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INTERPRETATION

Interpretation of the financial statements is as follows:

ASAE	ea	Oda aae ed SSE a a a e f RMB1.00 e ae eC a a a eca a, bc bed a d aded RMB
AFR	ea	A e a e f e a a e a
B a d	ea	e b a d f d e c f e C a
C a PRC	ea	T e P e' R e b c f C a
D e c ()	ea	e d e c () f e C a
EBITDA	ea	E a b e f e e e , a , d e e c a a d a a a
HS a e	ea	F i e a e e d e S E H K a a a e f R M B 1 . 0 0 e a e e C a a a e c a a , b c b e d a d a d e d H i K i d a .
H i K i	ea	H i K i S e c a A d a e R e f e P e e' R e b c f C a
H i K i L R e	ea	R e G i e e L f S e c e T e S i c E c a e f H i K i L e d
M i d e C i d e	ea	M i d e C i d e f S e c e T a a c b D e c f L e d l e .
R e P e d	ea	F 1 J a a 3 0 J e 2 0 2 3
R M B Y a K Y a 1 0 K Y a M Y a 1 0 0 M Y a	ea	R M B , R M B 1 , 0 0 0 , R M B 1 0 , 0 0 0 , R M B , R M B 1 0 0 , e a f c e c f C a
RMX	ea	

CORPORATE INFORMATION

1. CORPORATE INFORMATION

Na e f e C a C e e 華新水泥股份有限公司
 Abbe a f e C e e 華新水泥
 Na e f e C a E H a C e e C ., L d.
 Abbe a f E HUAXIN CEMENT
 Le a Re e e a e M . L Ye

2. CONTACT PERSONS AND MEANS OF CONTACT

J i C i a Sec e a . M . Ye J a (Sec e a . f e B i a d)
 M . Lee M e Y
 Te 0086 27 87773898
 Fa 0086 27 87773992
 E- a e f @ a ce .c i
 Sec . e Affa . Re e e a e M . Wa L
 Te 0086 27 87773898
 Fa 0086 27 87773992
 E- a e f @ a ce .c i

3. BASIC INFORMATION

Re e ed i ca f e C a N i . 600 Ea Da A e e , H a C , H be P i ce
 Ad a e i ca f e C a T i e . B , H a T i e , N i . 426, Ga A e e , Ea La e H - ec
 De e e Z i e , W a C , H be P i ce
 P . c a ace f b e H i K i 5/F, Ma fe Pace, 348 K T i R i ad, K i i , H i K i
 P i c i de f e ad a e i ca 430073
 Web e f e C a . a ce .c i
 E- a e f @ a ce .c i

4. INFORMATION DISCLOSURE AND PLACE AVAILABLE

P e f i l i a f D c i e C a Sec . e J i a , S a a Sec . e Ne
 Web e de a ed b CSRC i b e e e e . e c i .c
 Web e de a ed b e SEHK i b e e e . e e .
 Li ca i e e e C a ' e e e i a a be f . Sec . e a d i e i . Re a i De a e i f e
 ec i C a

5. COMPANY'S SHARES

Type	Place of listing	Abbreviation	Stock code
AS a e	SSE	H a C e e	600801
HS a e	SEHK	H a C e e	06655

6. REGISTRAR FOR SHARE TRANSFER

AS a e e a a d a fe f f ce C a Sec . e De i i a d Cea . C i i a i L ed
 S a a B a c
 HS a e e a a d a fe f f ce T c i i e i . Se . ce L ed

MANAGEMENT DISCUSSION AND ANALYSIS

I. THE COMPANY'S PRINCIPAL BUSINESSES AND OVERVIEW OF THE INDUSTRY DURING THE REPORTING PERIOD

1. Overview of the industry in which the Company operates

During the reporting period, the Chinese economy has shown a steady recovery. In the first half of 2023, China's economic growth rate reached 5.5%, which is higher than the global average of 3.8%. The Chinese government has implemented a series of measures to stimulate economic growth, including increasing government spending, cutting taxes, and strengthening financial support for enterprises. The construction industry, as a key sector of the Chinese economy, has also shown a steady recovery. In the first half of 2023, the construction industry's output value increased by 7.2% compared with the same period last year, and the construction investment increased by 7.9%.

In the first half of 2023, the company's operating performance is stable. The company's total revenue reached 953 million yuan, an increase of 12% over the same period last year. The company's operating profit reached 112 million yuan, an increase of 15% over the same period last year. The company's net profit reached 89.9 million yuan, an increase of 16% over the same period last year. The company's cash flow is also stable, with a net cash flow of 15.98 million yuan in the first half of 2023, an increase of 3% over the same period last year.

Data source: National Bureau of Statistics of China, China Statistical Yearbook.

2. The Company's principal businesses

The company's principal businesses include the production and sales of cement, concrete, and other construction materials. The company's cement production capacity is 500,000 tons per year, and its concrete production capacity is 500,000 cubic meters per year. The company's other construction materials include bricks, tiles, and decorative materials. The company's principal customers are construction companies, real estate developers, and government agencies. The company's principal markets are in China, and it has a strong market presence in the eastern and southern regions of the country.

The company's principal products are cement, concrete, and other construction materials. The company's cement production capacity is 500,000 tons per year, and its concrete production capacity is 500,000 cubic meters per year. The company's other construction materials include bricks, tiles, and decorative materials. The company's principal customers are construction companies, real estate developers, and government agencies. The company's principal markets are in China, and it has a strong market presence in the eastern and southern regions of the country.

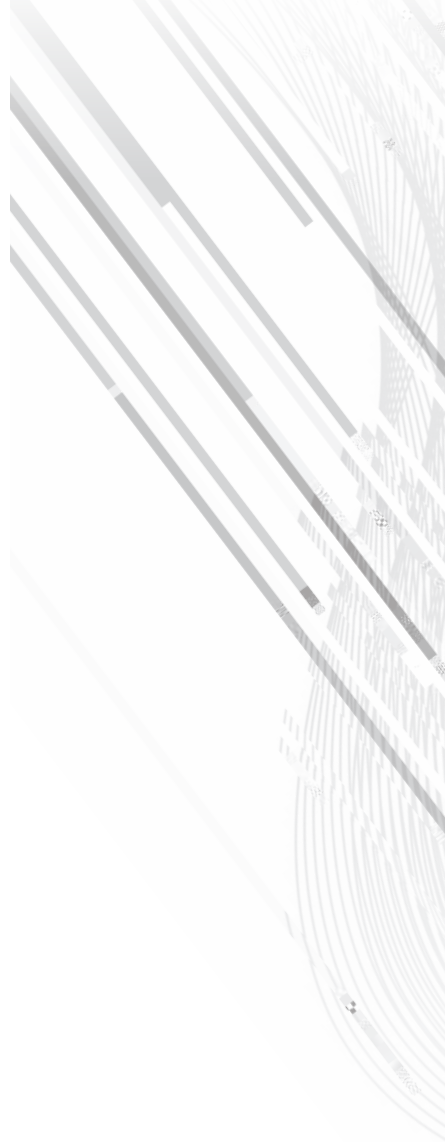
MANAGEMENT DISCUSSION AND ANALYSIS

As of 30 June 2023, the effective book value accounted for 62% of the share price, and 44% of the share value of the listed shares. The effective book value of the listed shares, the effective book value of the listed shares. The effective book value of the listed shares, the effective book value of the listed shares.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the net profit attributable to shareholders of RMB9.76 billion, a decrease of 5.04% compared with the reporting period of the previous year; the operating profit of RMB7.462 billion, a decrease of 12.41% compared with the reporting period of the previous year; the net profit attributable to shareholders of RMB2.302 billion, a decrease of 30.57%. Net profit attributable to shareholders of RMB5.836 billion, a decrease of 49.19% compared with the reporting period of the previous year; the net profit attributable to shareholders of RMB24.60 billion, a decrease of RMB326 million; the net profit attributable to shareholders of RMB10.47 billion, a decrease of RMB251.62 million; the net profit attributable to shareholders of RMB14.13 billion, a decrease of RMB74.37 million; the net profit attributable to shareholders of RMB8.65 billion, a decrease of RMB42.81 million; the net profit attributable to shareholders of RMB3.03 billion, a decrease of RMB23.49 million; the net profit attributable to shareholders of RMB11.68 billion, a decrease of RMB19.32 million; the net profit attributable to shareholders of RMB43.48 million, a decrease of RMB289.88 million; the net profit attributable to shareholders of RMB22.67 million, a decrease of RMB252.14 million; the net profit attributable to shareholders of RMB20.81 million, a decrease of 37.74 million. As a result, the net profit attributable to shareholders of RMX decreased, the net profit attributable to shareholders of EBITDA increased by 50%, because of the increase in the net profit attributable to shareholders.

During the Reporting Period, the total assets of the Company increased by 1.13 billion yuan, compared with the reporting period of the previous year.



MANAGEMENT DISCUSSION AND ANALYSIS

2. Assets and Liabilities

Unit: RMB

	Closing balance	Percentage of amount at the end of the Reporting Period to the total asset (%)	Other balance	Percentage of amount at the end of the Reporting Period to the total asset (%)	Percentage of amount at the end of the Reporting Period to the total asset (%)	Percentage of amount at the end of the Reporting Period to the total asset (%)
Headquartered in China	1,519,104	—	41,711,538	0.06	96.36	96.36

MANAGEMENT DISCUSSION AND ANALYSIS

3. Other explanations

(1) Capital structure, capital liquidity and financial resources

At the end of the reporting period, the total amount of bank deposits, including deposits in RMB32.062 billion, and the amount of bank deposits in foreign currencies is RMB27.719 billion.

At the end of the reporting period, the total amount of bank deposits, including deposits in RMB33.500 billion, and the amount of bank deposits in foreign currencies is RMB14.530 billion. The amount of bank deposits in foreign currencies is as follows:

Unit: RMB

Closing balance Opening balance

Working capital

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Pledge of assets

Major restrictions on assets by the end of the Reporting Period

Unit: RMB

	Closing balance
Ca a d ba ba a ce	298,064,699
Ni e ece abe	2,020,000
F a c f i acci ece abe	400,499
F ed a e	5,556,870
I a be a e	22,265,201
Ti a	328,307,269

At the end of the reporting period, the Group has pledged assets with a carrying amount of RMB5,273,086,977 (31 December 2022: RMB4,829,073,769), of which RMB4,527,632,382 are pledged to banks and financial institutions.

For details, please refer to Notes VII (1), VII (3), VII (5), VII (59).

(3) Risks of foreign exchange rate fluctuation

The Group's operations are mainly in the US dollar and the RMB. Since the Group's business is conducted in the US dollar and the RMB, the Group is exposed to foreign exchange rate fluctuations. The Group's business is conducted in the RMB, and the Group's assets and liabilities are denominated in RMB. The Group's business is conducted in the RMB, and the Group's assets and liabilities are denominated in RMB.

The Finance Department of the Head Office of the Group is responsible for the Group's foreign exchange risk management. The Group has established a foreign exchange risk management system to monitor and control the Group's foreign exchange risk. The Group's foreign exchange risk management is based on the principle of hedging.

For details, please refer to Note X (3) Foreign exchange risk.

(4) Significant investment and capital expenditure

In the first half of 2023, the Group has completed RMB1.819 billion of significant investment and capital expenditure. According to the company's annual report, the Group has completed significant investment and capital expenditure of RMB1.819 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

(5) External equity investment

Unit: RMB

	Closing balance	Opening balance	Change (%)
Other equity investments	962,012,073	1,012,850,323	5.02
Other financial assets	28,258,999	25,067,265	12.73
Liabilities	468,628,363	438,886,647	6.78

(6) Contingent liability

As at the end of the reporting period, there are no contingent liabilities. Refer to Note VII (33), XIV(2).

V. OUTLOOK FOR THE SECOND HALF OF 2023

In the second half of 2023, the company will continue to adhere to the strategy of "high-quality development", and actively respond to the requirements of the market. The company will continue to focus on the core business, and actively explore new business opportunities. The company will continue to strengthen the management of the business, and improve the efficiency of the business. The company will continue to strengthen the cooperation with the government, and actively participate in the construction of the national economy.

In the second half of 2023, the company will continue to adhere to the strategy of "high-quality development", and actively respond to the requirements of the market. The company will continue to focus on the core business, and actively explore new business opportunities. The company will continue to strengthen the management of the business, and improve the efficiency of the business. The company will continue to strengthen the cooperation with the government, and actively participate in the construction of the national economy.

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SIGNIFICANT MATTERS

1. CONNECTED TRANSACTION RELATED TO DAILY OPERATION

During the Reporting Period, the Company has completed the following connected transactions:

2. MAJOR GUARANTEE PERFORMED OR YET TO BE PERFORMED DURING THE REPORTING PERIOD

CHANGES IN SHARES AND SHAREHOLDERS

1. STRUCTURE OF SHARES

Details of the Company's share structure as at the end of the reporting period are set out in the following table.

2. SHAREHOLDERS

(1) The number of shares held by the Company as at 30 June 2023, is as follows: 734,719,989 ordinary shares, 451,333,201 preferred shares, 338,060,739 restricted shares, 32,077,416 shares held by the Company's subsidiaries and 21,039,361 shares held by the Company's associates.

(2) Shareholding of the top 10 registered shareholders of the Company as at 30 June 2023

Unit: million

Full name of shareholders	Class of shares	Number of shares held	Proportion (%)
HKSCC Limited	HS ae	734,719,989	35.04
HOLCHIN B.V.	AS ae	451,333,201	21.53
Hong Kong Cement Co., Ltd.	AS ae	338,060,739	16.12
Hong Kong Cement Co., Ltd.	AS ae	32,077,416	1.53
Hong Kong Cement Co., Ltd. 2020-2022 Class E Shares	AS ae	21,039,361	1.00
Cementa B.V.	AS ae	17,733,786	0.85
Tadpole Investment Services Limited	AS ae	15,900,000	0.76
Anta Financial Group Limited	AS ae		

CHANGES IN SHARES AND SHAREHOLDERS

(3) Substantial shareholders' and other persons' interests and short positions in the shares and underlying shares of the Company

As at 30 June 2023, the following persons (including the Director, executive director, the Chairman and the 5% shareholders) are deemed to be or are deemed to be beneficially interested in the shares of the Company and the underlying shares of the Company as disclosed in the Company's annual report SEHK document number 20230630/Pa.XV of the SFO:

Full name of shareholders	Nature of interest	Class of share	Number of shares	Approximate % of shares held in the relevant class	Approximate % of shares held in the total amount of share capital
Hick Ltd.	Beneficially interested	AS share	451,333,201	33.14	21.53
		HS share	417,902,467	56.88	19.93
		Treasury	869,235,668		41.46
Hick B.V.	Beneficially interested	AS share	451,333,201	33.14	21.53
		HS share	384,210,624	52.29	18.33
		Treasury	835,543,825		39.85
Hick B.V.	Beneficially interested	AS share	451,333,201	33.14	21.53
		HS share	384,210,624	52.29	18.33
		Treasury	835,543,825		39.85
Salemsted A/S Salemsted Administration Company Hafslund Pore Grønde	Beneficially interested	AS share	338,060,739	24.82	16.12
		HS share			
		Treasury			
Hafslund Salemsted Administration Company Ltd	Beneficially interested	AS share	338,060,739	24.82	16.12
		HS share			
Hafslund Salemsted, Ltd	Beneficially interested	AS share	338,060,739	24.82	16.12

CHANGES IN SHARES AND SHAREHOLDERS

Full name of shareholders	Nature of interest	Class of share	Number of shares	Approximate % of shares held in the relevant class	Approximate % of shares held in the total amount of share capital
Caic Ve e Hid)L(HK)d ed	M1 D7c-a54N ed e				

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

3. INTERESTS OF DIRECTORS AND SUPERVISORS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, the Directors and Supervisors have not entered into any material transactions, arrangements or contracts with the Company or its subsidiaries.

4. THE COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code on Directors' Securities Transactions. All Directors and Supervisors have confirmed their compliance with the Model Code. The Company will continue to monitor and ensure the compliance of all Directors and Supervisors with the Model Code.

5. EMPLOYEE

As at 30 June 2023, the Company had 19,654 employees (including full-time and part-time).

The Company has adopted the Employee Code of Conduct. All employees have received training on the Code of Conduct. The Company will continue to monitor and ensure the compliance of all employees with the Code of Conduct.

During the Reporting Period, the Company has not entered into any material transactions, arrangements or contracts with its employees. The Company will continue to monitor and ensure the compliance of all employees with the Code of Conduct.

OTHER INFORMATION

1. REVIEW OF UNAUDITED INTERIM RESULT

Te Ci a a e a a d ci ee (A d Ci ee) e . f e f e e ce d a ce a e

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET — *continued*
30 June 2023

Unit: RMB

	NOTE VII	Closing balance	Opening balance
Current liabilities			

FINANCIAL STATEMENTS (UNAUDITED)

BALANCE SHEET OF THE COMPANY

30 June 2023

Unit: RMB

Number XVII Closing balance Opening balance

--



BALANCE SHEET OF THE COMPANY

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

For the period ended 30 June 2023

Unit: RMB

	Line VII	Amount for the current period	Amount for the period
I. Total revenue	43	15,831,572,500	14,389,448,963
Income		15,831,572,500	14,389,448,963
II. Total expense		14,091,669,921	12,268,372,426
Cost of sales	43	11,971,182,161	10,357,040,560
Manufacturing cost	44	323,177,792	267,917,078
Selling expense	45	691,696,836	709,133,292
Administrative expense	46	802,033,113	723,755,898
Research and development expense		58,342,983	45,693,691
Finance cost	47	245,237,036	164,831,907
Income tax expense		315,768,191	149,218,223
Income tax credit		58,883,536	44,998,331
Add: Other income	48	78,804,926	98,008,668
Income tax credit	49	34,284,849	21,291,835
Income from disposal of subsidiaries			
Disposal of subsidiaries	49	348,987	4,137,667
(Loss) from disposal of subsidiaries	50	-38,519,804	16,465,744
Loss from disposal of subsidiaries	51	-51,365,463	43,425,957
Loss from disposal of subsidiaries	52	-7,975,582	10,278,652
Gain from disposal of subsidiaries	53	5,309,799	1,248,095
III. Operating profit		1,760,441,304	2,201,890,080
Add: Non-operating income	54	6,448,493	2,892,447
Less: Non-operating expense	55	28,622,956	38,731,861
IV. Profit before tax		1,738,266,841	2,166,050,666
Less: Income tax expense	56	388,324,122	483,159,383
V. Net profit		1,349,942,719	1,682,891,283
() Continued operations			
1. Net profit		1,349,942,719	1,682,891,283
() Discontinued operations			
1. Net profit		1,192,560,395	1,586,839,657
2. Net loss		157,382,324	96,051,626

CONSOLIDATED INCOME STATEMENT — *continued*

For the period ended 30 June 2023

Unit: RMB

	Number XVII	Amount for the current period	Amount for the corresponding period
VI. Operating profit, after tax	39	106,086,375	198,854,792
(1) Operating profit, after tax		43,492,412	121,168,915
(2) Operating profit, after tax		-38,128,688	12,585,879
1. Cost of sales		-38,128,688	12,585,879
(1) Operating profit, after tax		81,621,100	133,754,794
1. Earnings before interest and taxes		81,621,100	133,754,794
(2) Operating profit, after tax	39	62,593,963	77,685,877
VII. Tax expense		1,456,029,094	1,881,746,075
(1) Tax expense		1,236,052,807	1,708,008,572
(2) Tax expense		219,976,287	173,737,503
VIII. Earnings before interest and taxes			
(1) Earnings before interest and taxes		0.58	0.77
(2) Earnings before interest and taxes		0.57	0.77

For the period ended, the data is based on the actual data of the period.

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2023

Unit: RMB

	Note VII	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities			
Cash received from sales of goods and services		14,420,847,563	13,666,422,401
Receipts from financing		25,993,271	47,465,337
Operating cash flows	57	327,124,718	244,383,744
Subsidiary financing cash flows		14,773,965,552	13,958,271,482
Cash received from disposal of subsidiaries		8,992,651,327	9,128,445,040
Cash received from disposal of investments		1,351,385,852	1,417,101,170
Payment for acquisition		1,641,378,037	1,606,349,339
Operating cash flows	57	661,383,055	539,367,315
Subsidiary cash flows		12,646,798,271	12,691,262,864
Net Cash Flow from Operating Activities		2,127,167,281	1,267,008,618
II. Cash Flows from Investing Activities			
Cash received from disposal of subsidiaries		2,231,088,671	3,093,000,000
Cash received from disposal of investments		36,890,482	20,035,077
Net cash received from disposal of subsidiaries, investment and other		15,611,513	13,075,326
Net cash received from disposal of subsidiaries		—	—
Operating cash flows	57	145,236,441	131,718,387
Subsidiary cash flows		2,428,827,107	3,257,828,790
Cash received from acquisition of subsidiaries, investment and other		1,818,834,799	3,650,384,164
Cash received from acquisition of subsidiaries		2,200,000,000	2,459,575,331
Net cash received from acquisition of subsidiaries and other			

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED CASH FLOW STATEMENT— *continued*

FINANCIAL STATEMENTS (UNAUDITED)

CASH FLOW STATEMENT OF THE COMPANY — *continued*

For the period ended 30 June 2023

Unit: RMB

	Amount for the current period	Amount for the period
III. Cash Flows from Financing Activities		
Cash received from bank	600,000,000	200,000,000
Operating activities	1,608,356,331	4,668,089,430
Subsidiary financing activities	2,208,356,331	4,868,089,430
Cash received from bank	1,097,930,000	115,430,000
Cash received from bank, deposits, etc.	684,065,682	1,440,291,737
Operating activities	1,829,169,739	4,524,643,088
Subsidiary financing activities	3,611,165,421	6,080,364,825
Net Cash Flow from Financing Activities	-1,402,809,090	1,212,275,395
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-1,239,234	22,116,735
V. Net Increase in Cash and Cash Equivalents	-845,661,333	1,541,707,844
Add: Opening balance	3,365,759,061	5,151,662,429
VI. Closing Balance of Cash and Cash Equivalents	2,520,097,728	3,609,954,585

Leave: L Ye

Facade: Ce Qa

Account: W X

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period ended 30 June 2023

Unit: RMB

Share	Capital	Treasury	Less:		Specialized	Surplus	Retained	Total
			comprehensive	Other				
2,096,599,855	1,975,889,177	610,051,971	-175,257,484	-175,257,484	37,644,851	1,111,880,257	3,391,875,433	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY — *continued*

For the period ended 30 June 2023

Unit: RMB

	For the period ended 30 June 2022									
	Share capital	Capital reserve	Treasury shares	Other comprehensive income	Securities available for sale	Surplus	Reserves	Subsidiaries	Minority interests	Total
I. Balance at the beginning of the period	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	
II. Balance at the end of the period	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	
III. Movement during the period		29,461,191		121,168,915		508,110,221	357,480,115	333,854,119	23,625,996	
(1) Cash dividends				121,168,915		1,586,839,657	1,708,008,572	173,737,503	1,881,746,075	
(2) Cash dividends paid		29,461,191								
1. Cash dividends paid							29,461,191	211,392,869	240,854,060	

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

For the period ended 30 June 2023

Unit: RMB

	For the six months ended 30 June 2023						Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained profits	
I. Balance at beginning of period	2,096,599,855	2,381,459,845	610,051,971	-1,931,357	1,111,880,257	8,507,891,676	13,485,848,305
II. Balance at end of period	2,096,599,855	2,381,459,845	610,051,971	-1,931,357	1,111,880,257	8,507,891,676	13,485,848,305
III. Movement during the period	-	12,541,806	-	-38,128,688	-	-299,499,046	-325,085,928
(1) Issuance of shares	-	-	-	-38,128,688	-	768,925,392	730,796,704
(2) Capital contribution	-	12,541,806	-	-	-	-	12,541,806
1. Capital contribution	-	-	-	-	-	-	-
2. Share-based payment	-	12,541,806	-	-	-	-	-
3. Other	-	-161,789	-	-	-	-	-161,789
(3) Profit distribution	-	-	-	-	-	-1,068,424,438	-1,068,424,438
Dividend	-	-	-	-	-	-1,068,424,438	-1,068,424,438
(4) Specific reserve	-	-	-	-	-	-	-
1. Additions	-	-	-	-	-	-	-
2. Utilization	-	-	-	-	-	-	-
IV. Balance at end of period	<u>2,096,599,855</u>	<u>2,394,001,651</u>	<u>610,051,971</u>	<u>-40,060,045</u>	<u>1,111,880,257</u>	<u>8,208,392,630</u>	<u>13,160,762,377</u>

FINANCIAL STATEMENTS (UNAUDITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

III. BASIC INFORMATION

1. Summary of the company

Huaxin Cement Co., Ltd. (hereinafter referred to as "Huaxin Cement") is a public company established in accordance with the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, established on June 30, 1993. The registered address is (A) Huaxin Cement Co., Ltd. (Huaxin Cement Co., Ltd.) and the registered address is No. 426 Gaoyuan Road, Huaxin Cement Co., Ltd., Huaxin Cement Co., Ltd.

The company is a public company listed on the Shanghai Stock Exchange (600549) and the Hong Kong Stock Exchange (0914). The company is a public company listed on the Shanghai Stock Exchange (600549) and the Hong Kong Stock Exchange (0914).

The financial statements for the period from January 1, 2023 to June 30, 2023.

2. Consolidation scope of consolidated financial statements

The consolidated financial statements include the financial statements of the company and its subsidiaries.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basic of the financial statements

The financial statements are prepared on the basis of the Accrual Basis of Accounting. The financial statements are prepared on the basis of the Accrual Basis of Accounting. The financial statements are prepared on the basis of the Accrual Basis of Accounting.

2. Going concern

The company is a going concern.

The company is a going concern. The company is a going concern. The company is a going concern.

As at June 30, 2023, the company's net assets were RMB14,055,946,259 and the company's net assets were RMB16,480,811,060, respectively. The company's net assets were RMB14,055,946,259 and the company's net assets were RMB16,480,811,060, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

7. Foreign currency transactions and translation of financial statements prepared in foreign currencies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

8. Financial instruments

Financial instruments are recognized and derecognized when the Group has transferred substantially all the risks and rewards of ownership.

Recognition and derecognition of financial instruments

The Group recognizes financial assets and liabilities when it becomes a party to the financial instrument.

The Group derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or it transfers the assets and the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

8. Financial instruments — *continued*

Classification and measurement of financial liabilities

The Group's financial liabilities are classified into financial liabilities at fair value through profit or loss, financial liabilities at amortised cost. Financial liabilities at fair value through profit or loss, including financial liabilities held for trading, are measured at fair value. Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

The following table shows the classification of financial liabilities:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives) and financial liabilities designated as financial liabilities at fair value through profit or loss. Financial liabilities held for trading are measured at fair value. Financial liabilities designated as financial liabilities at fair value through profit or loss are measured at fair value. Changes in the fair value of financial liabilities held for trading are recognised in profit or loss. Changes in the fair value of financial liabilities designated as financial liabilities at fair value through profit or loss are recognised in profit or loss, except for changes in the fair value of financial liabilities designated as financial liabilities at fair value through profit or loss that are part of a group of financial liabilities that are measured at amortised cost, which are recognised in other comprehensive income. The fair value of financial liabilities is determined using the market approach, which is the most reliable method to measure fair value. The fair value of financial liabilities is determined using the market approach, which is the most reliable method to measure fair value.

Financial liabilities carried at amortised cost

Substantially all financial liabilities are measured at amortised cost. The amortised cost of financial liabilities is measured at the amount of cash payments received, less any interest income recognised.

Impairment of financial instruments

On balance sheet date, the Group evaluates the impairment of financial instruments. The Group uses the expected credit loss model to measure the impairment of financial instruments. The expected credit loss is the difference between the carrying amount and the present value of expected cash flows.

Financial instruments are classified into financial instruments at amortised cost, financial instruments at fair value through profit or loss, and financial instruments at fair value through other comprehensive income. The impairment of financial instruments at amortised cost is measured at the difference between the carrying amount and the present value of expected cash flows. The impairment of financial instruments at fair value through profit or loss is measured at the difference between the carrying amount and the fair value. The impairment of financial instruments at fair value through other comprehensive income is measured at the difference between the carrying amount and the fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — continued

8. Financial instruments — continued

Impairment of financial instruments — continued

The Group assesses the credit risk of financial instruments at each reporting date to determine whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group measures the loss allowance at the amount of the lifetime expected credit losses. If there has not been a significant increase in credit risk, the Group measures the loss allowance at the amount of the 12-month expected credit losses. The Group uses a practical approach to measure expected credit losses, which is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's assessment of the credit risk of financial instruments is based on the Group's internal credit rating system. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort.

The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort.

The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort.

The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort.

The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort. The Group's internal credit rating system is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics and supported by other reasonable and supportable information that is available without undue cost or effort.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

9. Inventories — *continued*

The Group adopts the following accounting policies:

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories exceeds their net realizable value, a provision for inventory impairment is established. If facts and circumstances indicate that the amount of the provision is no longer adequate, the provision is adjusted. The cost of inventories is determined on a first-in, first-out basis. The cost of inventories includes all costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and sell. The estimated selling price is determined based on the market price of the inventory at the balance sheet date. If the market price is not available, the estimated selling price is determined based on the price of similar inventory. The estimated costs to complete and sell include the estimated costs of completion, disposal, and transportation. The net realizable value is determined based on the estimated selling price less the estimated costs to complete and sell. If the net realizable value is lower than the cost of the inventory, a provision for inventory impairment is established. The provision is adjusted if the net realizable value changes.

10. Contract assets

(1) *Methods and criteria for recognizing contract assets*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

11. Long-term equity investments — *continued*

Under the equity method, the investor recognizes its share of the investee's profit or loss. If the investee has incurred losses, the investor's share of losses is limited to the amount of the investment. The investor's share of losses is recorded as a debit to the investment account. The investor's share of losses is not recorded as a liability. The investor's share of losses is not recorded as a liability.

The investor's share of the investee's profit or loss is recognized as income or expense in the investor's financial statements. The investor's share of the investee's profit or loss is recognized as income or expense in the investor's financial statements. The investor's share of the investee's profit or loss is recognized as income or expense in the investor's financial statements. The investor's share of the investee's profit or loss is recognized as income or expense in the investor's financial statements.

Under the equity method, the investor recognizes its share of the investee's profit or loss. If the investee has incurred losses, the investor's share of losses is limited to the amount of the investment. The investor's share of losses is recorded as a debit to the investment account. The investor's share of losses is not recorded as a liability. The investor's share of losses is not recorded as a liability.

Under the equity method, the investor recognizes its share of the investee's profit or loss. If the investee has incurred losses, the investor's share of losses is limited to the amount of the investment. The investor's share of losses is recorded as a debit to the investment account. The investor's share of losses is not recorded as a liability. The investor's share of losses is not recorded as a liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — continued

12. Fixed assets — continued

(2) Depreciation method

Except for the fixed assets held by the subsidiaries, the depreciation method adopted is the straight-line method. The useful life, estimated net residual value and annual depreciation rate are as follows:

	Depreciation method	Useful life	Estimated net residual value	Annual depreciation rate
Buildings	straight-line	25-40 years	4%	2.4%-3.8%
Machinery and equipment	straight-line	5-18 years	4%	5.3%-19.2%
Office and other equipment	straight-line	5-10 years	4%	9.6%-19.2%
Transportation equipment	straight-line	4-12 years	4%	8.0%-24.0%

13. Construction in progress

The construction in progress is recorded according to the actual cost incurred. The construction in progress is recorded at the actual cost, including the cost of materials, labor, and other direct costs, and the indirect costs incurred. The construction in progress is recorded at the actual cost, including the cost of materials, labor, and other direct costs, and the indirect costs incurred.

Construction in progress is recorded at the actual cost, including the cost of materials, labor, and other direct costs, and the indirect costs incurred.

14. Borrowing costs

The borrowing costs are recorded according to the actual cost incurred. The borrowing costs are recorded at the actual cost, including the cost of interest, fees, and other direct costs, and the indirect costs incurred. The borrowing costs are recorded at the actual cost, including the cost of interest, fees, and other direct costs, and the indirect costs incurred.

The borrowing costs are recorded according to the actual cost incurred. The borrowing costs are recorded at the actual cost, including the cost of interest, fees, and other direct costs, and the indirect costs incurred.

(1) interest expense recorded;

(2) borrowing fees recorded;

(3) acquisition of the borrowing costs, including the cost of interest, fees, and other direct costs, and the indirect costs incurred.



FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY OF 48

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — continued

18. Long-term deferred expenditures

Long-term deferred expenditures are recognized based on the expected benefits to be derived from the expenditures. The expenditures are recognized as long-term deferred expenditures when the expenditures are incurred and the benefits are expected to be realized in the future. The expenditures are amortized over the expected useful life of the expenditures.

19. Contract liabilities

Recognition of contract liabilities

The Group recognizes contract liabilities when it has an obligation to transfer goods or services to a customer that is enforceable and measurable. The Group recognizes contract liabilities when it has an obligation to transfer goods or services to a customer that is enforceable and measurable.

Contract liabilities are recognized when the Group has an obligation to transfer goods or services to a customer that is enforceable and measurable. The Group recognizes contract liabilities when it has an obligation to transfer goods or services to a customer that is enforceable and measurable.

20. Employee benefits

Short-term benefits

Short-term employee benefits are recognized as an expense when the employee has rendered service to the Group. The Group recognizes short-term employee benefits when the employee has rendered service to the Group.

Post-employment benefits (the defined contribution plan)

The Group's defined contribution plan is a pension plan. The Group recognizes the defined contribution plan when the employee has rendered service to the Group. The Group recognizes the defined contribution plan when the employee has rendered service to the Group.

The Group's defined benefit plan is a pension plan. The Group recognizes the defined benefit plan when the employee has rendered service to the Group. The Group recognizes the defined benefit plan when the employee has rendered service to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

20. Employee benefits — *continued*

Post-employment benefits (the defined contribution plan) — continued

The amount of the defined contribution plan is determined by the defined benefit plan and the defined contribution plan. The defined benefit plan is a defined benefit plan, and the defined contribution plan is a defined contribution plan.

The amount of the defined contribution plan is determined by the defined benefit plan and the defined contribution plan. The defined benefit plan is a defined benefit plan, and the defined contribution plan is a defined contribution plan.

21. Lease liabilities

The amount of the lease liabilities is determined by the lease agreement and the lease terms. The lease liabilities are measured at the present value of the lease payments.



FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

25. Revenue from contracts with customers

(1) *Accounting policies used for revenue recognition and measurement*

We are engaged in various business activities, including the production and sale of cement, concrete, and other construction materials. Our revenue is primarily derived from the sale of these products to customers. The revenue is recognized when the goods are delivered to the customer and the customer has accepted them. The revenue is measured at the fair value of the consideration received or receivable, excluding discounts and other deductions.

Sales contracts of goods

Sales contracts are entered into with customers for the sale of goods. The revenue is recognized when the goods are delivered to the customer and the customer has accepted them. The revenue is measured at the fair value of the consideration received or receivable, excluding discounts and other deductions. The revenue is recognized when the goods are delivered to the customer and the customer has accepted them. The revenue is measured at the fair value of the consideration received or receivable, excluding discounts and other deductions.

Contracts for rendering of services

Contracts for rendering of services are entered into with customers for the provision of services. The revenue is recognized when the services are rendered to the customer and the customer has accepted them. The revenue is measured at the fair value of the consideration received or receivable, excluding discounts and other deductions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

25. Revenue from contracts with customers — *continued*

(1) *Accounting policies used for revenue recognition and measurement — continued*

Warranty obligations

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — continued

27. Government grants

Government grants are recognized when the entity can reasonably be assured that the grant will be received. If a grant is received before the related costs are incurred, the grant is recognized as income in the period when the grant is received. If a grant is received after the related costs have been incurred, the grant is recognized as income in the period when the grant is received. If a grant is received in the period when the related costs are incurred, the grant is recognized as income in the period when the grant is received.

Government grants related to the purchase of property, plant and equipment are recognized as income in the period when the grant is received. If the grant is received before the related costs are incurred, the grant is recognized as income in the period when the grant is received. If the grant is received after the related costs have been incurred, the grant is recognized as income in the period when the grant is received. If the grant is received in the period when the related costs are incurred, the grant is recognized as income in the period when the grant is received.

Government grants related to the purchase of intangible assets are recognized as income in the period when the grant is received. If the grant is received before the related costs are incurred, the grant is recognized as income in the period when the grant is received. If the grant is received after the related costs have been incurred, the grant is recognized as income in the period when the grant is received. If the grant is received in the period when the related costs are incurred, the grant is recognized as income in the period when the grant is received.

Government grants related to the purchase of financial assets are recognized as income in the period when the grant is received. If the grant is received before the related costs are incurred, the grant is recognized as income in the period when the grant is received. If the grant is received after the related costs have been incurred, the grant is recognized as income in the period when the grant is received. If the grant is received in the period when the related costs are incurred, the grant is recognized as income in the period when the grant is received.

28. Deferred income tax

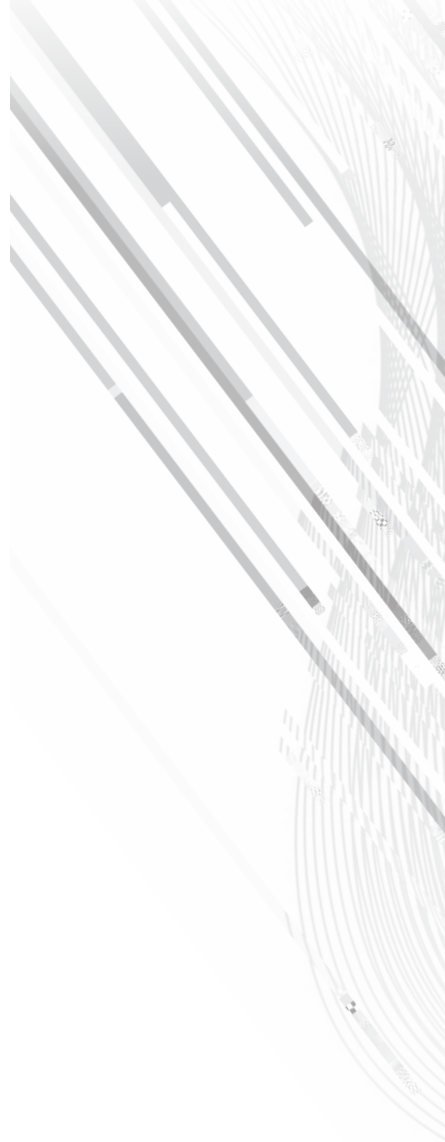
Deferred income tax is recognized for all taxable temporary differences, except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of recognition, the carrying amount of the asset or liability is equal to its tax base.

Deferred income tax is calculated using the liability method.

(1) Deferred income tax is calculated using the liability method. The liability method requires the recognition of deferred income tax liabilities and assets based on the expected future tax rates that will apply to the temporary differences at the time they are settled.

(2) Deferred income tax is calculated using the liability method. The liability method requires the recognition of deferred income tax liabilities and assets based on the expected future tax rates that will apply to the temporary differences at the time they are settled.





NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

30. Profit distribution

Ca d de d f e C a e c i ed a a ab i be a i ed a e a e i de ,
e e a ee .

31. Production safety cost

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES — *continued*

33. Other significant accounting judgments and estimates — *continued*

Uncertainty of estimation — continued

Provision for decline in value of inventory

The Group has established a policy to provide for the decline in value of inventory. The provision is based on the estimated net realizable value of inventory. The provision is calculated as the difference between the cost of inventory and its net realizable value. The net realizable value is determined based on the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to sell. The provision is reviewed at the end of each reporting period and adjusted accordingly.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VI. TAXATION — *continued*

1. Major categories of taxes and respective tax rates — *continued*

Categories of taxes	Tax basis	Tax rates
Property tax	<p>Land use rights and buildings</p> <p>Land use rights: 1.2%</p> <p>Buildings: 1.2%</p> <p>Other taxes: 1.2%, 1.2%</p>	1.2%, 12%
Land use tax	<p>Land use rights</p> <p>Land use rights: 1.2%</p>	
Income tax	<p>Individual income tax</p> <p>Individual income tax: 3%</p> <p>Corporate income tax</p> <p>Corporate income tax: 25%</p>	
Value-added tax	<p>Value-added tax</p> <p>Value-added tax: 13%</p> <p>Value-added tax: 9%</p> <p>Value-added tax: 6%</p>	
Stamp duty	<p>Stamp duty</p> <p>Stamp duty: 0.5%</p>	
Other taxes	<p>Other taxes</p> <p>Other taxes: 1.2%</p>	

NOTES TO THE FINANCIAL STATEMENTS (IN RMB YUAN)

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

2. Held for trading financial assets

	Closing balance	Opening balance
Derivatives	—	41,711,538
Other	<u>1,519,104</u>	
Total	<u>1,519,104</u>	<u>41,711,538</u>

3. Notes receivable

(1) Classification of notes receivable

	Closing balance	Opening balance
Bank Acceptance Bills	<u>326,222,154</u>	545,960,470
Less: Provisions for bad debts	—	
Total	<u>326,222,154</u>	<u>545,960,470</u>

(2) Among them, pledged notes receivable are as follows:

	Pledged notes receivable at the end of the period
Bank Acceptance Bills	2,020,000
Total	<u>2,020,000</u>

(3) Bills endorsed or discounted but not yet due at the balance sheet date are as follows:

	Derecognised	Not Derecognised
Bank Acceptance Bills		292,448,965
Total		<u>292,448,965</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

4. Accounts receivable — *continued*

(2) Disclosure by bad debt accrual method — *continued*

Receivable due to bad debt incurred and added back:

	Closing balance			Reasons for provision
	Balance of carrying amount	Provision for bad debts	Expected credit loss rate (%)	
C e A	11,551,093	11,551,093	100	Low probability of recovery
C e B	9,028,779	9,028,779	100	Low probability of recovery
C e C	6,047,509	6,047,509	100	Low probability of recovery
C e D	5,254,652	5,254,652	100	Low probability of recovery
C e E	5,052,525	5,052,525	100	Low probability of recovery
O e c e	<u>63,012,944</u>	<u>60,041,091</u>	<u>95</u>	Low probability of recovery
T i a	<u>99,947,502</u>	<u>96,975,649</u>	<u>97</u>	/

Receivable due to bad debt incurred and added back:

Category of cement receivable:

	Closing balance		
	Balance of carrying amount	Provision for bad debts	Expected credit loss rate (%)
W e 6	402,808,913	40,280,891	10
6 12	45,103,842	9,922,845	22
1 2 e a	17,125,403	6,678,907	39
2 3 e a	5,911	3,015	51
O e 3 e a	<u>4,453,387</u>	<u>3,874,447</u>	<u>87</u>
T i a	<u>469,497,456</u>	<u>60,760,105</u>	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

4. Accounts receivable — *continued*

(2) *Disclosure by bad debt accrual method — continued*

Category of concrete receivable:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

4. Accounts receivable — *continued*

(4) Accounts receivable written off during the period:

	Amount of write-off
Accounts receivable written off	<u>1,036,144</u>

(5) The top 5 of the balance of accounts receivable were as follows:

	Closing balance	Proportion in total accounts receivable (%)	Provision for bad debts	Net amount
Financial	43,608,036	2	4,730,935	38,877,101
Secured	33,785,722	1	6,406,719	27,379,003
Trade	26,655,712	1	2,665,571	23,990,141
Financial	24,667,450	1	4,598,003	20,069,447
Financial	24,268,577	1	875,008	23,393,569
Total	<u>152,985,497</u>	<u>—</u>	<u>19,276,236</u>	<u>133,709,261</u>

5. Receivables financing



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

5. Receivables financing — *continued*

As at 30 June 2023, the ending balance of receivables financing receivable was RMB400,499 (31 December 2022: RMB26,413,178). The details of the receivables financing receivable are as follows: Note VII. 59.

The details of the receivables financing receivable are as follows:

	Derecognized	Not Derecognized
Balance receivable	1,928,574,873	

As at 30 June 2023, the ending balance of receivables financing receivable was RMB400,499 (31 December 2022: RMB26,413,178). The details of the receivables financing receivable are as follows: Note VII. 59.

The details of the receivables financing receivable are as follows:

6. Prepayments

(1) *An aging analysis of prepayments is as follows:*

	Closing balance		Overdue balance	
	Balance of carrying amount	Proportion (%)	Balance of carrying amount	Proportion (%)
Within 1 year	412,926,927	93	327,897,519	93
1 to 2 years	16,498,540	4	10,180,466	3
2 to 3 years	6,479,019	1	7,317,320	2
Over 3 years	7,783,141	2	8,475,493	2
Total	443,687,627	100	353,870,798	100

As at 30 June 2023, the ending balance of prepayments was RMB443,687,627 (31 December 2022: RMB443,687,627).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

6. Prepayments — *continued*

(2) *The top 5 of the balance of prepayment:*

	Closing balance	Percentage of total (%)
Financial	54,137,624	12
Secured	36,719,989	8
Trade	14,467,759	3
Financial	8,353,171	2
Financial	8,469,897	2
Total	122,148,440	27

7. Other receivables

	Closing balance	Other balance
Interest receivable	22,267,460	356,508
Deferred receivable	—	
Other receivable	594,515,824	477,600,382
Total	616,783,284	477,956,890

Other receivables

(1) *An aging analysis of other receivables is as follows:*

	Closing balance	Other balance
Within 1 year	370,164,649	287,787,935
1 to 2 years	105,116,745	86,909,680
2 to 3 years	27,869,306	36,579,929
Over 3 years	193,145,936	168,565,924
Less: Provisions for bad debts of receivable	101,780,812	102,243,085
Total	594,515,824	477,600,383



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

7. Other receivables — *continued*

Other receivables — continued

(4) *The top 5 of the balance of other receivables:*

Name	Closing balance	Account	Percentage (%)	Closing balance of provision for bad debts
Financial receivables	162,411,200	Working receivables	23	—
Secured receivables	45,000,000	1-2 years	6	—
Trade receivables	38,927,223	Others	6	38,927,223
Financial receivables	38,600,000	Working receivables, 1-2 years, 2-3 years	6	—
Financial receivables	35,000,000	Working receivables	5	—
Total	<u>319,938,423</u>	/	<u>46</u>	<u>38,927,223</u>

8. Inventories

(1) *Classification of inventories*

	Balance of carrying amount	Closing balance Provision for decline in value/impairment	Carrying value	Original carrying amount	Provision for decline in value	Original carrying amount
Raw materials	975,742,031	157,890	975,584,141	1,079,394,528	248,377	1,079,146,151
Work in process	760,164,617	165,122	759,999,495	813,687,931	165,122	813,522,809
Finished goods						



FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

11. Long-term equity investments

	Carrying amount	Closing balance of impairment provision
	Closing balance	Closing balance of impairment provision
1. Investment in subsidiaries		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

12. Investment in other equity instruments

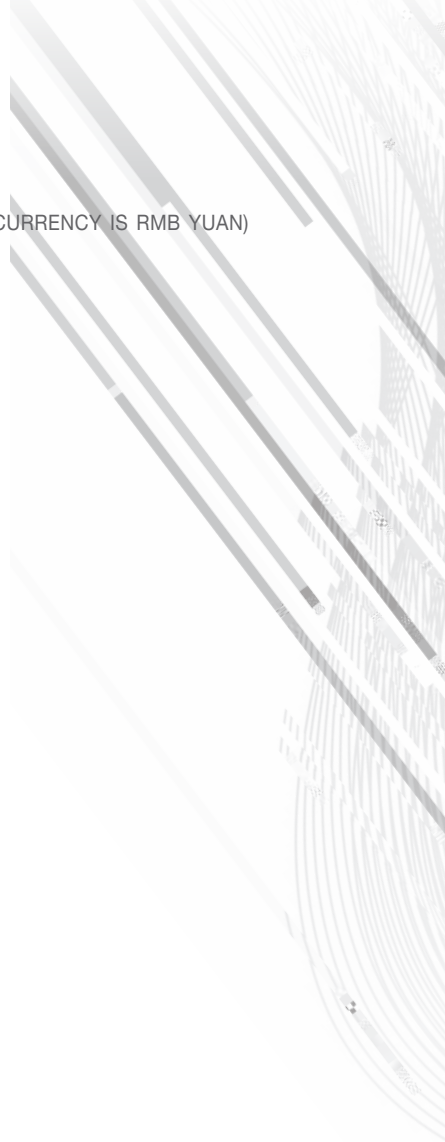
	Initial investment cost	Changes in fair value accumulated in other comprehensive income	Fair value	Equity instruments held of dividend income for the year
Equity instruments available for sale 1	11,724,466	43,356,513	55,080,979	
Equity instruments available for sale 2	<u>1,000,000,000</u>	<u>93,069,105</u>	<u>906,930,895</u>	
Total	<u>1,014,500,266</u>	<u>52,488,193</u>	<u>962,012,073</u>	

The fair value of equity instruments available for sale is determined based on the closing price of the equity instruments on the reporting date. The fair value of equity instruments available for sale is measured at fair value, and the change in fair value is recognized in other comprehensive income. The fair value of equity instruments available for sale is measured at fair value, and the change in fair value is recognized in other comprehensive income.

13. Fixed assets

	Closing balance	Opening balance
Fixed assets	26,332,148,241	22,713,408,318
Deferred tax assets	<u>10,002,270</u>	<u>7,396,657</u>
Total	<u>26,342,150,511</u>	<u>22,720,804,975</u>

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

13. Fixed assets — *continued*

(2) Fixed assets that are temporarily idle are as follows:

	Original price	Accumulated depreciation	Provision for impairment losses	Carrying value
Buildings	657,798,289	420,505,567	3,814,296	233,478,426
Machinery	941,098,160	833,016,074	3,735,949	104,346,137
Office equipment	8,096,163	7,704,713		391,450
Transportation equipment	23,334,856	23,334,856		
Total	1,630,327,468	1,284,561,210	7,550,245	338,216,013

(3) Fixed assets leased under operating leases are as follows:

	Buildings	Machinery	Office equipment	Transportation equipment	Total
Office buildings	21,613,672	15,977,124	1,140,721	1,075,921	39,807,438
Leasehold buildings	6,586,481	3,141,484	111,547		9,839,512
Construction in progress	15,027,191	12,835,640	1,029,174	1,075,921	29,967,926
Accumulated depreciation					
Office buildings	11,763,455	15,270,258	1,100,944	1,032,885	29,167,542
Plant and machinery	726,706	55,432	1,104		783,242
Leasehold buildings	4,512,357	2,927,513	101,040		7,540,910
Construction in progress	7,977,804	12,398,177	1,001,008	1,032,885	22,409,874
Construction in progress	7,049,387	437,463	28,166	43,036	7,558,052
Total	9,850,217	706,866	39,777	43,036	10,639,896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

14. Construction in progress

	Closing balance	Opening balance
Construction in progress	4,582,095,135	6,457,406,302
Materials in construction in progress	111,390,712	118,059,329
Total	4,693,485,846	6,575,465,631

Construction in progress

(1) *Construction in progress*

	Closing balance		Opening balance	
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount
Household Sewerage Pipe	402,250,501	—	402,250,501	168,685,149
Household Sewerage Pipe	360,725,532	—	360,725,532	320,927,576
Welded Pipe for Water Supply	334,162,925	—	334,162,925	450,095,359
Household Gas Pipe	331,553,446	—	331,553,446	2,333,601,120
Household Sewerage Pipe	293,521,811	—	293,521,811	273,965,578
Household Sewerage Pipe	265,625,210	—	265,625,210	253,654,853
Household Sewerage Pipe	124,350,032	—	124,350,032	112,696,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

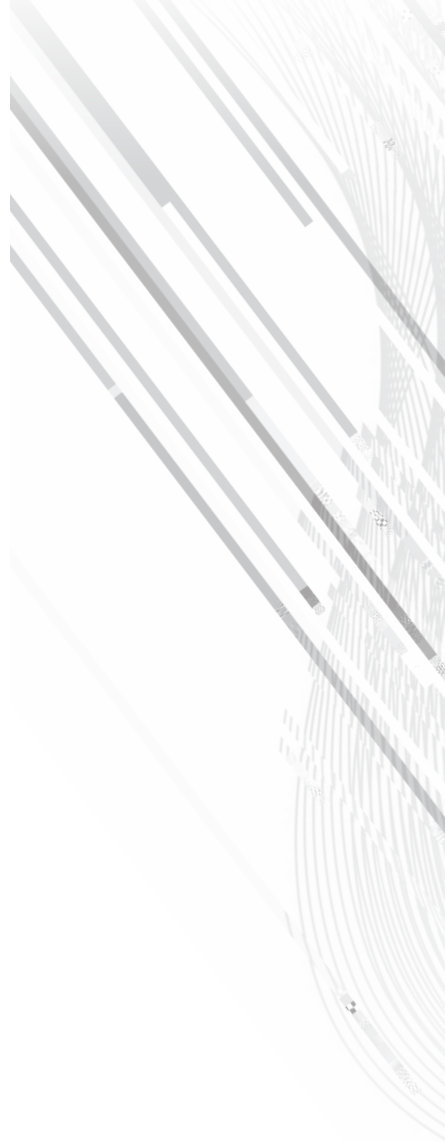
VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

14. Construction in progress — *continued*

Construction in progress — continued

(2) *Changes of major construction in progress are as below:*

	Balance at the beginning of the period	Decrease due to completion of construction	Increase due to construction in progress	Decrease due to disposal	Decrease due to other	Closing balance	Percentage of completion at the end of the period (%)	Percentage of completion at the beginning of the period (%)	Accrued interest	Capitalized interest	Capitalized interest at the end of the period (%)	Settlement method
Construction in progress	4,388,719,238	168,685,149	457,510,192	208,215,338	15,729,502	4,025,501	N/A	N/A	14,309,055	3,458,736	3.99	Settlement by cash
Construction in progress	1,500,341,300	320,927,576	39,837,324	39,368		360,725,532	N/A	N/A				Settlement by cash
Construction in progress	974,452,400	450,095,359	306,497,734	422,430,168		334,162,925	78%	78%	1,594,167	1,594,167	3.20	Settlement by cash
Construction in progress	9,957,000,000	2,333,601,120	96,049,601	2,098,097,276		331,553,446	88%	88%	71,465,040	5,258	3.06	Settlement by cash
Construction in progress	826,811,342	273,965,578	19,556,233			293,521,811	N/A	N/A	1,850,355	1,366,466	3.95	Settlement by cash
Construction in progress	3,469,670,000	253,654,853	11,970,357			265,625,210	98%	98%				Settlement by cash
Construction in progress	384,347,000	112,696,862	12,253,170		600,000	124,350,032	N/A	N/A				Settlement by cash
Construction in progress	154,497,100	82,328,919	26,396,598			108,725,518	70%	70%				Settlement by cash
Construction in progress	562,572,500	54,936,600	12,376,441			67,313,041	N/A	N/A				Settlement by cash
Construction in progress	539,140,000	438,975,207	104,332,258	533,208,545		10,098,919	101%	101%				Settlement by cash
Construction in progress	N/A	1,967,539,079	358,922,294	15,556,917	27,136,254	2,283,768,201	N/A	N/A				N/A
Total	22,757,550,880	6,457,406,302	1,445,702,203	3,277,547,613	43,465,757	4,582,095,135	/	/	89,218,617	6,424,627	/	/



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

15. Right-of-use assets

	Land use right and mine use right	Buildings and related facilities	Machinery and equipment	Automobiles and transportation vehicles	Total
i. O b a c e					
1. O e b a a c e	367,562,632	374,906,684	372,644,142	356,783	1,115,470,241
2. Add i	321,824,286	267,089,266	435,713,180	418,562	1,025,045,294
(1) Ne e a e d-	305,364,935	266,962,118	435,713,180	405,181	1,008,445,414

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

16. Intangible assets

	Land use rights	Mining rights	Mine restoration fees	Concession rights	Software and others	Total
I. O b a c e						
1. O e b a a c e	3,500,417,326	12,694,047,327	565,426,793	168,200,597	294,634,392	17,222,726,435
2. Add i	35,561,668	33,531,172	4,480,817		24,946,997	98,520,654
(1) P c a e		3,507,280	4,482,417		390,945	8,380,642
(2) I e a R e e a c a d						

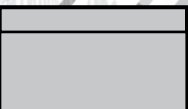
NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

17. Goodwill

(1) *Gross value of goodwill* 33 586.136 70 -25aT/20 0833 586.136 70 -25aT/2840833 586.856 70 -fETEMC /



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

18. Long-term deferred expenditures

	Opening balance	Add	Decrease	Closing balance
Medicine	142,164,060	4,191,853	18,728,946	127,626,967
Research	467,558,944		23,249,117	444,309,827
Others	207,694,299	6,997,131	15,719,065	198,972,365
Total	817,417,303	11,188,984	57,697,128	770,909,159

19. Deferred tax assets/Deferred tax liabilities

(1) Deferred income tax assets

	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Prepaid expenses	320,309,131	58,327,734	298,079,144	53,269,637
Differences between the carrying amount and the tax base of assets and liabilities	1,093,769,167	255,065,254	619,381,463	183,907,098
Temporary differences arising from the recognition of equity instruments	326,152,308	79,476,367	327,305,181	79,764,585
Unrealized foreign exchange gains/losses	259,906,425	66,220,849	270,407,424	67,601,856
Deductible intangible assets	448,441,491	103,529,753	262,968,180	59,998,535
Prepaid expenses	109,142,473	24,251,135	97,268,792	21,282,715
Carrying amount of equity instruments	95,160,467	23,790,117	44,322,216	11,080,554
Others	30,865,510	7,716,379	30,865,510	7,716,379
Total	2,683,746,972	618,377,588	1,950,597,910	484,621,359

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

19. Deferred tax assets/Deferred tax liabilities — *continued*

(4) Details of unrecognized deferred income tax assets

	Closing balance	Opening balance
Deductible temporary differences	2,098,436,517	2,043,187,879
Deductible losses	1,068,547,831	889,771,714
Total	3,166,984,348	2,932,959,593

(5) The deductible losses that are not recognised as deferred income tax assets will expire in the following years:

	Closing balance	Opening balance	Net
2023	7,656,056	56,428,025	
2024	89,921,568	90,288,507	
2025	43,422,508	43,711,507	
2026	85,876,919	90,335,363	
2027	558,995,546	570,202,790	
2028	251,486,450		
2029	—	8,364,466	
2030	6,444,305	11,273,465	
2031	14,908,507		
2032	4,259,084	19,167,591	
2033	5,576,888		
Total	1,068,547,831	889,771,714	/

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — continued

20. Short-term borrowings

(1) Classification of short-term borrowings

	Closing balance	Opening balance
Mortgage loans (1)	31,000,000	31,000,000
Commercial loans (2)	539,300,000	448,156,960
Guaranteed loans	136,000,000	114,258,701
Total	706,300,000	593,415,661

Note 1: As of June 30, 2023 and December 31, 2022, the amount of mortgage loans is RMB0.

Note 2: As of June 30, 2023 and December 31, 2022, the amount of guaranteed loans is RMB0.

Note 3: As of June 30, 2023 and December 31, 2022, the amount of commercial loans is RMB0.

As of June 30, 2023, the weighted average interest rate of short-term borrowings is 2.7% - 3.7% (December 31, 2022: 1.65% - 3.85%).

21. Notes payable

Category	Closing balance	Opening balance
Commercial acceptance bills	—	68,794,307
Bank acceptance bills	748,840,928	660,433,480
Total	748,840,928	729,227,787

As of June 30, 2023, the amount of notes payable is RMB0 (December 31, 2022: RMB0).

22. Accounts payable

Accounts payable are measured at amortized cost and are classified as current liabilities.

Aging	Closing balance	Opening balance
Within 1 year (current)	6,024,607,163	7,234,349,975
1 to 2 years (1 year)	590,850,965	631,936,804
2 to 3 years (2 years)	452,836,760	238,643,172
Over 3 years	341,610,656	261,353,365
Total	7,409,905,544	8,366,283,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

22. Accounts payable — *continued*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

24. Employee benefits payable — *continued*

(2) *Disclosure of short-term benefits*

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

25. Taxes payable

	Closing balance	Opening balance
Enterprise income tax	202,716,879	192,343,209
VAT	170,975,980	240,537,438
Real estate tax	2,987,097	7,369,590
Enterprise income tax	25,652,206	40,688,021
Individual income tax	24,547,719	21,147,193
Others	123,792,185	190,424,628
	<u>550,672,065</u>	<u>692,510,079</u>

26. Other payables

Summary of other payables

	Closing balance	Opening balance
Interest payable	88,361,137	40,079,033
Deferred income	442,417,334	49,249,503
Other payables	912,416,904	825,767,510
	<u>1,443,195,375</u>	<u>915,096,046</u>

Interest payable

	Closing balance	Opening balance
Interest payable	76,129,602	36,436,171
Interest payable	12,231,535	3,642,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

26. Other payables — *continued*

Other payables

(1) *Details of other payables*



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

28. Long-term borrowings

Categories of long-term borrowings

	Closing balance	Opening balance
Guaranteed bonds (Note 1)	7,377,474,044	6,995,926,978
Cred bonds	1,908,480,000	2,224,500,000
Pledged bonds (Note 2)	25,990,000	250,420,000
Medium-term notes	—	4,329,348
Liabilities due to guaranteed bonds	-1,659,159,618	1,197,898,154
Liabilities due to cred bonds	-413,040,000	898,000,000
Liabilities due to pledged bonds	-15,710,000	92,860,000
Liabilities due to medium-term notes	—	4,329,348
Total	7,224,034,426	7,282,088,824

Note 1: Details of the guaranteed bonds:

Note 1: As at 30 June 2023 and 31 December 2022, the guaranteed bonds were issued by the Company.

Note 2: As at 30 June 2023 and 31 December 2022, the pledged bonds were issued by the Company.

Other details are as follows:

As at 30 June 2023, the average effective interest rate of the guaranteed bonds was 2.65% - 7.79% (31 December 2022: 2.65% - 7.15%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

29. Bonds payable

(1) Bonds payable

	Closing balance	O e ba a ce
O e ea b d ed 2020 (N e 1)	2,160,125,873	2,080,547,640
B d ed i i fe i a e i , 2021 (P a e l) (N e 2)	1,299,043,200	1,298,627,200
C i a b d ed 2022(L i -ca b i a i - ed b d) (P a e l) (N e 3)	898,527,300	898,168,591
P e e ce a e i f b da i (N e 4)	153,971,521	148,943,421
T i a	4,511,667,894	4,426,286,852

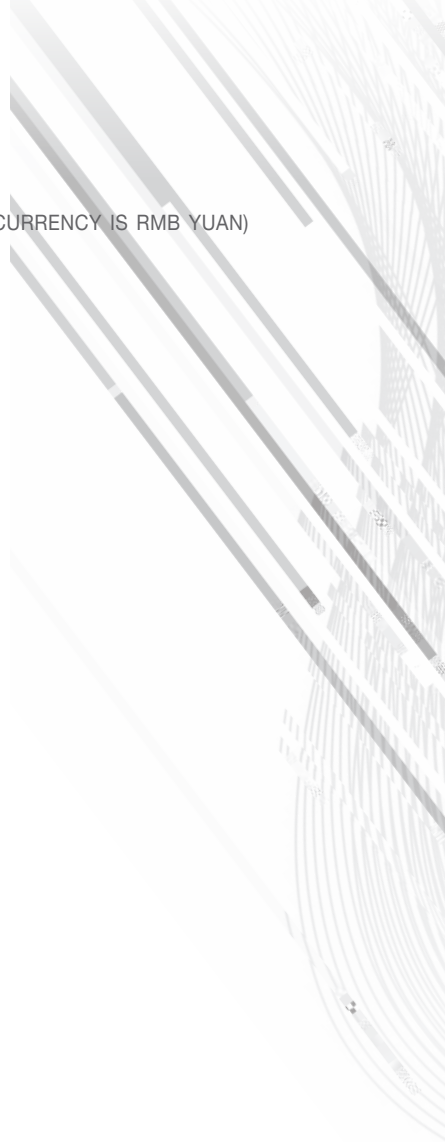
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N e 2: A a i ed b Z e J a X Ke [2021] N . 2628 i f e C a S e c i e R e a i . C i i i ,
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N e 3: A c c i d i CSRC P e i [2628], i 19 J 2022, e C i a ed RMB500 i c i i a e
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FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

33. Provisions

	Opening balance	Closing balance	Use / decrease
Provision for doubtful accounts	441,260,626	424,487,269	Decrease
Provision for obsolescence	1,000,000	1,000,000	Executed
Total	442,260,626	425,487,269	/

34. Deferred income

	Opening balance	Add	Reduction	Closing balance	Use / decrease
Government grants	291,877,454	2,367,339	11,942,860	282,301,933	Government grants received
Total	291,877,454	2,367,339	11,942,860	282,301,933	/

Items of grant:

Items of grant	Opening balance	Subscribed / received	Adjusted / received	Closing balance	Received / decrease
Government grants	241,481,807	2,367,339	7,464,012	236,385,134	Received



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

38. Treasury shares

	Opening balance	Add	Reduction	Closing balance
Treasury shares	610,051,971			610,051,971
Total	610,051,971			610,051,971

39. Other comprehensive income

	Opening balance	Amount for the current period			Attributable to the minority interest after tax	Closing balance
		Amount incurred before income tax for the period	Less: Income tax expenses	Attributable to owners of the company after tax		
I. Other comprehensive income						
Derivatives held for trading	1,931,357	50,838,250	12,709,562	38,128,688		-40,060,045
Cash flow hedges	1,931,357	50,838,250	12,709,562	38,128,688		-40,060,045
II. Other comprehensive income						
Economic benefits	173,326,127	144,215,063		81,621,100	62,593,963	-91,705,027
Economic benefits	173,326,127	144,215,063		81,621,100	62,593,963	-91,705,027
Total	175,257,484	93,376,813	12,709,562	43,492,412	62,593,963	-131,765,072



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

43. Operating income and costs — *continued*

(2) *Income from the revenue generated by the contract — continued*

Income from the revenue generated by the contract:

Main business areas	Amount for the current period	Amount for the prior period
Construction	13,453,836,567	12,576,171,564
Construction materials	1,374,733,380	1,138,710,663
Financial services	709,473,910	674,566,736
Others	293,528,643	
Total	15,831,572,500	14,389,448,963

(3) *Notes of performance obligation*

The Group has identified the following performance obligations:

For the revenue generated by the contract, the Group has identified the following performance obligations: (1) construction services; (2) construction materials; (3) financial services; (4) others. The Group has identified the following performance obligations: (1) construction services; (2) construction materials; (3) financial services; (4) others. The Group has identified the following performance obligations: (1) construction services; (2) construction materials; (3) financial services; (4) others.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

44. Tax and surcharges

Amount for the
current period

As at the
end



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

50. Gains (losses) from changes in fair value

Sources of income from changes in fair value	Amount for the current period	Amount in thousands of RMB
Hedge-related financial assets	-41,711,538	17,811,422
Other financial assets	3,191,734	1,345,678
Total	<u>-38,519,804</u>	<u>16,465,744</u>

51. Impairment losses on credit

	Amount for the current period	Amount in thousands of RMB
Life-time bad debt allowance	51,810,778	43,697,870
Life-time bad debt allowance	<u>-445,315</u>	<u>271,913</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

56. Income tax expense

(1) Table of income tax expenses

	Amount for the current period	A t t r i b u t e
Current tax expense	428,804,368	456,781,273
Deferred tax expense	-40,480,246	26,378,110
Total	388,324,122	483,159,383

(2) Reconciliations of profits before tax and income tax expense

	Amount for the current period	A t t r i b u t e
Profit before tax	1,738,266,841	2,166,050,666
Income tax expense at 25% rate	434,566,711	541,512,667
Effect of differences in the tax base	-97,546,282	79,649,396
Adjustment for tax-exempt income	—	—
Non-deductible expenses	-2,036,985	2,867,989
Effect of tax credits, etc. added	12,796,767	16,808,703
Effect of deductible but non-deductible expenses	-8,273,740	35,176,169
Effect of deductible but non-deductible expenses	61,101,473	31,822,203
Other	-12,283,822	10,709,364
Income tax expense	388,324,122	483,159,383



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

58. Supplemental information to statement of cash flows — *continued*

(2) *Net cash paid for acquisition of subsidiaries and other business units*

	Amount
Ca a dca e ,ae ad h e b e c b a f e c e e d	1,360,029,656
Ha a Ha Dac e C c e e C ., LTD	17,000,000
O a Ce e C a SAOG	1,343,029,656
Le :Ca a dca e ,ae ed b e b da e a edae f c a e	767,052,614
Ha a Ha Dac e C c e e C ., LTD	315,635
O a Ce e C a SAOG	766,736,979
Add: Ca f ca e ,ae ad h e b e c b a f ad ac f f f e e a e e e e f e d	2,900,000
Ha C c e e (Ha e) C ., LTD	2,900,000
Ne ca a e h ac f f b da e ad h e b e	<u>595,877,042</u>

(3) *Composition of cash and cash equivalents*

	Closing balance	O e ba a ce
I. Ca	4,542,875,419	6,616,021,778
I c d :Ca f a d	2,409,502	1,100,172
Ca a ba e c f	4,540,465,917	6,549,623,633
O e ca a dca e ,ae	—	65,297,973
II. Ca e ,ae	—	—
III. C f ba a ce f ca a dca e ,ae	<u>4,542,875,419</u>	<u>6,616,021,778</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

59. Assets with restricted titles or right to use

	Closing balance	Opening balance
Capital balance	298,064,699	422,320,014
Reserve	2,020,000	2,720,000
Accumulated other comprehensive income	400,499	26,413,178
Retained earnings	5,556,870	5,687,992
Liabilities	22,265,201	27,492,441
Total	328,307,269	484,633,625

Refer to Note VII.1 for details.

As at 30 June 2023, the Group's restricted assets include bank deposits, etc. with a carrying amount of RMB5,556,870 (31 December 2022: RMB5,687,992) as detailed in Note VII.20.

As at 30 June 2023, the Group's restricted assets include bank deposits, etc. with a carrying amount of RMB22,265,201 (31 December 2022: RMB22,645,577) as detailed in Note VII.20.

The Group's restricted assets include bank deposits, etc. with a carrying amount of RMB5,273,086,977 as at 30 June 2023 (31 December 2022: RMB4,829,073,769), as detailed in Note VII.20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) Business combinations not involving enterprises under common control

Name of acquiree	Acquisition date	Cost of equity acquisition	Proportion of equity interest acquired (%)	Consideration settled/to be settled by	Acquisition consideration	Determination basis of acquisition date	Revenue of the acquiree from the date of acquisition to the period-end	Net profit of the acquiree from the date of acquisition to the period-end
Hainan Huaxin Dacheng Concrete Co., LTD	17 April 2023	35,000,000	70%	Cash	17 April 2023	Directly	53,817,765	5,231,030
Oman Cement Co.	5 April 2023	1,338,581,611	59.58%	Cash	5 April 2023	Directly	293,528,643	41,573,193

(2) Acquisition consideration and goodwill

Acquisition consideration	Hainan Huaxin Dacheng Concrete Co., LTD	Oman Cement Company
Cash	35,000,000	1,338,581,611
Trade receivables	35,000,000	1,338,581,611
Lease liability	18,466,907	1,338,581,611
Goodwill	16,533,093	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

VIII. CHANGES IN SCOPE OF CONSOLIDATION — *continued*

1. Business combinations not involving enterprises under common control — *continued*

(3) *Identifiable assets and liabilities of acquiree at the acquisition date — continued*

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

IX. INTERESTS IN OTHER ENTITIES — *continued*

1. Equity interests in subsidiaries — *continued*

(1) *Components of the Group — continued*

Name of significant subsidiaries	Place of business
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FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

IX. INTERESTS IN OTHER ENTITIES — *continued*

1. Equity interests in subsidiaries — *continued*

(1) *Components of the Group — continued*

Name of significant subsidiaries	Place of business	Place of registration	Nature of business	Registered capital RMB0'000	Percentage of shareholding (%)	
					Direct	Indirect
Hua Tai Cement Co., Ltd. (C b) Ne B d Mae a Co., Ltd.	C b	C b	P i d c i a d a e i f a e a e	10,000		51
Hua A e a e (W e) Co., Ltd.	W e	W e	P i d c i a d a e i f a e a e	9,250		100
Hua Ne B d Mae a (C a a) Co., Ltd.	C a a	C a a	P i d c i a d a e i f e a e a	21,300		100
F Pa Ne B d Mae a Co., Ltd.	F	F	P i d c i a d a e i f e a e a	10,000		70
Hua Ne B d Mae a (Z) Co., Ltd.	Z	Z	P i d c i a d a e i f e a e a	10,000		100
Hua (L a) Ne Mae a E i e a P i e c i Co., Ltd.	L a	L a	P i d c i a d a e i f e a e a	6,000		70
Hua Ne B d Mae a (H a) Co., LTD	H a	H a	P i d c i a d a e i f e a e a	5,000	100	
Hua C J B d Mae a (W e) Co., LTD	W e	W e	P i d c i a d a e i f e a e a	5,000		55
Hua Ne B d Mae a Co., Ltd.	W a	W a	P i d c i a d a e i f e a e a	5,000	100	
Hua Ne B d Mae a (K) Co., Ltd.	K	K	P i d c i a d a e i f e a e a	5,000		100
Hua Ne B d Mae a (L i a) Co., Ltd.	L i a	L i a	P i d c i a d a e i f e a e a	5,000		55
Hua Ne B d Mae a (E) Co., Ltd.	E	E	P i d c i a d a e i f e a e a	4,000		100
Hua Ne B d Mae a (Z) Co., Ltd.	Z	Z	P i d c i a d a e i f e a e a	3,500		100
Hua E i e E e e Co., Ltd.	W a	W a	E i e a d e a d d . c i a d a e d i a	100,000	100	
W a C a a i H a E i e a E e e	W a	W a	E i e a d e a d d . c i a d a e d i a	10,000		100
Hua E i e E e e (W e) Co., Ltd.	W e	W e	E i e a d e a d d . c i a d a e d i a	6,000		100
Hua E i e E e e (Z a) Co., Ltd.	Z a	Z a	E i e a d e a d d . c i a d a e d i a	6,000		80

NOTES TO THE FINANCIAL STATEMENTS

IX. INTERESTS IN OTHER ENTITIES — *continued*

1. Equity interests in subsidiaries — *continued*

(1) *Components of the Group — continued*

Name of significant subsidiaries	Place of business	Place of registration	Nature of business	Registered capital RMB0'000	Percentage of shareholding (%)	
					Direct	Indirect

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

IX. INTERESTS IN OTHER ENTITIES — *continued*

1. Equity interests in subsidiaries — *continued*

(2) Significant non-wholly subsidiaries

Subsidiaries	Shareholding proportion by minority interests (%)	Profit or loss attributable to minority interests for the current period	Dividends announced for distribution to minority interests in the current period	Closing balance of minority interests
H a H K (Ce a A a) I e e L ed	49%	95,734,987	37,692,030	575,416,826
H a H a G ee B d Ma e a C i., L d	42%	6,798,760		457,791,873
H a G ee B d Ma e a (W e) C i., L d.	41%	26,298,164		272,366,605
Ca b i da Ce e C a e T Fac i., C i., L d.	32%	3,889,546		227,701,156
H a Ce e (T be) C i., L d.	21%	7,572,826		220,969,624
H a Ce e (Da e) C i., L d.	30%	3,727,583		212,930,677
CHILANGA Ce e PLC	19%	2,422,109	15,317,729	203,343,304
O a Ce e C i a SAOG	40.42%	16,803,884		16,803,884

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

IX. INTERESTS IN OTHER ENTITIES — *continued*

2. Equity interests in joint ventures or associates

(1) *Joint ventures or associates*

Name	Place of business	Place of registration	Nature of business	Registered capital	Percentage of shareholding (%)		Accounting treatment
					Direct	Indirect	
Xiaohuifeng Bedding Materials Group Co., Ltd.	Taiwan	Taiwan	Production and sale of bedding materials	272,760,000	43%		Equity method
Saia Wah A Hax Cement Co., Ltd.	Saudi Arabia	Saudi Arabia	Production and sale of cement	100,000,000	49%		Equity method
Zhaotai Cement Co., Ltd.	Saudi Arabia	Saudi Arabia	Manufacture, sale and distribution of cement & accessories	10,000,000	30%		Equity method

(2) *Summarized financial information of insignificant joint ventures and associates*

	Closing balance/ Amount for the current period	Opening balance/ Amount for the previous period
Joint ventures:		
Guangdong Aifeng Cement Co., Ltd.	—	—
Taiwan Cement Co., Ltd.	—	2,937,060
Other joint ventures	—	—
Total joint ventures	—	2,937,060
Associates:		
Guangdong Aifeng Cement Co., Ltd.	437,410,495	438,886,647
Taiwan Cement Co., Ltd.	—	—
Other associates	348,987	1,200,609
Other associates	—	—
Total associates	187,198	779,182

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instruments by category

The carrying amounts of financial instruments are measured at fair value or amortized cost, as appropriate. The carrying amounts of financial instruments are measured at fair value or amortized cost, as appropriate.

30 June 2023

Financial instruments	Financial assets at fair value through profit or loss	Financial assets at amortized costs	Financial assets at fair value through other comprehensive income	Total
Hedging derivatives	1,519,104	—	—	1,519,104
Other derivatives	28,258,999	—	—	28,258,999
Financial receivables	—	—	440,987,622	440,987,622
Leases	—	—	962,012,073	962,012,073
Cash and bank balances	—	5,552,644,820	—	5,552,644,820
Financial receivables	—	326,222,154	—	326,222,154
Accounts receivable	—	2,168,543,120	—	2,168,543,120
Other receivables	—	616,783,284	—	616,783,284
Debts	—	7,500,000	—	7,500,000
Liabilities	—	130,106,796	—	130,106,796
Total	29,778,103	8,801,800,174	1,402,999,695	10,234,577,972

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instruments by category — *continued*

Financial liabilities

**Financial
liabilities**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

3. Financial Instruments — *continued*

The Group defines financial assets as a contract that gives rise to a cash or financial asset and a liability or a contract that gives rise to a cash or financial liability. Financial assets and liabilities are measured at fair value.

Credit risk

The Group's credit risk is primarily associated with its receivables and other financial assets. The Group's credit risk is managed by the Group's credit management department. The Group's credit management department is responsible for assessing the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets.

The Group's credit risk is primarily associated with its receivables and other financial assets. The Group's credit risk is managed by the Group's credit management department. The Group's credit management department is responsible for assessing the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets.

The Group's credit risk is primarily associated with its receivables and other financial assets. The Group's credit risk is managed by the Group's credit management department. The Group's credit management department is responsible for assessing the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets.

The Group's credit risk is primarily associated with its receivables and other financial assets. The Group's credit risk is managed by the Group's credit management department. The Group's credit management department is responsible for assessing the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets.

Since the Group's credit risk is primarily associated with its receivables and other financial assets, the Group's credit risk is managed by the Group's credit management department. The Group's credit management department is responsible for assessing the credit risk of the Group's receivables and other financial assets. The Group's credit management department has established a credit risk management system to assess the credit risk of the Group's receivables and other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)





NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XI. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

	Closing fair value			Total
	Level 1	Level 2	Level 3	
I. Current assets and liabilities measured at fair value				
(I) Hedging derivatives	29,778,104	—	—	29,778,104
1. Financial assets	29,778,104	—	—	29,778,104
(1) Interest receivable	—	—	—	—
(2) Interest payable	29,778,104	—	—	29,778,104
2. Financial liabilities	—	—	—	—
(II) Other receivables	—	—	—	—
(III) Other payables	—	—	962,012,073	962,012,073
(IV) Interest receivable	—	—	—	—
(V) Bank balances	—	—	—	—
(VI) Financial receivables	—	440,987,622	—	440,987,622
Total current assets and liabilities measured at fair value	29,778,104	440,987,622	962,012,073	1,432,777,799
(VII) Trade receivables	—	—	—	—
(VIII) Bank deposits	—	—	153,971,521	153,971,521
1. Bank deposits	—	—	153,971,521	153,971,521
Total assets and liabilities measured at fair value	—	—	153,971,521	153,971,521
II. Non-current assets and liabilities measured at fair value				
(I) Available-for-sale financial assets	—	—	—	—
Total non-current assets and liabilities measured at fair value	—	—	—	—



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)



FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XII. RELATED PARTY RELATIONSHIPS AND RELATED PARTY TRANSACTIONS — *continued*

6. Amounts due to/from related parties

(1) *Account Receivable*

		Amount for the current period		Amount for the previous period
Related parties		Balance of carrying amount	Provision for bad debts	Balance of carrying amount
Account Receivable	Tbe Sa eH -ec X e a Ce e Cl., L.d.	4,561,905	—	3,869,118
Account Receivable	D Ba a Lafa eCe e Cl., L.d.	—	—	2,042,752
Account Receivable	S a a Wa 'a H a , Ce e Cl., L.d.	1,000,000	—	1,000,000
Account Receivable	Lafa eCe e Z bab eL ed	—	—	28,039

(2) *Accounts Payable*

		Closing balance	Opening balance
Account Payable	H a Ce e L.d.	2,794,733	2,741,556
Account Payable	Ba b Ce e L ed	577,753	565,355
Account Payable	H i c G i Se ce L d	482,797	460,052
Account Payable	Lafa e SA	435,731	426,380
Account Payable	Lafa eH i c E a a S.A.U.	157,927	155,202
Account Payable	H i c T ad L d	25,030	24,493
Account Payable	H i c Tec i i L d	732	716
Account Payable	Lafa eI d e S i Af ca (P) L d	616	666
Account Payable	C e fe I e e E e H be Cl., L.d.	—	160,000
Other Payable	Lafa e ASIA SDN BHD	410,394	409,394
Other Payable	H i c Cl i c i Ma e a (C a) Cl., L.d.	18,248	18,248
Other Payable	Tbe Sa eH -ec X e a Ce e Cl., L.d.	—	10,534,132
Other Payable	H a G i Cl., L.d.	—	7,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XIII. SHARE-BASED PAYMENTS

1. Closing fair value of assets and liabilities measured at fair value

On 25 September 2020, the Company issued 22,689,338 restricted shares to employees of the Company and its subsidiaries. The restricted shares were issued at a price of RMB 1.00 per share. The restricted shares were issued to employees of the Company and its subsidiaries. The restricted shares were issued to employees of the Company and its subsidiaries. The restricted shares were issued to employees of the Company and its subsidiaries.

The restricted shares are classified as equity. The restricted shares are classified as equity. The restricted shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XIV. COMMITMENTS AND CONTINGENCIES

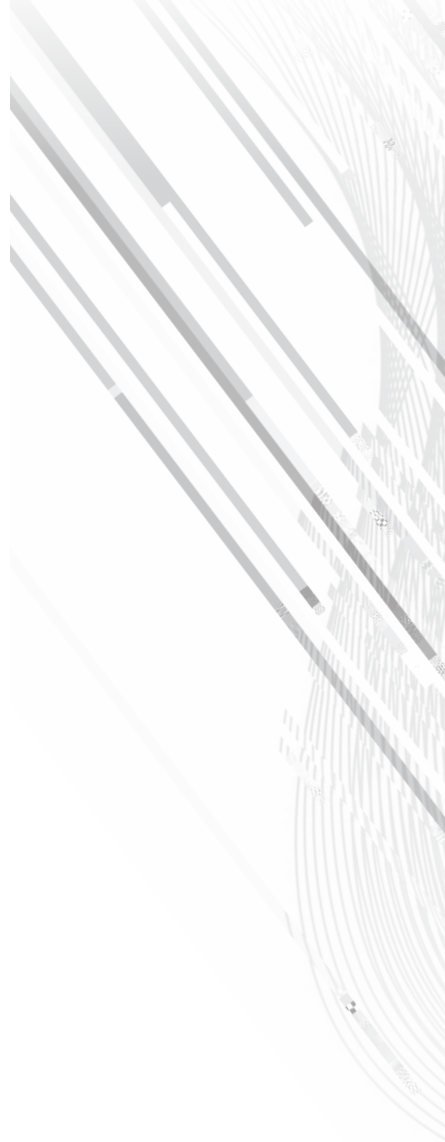
1. Closing fair value of assets and liabilities measured at fair value

	Closing balance	O e b a a c e
Ca a c t e a a e b e e e e e d i b a e i b e e e c t e d e f a c a a e e	—	
C i e n t a c i a d d i c i f f i - e . a e	2,591,312,237	2,696,890,622
E e e c t e	1,673,495,280	

2. Contingencies

(1) I S e e b e 2020, M i c e e B d M a e a L L C (M i c e e) a e a e d i e l e a i a C a b e i f C i e c e i a b a i , a e a a e C i a a d b e a c e d c e a a a e a d d i e d e e E P C c i a c e a d e d e , e e c i a d d e e i f e a . A c c d , e C i a a b e e e d i c i e a e e C i a i e d a a e a d a b a i c i c a e d b e b e a c i f e a a i b a i a d a e a c e i b a i e a i i f U S D 35,724,579 a d i a e e a a a a e i f 10% i e d a e i f e a c a i i a b a i i e d a e i f a c a a e . M i c e e b e e a e C i a a i a e d e E P C c i a c , a d e C i a ' a a e e b e e a e C i a a e e c e d e c i a c a c c i d a c e e e e e i f e C e e B d C i d e i e E P C c i a c . A a e d a e i f a i a i f e e f a c a a e e , e a b a i c a e a d i e b e e e a d a d e a a e e c i d e e d d i f f c i e d c e i c i e a d e e i e i i a d b e e a d e .

(2) I J 2021, e G i e c e e d a i c e i f a b a i f i e W a A b a i C i i i e i e i f a e a i e W a A b a i C i i i i a b a i b W a Q a S a e i e d C a a l e e e a d O e a i H i d G i C i ., L d . (e e a f e e f e e d i a T a S a e i e d C a a O e a i C i a .) , a a a a d a d a c e d e d e i i a d e i c a i c i i f R M B 26,000,000 i e G i i e e e d i c i i f c e e i d e a d a a i e c Q a D c , W a J e 2007, a d a e e d i d i i 31 D e c e b e 2008 . O 31 D e c e b e 2009 a d 31 D e c e b e 2010 , e G i e a d R M B 6,000,000 , R M B 10,000,000 a d R M B 10,000,000 a e , a d e e d e G i i e a e i c a a i i f R M B 26,000,000 a d a d a e d d a a e f i e d a e i f i e d e e a e i e a c a a e d a e a e b a e d a e e e a e i f 0.021% . A a e d a e i f a i a i f e e f a c a a e e , e a b a i c i e e a i a i c e d e i c i e i f e a b a i , e a a e e c i d e e d d i f f c i e d c e i c i e a d e e i e i i a d b e e a d e .





FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS — continued

1. Accounts receivable — continued

(1) Disclosure by aging — continued

Disclosure by bad debt provision methods — continued

As at 30 June 2023, receivable's closing bad debt provision is analyzed as follows:

Name	Account balance	Closing balance		Reasons of provision
		Bad debt provision	Proportion of provision (%)	
U A	11,551,093	11,551,093	100	All uncollectible
U B	2,940,000	2,940,000	100	All uncollectible
U C	2,641,754	2,641,754	100	All uncollectible
U D	286,355	286,355	100	All uncollectible
U E	131,916	131,916	100	All uncollectible
Other U	895,692,187	5,237,167	—	Partly uncollectible
Total	913,243,305	22,788,285	2	/

Receivable's closing bad debt provision is categorized as follows:

Category of cement receivable:

Aging	Closing balance		Expected average loss rate (%)
	Accounts receivable	Bad debt provision	
1-6 months	4,484,336	448,433	10.00
6-12 months	16,044,122	3,529,707	22
1-2 years	4,950,676	1,930,764	39
2-3 years	8,433,114	4,300,888	51
Over 3 years	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS — *continued*

1. Accounts receivable — *continued*

(1) *Disclosure by aging — continued*

Disclosure by bad debt provision methods — continued

Category of other business receivable

Aging	Closing balance		Expected average loss rate (%)
	Accounts receivable	Bad debt provision	
1 6 1	527,772	—	—
6 12 1	117,592	1,176	1
1 2 ea	996,017	29,881	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS — *continued*

2. Other receivable

	Closing balance	Opening balance
Debt receivable	—	—
Other receivable	<u>5,547,576,218</u>	<u>4,853,948,075</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS — *continued*

2. Other receivable — *continued*

(3) *Bad debt provision*

Changes for the period

Category



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS — continued

3. Long-term equity investments

	Account balance	Closing balance Impairment provision for long-term equity investments	Carrying amount	Accrued balance	Other balance	Carrying amount
Subtotal	13,242,661,134	42,000,000	13,200,661,134	12,896,923,034	42,000,000	12,854,923,034
Available	434,278,487	—	434,278,487	436,154,238	—	436,154,238
Total	13,676,939,621	42,000,000	13,634,939,621	13,333,077,272	42,000,000	13,291,077,272

(1) Subsidiaries

Subsidiaries	Other balance	Additions decrease	Decrease	Closing balance	Provision for impairment in the current period	Closing balance of impairment provision
Hua An Cement Co., Ltd.	258,100,000			258,100,000	—	—
Hua He Cement (Group) Co., Ltd.	91,601,080			91,601,080	—	—
Hua E Cement (Yantai) Co., Ltd.	20,000,000			20,000,000	—	—
Hua E Cement Co., Ltd.	1,000,000,000			1,000,000,000	—	—
Hua (Hainan) Logistics Co., Ltd.	20,000,000			20,000,000	—	—
Hua Cement (Wang) Co., Ltd.	348,802,159	220,000,000		568,802,159	—	—
Hua Cement Co., Ltd.	195,000,000	60,000,000		255,000,000	—	—
Hua Ji Cement (Yantai) Co., Ltd.	363,802,268			363,802,268	—	—
Hua Naai Cement (Sanya) Co., Ltd.	500,000			500,000	—	—
Hua Cement (Cangzhou) Co., Ltd.	197,590,806			197,590,806	—	—
Hua Cement (Chengde) Co., Ltd.	220,000,000			220,000,000	—	—
Hua Cement (Chengde) Co., Ltd.	140,000,000			140,000,000	—	—
Hua Cement (Dandong) Co., Ltd.	420,100,753			420,100,753	—	—
Hua Cement (Dandong) Co., Ltd.	180,000,000			180,000,000	—	—
Hua Cement (Dandong) Co., Ltd.	65,550,000			65,550,000	—	—
Hua Cement (Ezhou) Co., Ltd.	99,437,031			99,437,031	—	—
Hua Cement (Ezhou) Co., Ltd.	674,058			674,058	—	—
Hua Cement (Ezhou) Co., Ltd.	40,200,000			40,200,000	—	—
Hua Cement (Fangshan) Co., Ltd.	30,124,664			30,124,664	—	—
Hua Cement (Heilongjiang) Co., Ltd.	200,000,000			200,000,000	—	—
Hua Cement (Hefei) Nanhai Maoyuan Co., Ltd.	44,700,483			44,700,483	—	—
Hua Cement (Hainan) Boshida Co., Ltd.	20,000,000			20,000,000	—	—
Hua Cement (Hainan) Co., Ltd.	732,800,000			732,800,000	—	—
Hua Cement Technology Materials (Wang) Co., Ltd.	20,000,000			20,000,000	—	—
Hua Cement (Jiangxi) Co., Ltd.	70,800,000			70,800,000	—	—
Hua Cement Reactor Co., Ltd.	990,000			990,000	—	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNLESS OTHERWISE STATED, THE UNIT OF THE CURRENCY IS RMB YUAN)

XVIII. SUPPLEMENTARY INFORMATION — *continued*

2. Return on net assets and earnings per share (“EPS”)

Profit for the Reporting Period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	4.24	0.58	0.57