

## **Huaxin Cement Co., Ltd.**

### **Announcement on Forecast Growth of Operation Results for Year 2018**

To the best of our knowledge, the Board of Directors of the Company and its members confirm that there is no material false or misleading statement or material omission in this announcement and shall be severally and jointly liable for the truthfulness, accuracy and completeness of its content.

#### **Highlights:**

1. Performance of the Company is predicted to increase by 2.894 billion Yuan-3.309 billion Yuan, up by 139%-159% over the same period of last year.

#### **I. Performance forenotice**

(I) Period of performance forenotice

From January 1, 2018 to December 31, 2018.

(II). Performance forenotice

1. According to the preliminary accounting of the Financial Department of the Company, it is estimated that the net profit attributable to shareholders of the Company for the year 2018 would increase by 2.894 billion Yuan-3.309 billion Yuan, up by 139% to 159% over the same period of last year (data disclosed in the periodic report according to the relevant regulations).

2. Net profit attributable to shareholders of the Company after extraordinary items would increase by 3.173 billion Yuan- 3.533 billion Yuan, up by 176% to 196% over the same period of last year (data disclosed in the periodic report according to the relevant regulations).

II. Performance for the same period of the previous year

1. The net profit attributable to shareholders of the Company: 2,077.64 million Yuan. The net profit attributable to shareholders of the Company after extraordinary items: 1,803.52 million Yuan.

2. Earnings per share: 1.39 Yuan.

III. Main reasons for the forecast increase of operation results in the reporting period

The main reasons for the substantial growth of operation results in the reporting period are as follows: 1) Supply side structural reform and environmental protection pushed by the government, de-output and de-capacity improved the dynamic balance of supply and demand. The Company's cement, concrete, aggregate and other products prices enjoyed substantial growth over the same period of last year; 2) The Company operation and management were further enhanced and eco-process, fuel substitution effectively absorbed part of raw material cost rise; 3) Capacity scale expanded. During the reporting period, aggregate sales volume increased by 26%,

cement and commercial clinker sales volume increased around 3% over the same period of last year.

#### IV. Risks notice

There are no uncertain factors that have an impact on the accuracy of the forecast growth of operation results of the Company.

#### V. Other relevant explanation

The data listed above are just preliminary accounted. For detailed and accurate financial data, please refer to the Annual Report 2018 which will be officially disclosed after auditing. Public investors are hereby kindly requested to notice investment risks.

It is herewith announced.

Board of Directors of Huaxin Cement Co. Ltd.  
January 10, 2019