scale

Overseas assets 80 (Unit: 100 million yuan, currency: RMB), 14.40% of total assets.

(2) Explanation on the overseas assets

Not applicable

3. Major restrictions on assets by the period end

Item	Book value at the end of the period
Cash and bank balances	318,971,981
Notes receivable	33,000,000
Financing from accounts receivable	68,400,000
Fixed assets	5,171,715
Intangible assets	10,935,676
Total	436,479,372

Equities of some subsidiaries of the Group have been pledged to bank for long term borrowings (Notes VII (28)). As of 2022 June 30, book value of net asset balance equivalent to those equities is around 5,342,132,534 RMB (2021 December 31 : about RMB 5,080,267,607).

4. Other explanations

Applicable Inapplicable

(IV) Investments

1. External equity investment

Applicable Inapplicable

Unit: Yuan

Item	Current period	Last period	Change (%)
Debt investments	7,500,000	7,500,000	0
Other equity instrument investment	39,085,894	55,867,066	-30.04
Other non-current financial assets	24,997,582	26,343,260	-5.11
Long term equity investment	450,054,672	523,612,871	-14.05

(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 investment Applicable Inapplicable**(3) Financial Assets valued by fair value**

Unit: Yuan

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%	10,879,582	808,322	Other non-current financial assets
601601	China Pacific Insurance	696,000	0.0066%	14,118,000	-2,154,000	Other non-current financial assets
Total			/	24,997,582	-1,345,678	/

(V) Major assets and equity sale Applicable 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 (Wuxue) Limited Company	Production and sales of cement, aggregate, concrete, wall materials	300,000,000	2,585,373,313	1,432,559,085	223,214,509	1,064,074,151
Huaxin Cement (Yangxin) Limited Company	Production and sales of aggregate, concrete, wall materials	140,000,000	646,797,122	347,620,994	113,575,407	336,336,592
Chongqing Huaxin Cantian Limited Company	Production and sales of cement, aggregate	270,000,000	816,154,046	956,509,014	102,814,383	354,291,169
Huaxin Cement (Xiangyang) Limited Company	Production and sales of cement, aggregate, concrete	140,000,000	1,112,574,834	550,062,927	97,868,353	580,886,919
Huaxin Cement Jizaak Limited Company	Production and sales of cement	196,542,076	724,431,809	459,561,589	85,108,694	269,944,507

(VII) Structural main body changes controlled by the Company
Applicable Inapplicable
V. Other Information Disclosure**(I) Potential risks**
Applicable Inapplicable

1. Risk of safety production and compliance operation in low-carbon

The production covers quarry exploitation, cement and cement product manufacturing, disposal of hazard wastes, household garbage, sludge. As national government steps up restrictions on safety production, eco emission, 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. In addition, "carbon peak and carbon neutrality" leads to the energy saving and consumption reduction. Central government and local governments issued policies to impose restrictions on the energy consumption and carbon emission, making cement industry widely followed. Plants that can't be up to par will be deemed as low efficiency capacity and facing the risk of being phased out.

2. Risk of falling demand for cement and aggravated market competition

In the first half of 2022, the epidemic hit from time to time, real estate investment growth rate slowed down, and the infrastructure investment tends to favor new infrastructure, new urbanization and key transportation, key hydraulic projects. All these led to the significant decline of cement demand. As the overcapacity in cement industry still stands, intensified market competition compounded the pressure of cement price, posing negative impact to the performance.

3. Risk of production cost rise

The cost of fuel ranks the first in the cement cost. Affected by overseas situation, demand and supply landscape and policies, the coal price kept hovering at a high level, far higher than last year. With the goal of “carbon peak and carbon neutral”, limits on the energy consumption, requirements on the safety, eco, transportation overload and mining environment treatment will be higher, prompting more investment in technology upgrade and leading to the increase of production costs. Additionally, the concept of “lucid waters and lush mountains are as valuable as mountains of gold and silver” is deepening. The cost of acquiring quarry right is gradually rising.

4. Risk of international operation

Overseas development is one of the four strategies of the Group. Given complex international situation, the epidemic, geopolitical conflict, trade and economic dispute, financial turbulence and price shock of bulk commodities have exacerbated the uncertainties and instability of global economy. Diversified politics, economies, society and religion and legal systems, coupled with other uncertainties of foreign exchange reserve and exchange rate fluctuation, all posing challenges to the international operation.

In order to cope with the above risks, on the one hand, the company has demonstrated the sense of responsibility as a large enterprise, and actively implemented policies and measures such as reducing carbon, dual control on energy consumption and intensity and local government off-peak production to promote the healthy development of the industry. On the other hand, adhere to the "innovation, compliance operation, integrated development" to enhance the competitiveness of enterprises. The Company is committed to the whole life cycle of green building materials and adhered to the concept of "safety and environmental protection as the lifeline of enterprise production", increased investment in safe production and environmental protection, and further eliminated/prevent potential environmental risks. By adhering to customer-centric marketing concepts, innovating products, focusing on differentiated competitive strategies, and building a digital marketing ecosystem, we will create differentiated advantages. With AFR optimizing energy consumption index and collective purchasing, the purchase cost is further lowered. Through technological transformation and digital technological innovation, we will build a highly intelligent "unmanned factory" to improve operating efficiency and reduce production costs. Culture and introduce compound talents to guarantee the “going abroad”.

(II) Other disclosure

Applicable Inapplicable

Chapter 4 Corporate Governance

I. Briefing on Shareholders' General Meetings

Meeting	Date	Appointed website for reference of the resolution	Disclosure date of the Resolution	Meeting Resolutions
Annual Shareholders' General Meeting 2021	May 20, 2022	www.sse.com.cn	May 21, 2022	Approved 7 proposals such as Annual Work Report 2021 of the Board of Directors and Proposal on Providing Guarantee for Subsidiaries.

Preferred shareholders whose voting rights have been restored request an Extraordinary Shareholders' General Meeting

Applicable Not applicable

Descriptions on shareholders' general meetings

Applicable Not applicable

II. Changes of Directors, Supervisors and Senior Management

Applicable Not applicable

Descriptions on Changes of Directors, Supervisors and Senior Management

Applicable Not applicable

III. Dividends distribution or conversion of capital reserve into share capital

Proposal of dividend distribution, conversion of capital reserve into share capital in the first half of the year

Dividend distribution or conversion of capital reserve into share capital	Nil
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 or conversion of capital reserve into share capital	Nil

IV. Briefing and impact of the Equity Incentive Plan, Employee Stock Ownership Plan or other employee incentive measures

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

Applicable Not applicable

Item Summary	Search Index
Grant Date, Grant Price and Grant Quantity of A-2.1 and A-2.2 in 2022 of the “2020-2022 Core Employee Stock Ownership Plan”	www.sse.com.cn 2022-049 Announcement on Resolutions of the Fourteenth Meeting of the Tenth Board of Directors

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

Descriptions of share incentives

Applicable Not applicable

Other descriptions

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

On 20 April, 2017, the Annual Shareholders' General Meeting 2016 approved the Long-term Incentive Plan of Huaxin Cement for Top Management 2017-2019. On May 30, 2022, the Fourteenth Meeting of the Tenth Board of Directors approved the Proposal on Vesting and Cashing in “Phantom Performance Stock Incentives (PPS)” 2019 for the Top Management, clearly stating the vesting result of the PPS in 2019 and making it realized.

Chapter 5 Environment and Social Responsibilities

I. Environmental information

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

√ Applicable Not applicable

The Group strictly abided by the Environmental Protection Law of the People's Republic of China, the Prevention and Control of Air Pollution Law of the People's Republic of China and other laws and regulations related to ecological environmental protection and pollutant discharge standards, and incorporated ecological environmental protection and low-carbon development into the company's long-term development strategic goals, continued to implement clean production, continuously reduced the environmental load of enterprise production and operation, and realized the unification of enterprise economic benefits, social benefits and environmental benefits.

1. Pollutant emission information

√ Applicable Not applicable

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	41.59	580.6	No
		NO _X	Organized	2	Kiln inlet	<320	320	892.92	3557.4	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<20	20	40.37	441.45	No
2	Huaxin Cement (Wuxue) Ltd.	SO ₂	Organized	2	Kiln inlet	<200	200	7.44	409.2	No
		NO _X	Organized	2	Kiln inlet	<400	400	979.72	3682.8	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<30	30	52.83	457	No
3	Huaxin Cement (Daye) Ltd.	SO ₂	Organized	1	Kiln inlet	<100	100	12.11	1058.75	No
		NO _X	Organized	1	Kiln inlet	<320	320	167.64	2117.5	No
		Particulate matters	Organized	2	Kiln inlet Kiln outlet	<20	20	11.15	262.763	No
4	Huaxin Cement (Xiangyang) Ltd.	SO ₂	Organized	2	Kiln inlet	<100	100	16.23	120	No
		NO _X	Organized	2	Kiln inlet	<320	320	453.47	2424	No
		Particulate matters	Organized	4	Kiln inlet Kiln outlet	<20	20	16.74	338.52	No
5	Huaxin Cement (Xinyang) Ltd.	SO ₂	Organized	1	Kiln inlet	<35	35	7.50	120	No
		NO _X	Organized	1	Kiln inlet	<100	100	65.30	1100	No
		Particulate	Organized	2	Kiln inlet	<10	10	8.10	154.7	No

		matters			Kiln outlet					
6	Huaxin Jinlong Cement (Yunxian) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	17.64	100	No
		NOX	Organized	2	Kiln inlet	<400	400	224.06	1285	No
		Particulate matters	Organized	4	Kiln inlet	<30	30	27.29	275.05	No
Kiln outlet										
7	Huaxin Cement (Fangxian) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	3.10	120	No
		NOX	Organized	1	Kiln inlet	<400	400	160.50	687.5	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	13.58	88.69	No
Kiln outlet										
8	Huaxin Cement (Yichang) Ltd.	SO2	Organized	2	Kiln inlet	<100	100	13.23	1138.5	No
		NOX	Organized	2	Kiln inlet	<320	320	304.11	2277	No
		Particulate matters	Organized	4	Kiln inlet	<20	20	16.63	282.6	No
Kiln outlet										
9	Huaxin Cement (Zigui) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	32.56	682	No
		NOX	Organized	1	Kiln inlet	<320	320	315.28	1327	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	7.51	169.3	No
Kiln outlet										
10	Huaxin Cement (Enshi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	3.45	80	No
		NOX	Organized	1	Kiln inlet	<400	400	137.15	564.25	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	4.71	72.79	No
Kiln outlet										
11	Huaxin Cement (Changyang) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	12.63	756.26	No
		NOX	Organized	1	Kiln inlet	<320	320	196.54	1512.5	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	14.38	195.15	No
Kiln outlet										
12	Huaxin Cement (Huangshi) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	172.92	783.75	No
		NOX	Organized	1	Kiln inlet	<320	320	605.37	2508.00	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	33.33	259.35	No
Kiln outlet										
13	Huaxin Cement (Hefeng) Minzu Building Materials Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.60	41	No
		NOX	Organized	1	Kiln inlet	<400	400	112.32	275	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	10.23	35.48	No
Kiln outlet										
14	Huaxin Cement (Zhuzhou) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	52.30	620.09	No
		NOX	Organized	1	Kiln inlet	<320	320	352.12	1996.5	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	7.20	165.17	No
Kiln outlet										
15	Huaxin Cement (Chenzhou) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	14.22	248.34	No
		NOX	Organized	1	Kiln inlet	<320	320	342.52	1200	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	6.49	191.57	No
Kiln outlet										
16	Huaxin	SO2	Organized	1	Kiln inlet	<100	100	15.95	167.4	No

	Cement (Daoxian) Ltd.	NOX	Organized	1	Kiln inlet	<320	320	130.44	992	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	5.78	159.96	No
Kiln outlet										
17	Huaxin Cement (Lengshuijiang) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	6.22	225	No
		NOX	Organized	1	Kiln inlet	<320	320	198.40	1296	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	6.82	247.75	No
					Kiln outlet					
18	Huaxin Cement (Sangzhi) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	3.90	331.25	No
		NOX	Organized	1	Kiln inlet	<320	320	169.84	662.5	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	5.06	85.47	No
					Kiln outlet					
19	Huaxin Cement (Chibi) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	31.55	130	No
		NOX	Organized	1	Kiln inlet	<400	400	246.03	1452	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	17.25	180.18	No
					Kiln outlet					
20	Huaxin Cement (Enping) Ltd.	SO2	Organized	1	Kiln inlet	<100	100	20.96	211.1	No
		NOX	Organized	1	Kiln inlet	<320	320	85.25	992	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	17.00	112.84	No
					Kiln outlet					
21	Huaxin Cement (Quxian) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	8.60	137.53	No
		NOX	Organized	1	Kiln inlet	<400	400	73.95	1280	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	9.46	165.12	No
					Kiln outlet					
22	Huaxin Cement Chongqing Fuling Ltd.	SO2	Organized	1	Kiln inlet	<200	200	57.66	771.65	No
		NOX	Organized	1	Kiln inlet	<350	350	314.72	1350.39	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	6.23	191.51	No
					Kiln outlet					
23	Huaxin Cement (Wanyuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	17.44	67.3	No
		NOX	Organized	1	Kiln inlet	<400	400	38.63	541.54	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	6.33	109.2	No
					Kiln outlet					
24	Huaxin Cement (Tibet) Ltd.	SO2	Organized	3	Kiln inlet	<200	200	35.05	620.27	No
		NOX	Organized	3	Kiln inlet	<400	400	270.78	1732	No
		Particulate matters	Organized	6	Kiln inlet	<30	30	10.38	223.428	No
					Kiln outlet					
25	Chongqing Huaxin Diwei Cement Ltd.	SO2	Organized	1	Kiln inlet	<100	100	15.36	426.25	No
		NOX	Organized	1	Kiln inlet	<320	320	91.29	560	No
		Particulate matters	Organized	2	Kiln inlet	<20	20	5.47	105.79	No
					Kiln outlet					
26	Chongqing Huaxin Yanjing Cement	SO2	Organized	1	Kiln inlet	<100	100	6.66	545.6	No
		NOX	Organized	1	Kiln inlet	<320	320	49.05	716.8	No
		Particulate	Organized	2	Kiln inlet	<20	20	4.72	135.41	No

	Ltd.	matters			Kiln outlet					
27	Huaxin Guizhou Dingxiao Special Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	2.61	160	No
		NOX	Organized	1	Kiln inlet	<400	400	59.40	320	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	2.05	41.28	No
Kiln outlet										
28	Guizhou Shuicheng Shui On Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.29	79.14	No
		NOX	Organized	1	Kiln inlet	<400	400	150.52	825	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	9.29	106.43	No
Kiln outlet										
29	Yunnan Huaxin Dongjun Cement Ltd.	SO2	Organized	1	Kiln inlet	<200	200	3.17	140	No
		NOX	Organized	1	Kiln inlet	<400	400	196.25	1240	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	11.98	159.96	No
Kiln outlet										
30	Huaxin Cement (Fumin) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	10.97	81.84	No
		NOX	Organized	1	Kiln inlet	<400	400	244.16	682	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	10.43	84.63	No
Kiln outlet										
31	Huaxin Cement (Honghe) Ltd.	SO2	Organized	2	Kiln inlet	<200	200	10.11	59.67	No
		NOX	Organized	2	Kiln inlet	<400	400	403.36	1220	No
		Particulate matters	Organized	4	Kiln inlet	<30	30	18.14	82.52	No
Kiln outlet										
32	Huaxin Cement (Zhaotong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	14.53	120	No
		NOX	Organized	1	Kiln inlet	<400	400	197.28	1200	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	5.36	119.86	No
Kiln outlet										
33	Huaxin Cement (Kunming Dongchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	2.24	72.06	No
		NOX	Organized	1	Kiln inlet	<400	400	227.00	600	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	12.80	77.4	No
Kiln outlet										
34	Huaxin Cement (Diqing) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	6.51	22	No
		NOX	Organized	1	Kiln inlet	<400	400	240.92	655	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	17.60	90.23	No
Kiln outlet										
35	Huaxin Hongta Cement (Jinghong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	4.18	130.69	No
		NOX	Organized	1	Kiln inlet	<400	400	146.41	620	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	8.45	79.98	No
Kiln outlet										
36	Huaxin Cement (Yunlong) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	1.34	63.24	No
		NOX	Organized	1	Kiln inlet	<400	400	159.60	720.94	No
		Particulate	Organized	2	Kiln inlet	<30	30	3.72	96.75	No

		matters			Kiln outlet					
37	Huaxin Cement (Jianchuan) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	5.74	45.31	No
		SO2	Organized	1	Kiln inlet	<400	400	185.39	740.35	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	14.46	96.75	No
Kiln outlet										
38	Huaxin Cement (Lijiang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	2.29	63.54	No
		NOX	Organized	1	Kiln inlet	<400	400	206.98	620	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	8.09	79.98	No
Kiln outlet										
39	Huaxin Cement (Lincang) Ltd.	SO2	Organized	1	Kiln inlet	<200	200	3.33	82.63	No
		NOX	Organized	1	Kiln inlet	<400	400	224.10	620	No
		Particulate matters	Organized	2	Kiln inlet	<30	30	10.58	79.98	No
Kiln outlet										
40	Tibet Shigatse High-tech Snow Lotus Cement Ltd.	SO2	Organized	2	Kiln inlet	<200	200	11.92	676.94	No
		NOX	Organized	2	Kiln inlet	<400	400	278.49	1360.49	No
		Particulate matters	Organized	4	Kiln inlet	<30	30	11.39	193.83	No
Kiln outlet										
41	Chongqing Huaxin Cantian Cement Co., Ltd.	SO2	Organized	1	Kiln inlet	<200	200	15.97	790	No
		NOX	Organized	1	Kiln inlet	<350	350	152.98	1030.4	No
		Particulate matters	Organized	1	Kiln inlet	<30	30	9.43	205.76	No
42	Kunming Chongde Cement Co.Ltd	SO2	Organized	1	Kiln inlet	<200	200	13.83	140.08	No
		NOX	Organized	1	Kiln inlet	<400	400	253.10	1168.49	No
		Particulate matters	Organized	2	Kiln outlet、Kiln inlet	<30	30	4.96	157.06	No
43	Yunwei Baoshan Organic Chemical Co., Ltd.	SO2	Organized	1	Kiln inlet	<200	200	0.63	292.09	No
		NOX	Organized	1	Kiln inlet	<400	400	153.77	1240	No
		Particulate matters	Organized	2	Kiln outlet、Kiln inlet	<30	30	7.56	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	0.912	255.75	No
		Particulate matters	Organized	2	Hot-blast furnace	<20	20	0.565	22.55	No
46	Huaxin Cement (Ezhou) Ltd.	Particulate matters	Organized	3	Cement grinding mill	<10	10	2.5	Implement concentration control without	No

									quotas	
47	Huaxin Cement (Xiantao) Ltd.	Particulate matters	Organized	2	Cement grinding mill	<20	20	2.24	Implement concentration control without quotas	No
48	Huaxin Cement Suizhou Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.10	Implement concentration control without quotas	No
49	Huaxin Cement (Jingzhou) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<10	10	0.19	Implement concentration control without quotas	No
50	Panzhihua Huaxin Cement Ltd.	SO2	Organized	1	Furnace in fluid bed	<600	600	0.26	Implement concentration control without quotas	No
		NOX	Organized	1	Furnace in fluid bed	<400	400	1.01		No
		Particulate matters	Organized	1	Cement grinding mill	<20	20	0.9		No
51	Huaxin Cement (Chuxiong) Ltd.	SO2	Organized	1	Furnace in fluid bed	<600	600	1.48	67	No
		NOX	Organized	1	Furnace in fluid bed	<400	400	2.84	56.12	No
		Particulate matters	Organized	3	Furnace in fluid bed	<30	30	2.19	46.98	No
52	Huaxin Cement (Honghe) Ltd. Kunming Branch	Particulate matters	Organized	2	Cement grinding mill	<20	20	0.76	Implement concentration control without quotas	No
53	Huaxin Cement (Yueyang) Ltd.	Particulate matters	Organized	2	Cement grinding mill	<10	10	11.9	Implement concentration control without quotas	No
54	Huaxin Cement (Honghe) Ltd. Gejiu Branch	Particulate matters	Organized	1	Cement grinding mill	<20	20	1.56	Implement concentration control without quotas	No
55	Huaxin Cement (Macheng) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.5	Implement concentration control without quotas	No
56	Huaxin Cement Xiangyang Xiangchen	Particulate matters	Organized	1	Cement grinding mill	<10	10	0.59	Implement concentration control without	No

	g Ltd.								quotas	
57	Huaxin Cement (Danjiangkou) Ltd.	Particulate matters	Organized	1	Cement grinding mill	<20	20	0.11	Implement concentration control without quotas	No

3. Construction and operation of pollution prevention facilities

Applicable Not applicable

During the reporting period, the Group strictly abided by the requirements of national and local environmental protection laws and regulations, continuously strengthened the environmental protection management. While achieving continuous and stable emission of pollutants such as NO_x, SO₂ and particulate matters, the Company actively explored, optimized staged combustion, improved the SNCR precise denitrification system and promoted the transformation of cement kilns with ultra-low NO_x emissions. It continuously promoted standardized management of hazard wastes and solid wastes, standardized environment monitoring, optimized water treatment facilities, strengthened control and governance of unorganized particles emission, actively implemented noise control, thus performance in environment protection was continuously improved.

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

Applicable Not applicable

During the reporting period, the new, reconstruction and expansion projects of the Company strictly followed the requirements of the EIA Law and implemented the environmental impact assessment system of construction projects; strictly followed the requirements of the national pollutant emission permit management, applied for pollutant emission permits, and implemented pollutant emission strictly in accordance with the requirements of the pollutant emission permits. Relevant units strictly followed the Clean Production Law and the requirements of the local clean production authorities to implement clean production audits.

4. Emergency plan for emergent environmental incidents

Applicable Not applicable

During the reporting period, all branches and subsidiaries of the Company strictly made the emergency plans and implemented 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, ensured that every unit can respond quickly and in a timely manner after the emergency incident, and prevent environmental events from affecting the environment and the public.

5. Environment self-monitoring Plan

Applicable Not applicable

During the reporting period, branches and subsidiaries carried out self-monitoring projects in strict accordance with the requirements of technical guidance of self-monitoring of pollutant discharge units such as Technical Guidance of Self-Monitoring

of Pollutant Discharge Units - Cement Industry (HJ848-2017) and Technical Guidance of Self-Monitoring of Pollutant Discharge Units - General Principles (HJ819-2017). Environmental monitoring projects included smoke, sulfur dioxide, nitrogen oxides, etc. Self-monitoring methods combined automatic monitoring and manual monitoring. Adopted automatic monitoring equipment has passed the acceptance test of the ecological environmental protection department, and the comparison was carried out regularly to ensure the normal operation of the equipment and the normal transmission of data. Manual monitoring was implemented by a qualified third-party monitoring company to truly reflect the level of pollutant emissions.

6. Administrative penalties due to environmental issues during the reporting period

Applicable Not applicable

7. Other environmental information that should be disclosed

Applicable Not applicable

During the reporting period, the Group's branches and subsidiaries, in accordance with the requirements of the national and local governments on off-peak production and heavy pollution weather emergencies, adopted suspended production or restricted production to cooperate local governments to fight the Protecting Sky battle, minimize the impacts of heavy pollution weather on the environment.

In accordance with the requirements of the environmental protection department, each branch and subsidiary of the Company regularly published emission data and prevention and control information of pollutants on the environmental monitoring information release platforms of provinces and cities and the external website of the Company, and accepted public supervision.

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

Applicable Not applicable

The branches and subsidiaries of the Group which aren't included in the list of national key pollutant discharge entities, strictly follow the national laws and regulations and company's internal ecological environmental protection requirements, implement the ecological environmental protection responsibilities, through continuously optimizing and improving pollution control facilities, achieve continuous and stable discharge of pollutants.

1. Administrative penalties due to environmental issues

Applicable Not applicable

2. Disclose other environmental information with reference to the key pollutant emission units

Applicable Not applicable

3. Reasons for not disclosing other environmental information

Applicable Not applicable

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

Applicable Not applicable

(IV) Relevant information on protecting ecology, preventing pollution, and fulfilling environmental responsibilities

Applicable Not applicable

During the reporting period, the Company continued to carry out internal environmental audits, urged its branches and subsidiaries to strictly abide by environmental protection laws and regulations, strictly implemented environmental protection system of the Company, improved pollution prevention and environmental protection management levels, and earnestly fulfilled corporate environmental responsibilities.

During the reporting period, the Company organized its subordinate units to actively carry out the "Environmental Protection Low Carbon Month" activities, closely combining with the requirements of the "World Environment Day" and the "National Low Carbon Day" activities of the ecological and environmental protection authorities at all levels, actively carried out low carbon environmental protection knowledge publicity and training, to improve the environmental protection low-carbon consciousness of all employees and residents of surrounding communities.

(V) Measures and effects taken to reduce carbon emissions during the reporting period

Applicable Not applicable

The Company revolved around the national "Dual Carbon" development strategy, planned low carbon development path, strived to develop kiln co-processing alternative raw fuel technology, through technology revolution, equipment upgrading, craftsmen optimizing, continuously discovered carbon reduction potential of the Company, discovered and developed low carbon cement products, and gradually promoted the green low carbon development.

During the reporting period, the Company has deployed the RDF high substitution rate technology in cement industry, the high calorific-value solid waste fuels substitution technology, the cement manufacturing separated grinding, the system research, innovation and promotion of super-fine grinding technology; Actively deployed the R&D of low carbon building materials products such as new low-calcium clicker, carbon-absorbing environmental protection bricks, low carbon high performance concrete and products, limestone calcined clay cement (LC3)etc., utilized carbon reduction with "Digital, Intelligent" technology, discovered "low carbon" and diversified development of cement products.

During the reporting period, the Company disposed of about 1.42million tons of various alternative fuels (internal statistic standards), compared with the same period last year, carbon dioxide emissions from conventional fossil fuel combustion have decreased by about 380,000 tons.

During the reporting period, through extensive source search, the Company implemented the quality analysis and the burdening optimization of alternative raw materials, increased the substitution of natural calcium-based materials for alternative raw materials such as steel slag and slag industrial by-products, the Company's cement kiln line

comprehensively utilized about 1.41 million tons of various industrial wastes (internal statistical standards), directly reduced the carbon dioxide emissions by about 150,000 tons.

II. Solidify and expand the achievements of poverty alleviation, rural revitalization and other work specifics

√ Applicable Not applicable

In order to further consolidate and expand the results of poverty alleviation which were effectively connected with rural revitalization, the Company in accordance with the unified deployment of local governments, relied on rural construction initiatives, rural human living environment improvement special initiatives and rural governance, etc., to proceed from the actual situation, a number of measures were done well in rural revitalization, and the corporate social responsibilities were actively fulfilled.

The company set up a village-based working team and selected the "First Secretary" to be stationed in the village, and helped the rural revitalization by donating cement, providing funds, donating funds for education, visiting and social assistance, etc.

Chapter 6 Major Events

I. Performance of commitments

(I) Commitments by the actual controller, shareholder, related party, purchaser and company and other stakeholders during the reporting period or until the reporting period

Applicable Not applicable

II. Capital occupation for non-operation purpose by controlling shareholders and other related parties during the reporting period

Applicable Not applicable

III. Illegal guarantee

Applicable Not applicable

IV. Audit of Half Year Report

Applicable Not applicable

V. Changes and handling of matters involved in non-standard audit opinions in the previous year's annual report

Applicable Not applicable

VI. Related items of bankruptcy

Applicable Not applicable

VII. Material Lawsuit or Arbitration

During the reporting period, the company has major lawsuits and arbitrations

During the reporting period, the company had no major litigation and arbitration matters

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

Applicable Not applicable

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

Unit: 10,000 yuan

During the reporting period:								
Plaintiff	Appellee	Type	Basic Information	Amount	Is there any estimated debt and the amount	Progress	Result and effect	Execution of the judgment
Moncement Building Materials LLC	Huaxin Cement Co., Ltd	Arbitration	For detailed information, please refer to the Annual Report 2020 of the Company at www.sse.com.cn	3,572.46 USD	No	ICC will hear the case in the week of March 27, 2023.		
Huaxin Cement Co., Ltd	Fengjie County Government	Civil Action	For detailed information, please refer to the Annual Report 2021 of the Company at www.sse.com.cn	1,227.34	No	On May 26, 2022, the Huangshi Intermediate People's Court made a final ruling.	The appellee paid the plaintiff a garbage disposal fee of RMB12,184,659.75 and the corresponding interest.	The company has applied to the court for enforcement, and the case is being executed.
Huaxin Concrete (Xiangyang)Co., Ltd	Xiangyang Jianshan Technology Co., Ltd, Xiangyang Xingshida Plastics Company, Liu Jianshan	Civil Action	For detailed information, please refer to the Annual Report 2015, 2017, 2018, 2020 of the Company at www.sse.com.cn	2,477.39	No	On May 31, 2021, the Xiangyang Intermediate People's Court made a final ruling.	The appellee paid RMB24.7739 million to the plaintiff.	The company has applied to the court for enforcement, and the case is being executed.

(III) Other descriptions

Applicable ✓ Not applicable

VIII. Listed companies and their directors, supervisors, senior managers, controlling shareholders, and actual controllers suspected of violations of laws and regulations, punishments and rectifications

Applicable ✓ Not applicable

IV. Explanation of the integrity status of the Company and its controlling shareholders and actual controllers during the reporting period

Applicable ✓ Not applicable

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

Item Summary	Search Index
Having a Stake in Huangshi State-owned Assets Operation Limited Company	For details, please refer to www.sse.com.cn " Announcement on the Related Party Transaction of Having a Stake in Huangshi State-owned Asset Operation Limited Company" (2022-050)

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) Financial business between the Company and the financial company with which there is an associated relationship, the financial company controlled by the Company and the related party

Applicable Not applicable

(VI) Other significant related transactions

Applicable Not applicable

(VII) Others

Applicable Not applicable

XI. Major Contracts and Implementation

1. Entrustment, Contract and Leasing

Applicable Not applicable

2. Significant guarantees performed and unfulfilled during the reporting period√Applicable Not applicable

Unit: Yuan

Guarantee provided by the Company (excluding guarantee for its subsidiaries)	
Total guarantee amount during the reporting period (excluding guarantee for subsidiaries)	0
Guarantee amount left at the reporting period end (A) (excluding guarantee for subsidiaries)	0
Guarantee provided by the Company for its controlling subsidiaries	
Guarantee amount for subsidiaries occurred during the reporting period	1,530,994,758
Guarantee amount for subsidiaries left at the reporting period end (B)	8,567,502,392
Total guarantee amount (including guarantee for its subsidiaries)	
Total guarantee amount (A+B)	8,567,502,392
% in net assets of the Company	32.49
Including:	
Guarantee amount provided to the shareholders, actual controller and its related parties (C)	0
Debt guarantee amount provided directly or indirectly to subjects whose debt ratio is over 70% (D)	5,905,135,448
Guarantee amount exceeded 50% of the net assets (E)	0
Total guarantee amount of the above three (C+D+E)	5,905,135,448
The unexpired guarantee may be subject to joint and several liquidation liability	/
Explanation on the guarantee	/

3. Other major contracts

Applicable Not applicable

XII. Explanation on other major issues

Applicable Not applicable

1. Matters on Constructing the Huangshi Huaxin Green Building Materials Industrial Park
On January 28, 2021, the First Extraordinary Shareholders' General Meeting in 2021 approved the Proposal on Constructing the Huangshi Huaxin Green Building Materials Industrial Park.

Huangshi Huaxin Green Building Materials Industrial Park 100 million tons/year machine-made sand production line Phase I project (40 million tons/year machine-made sand production line) is progressing according to the construction progress, and the trial production started in late August.

2. Matters on 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 September 13, 2021, the Company's Fifth Extraordinary Shareholders' General Meeting in 2021 approved the Proposal on the Plan regarding the Changing of 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 March 28, 2022, the H shares of the Company were listed and traded on the main board of the Stock Exchange of Hong Kong Ltd.

Chapter 7 Changes in Shares and Shareholders

I. Changes in Share Capital

(I) Changes in Shares

1. Changes in Shares

Unit: Share

	Before the change		Increase/decrease of the change (+, -)					After the change	
	Quantity	Percentage (%)	New issuance	Bonus	Share conversion of capital reserves	Others	Total	Quantity	Percentage (%)
I. Restricted shares									
1. State shareholdings									
2. State-owned legal person shareholdings									
3. Other domestic shareholdings									
Of which: domestic non-state-owned legal persons shareholdings									
Domestic natural persons shareholdings									
4. Foreign shareholdings									
Of which: foreign legal persons shareholdings									
Foreign natural persons shareholdings									
II. Unrestricted tradable shares	2,096,599,855	100						2,096,599,855	100

1. RMB ordinary shares	1,361,879,855	64.96						1,361,879,855	64.96
2. Domestic listed foreign shares	734,720,000	35.04				-734,720,000	-734,720,000		
3. Overseas listed foreign shares						734,720,000	734,720,000	734,720,000	35.04
4. Others									
III 、 Total number of shares	2,096,599,855	100				0	0	2,096,599,855	100

2. Notes on changes in shares

Applicable Not applicable

The total number of shares of the Company didn't change during the reporting period. The reason why the capital structure changed was the changing of 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.

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 ordinary shareholders at the end of the reporting period	63,731
Total number of preferred shareholders whose voting rights have been restored at the end of the reporting period	Not applicable

(II) Shareholding by top Ten Shareholders and Top Ten Holders of Listed Shares (not subject to conditional sales) at the end of the reporting period

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	
Hong Kong Securities Clearing Company(Agent) Ltd.	734,719,989	734,719,989	35.04	0	nil	0	Foreign corporation
HOLCHIN B.V.	0	451,333,201	21.53	0	nil	0	Foreign corporation
Huaxin Group Co., Ltd.	0	338,060,739	16.12	0	nil	0	State owned corporation
Hong Kong Securities Clearing Company Ltd.	-57,603	59,729,607	2.85	0	nil	0	Foreign corporation

Huaxin Cement Co., Ltd.-2020-2022 ESOP	0	21,039,361	1.00	0	nil	0	Other
China Merchants Bank Co., Ltd. - Shanghai Dividend Trading Open-ended Index Securities Investment Fund	17,619,078	17,619,078	0.84	0	nil	0	Other
China Railway Wuhan Bureau Group Co., Ltd.	0	11,289,600	0.54	0	nil	0	Unknown
The National Social Security Fund 413 Combination	2,099,936	10,799,936	0.52	0	nil	0	Other
Bank of China Limited - ICBC Credit Suisse Core Value Hybrid Securities Investment Fund	810,051	8,315,785	0.40	0	nil	0	Other
The National Social Security Fund 503 Combination	8,000,057	8,000,057	0.38	0	nil	0	Other
Top ten holders of shares not subject to conditional sales							
Names of Shareholders	Amount of shares	Shares type and amount					
		Type	Amount				
Hong Kong Securities (Agent) Clearing Company Ltd.	734,719,989	Overseas listed foreign shares	734,719,989				
HOLCHIN B.V.	451,333,201	RMB ordinary shares	451,333,201				
Huaxin Group Co., Ltd.	338,060,739	RMB ordinary shares	338,060,739				
Hong Kong Securities Clearing Company Ltd.	59,729,607	RMB ordinary shares	59,729,607				
Huaxin Cement Co., Ltd.-2020-2022 ESOP	21,039,361	RMB ordinary shares	21,039,361				
China Merchants Bank Co., Ltd. - Shanghai Dividend Trading Open-ended Index Securities Investment Fund	17,619,078	RMB ordinary shares	17,619,078				
China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	RMB ordinary shares	11,289,600				
The National Social Security Fund 413 Combination	10,799,936	RMB ordinary shares	10,799,936				
Bank of China Limited - ICBC Credit Suisse Core Value Hybrid Securities Investment Fund	8,315,785	RMB ordinary shares	8,315,785				
The National Social Security Fund 503 Combination	8,000,057	RMB ordinary shares	8,000,057				
Descriptions on repurchase accounts of top 10 shareholders	Not applicable						
Descriptions of the above-mentioned shareholders' proxy voting rights, entrusted voting rights, and waiver of voting rights	Not applicable						
Descriptions on relationship or concerted actions of the above shareholders	The company does not know whether there is an associated relationship or concerted action among the above-mentioned shareholders.						
Descriptions on preferred shareholders whose voting rights have been restored and their numbers of shareholdings	Not applicable						

Numbers of shares held by top 10 shareholders with conditions on sales and conditions on sales

Applicable Not applicable

(III) Strategic investors or general legal persons became top 10 shareholders due to placement of new shares

Applicable Not applicable

III. Directors, Supervisors and Senior Management

(I) Shareholding changes of current and resigning Directors, Supervisors and Senior Management during the reporting period

Applicable Not applicable

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	739,030	815,930	76,900	Secondary market trading
Liu Fengshan	Director/VP	244,700	245,000	300	Secondary market trading
Yuan Dezu	VP	117,220	167,220	50,000	Secondary market trading
Xu Gang	VP	64,600	84,600	20,000	Secondary market trading
Chen Qian	VP/CFO	35,000	56,500	21,500	Secondary market trading
Ye Jiaying	VP/Secretary of the Board	64,625	82,625	18,000	Secondary market trading

Other explanations

Applicable Not applicable

During the reporting period, except that Mr. Liu Fengshan's increased shares were the Company's A shares, the shares increased by the rest were all the Company's H shares.

(II) Stock option incentives granted to Director, Supervisor and Senior Management

Applicable Not applicable

(III) Other explanations

Applicable Not applicable

(IV) Changes in controlling shareholders or actual controllers

Applicable Not applicable

Chapter 8 Preferred Stock

Applicable Not applicable

Chapter 9 Corporate Bonds

I. Basic information of the corporate bonds

Applicable Not applicable

(I) Corporate Bonds

Applicable Not applicable

(II) Corporate Bonds

Applicable Not applicable

1. Basic information of corporate bond

Unit: 100 million Yuan

Name	Abbreviation	Code	Issuing date	Value Date	Date of expiry	Bond balance	Coupon rate	Principal and interest payment	Trading place	Investor suitability arrangements	Trading mechanism	Whether there exists the risk of termination of listing and trading
Overseas bonds in 2020	HXCE ME	XS2256737722	Nov. 19, 2020	Nov. 20, 2020	Nov. 18, 2025	20.03	2.25	payment on a half year basis, principal repayment at maturity	Singapore Stock Exchange	Qualified investor	Trading in Exchange	No
Public issuance of bonds to professional investors in 2021 (first tranche)	21 Huaxin 01	188650	Aug. 25, 2021	Aug. 26, 2021	Aug. 24, 2024	12.98	3.26	payment on a year basis, principal repayment at maturity	Shanghai Stock Exchange	Qualified investor	Trading in Exchange	No

The Company's Response to the Risk of Termination of Bond Listing and Trading

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Descriptions on overdue bonds

Applicable Not applicable

2. Triggering and implementation of issuer or investor option clauses and investor protection clauses

Applicable Not applicable

3. Adjustment of credit rating results

Applicable Not applicable

Bond name	Credit rating agency name	Credit rating	Rating Outlook Changes	Reasons for changes in credit rating results
Overseas bonds issuance in 2020	MOODY'S INVESTORS SERVICE	Baa1	unchanged	Not applicable
Public issuance of bonds to professional investors in 2021 (first tranche)	China Chengxin International Credit Rating Co., Ltd.	AAA	Unchanged	Not applicable

4. Implementation and changes of guarantees, debt repayment plans and other debt repayment guarantee measures during the reporting period and their impact

Applicable Not applicable

Other descriptions: During the reporting period, the corporate bond credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures remained unchanged. In order to fully and effectively safeguard the interests of bondholders, the company has made a series of arrangements for the timely and full repayment of the bonds, including determining specialized departments and personnel, arranging debt repayment funds, and formulating and strictly implementing fund management plans.

5. Descriptions on other circumstances of corporate bonds

Applicable Not applicable

(III) Debt financing tools for non-financial corporates in the interbank bond market

Applicable Not applicable

(IV) The loss of the company in the scope of the consolidated financial statement during the reporting period exceeded 10% of the net assets at the end of the previous year

Applicable Not applicable

(V). Main accounting datas and financial indexes

Applicable Not applicable

Unit: Yuan

Item	Reporting period end	Last year end	Change over last year end (%)	Reason for the change
Liquid ratio	1.05	1.27	-17.32	
Quick ratio	0.74	0.96	-22.92	
Asset-liability ratio (%)	47.80%	44.1%	3.70%	
	Reporting period (Jan-Jun)	Same period of last year	Change over the same period of last year (%)	Reason for the change
Net profit after extraordinary items	1,536,019,187	2,395,910,618	-35.89	
EBITDA / total liabilities	0.13	0.25	-46.97	
Interest Protection Multiples	13.92	25.16	-44.67	
Cash Interest Protection Multiples	15	20.06	-25.22	
EBITDA Interest Protection Multiples	21.08	32.80	-35.73	
Loan repayment rate (%)	100%	100%	-	

Interest repayment rate (%)	100%	100%	-	
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II. Descriptions on convertible corporate bonds

Applicable Not applicable

CONSOLIDATED BALANCE SHEET

RMB

Items	Note	Closing balance	Opening balance
Current Assets			
Cash and bank balances	VII(1)	7,322,942,499	8,836,439,385
Held-for-trading financial assets	VII(2)	100,040,273	711,964,323
Notes receivable	VII(3)	278,706,448	145,430,152
Accounts receivable	VII(4)	1,337,440,333	956,580,152
Financing with receivables	VII(5)	379,930,781	761,050,910
Prepayments	VII(6)	528,992,198	339,315,919
Other receivables	VII(7)	422,718,044	356,013,351
Including: Interest receivable		728,130	89,797
Dividends receivable		-	-
Inventories	VII(8)	3,880,661,714	3,541,954,674
Other current assets	VII(9)	601,346,693	477,967,711
Total Current Assets		14,852,778,983	16,126,716,577
Non-current Assets			
Debt investments		7,500,000	7,500,000
Long-term receivables		112,745,496	35,934,266
Long-term equity investments	VII(10)	450,054,672	523,612,871
Other equity instrument investments	VII(11)	39,085,894	55,867,066
Other non-current financial assets	VII(12)	24,997,582	26,343,260
Fixed assets	VII(13)	22,098,619,088	21,326,030,410
Construction in progress	VII(14)	5,810,805,866	4,199,141,042
Right-of-use assets	VII(15)	501,573,009	273,191,262
Intangible assets	VII(16)	9,123,945,441	7,377,964,445
Development expenditure		14,712,576	10,392,804
Goodwill	VII(17)	643,192,969	643,192,969
Long-term prepaid expenses	VII(18)	545,357,390	582,072,668
Deferred tax assets	VII(19)	423,062,184	410,534,318
Other non-current Assets		1,601,330,864	951,124,092
Total Non-current Assets		41,396,983,031	36,422,901,473
TOTAL ASSETS		56,249,762,014	52,549,618,050

CONSOLIDATED BALANCE SHEET - continued

RMB

Items	Note	Closing balance	Opening balance
Current Liabilities			
Short-term borrowings	VII(20)	735,709,769	642,946,608
Notes payable	VII(21)	667,565,188	670,993,082
Accounts payable	VII(22)	7,346,866,753	7,112,302,355
Contract liabilities	VII(23)	769,353,649	847,443,693
Employee benefits payable	VII(24)	264,857,346	409,092,005
Taxes payable	VII(25)	583,766,931	1,060,916,467
Other payables	VII(26)	1,660,631,843	756,194,670
Including: Interest payable		53,735,763	34,819,098
Dividends payable		820,140,317	58,154,514
Non-current liabilities due within one year	VII(27)	2,153,586,771	1,213,650,184
Total Current Liabilities		14,182,338,250	12,713,539,064
Non-current Liabilities			
Long-term borrowings	VII(28)	6,225,805,838	5,081,924,506
Bonds payable	VII(29)	3,436,286,755	3,327,860,620
Lease liabilities	VII(30)	371,141,996	223,580,118
Long-term payables	VII(31)	1,254,007,357	463,257,160
Long-term employee benefits payable	VII(32)	55,987,249	54,458,394
Provisions	VII(33)	398,231,413	347,473,462
Deferred income	VII(34)	294,785,551	292,376,076
Deferred tax liabilities	VII(19)	582,520,293	572,865,342
Other Non-current Liabilities		94,446,000	94,446,000
Total Non-current Liabilities		12,713,212,452	10,458,241,678
TOTAL LIABILITIES		26,895,550,702	23,171,780,742
Shareholders' Equity			
Share capital	VII(35)	2,096,599,855	2,096,599,855
Capital reserve	VII(36)	2,060,612,939	2,031,151,748
Less: Treasury shares	VII(37)	610,051,971	610,051,971
Other comprehensive income	VII(38)	-184,181,217	-305,350,132
Surplus reserve	VII(39)	1,111,880,257	1,111,880,257
Retained profits	VII(40)	21,897,571,490	22,405,681,711
Total equity attributable to shareholders of the Company		26,372,431,353	26,729,911,468
Minority interests		2,981,779,959	2,647,925,840
Total Shareholders' Equity		29,354,211,312	29,377,837,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		56,249,762,014	52,549,618,050

The accompanying notes form part of the financial statements.

The financial statements on pages 6 to 170 were signed by the following:

Legal Representative:

Chief Financial Officer:

Head of Accounting Department:

BALANCE SHEET OF THE COMPANY

RMB

Items	Note	Closing balance	Opening balance
Current Assets			
Cash and bank balances		3,611,755,503	5,169,508,200
Held-for-trading financial assets		33,464,942	711,964,323
Notes receivable		15,000,001	32,408,118
Accounts receivable	XVII(1)	1,045,028,292	903,298,318
Financing with receivables		1,386,642	247,445,734
Prepayments		393,567,810	382,262,179
Other receivables	XVII(2)	4,422,864,140	4,317,066,529
Including: Interest receivable		-	
Dividends receivable		79,000,000	208,190,000
Inventories		493,366,053	726,314,719
Non-current assets due within 1 year		1,580,000	1,580,000
Other current assets		70,122,452	22,596,645
Total Current Assets		10,088,135,835	12,514,444,765
Non-current Assets:			
Long-term receivables		46,808,915	87,898,133
Long-term equity investments	XVII(3)	12,206,467,654	11,936,939,283
Other equity instrument investments		39,085,894	55,867,066
Other non-current financial assets		24,997,582	26,343,260
Fixed assets		484,762,244	384,704,226
Construction in progress		223,649,563	291,066,732
Right-of-use assets		54,534,287	59,568,221
Intangible assets		37,769,269	38,448,339
Long-term prepaid expenses		11,991,787	13,107,626
Deferred tax assets		51,525,428	29,811,375
Total Non-current Assets		13,181,592,623	12,923,754,261
TOTAL ASSETS		23,269,728,458	25,438,199,026

BALANCE SHEET OF THE COMPANY - continued

RMB

Items	Note	Closing balance	Opening balance
Current Liabilities			
Short-term borrowings			
Notes payable		28,500,000	309,821,465
Accounts payable		266,958,520	347,419,293
Contract liabilities		100,191,056	70,245,287
Employee benefits payable		64,566,256	87,023,012
Taxes payable		25,045,814	205,305,241
Other payables		7,313,423,795	8,032,946,947
Including: Interest payable		35,873,315	21,201,683
Dividends payable		783,445,001	42,566,956
Non-current liabilities due within one year		763,285,201	167,357,327
Total Current Liabilities		8,561,970,642	9,220,118,572
Non-current Liabilities:			
Long-term borrowings		900,990,000	1,418,420,000
Bonds payable		1,298,211,200	1,297,795,200
Lease liabilities		45,795,551	44,483,255
Long-term employee benefits payable		18,934,675	18,934,675
Provisions		6,864,253	6,570,974
Deferred income		8,011,833	8,782,667
Total Non-current Liabilities		2,278,807,512	2,794,986,771
TOTAL LIABILITIES		10,840,778,154	12,015,105,343
Shareholders' Equity			
Share capital		2,096,599,855	2,096,599,855
Capital reserve		2,441,532,365	2,429,495,032
Less: Treasury shares		610,051,971	610,051,971
Other comprehensive income		17,745,320	30,331,199
Surplus reserve		1,111,880,257	1,111,880,257
Retained profits		7,371,244,478	8,364,839,311
Total Shareholders' Equity		12,428,950,304	13,423,093,683
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,269,728,458	25,438,199,026

CONSOLIDATED INCOME STATEMENT

RMB

Items	Note	Amount for the current period	Amount for the prior period
I. Total operating income		14,389,448,963	14,744,386,072
Including: Operating income	XVII(41)	14,389,448,963	14,744,386,072
Less: Total operating costs		12,268,372,426	11,438,418,665
Including: Operating costs	XVII(41)	10,357,040,560	9,698,746,976
Taxes and levies	XVII(42)	267,917,078	278,083,038
Selling and distribution expenses	XVII(43)	709,133,292	657,762,012
General and administrative expenses	XVII(44)	723,755,898	677,883,399
Research and development expenses		45,693,691	23,001,179
Financial expenses	XVII(45)	164,831,907	102,942,061
Including: Interest expenses		149,218,223	134,691,908
Interest income		44,998,331	54,748,194
Add: Other income	XVII(46)	98,008,668	112,778,854
Investment income	XVII(47)	21,291,835	28,068,456
Including: Income from investments in associates and joint ventures		-4,137,667	11,240,371
Gains (Losses) from changes in fair value	XVII(48)	16,465,744	-12,910,048
Impairment losses on credit	XVII(49)	-43,425,957	-15,190,828
Impairment losses on assets	XVII(50)	-10,278,652	-21,803,772
Gains on disposal of assets	XVII(51)	-1,248,095	-3,377,758
II. Operating profit		2,201,890,080	3,393,532,311
Add: Non-operating income	XVII(52)	2,892,447	19,409,089
Less: Non-operating expenses	XVII(53)	38,731,861	36,022,596
III. Profit before tax		2,166,050,666	3,376,918,804
Less: Income tax expenses	XVII(54)	483,159,383	711,280,078

CONSOLIDATED INCOME STATEMENT - continued

RMB

Items	Note	Amount for the current period	Amount for the prior period
IV. Net profit		1,682,891,283	2,665,638,726
(i) Classified by the continuity of operation			
1. Net profit from continuing operations		1,682,891,283	2,665,638,726
(ii) Classified by the ownership			
1. Net profit attributable to shareholders of the Company		1,586,839,657	2,438,324,279
2. Profit or loss attributable to minority interests		96,051,626	227,314,447
V. Other comprehensive income, net of tax		198,854,792	-42,086,008
Other comprehensive income attributable to owners of the Company, net of tax		121,168,915	-35,052,847
(i) Other comprehensive income that cannot be reclassified to profit or loss		-12,585,879	1,054,402
1. Changes in fair value of other equity instrument investments		-12,585,879	1,054,402
(ii) Other comprehensive income that will be reclassified to profit or loss		133,754,794	-36,107,249
1. Exchange differences on translation of financial statements denominated in foreign currencies		133,754,794	-36,107,249
Other comprehensive income attributable to minority interests, net of tax		77,685,877	-7,033,161
VI. Total comprehensive income		1,881,746,075	2,623,552,718
Total comprehensive income attributable to owners of the Company		1,708,008,572	2,403,271,432
Total comprehensive income attributable to minority interests		173,737,503	220,281,286
VII. Earnings per share			
(i) Basic earnings per share (RMB)		0.77	1.18
(ii) Diluted earnings per share (RMB)		0.77	1.18

INCOME STATEMENT OF THE COMPANY

RMB

Items	Note	Amount for the current period	Amount for the prior period
I. Operating income	XVII(4)	2,355,799,380	2,092,362,300
Less: Operating costs	XVII(4)	2,297,247,668	1,907,792,275
Taxes and levies		8,494,082	4,585,329
Selling and distribution expenses		10,563,569	18,201,022
General and administrative expenses		114,426,153	131,017,453
Research and development expenses		10,333,939	10,179,493
Financial expenses		-24,807,506	45,804,582
Including: Interest expenses		107,769,636	115,741,796
Interest income		84,213,688	90,294,263
Add: Other income		6,129,371	3,728,301
Investment income	XVII(5)	1,123,116,447	2,376,125,614
Including: (Losses) Income from investments in associates and joint ventures		-634,081	6,934,284
Gains from changes in fair value		16,465,744	-12,910,050
Impairmen (losses)/gains on credit		-2,052,090	30,391
Impairment losses on assets		540,091	-316,939
Gains on disposal of assets		2,407	348,827
II. Operating profit		1,083,743,445	2,341,788,290
Add: Non-operating income		544,767	10,805,174
Less: Non-operating expenses		451,927	1,142,300
III. Profit before tax		1,083,836,285	2,351,451,164
Less: Income tax expenses		-17,518,760	-7,516,874
IV. Net profit		1,101,355,045	2,358,968,038
(i) Net profit from continuing operations		1,101,355,045	2,358,968,038
V. Other comprehensive income, net of tax		-12,585,879	1,054,402
(i) Other comprehensive income that cannot be reclassified to profit or loss		-12,585,879	1,054,402
1.Changes in fair value of other equity instrument investments		-12,585,879	1,054,402
VI. Total comprehensive income		1,088,769,166	2,360,022,440

CONSOLIDATED CASH FLOW STATEMENT

RMB

Items	Note	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities			
Cash receipts from the sale of goods and the rendering of services		13,666,422,401	14,241,433,968
Receipts of tax refunds		47,465,337	50,431,431
Other cash receipts relating to operating activities	VII(55)(1)	244,383,744	251,549,612
Sub-total of cash inflows from operating activities		13,958,271,482	14,543,415,011
Cash payments for goods purchased and services received		9,128,445,040	8,438,918,378
Cash payments to and on behalf of employees		1,417,101,170	1,598,886,397
Payments of various types of taxes		1,606,349,339	1,874,457,133
Other cash payments relating to operating activities	VII(55)(2)	539,367,315	339,068,463
Sub-total of cash outflows from operating activities		12,691,262,864	12,251,330,371
Net Cash Flow from Operating Activities	VII(56)(1)	1,267,008,618	2,292,084,640
II. Cash Flows from Investing Activities			
Cash receipts from disposal and recovery of investments		3,093,000,000	1,000,000,000
Cash receipts from investment income		20,035,077	14,890,816
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	VII(56)(3)	13,075,326	19,214,294
Net cash receipts from disposal of subsidiaries and other business units		-	22,000
Other cash receipts relating to investing activities		131,718,387	5,602,256
Sub-total of cash inflows from investing activities		3,257,828,790	1,039,729,366
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		3,650,384,164	1,863,103,382
Cash payments to acquire investments	VII(56)(2)	2,459,575,331	70,000,000
Net cash payments for acquisition of subsidiaries and other business units		24,950,534	231,262,607
Other cash payments relating to investing activities		244,537,125	-
Sub-total of cash outflows from investing activities		6,379,447,154	2,164,365,989
Net Cash Flow from Investing Activities		-3,121,618,364	-1,124,636,623
III. Cash Flows from Financing Activities			
Cash receipts from capital contributions		139,000,000	2,000,000
Cash receipts from borrowings		2,738,373,470	757,500,000
Other cash receipts relating to financing activities	VII(55)(3)	4,410,181	-
Sub-total of cash inflows from financing activities		2,881,783,651	759,500,000
Cash repayments of borrowings		816,720,321	692,294,746
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,707,994,025	2,365,422,870

Other cash payments relating to financing activities	VII(55)(4)	130,134,853	50,146,934
Sub-total of cash outflows from financing activities		2,654,849,199	3,107,864,550
Net Cash Flow from Financing Activities		226,934,452	-2,348,364,550
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		81,170,671	-12,737,649
V. Net Increase in Cash and Cash Equivalents		-1,546,504,623	-1,193,654,182
Add: Opening balance of cash and cash equivalents		8,550,475,141	8,420,246,369
VI. Closing Balance of Cash and Cash Equivalents	VII(56)(4)	7,003,970,518	7,226,592,187

CASH FLOW STATEMENT OF THE COMPANY

RMB

Items	Note	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		2,859,538,153	1,642,363,399
Receipts of tax refunds		2,344,176	2,844,644
Other cash receipts relating to operating activities		226,055,611	639,550,893
Sub-total of cash inflows from operating activities		3,087,937,940	2,284,758,936
Cash payments for goods purchased and services received		2,659,309,586	1,820,506,301
Cash payments to and on behalf of employees		175,502,826	176,051,844
Payments of various types of taxes		61,106,319	75,687,605
Other cash payments relating to operating activities		760,058,932	273,355,468
Sub-total of cash outflows from operating activities		3,655,977,663	2,345,601,218
Net Cash Flow from Operating Activities		-568,039,723	-60,842,282
II. Cash Flows from Investing Activities			
Cash receipts from disposal and recovery of investments		3,093,000,000	1,000,000,000
Cash receipts from investment income		1,252,005,077	1,919,628,299
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		1,349,823	16,019,269
Net cash receipts from disposal of subsidiaries and other business units		-	-
Other cash receipts relating to investing activities		1,090,186,632	1,563,347,992
Sub-total of cash inflows from investing activities		5,436,541,532	4,498,995,560
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		23,066,982	24,761,597
Cash payments to acquire investments		230,000,000	487,000,000
Net cash payments for acquisition of subsidiaries and other business units		2,393,000,000	-
Other cash payments relating to investing activities		2,573,984,011	1,613,252,566
Sub-total of cash outflows from investing activities		5,220,050,993	2,125,014,163
Net Cash Flow from Investing Activities		216,490,539	2,373,981,397
III. Cash Flows from Financing Activities			
Cash receipts from borrowings		200,000,000	400,000,000
Other cash receipts relating to financing activities		4,668,089,430	-
Sub-total of cash inflows from financing activities		4,868,089,430	400,000,000
Cash repayments of borrowings		115,430,000	403,652,662
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,440,291,737	2,259,013,377
Other cash payments relating to financing		4,524,643,088	894,143,889

activities			
Sub-total of cash outflows from financing activities		6,080,364,825	3,556,809,928
Net Cash Flow from Financing Activities		-1,212,275,395	-3,156,809,928
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		22,116,735	-2,362,015
V. Net Increase in Cash and Cash Equivalents		-1,541,707,844	-846,032,828
Add: Opening balance of cash and cash equivalents		5,151,662,429	4,624,314,323
VI. Closing Balance of Cash and Cash Equivalents		3,609,954,585	3,778,281,495

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

RMB

Items	For the year ended 30 June 2022								
	Attributable to owners of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Sub-total		
Balance at 31 December 2021	2,096,599,855	2,031,151,748	610,051,971	-305,350,132	1,111,880,257	22,405,681,711	26,729,911,468	2,647,925,840	29,377,837,308
Balance at 1 January 2022	2,096,599,855	2,031,151,748	610,051,971	-305,350,132	1,111,880,257	22,405,681,711	26,729,911,468	2,647,925,840	29,377,837,308
Changes in the year	-	29,461,191	-	121,168,915	-	-508,110,221	-357,480,115	333,854,119	-23,625,996
(i) Total comprehensive income	-	-	-	121,168,915	-	1,586,839,657	1,708,008,572	173,737,503	1,881,746,075
(ii) Owners' contributions and reduction in capital	-	29,461,191	-	-	-	-	29,461,191	211,392,869	240,854,060
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	211,392,869	211,392,869
2. Share-based payments recognized in owners' equity	-	29,039,764	-	-	-	-	29,039,764	-	29,039,764
3. Others	-	421,427	-	-	-	-	421,427	-	421,427
(iii) Profit distribution	-	-	-	-	-	-2,094,949,878	-2,094,949,878	-51,276,253	-2,146,226,131
1. Distribution to shareholders	-	-	-	-	-	-2,094,949,878	-2,094,949,878	-51,276,253	-2,146,226,131
Balance at 30 June 2022	2,096,599,855	2,060,612,939	610,051,971	-184,181,217	1,111,880,257	21,897,571,490	26,372,431,353	2,981,779,959	29,354,211,312

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - continued

RMB

Items	For the year ended 30 June 2021								
	Attributable to owners of the Company							Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Sub-total		
Balance at 31 December 2021	2,096,599,855	1,943,538,052	610,051,971	-275,292,763	1,111,880,257	19,304,701,887	23,571,375,317	2,168,563,181	25,739,938,498
Balance at 1 January 2022	2,096,599,855	1,943,538,052	610,051,971	-275,292,763	1,111,880,257	19,304,701,887	23,571,375,317	2,168,563,181	25,739,938,498
Changes in the year	-	60,716,913	-	-35,052,847	-	175,778,411	201,442,477	88,144,094	289,586,571
(i) Total comprehensive income	-	-	-	-35,052,847	-	2,438,324,279	2,403,271,432	220,281,286	2,623,552,718
(ii) Owners' contributions and reduction in capital	-	60,716,913	-	-	-	-	60,716,913	2,000,000	62,716,913
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	2,000,000	2,000,000
2. Share-based payments recognized in owners' equity	-	60,458,955	-	-	-	-	60,458,955	60,458,955	60,458,955
3. Others	-	257,958	-	-	-	-	257,958	257,958	257,958
(iii) Profit distribution	-	-	-	-	-	-2,262,545,868	-2,262,545,868	-134,137,192	-2,396,683,060
1. Distribution to shareholders	-	-	-	-	-	-2,262,545,868	-2,262,545,868	-134,137,192	-2,396,683,060
Balance at 30 June 2022	2,096,599,855	2,004,254,965	610,051,971	-310,345,610	1,111,880,257	19,480,480,298	23,772,817,794	2,256,707,275	26,029,525,069

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

RMB

Items	For the year ended 30 June 2022						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
Balance at 31 December 2021	2,096,599,855	2,429,495,032	610,051,971	30,331,199	1,111,880,257	8,364,839,311	13,423,093,683
Balance at 1 January 2022	2,096,599,855	2,429,495,032	610,051,971	30,331,199	1,111,880,257	8,364,839,311	13,423,093,683
Changes in the year	-	12,037,333	-	-12,585,879	-	-993,594,833	-994,143,379
(i) Total comprehensive income	-	-	-	-12,585,879	-	1,101,355,045	1,088,769,166
(ii) Owners' contributions and reduction in capital	-	12,037,333	-	-	-	-	12,037,333
1. Share-based payments recognized in owners' equity	-	11,615,906	-	-	-	-	11,615,906
2. Others	-	421,427	-	-	-	-	421,427
(iii) Profit distribution	-	-	-	-	-	-2,094,949,878	-2,094,949,878
1. Distribution to shareholders	-	-	-	-	-	-2,094,949,878	-2,094,949,878
Balance at 30 June 2022	2,096,599,855	2,441,532,365	610,051,971	17,745,320	1,111,880,257	7,371,244,478	12,428,950,304

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY - continued

RMB

Items	For the year ended 30 June 2021						
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	Total shareholders' equity
Balance at 31 December 2021	2,096,599,855	2,341,881,336	610,051,971	13,762,146	1,111,880,257	7,370,600,800	12,324,672,423
Balance at 1 January 2022	2,096,599,855	2,341,881,336	610,051,971	13,762,146	1,111,880,257	7,370,600,800	12,324,672,423
Changes in the year	-	60,716,913	-	1,054,402	-	96,422,170	158,193,485
(i) Total comprehensive income	-	-	-	1,054,402	-	2,358,968,038	2,360,022,440
(ii) Owners' contributions and reduction in capital	-	60,716,913	-	-	-	-	60,716,913
1. Share-based payments recognized in owners' equity	-	60,458,955	-	-	-	-	60,458,955
2. Others	-	257,958	-	-	-	-	257,958
(iii) Profit distribution	-	-	-	-	-	-2,262,545,868	-2,262,545,868
1. Distribution to shareholders	-	-	-	-	-	-2,262,545,868	-2,262,545,868
Balance at 30 June 2022	2,096,599,855	2,402,598,249	610,051,971	14,816,548	1,111,880,257	7,467,022,970	12,482,865,908
