

Stock Codes: 600801, 900933

Stock Abbreviations: Huaxin Cement, Huaxin B Share

I Important Notice

1. To fully understand the Company's operating results, financial condition and future development plan, investors should carefully read the full text of Annual Report from

Liaison Information	Secretary to Board	Securities Affairs Representative
Name	Mr. Wang Ximing	Ms. Wang Lu

Building B, Huaxin Building,
Liaison Address

market.

4. Model of procurement

The Company established a Category Procurement Management System in which procurement is managed by category and professionalism, thus realizing separation between procurement and utilization. Raw materials, fuels, auxiliary materials and spare parts for production in subsidiaries are all collectively procured by the Headquarter on a standard and process-oriented platform of procurement and bidding in a fair and transparent manner. Consequently, efficiency is improved and cost is lowered.

(III) Cement industry situation

Cement is an important basic building material which is widely used in national infrastructure construction including railway, highway, airport, water conservancy projects and other large infrastructure projects, as well as urban real estate development, rural infrastructure construction and civil construction.

Since 1985, China's annual cement output has been ranking the first in the world. However, with Chinese economic growth, the demand for cement has increased significantly, and the industry has entered a period of rapid expansion.

4.3 Property right and controlling relationship between the Company and the controller of the largest shareholder

4.4 Preferred Stock during reporting period

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5. Corporate Bonds

5.1 Basic information of the corporate bonds

Name	Abbreviation	Code	Issuing date	Date of expiry	Bond balance	Coupon rate	Principal and interest payment	Trading place
Huaxin Cement Co., Ltd. 2012 Corporate Bonds (tranche 1) (7 years)	12 Huaxin 02	122147	May 17, 2012	May 17, 2019	10.00	5.65%	Adopt annually counted simple interest rather than compound interest. The interest shall be paid once per year, and the principal of the bonds shall be repaid in one time when matured. The last tranche of interests shall be paid together with the principal as the principal matured.	Shanghai Stock Exchange
Huaxin Cement Co., Ltd. 2012 Corporate Bonds (tranche 2)	12 Huaxin 03	122188	Nov 9, 2012	Nov 9, 2019	11.00	5.9%	Ditto	Shanghai Stock Exchange
Huaxin Cement Co., Ltd. 2016	16 Huaxin 01	136647	Aug. 19,					

Corporate
Bonds
(tranche 1)
(5 years)

commercial RMX reached 3.193 million m³, increased by 11.4% year on year. The overall operating revenue of the Company reached 20.889 billion CNY, increased by 54.44% year on year. The total profits of the Company reached 2.812 billion CNY and the net profits attributable to the shareholders of the Company reached 2.078 billion CNY, increased by 248.46% and 359.72% respectively year on year.

2. Reason for the suspension of listing

Applicable Inapplicable

3. Situation and reasons for the termination of listing

Applicable Inapplicable

4. Explanation on Reasons and Impact of Changing Account Policies, Account Estimation or Accounting Method.

In 2017, the Ministry of Finance released the *Accounting Standard for Business Enterprises No. 42 Non-current Assets or Disposal Groups Held for Sale and Operating Disposal Groups* (ASB DGBG Standard No. 42) for the first time. The

5. Explanation on Reasons and Impact of Correction of Important Account Mistakes

Applicable Inapplicable

6. Compared with the previous annual financial statements, explanations on the changes in the scope of consolidation of the financial statements

For details of the major subsidiaries included in the scope of consolidation in the current year, please see note 8 in the financial statements of the 2017 Annual Report of the Company.

Huaxin Cement Co., Ltd.
Chairman: Mr. Xu Yongmo
March 22, 2018