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西部水泥

**WEST CHINA CEMENT LIMITED**

**中國西部水泥有限公司**

*(Incorporated in Jersey with limited liability, with registered number 94796)*

**(Stock Code: 2233)**

### **THIRD QUARTERLY RESULTS OF 2021 OF YAObAI AND ITS SUBSIDIARIES**

Reference is made to the announcements of West China Cement Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 April 2019, 8 May 2019, 31 August 2020 and 4 September 2020 in relation to the issuance of the Medium-term Notes by Yaobai (collectively, the “**Announcements**”). This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcements.

On 8 May 2019, Yaobai completed the issuance of the first tranche of the Medium-term Notes. The first tranche of the Medium-term Notes was issued in the principal amount of RMB500 million.

On 4 September 2020, Yaobai completed the issuance of the second tranche of the Medium-term Notes. The second tranche of the Medium-term Notes was issued in the principal amount of RMB700 million.

According to the relevant PRC regulations and the terms of the Medium-term Notes, Yaobai and its subsidiaries (“**Yaobai Group**”) is required to publish its quarterly results for the nine months ended 30 September 2021 (the “**Quarterly Results**”) on the website of China Money and Shanghai Clearing during the three-years term of the Medium-term Notes.

Shareholders of the Company (“**Shareholders**”) and potential investors are advised that the Quarterly Results are unaudited and prepared in accordance with the PRC GAAP. There are thus a number of accounting treatments and other differences between the quarterly results of Yaobai Group (“**Yaobai Group Results**”), and the interim and final results of the Company which are prepared in accordance with IFRS. These differences include, amongst others:

- (i) the exclusion of the results of the Shaanxi Fuping Cement Company Ltd (“**Fuping Cement Ltd**”) from the Yaobai Group Results, as Fuping Cement Ltd is an indirect subsidiary of the Company;
- (ii) only part of the interests payable under the Syndicated Loan and the Senior Notes are included in the Yaobai Group Results, with the balance being accounted for under the Company’s accounts, and there is no foreign exchange translation differences of the Syndicated Loan and the Senior Notes in the Yaobai Group Results; and
- (iii) none of the expenses of the Company’s offshore entities are included in the Yaobai Group Results.

To ensure that all shareholders and potential investors of the Company have equal and timely access to the information pertaining to the Company, set forth below are the Quarterly Results prepared in accordance with the PRC GAAP, which is also published simultaneously on the websites of China Money and Shanghai Clearing.

## 1. Balance Sheet

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	As at	As at	As at	As at
	30 September 2021 Consolidated	31 December 2020 Consolidated	30 September 2021 Yaobai	31 December 2020 Yaobai
<b>Current Assets:</b>				
Monetary capital	1,385,359,304.97	1,211,240,371.80	1,144,400,880.79	921,873,299.05
Tradable financial assets	90,049,169.16	185,776,315.21	90,049,169.16	185,776,315.21
Notes receivable	97,645,841.64	106,305,123.63	2,508,784.42	44,613,631.99
Accounts receivable	1,157,564,501.62	762,870,940.36	–	–
Receivables financing	20,049,842.96	13,172,390.00	–	–
Advance payments	158,035,556.65	147,771,993.37	681,040.94	295,524.07
Other receivables	784,867,763.10	1,160,946,591.86	2,715,313,711.15	4,452,510,594.69
Inventories	1,371,475,134.98	626,112,914.61	485,362.24	504,432.00
Non-current assets due within one year	–	4,102,391.53	–	–
Other current assets	591,979,364.51	180,210,303.59	1,770,725.40	–
<b>Total current assets</b>	<b>5,657,026,479.59</b>	<b>4,398,509,335.96</b>	<b>3,955,209,674.10</b>	<b>5,605,573,797.01</b>
<b>Non-current assets:</b>				
Long-term receivables	–	220,663,450.61	–	–
Long-term equity investments	–	77,309,191.00	5,784,811,896.29	5,129,210,522.92
Other equity instrument investment	59,365,639.00	48,869,336.56	–	–
Fixed assets	7,149,918,459.47	6,374,233,101.53	128,843,346.61	137,542,757.69
Construction in progress	2,633,727,494.69	2,376,787,748.60	8,365,242.17	2,332,154.57
Intangible assets	982,682,075.43	938,516,346.47	17,681,016.53	18,273,160.19
Goodwill	183,263,878.86	183,263,878.86	–	–
Long-term deferred expenses	97,635.66	7,791,886.40	–	–
Deferred income tax assets	35,736,014.88	35,736,014.88	867,150.13	867,150.13
Other non-current assets	501,181,869.10	441,446,894.64	404,200,000.00	65,200,000.00
<b>Total non-current assets</b>	<b>11,545,973,067.09</b>	<b>10,704,617,849.55</b>	<b>6,344,768,651.73</b>	<b>5,353,425,745.50</b>
<b>Total assets</b>	<b>17,202,999,546.68</b>	<b>15,103,127,185.51</b>	<b>10,299,978,325.83</b>	<b>10,958,999,542.51</b>

Items	As at 30 September 2021 Consolidated	As at 31 December 2020 Consolidated	As at 30 September 2021 Yaobai	As at 31 December 2020 Yaobai
<b>Current liabilities:</b>				
Short-term borrowings	1,385,000,000.00	1,058,294,187.11	1,265,000,000.00	958,294,187.11
Notes payable	1,133,500,000.00	638,000,000.00	1,133,500,000.00	636,500,000.00
Accounts payable	1,399,636,325.89	1,382,612,962.54	4,624,409.27	3,907,461.28
Receipts in advance	–	11,250.00	–	–
Contract liabilities	225,742,025.47	196,404,955.93	–	–
Employee emolument payable	65,610,282.27	92,716,599.74	8,872,978.40	6,109,078.60
Taxes payable	92,762,411.62	145,955,640.22	13,197,833.17	13,150,018.39
Other payables	1,792,009,010.06	1,505,872,357.46	1,026,762,770.54	1,216,133,807.33
Non-current liabilities due within one year	303,736,315.00	290,000,000.00	260,000,000.00	210,000,000.00
Other current liabilities	203,991,368.39	91,416,180.09	2,508,784.42	44,413,631.99
<b>Total current liabilities</b>	<b>6,601,987,738.70</b>	<b>5,401,284,133.09</b>	<b>3,714,466,775.80</b>	<b>3,088,508,184.70</b>
<b>Non-current liabilities:</b>				
Long-term borrowings	1,420,411,158.27	669,411,158.27	349,411,158.27	589,411,158.27
Debentures payable	1,218,958,044.29	1,232,842,264.24	1,218,958,044.29	1,232,842,264.24
Long-term payables	64,103,500.00	35,039,786.57	–	–
Estimated liabilities	205,003,930.02	204,371,657.11	–	–
Deferred income	32,884,899.46	35,807,168.44	2,119,949.87	2,119,949.87
Deferred income tax liabilities	10,090,395.14	10,090,395.14	–	–
<b>Total non-current liabilities</b>	<b>2,951,451,927.18</b>	<b>2,187,562,429.77</b>	<b>1,570,489,152.43</b>	<b>1,824,373,372.38</b>
<b>Total liabilities</b>	<b>9,553,439,665.88</b>	<b>7,588,846,562.86</b>	<b>5,284,955,928.23</b>	<b>4,912,881,557.08</b>
<b>Owners' equity (or shareholders' equity):</b>				
Paid-in capital (or share capital)	1,890,000,000.00	1,890,000,000.00	1,890,000,000.00	1,890,000,000.00
Capital reserve	51,656,776.09	51,656,776.09	12,715,940.06	12,715,940.06
Other comprehensive income	22,580,969.33	15,207,954.08	–	–
Special reserve	79,710,021.47	52,622,934.44	–	–
Surplus reserve	642,129,744.25	642,134,879.54	642,134,879.54	642,134,879.54
Undistributed profit	4,478,286,597.67	4,462,091,089.31	2,470,171,578.00	3,501,267,165.83
Total equity attributable to owners of the parent (or shareholders' equity)	7,164,364,108.81	7,113,713,633.46	–	–
Minority interests	485,195,771.99	400,566,989.19	–	–
<b>Total owners' equity (or shareholders' equity)</b>	<b>7,649,559,880.80</b>	<b>7,514,280,622.65</b>	<b>5,015,022,397.60</b>	<b>6,046,117,985.43</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>17,202,999,546.68</b>	<b>15,103,127,185.51</b>	<b>10,299,978,325.83</b>	<b>10,958,999,542.51</b>

## 2. Income Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2021 Q3 Consolidated	2020 Q3 Consolidated	2021 Q3 Yaobai	2020 Q3 Yaobai
<b>I. Total operating revenue</b>	6,064,209,618.74	4,916,036,931.16	59,742,649.27	58,812,688.62
Including: Operating revenue	6,064,209,618.74	4,916,036,931.16	59,742,649.27	58,812,688.62
<b>II. Total operating costs</b>	5,017,187,015.66	3,708,296,390.49	97,342,242.45	59,200,971.73
Including: Operating costs	4,424,606,561.37	3,256,651,623.11	8,442.00	-
Taxes and surcharges	94,178,817.33	64,182,440.06	1,572,611.88	1,576,400.73
Selling expenses	58,224,436.60	40,489,695.18	12,974,957.93	9,872,706.16
Administrative expenses	284,432,464.26	237,111,098.79	57,965,242.94	48,689,123.04
Research and development expenses	6,964,167.75	10,982,996.64	-	-
Financial expenses	148,780,568.35	98,878,536.71	24,821,087.70	-937,258.20
Including: Interest expenses	158,385,700.42	104,136,241.73	35,094,177.62	4,023,249.99
Interest income	-11,292,389.94	-9,396,940.23	-10,742,328.24	-8,717,777.01
Add: Other income	133,478,814.08	178,461,115.94	112,819.01	1,467,744.44
Investment income (loss is represented by “-”)	-11,192,725.21	27,875,534.43	-11,173,376.04	27,831,682.81
Gain on fair value changes (loss is represented by “-”)	4,272,853.95	-5,301,542.47	4,272,853.95	-5,301,542.47
Credit impairment losses (loss is represented by “-”)	-971,460.75	-	-	-
Asset impairment losses (loss is represented by “-”)	-	1,274,574.85	-	-
Asset disposal income (loss is represented by “-”)	8,800,964.04	-5,705,622.45	4,299.49	-
<b>III. Operating profit (loss is represented by “-”)</b>	1,181,411,049.19	1,404,344,600.97	-44,383,096.77	23,609,601.67
Add: Non-operating income	110,086,575.03	20,376,534.44	2,064,343.93	661,379.85
Less: Non-operating expenses	90,617,889.32	23,505,608.31	144,086.63	9,783.56
<b>IV. Total profit (total loss is represented by “-”)</b>	1,200,879,734.90	1,401,215,527.10	-42,462,839.47	24,261,197.96
Less: Income tax expenses	125,552,711.41	173,354,760.96	2,631,302.47	35,254.88

Items	2021 Q3 Consolidated	2020 Q3 Consolidated	2021 Q3 Yaobai	2020 Q3 Yaobai
<b>V. Net profit (net loss is represented by “-”)</b>	1,075,327,023.49	1,227,860,766.14	-45,094,141.94	24,225,943.08
(I) By continuity of operations				
1. Net profit from continuing operations (net loss is represented by “-”)	1,075,327,023.49	1,227,860,766.14	-45,094,141.94	24,225,943.08
(II) By ownership				
1. Net profit attributable to shareholders of the parent (net loss is represented by “-”)	1,002,196,954.25	1,129,938,105.47	-45,094,141.94	24,225,943.08
2. Minority interests (net loss is represented by “-”)	<u>73,130,069.24</u>	<u>97,922,660.67</u>	<u>-</u>	<u>-</u>
<b>VI. Net other comprehensive income after tax</b>				
(I) Other comprehensive income attributable to owners of the parent, net of tax	-	-	-	-
(II) Other comprehensive income attributable to minority shareholders, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>VII. Total comprehensive income</b>	1,075,327,023.49	1,227,860,766.14	-45,094,141.94	24,225,943.08
(I) Total comprehensive income attributable to owners of the parent	1,002,196,954.25	1,129,938,105.47	-45,094,141.94	24,225,943.08
(II) Total comprehensive income attributable to minority shareholders	<u><u>73,130,069.24</u></u>	<u><u>97,922,660.67</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

### 3. Cash Flow Statement

Prepared by: Yaobai Special Cement Group Co., Ltd

Unit: RMB

Items	2021 Q3 Consolidated	2020 Q3 Consolidated	2021 Q3 Yaobai	2020 Q3 Yaobai
<b>I. Cash flow generated from operating activities:</b>				
Cash received from sales of goods or rendering of services	4,819,652,579.01	4,425,978,318.69	1,094,189,996.47	959,870,640.22
Tax and surcharge refund received	156,639,493.62	152,609,184.33	16,210.30	-
Cash received relating to other operating activities	<u>316,213,985.70</u>	<u>252,172,788.67</u>	<u>130,832,742.75</u>	<u>123,978,674.98</u>
<b>Sub-total of cash inflow from operating activities</b>	<u>5,292,506,058.33</u>	<u>4,830,760,291.69</u>	<u>1,225,038,949.52</u>	<u>1,083,849,315.20</u>
Cash paid for goods and service	2,203,452,042.95	1,640,274,458.41	706,500,000.00	79,100,000.00
Cash paid to and for employees	499,322,538.68	435,306,208.39	53,375,328.41	36,825,884.28
Payments of taxes and surcharges	683,683,365.72	595,117,985.51	76,342,520.85	58,290,632.80
Cash payments relating to other operating activities	<u>1,058,584,717.57</u>	<u>380,739,839.07</u>	<u>76,671,151.89</u>	<u>142,237,735.22</u>
<b>Sub-total of cash outflows from operating activities</b>	<u>4,445,042,664.92</u>	<u>3,051,438,491.38</u>	<u>912,889,001.15</u>	<u>316,454,252.30</u>
<b>Net cash flow from operating activities</b>	<u><u>847,463,393.41</u></u>	<u><u>1,779,321,800.31</u></u>	<u><u>312,149,948.37</u></u>	<u><u>767,395,062.90</u></u>

Items	2021 Q3 Consolidated	2020 Q3 Consolidated	2021 Q3 Yaobai	2020 Q3 Yaobai
<b>II. Cash flow generated from investing activities:</b>				
Cash from disposal investments	150,000,000.00	100,250,801.68	150,000,000.00	100,000,000.00
Cash received from returns on investments	48,135,814.96	23,284,043.01	48,135,814.96	23,284,043.01
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	341,000.00	381,100.00	-	-
Cash received relating to other investing activities	492,000,000.00	-	-	-
<b>Sub-total of cash inflows from investing activities</b>	<u>690,476,814.96</u>	<u>123,915,944.69</u>	<u>198,135,814.96</u>	<u>123,284,043.01</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,204,460,589.51	906,668,998.96	87,055,124.24	184,472,186.55
Cash paid for investments	120,300,000.00	85,200,000.00	313,158,100.00	215,549,455.00
Cash paid relating to other investing activities	11,198,000.63	1,500,000.00	10,000,000.00	-
<b>Sub-total of cash outflows from investing activities</b>	<u>1,335,958,590.14</u>	<u>993,368,998.96</u>	<u>410,213,224.24</u>	<u>400,021,641.55</u>
<b>Net cash flow from investing activities</b>	<u><u>-645,481,775.18</u></u>	<u><u>-869,453,054.27</u></u>	<u><u>-212,077,409.28</u></u>	<u><u>-276,737,598.54</u></u>
<b>III. Cash flow generated from financing activities:</b>				
Cash received from borrowings	3,129,100,000.00	2,024,894,187.11	2,527,325,838.17	1,988,894,187.11
<b>Sub-total of cash inflows from financing activities</b>	<u>3,129,100,000.00</u>	<u>2,024,894,187.11</u>	<u>2,527,325,838.17</u>	<u>1,988,894,187.11</u>
Cash repayments of debt	1,732,229,694.11	1,766,332,299.60	993,894,187.11	1,419,700,034.26
Cash payments for distribution of dividends, profits or interest	1,425,190,297.94	1,023,704,192.14	1,410,976,608.41	1,019,226,490.60
<b>Sub-total of cash outflows from financing activities</b>	<u>3,157,419,992.05</u>	<u>2,790,036,491.74</u>	<u>2,404,870,795.52</u>	<u>2,438,926,524.86</u>
<b>Net cash flow from financing activities</b>	<u><u>-28,319,992.05</u></u>	<u><u>-765,142,304.63</u></u>	<u><u>122,455,042.65</u></u>	<u><u>-450,032,337.75</u></u>
<b>IV. Effect of change of foreign currency rates on cash and cash equivalents</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



Items	2021 Q3 Consolidated	2020 Q3 Consolidated	2021 Q3 Yaobai	2020 Q3 Yaobai
V. Net increase in cash and cash equivalents	173,661,626.18	144,726,441.41	222,527,581.74	40,625,126.61
Add: Opening balance of cash and cash equivalents	<u>1,211,697,678.79</u>	<u>1,182,925,084.71</u>	<u>921,873,299.05</u>	<u>1,102,456,218.88</u>
VI. Closing balance of cash and cash equivalents	<u><u>1,385,359,304.97</u></u>	<u><u>1,327,651,526.12</u></u>	<u><u>1,144,400,880.79</u></u>	<u><u>1,143,081,345.49</u></u>

**The information contained in this announcement is prepared based solely on a preliminary assessment by the management of the Company with reference to the information currently available, which have not been reviewed or audited by the Company's auditors. The Quarterly Results in this announcement, which are unaudited, have been prepared in accordance with PRC GAAP. Accordingly, the information contained in this announcement and in the Quarterly Results may differ from those in the audited consolidated financial statements to be published by the Company for the year ending 31 December 2021. Further, the financial information in this announcement is provided for reference only and Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on these information when dealing in the shares of the Company. When in doubt, the shareholders and potential investors of the Company are advised to consult their own professional or financial advisers.**

## DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context requires otherwise:

“IFRS”	International Financial Reporting Standards, which collective term includes standards and interpretations approved by the International Accounting Standards Board (IASB), and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee (IASC)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“PRC GAAP”	the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and other relevant accounting principles and financial regulations as promulgated in the PRC
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Senior Notes”	the 4.95% senior notes due 2026 in the aggregate principal amount of US\$600 million issued by the Company on 9 July 2021
“Syndicated Loan”	the loan with a syndicate of financial institutions of US\$150 million for a period of 3 years entered into by the Company on 5 September 2019

By Order of the Board  
**West China Cement Limited**  
**Zhang Jimin**  
Chairman

Hong Kong, 25 October 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Jimin and Dr. Ma Weiping, the non-executive Directors are Mr. Ma Zhaoyang, Mr. Shi Guanglei and Mr. Fan Changhong and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Zhu Dong and Mr. Tam King Ching, Kenny.*