

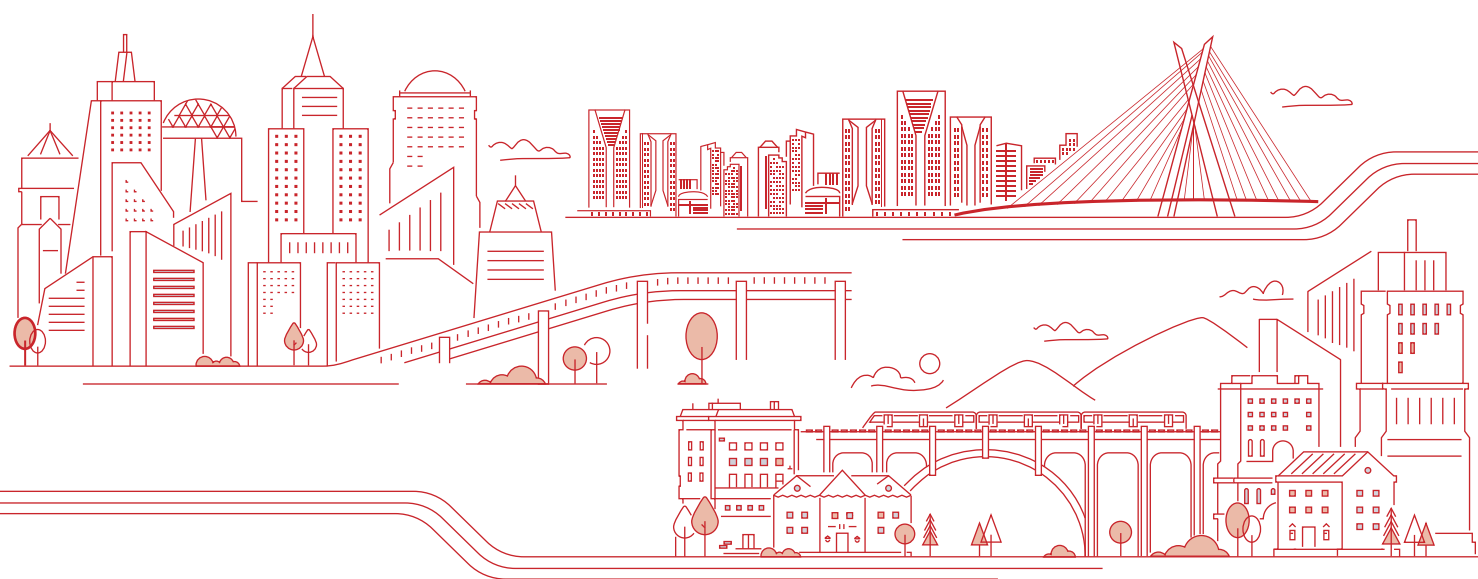


HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 6655



2025
INTERIM REPORT

* For identification purposes only

Important Notice

1. The Board of Directors of the Company and all directors, the Board of Supervisors of the Company and all supervisors, and the senior management, collectively and individually accept full responsibility for the purpose of giving information to the public with regard to the Company, and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.
2. All directors of the Company attended the 10th meeting of the 11th session of Board of Directors.
3. Ernst & Young Hua Ming Certified Public Accountants LLP issued an auditor's report with standard unqualified opinions for the Company.
4. Mr. Li Yeqing, Executive Director and CEO, Mr. Chen Qian, person in charge of accounting, and Ms. Wu Qiaoli, chief of accounting agency, declare and confirm that the financial statements contained in herein are true, accurate and complete.
5. The profit distribution plan for 2024 adopted at the 10th meeting of the 11th session of Board of Directors of the Company is as follows: a cash dividend of RMB0.46 per share (tax inclusive) was proposed to be distributed to all shareholders, and no capitalization of common reserve fund was provided.
6. Forward-looking risk statement: future plan, development strategies and other forward-looking statements in this report do not constitute any substantive commitments of the Company to its investors. Investors and the public are kindly advised to be cautious of the investment risk.
7. There was no appropriation of the Company's funds for non-operating purpose by the controlling shareholders or their related parties.
8. All the external guarantees provided by the Company are in compliance with the decision-making procedures.
9. Material risk warning: the risks that the Company may be exposed to have been described in detail in this report. Please refer to the section headed "V. Management Discussion and Analysis on the Operations of the Company".



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INTERPRETATION

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

A Shares	means	Ordinary shares listed on the SSE with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in RMB
Audit Committee	means	the audit committee of the Company
Board	means	the board of directors of the Company
China or PRC	means	The People's Republic of China
Director(s)	means	the director(s) of the Company
EBITDA	means	Earnings before interest, tax, depreciation and amortization
EBIT	means	Earnings Before Interest and Tax
EPC	means	Engineering, procurement, and construction
H Shares	means	Foreign shares listed on the SEHK with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in Hong Kong dollars
Hong Kong	means	Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Listing Rules	means	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	means	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules
Reporting Period	means	From 1 January 2025 to 30 June 2025
RMB or Yuan or K Yuan or 10 K Yuan or Million Yuan or 100 Million Yuan	means	RMB, RMB1,000, RMB10,000, RMB million, RMB100 million, the lawful currency of China
RMX	means	Ready-mixed Concrete
SEHK	means	The Stock Exchange of Hong Kong Limited
SFO	means	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SSE	means	Shanghai Stock Exchange
The Company or Company or Parent Company or Huaxin Cement	means	Huaxin Cement Co., Ltd.
The Group	means	The Company and its subsidiaries

CORPORATE INFORMATION

I. CORPORATE INFORMATION

Name of the Company in Chinese	華新水泥股份有限公司
Abbreviation in Chinese	華新水泥
Name of the Company in English	Huaxin Cement Co., Ltd.
Abbreviation in English	HUAXIN CEMENT
Legal Representative	Mr. Li Yeqing

II. CONTACT PERSONS AND MEANS OF CONTACT

Joint Company Secretary	Mr. Ye Jiaxing (Secretary to the Board) Ms. Lee Mei Yi
Tel	0086 27 87773898
Fax	0086 27 87773992
E-mail	investor@huaxincem.com
Securities Affairs Representative	Ms. Wang Xiaoqiong
Tel	0086 27 87773898
Fax	0086 27 87773992
E-mail	investor@huaxincem.com

III. BASIC INFORMATION

Registered office of the Company	No. 600 East Daqi Avenue, Huangshi City, Hubei Province
Business address of the Company	Tower B, Huaxin Tower, No. 426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan City, Hubei Province
Principal place of business in Hong Kong	Room 1917, 19/F, Lee Garden One, 33 Hysan Road, Causeway Bay, Hong Kong
Postal code of the business address	430073
Website of the Company	www.huaxincem.com
E-mail	investor@huaxincem.com

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE

Press for Information Disclosure	China Securities Journal
Website designated by CSRC to publish the interim report	www.sse.com.cn
Website designated by the SEHK to publish the interim report	www.hkexnews.hk
Location where the Company's interim report is available for inspection	Securities and Investors Relations Department of the Company

CORPORATE INFORMATION

V. COMPANY'S SHARES

Type	Place of listing	Abbreviation	Stock code
A Shares	SSE	Huaxin Cement	600801
H Shares	SEHK	Huaxin Cement	06655

VI. REGISTRAR FOR SHARE TRANSFER

A Shares registrar and transfer office China Securities Depository and Clearing Corporation Limited
Shanghai Branch

H Shares registrar and transfer office Tricor Investor Services Limited

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. The industry in which the Company operates is the building materials industry, specifically in the sector of building materials.

The demand of cement and other building materials products are highly relevant to the national economy and fixed assets investment and is quite cyclical. In the first half of 2025, GDP of China increased by 5.3% year on year. National economy withstood the pressure, kept a good momentum of stable growth and demonstrated a strong resilience. From January to June, the national fixed asset investment (excluding farmers) amounted to RMB24.87 trillion, an increase of 2.8% over the same period of last year, and among which, the investment in the infrastructure sector, which is highly relevant to the demand of cement and other building materials, rose by 4.6% while the real estate investment plunged by 11.2%.

The Chinese cement industry was characterized as sustained weak demand, a price trajectory that peaked early and declined subsequently, and an improvement in year-on-year profitability during the first half of 2025. Cumulative national cement production from January to June amounted to 815 million tons, reflecting a year-on-year decrease of 4.3%, narrowed compared to the corresponding period in the previous year. As the policy framework of anti-involution competition for cement industry gradually refines, coupled with the implementation of regulatory measures targeting overcapacity, there was a year-on-year recovery in cement prices during the first half of 2025. However, a shortfall in the demand during the late second quarter resulted in significant price reductions in certain regions. Consequently, the industry's profitability improved year-on-year, influenced by factors such as the price recovery and a decrease in fuel costs.

Data source: National Statistics Bureau and China Cement Association

2. The Company's principal businesses

At the inception of our Company's listing, we were specialized in cement manufacturing and sales, cement technical services, research, manufacturing, installation, and maintenance of cement equipment, and cement import-export trade. Over the past two decades, the Company has implemented strategies for integrated development, environmental transformation, overseas development, and expansion to new building material. It has successively added production and sales of ready-mixed concrete, aggregates, and cement-based high-tech building materials. It has also ventured into environmental businesses such as cement kiln co-processing of wastes, domestic and international cement engineering general contracting, and equipment and engineering contracting for cement kiln co-processing technology. From being a local cement plant, the Company successfully developed into a global building materials group with business coverage in 17 provinces/municipalities directly under the Central Government/autonomous regions domestically and 20 countries overseas, boasting over 300 subsidiary companies. Its business spans the integrated development of the entire industry chain, including cement, concrete, aggregates, environmental protection, equipment manufacturing, engineering, and new building materials.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company is ranked among the Top 500 Chinese Manufacturing Enterprises and the Fortune China 500 Enterprises. As of 30 June 2025, the Company has a total production capacity including: Cement capacity of 126 million tons/year (grinding capacity, including capacity from joint ventures), cement equipment manufacturing capacity of 50,000 tons/year, ready-mixed concrete capacity of 48,404 cubic meters/hour (including OEM capacity), aggregate capacity of 300 million tons/year, comprehensive environmental wall material production capacity of 660 million pieces/year, autoclaved aerated concrete products (such as bricks and panels) capacity of 950,000 cubic meters/year, mortar production capacity of 1.89 million tons/year, ultra-high performance concrete capacity of 400,000 tons/year, civil curtain wall hanging board capacity of 800,000 square meters/year, industrial anti-corrosive tile capacity of 3 million square meters/year, lime production capacity of 820,000 tons/year, cement packaging bag production capacity of 700 million units/year, and waste disposal capacity of 18.24 million tons/year (including projects that have received environmental impact assessment approval but have not yet been put into operation).

As of 30 June 2025, the revenue attributed by the cement business accounted for approximately 57% of the total income of the Company, occupying a dominant position among all the Company's businesses, while the EBITDA of non-cement business accounted for 44% and has become significant contributors to the Company's profits.

II. COMPETITIVE STRENGTH DURING THE REPORTING PERIOD

Established in 1907, the Company enjoys a long history and profound cultural heritage and it is one of the top 100 large scale companies listed in "China's 500 Most Valuable Brands". By unswervingly taking efforts in management and technology innovation and scientific development, the Company has always been one of the most influential enterprises in the building materials industry with strong comprehensive competitiveness.

During the Reporting Period, the Company further consolidated and enhanced its various advantages, including scale and a complete industrial chain, green and low-carbon development, technological innovation, corporate reputation and brand, product quality, strategic layout, leading intelligent management, and a professional, stable, and efficient management team, thereby continuously strengthening the Company's core competitiveness. For details on the company's core competitiveness, please refer to the chapter "Analysis of Core Competitiveness During the Reporting Period" in the Company's 2024 Annual Report.

III. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

Excess capacity and declining demand are the main contradictions in the current economic operation of China's building materials industry. However, in the short term, China's economy still has growth resilience, and the cement industry is accelerating the implementation of policies for capacity regulation. In the first half of 2025, the Company viewed both the opportunities and challenges within the major transformation, adhered to the concept "Profit is the goal, and price (revenue) is fundamental", accurately seized development opportunities amid the crisis, leveraged the advantages of integrated development, overseas development, and resource advantages, cut production, consumption, and costs, increased revenue, saved expenses, and improved efficiency, resulting in a significantly improved business performance year-on-year.

During the Reporting Period, the Company achieved operating revenue of RMB16.046 billion, a year-on-year decline of 1.17%. Affected by factors such as the year-on-year increase in the average selling price of cement products, sustained and stable growth in overseas business, and reduced production costs due to strengthened cost control, the Company realized a net profit attributable to shareholders of the parent company of RMB1.103 billion, an increase of 51.05% year-on-year. The sales volume of cement and commercial clinker reached 27.7366 million tons, a decline of 2.63% year-on-year (of which: overseas cement and commercial clinker sales were 8.3884 million tons, an increase of 10.41% year-on-year). Aggregate sales were 76.0526 million tons, an increase of 6.33% year-on-year. RMX sales were 13.248 million cubic meters, a decline of 9.88% year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the cement business achieved operating revenue of RMB9.152 billion, an increase of 5.60% year-on-year, of which: domestic cement business achieved operating revenue of RMB5.024 billion, a decline of 1.26% year-on-year; overseas cement business achieved operating revenue of RMB4.128 billion, an increase of 15.37% year-on-year. Aggregate business achieved operating revenue of RMB2.763 billion, a decline of 6.72% year-on-year. Concrete business operating revenue was RMB3.457 billion, a decline of 12.33% year-on-year.

In terms of profitability, the average selling price of cement products increased by RMB25.71/ton to RMB329.95/ton during the Reporting Period compared to the same period of last year, while the cost decreased by RMB9.42/ton to RMB231.82/ton. For the aggregates business, the average selling price decreased by RMB5.08/ton to RMB36.32/ton, and the cost decreased by RMB2.85/ton to RMB18.92/ton. The RMX business saw a decrease in the selling price by RMB7.28/cubic meter to RMB260.92/cubic meter, and the cost decreased by RMB10.35/cubic meter to RMB226.70/cubic meter. The comprehensive gross profit increased by 20.84% compared to the same period of last year, and the comprehensive gross profit margin increased by 5.27 percentage points from 23.65% of the same period last year. The increase in comprehensive gross profit and gross profit margin was mainly due to the increase in domestic cement prices and the decrease in costs, the reduction in aggregates costs, and the increase in overseas cement sales volume and performance. During the Reporting Period, the gross profit margins of cement, aggregates, and RMX were 29.74%, 47.91%, and 13.12%, respectively, while in the same period last year, they were 20.71%, 47.41%, and 11.61%.

During the Reporting Period, the Company continued to make progress in the development of multiple overseas businesses. In the first half of the year, the Company completed and put into operation projects including the 300,000 tons annual cement grinding station in Zimbabwe, the upgrade of the 1,150 tons/day cement clinker production line in Zambia to a 3,000 tons/day line, the upgrade of the 1,500-tons/day cement clinker production line at the Simuma plant in South Africa to a 4,000-tons/day line, and the 100,000-tons annual mortar production line in Tanzania. The Company also completed the acquisition of 100% equity in EMBU SA ENGENHARIA E COMERCIO, a Brazilian aggregates company. The construction of the new 2,000 tons/day cement clinker production line in Malawi and the 3,000-tons/day cement clinker production line in Mozambique's Dongdo is progressing according to the construction plan. Overseas business registered the growth in varying degrees. Africa region achieved a revenue of RMB2.094 billion (an increase of 19.40% year on year) with an operating cost of RMB1.410 billion (an increase of 22.30% year on year), EBITDA of RMB548 million (an increase of 14.85% year on year), EBIT of RMB399 million (an increase of 10.65%), net profit of RMB151 million (decrease of 10.43% year on year). Asia region achieved a revenue of RMB2.181 billion (an increase of 12.22% year on year) with an operating cost of RMB1.301 billion (an increase of 0.95% year on year), EBITDA of RMB829 million (an increase of 39.06%), EBIT of RMB621 million (an increase of 55.98%), and net profit of RMB474 million (increase of 44.14% year on year). The first foray into the America brought a revenue of RMB156 million with an operating cost of RMB68 million, EBITDA of RMB43 million, EBIT of RMB27 million, and net profit of RMB18 million.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company continued to receive social recognition and praise. The Company's "Whole Process Low Carbon Intelligent Cement Plant" project was selected for the Excellent Intelligent Plant (first batch) project list by the Ministry of Industry and Information Technology. For 13 consecutive years, the Company has been listed in the World Brand Lab rankings, ranking 79th on the overall list with a brand value of RMB116.982 billion. The company received the highest rating of "A+" in the "2024 Annual ESG Rating of the Building Materials Industry" by the China Building Materials Federation. Mr. Li Yeqing, the Company's chief executive officer, was elected as one of the "Top 10 News Figures in the Building Materials Industry in 2024" and received the title of "Sixth Hubei Province Outstanding Builder of Socialism with Chinese Characteristics."

IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

1. Changes of Items in Income Statement and Cash Flow Statement

Unit: RMB

	Amount for January to June 2025	Amount for January to June 2024	Change (%)
Revenue	16,046,640,187	16,237,373,654	-1.17
Cost of sales	11,405,577,296	12,396,833,893	-8
Selling expenses	762,586,412	787,871,075	-3.21
Administrative expenses	939,872,641	908,113,338	3.5
Finance costs	437,166,210	399,954,782	9.3
Research and development expenses	72,224,935	70,954,352	1.79
Net cash flows from operating activities	1,623,794,304	1,730,584,063	-6.17
Net cash flows from investing activities	-2,143,578,153	-1,178,576,055	-81.88
Net cash flows from financing activities	90,949,808	-1,083,480,073	108.39

(1) Reasons for net cash flows from investment activities change: Increase in expenditures on corporate mergers.

(2) Reasons for net cash flows from financing activities change: Reduction in maturing debts.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Assets and Liabilities

Unit: RMB

Item	As at 30 June 2025	% in the total assets	As at 31 December 2024	% in the total assets	Change over the end of last period (%)	Remarks
Financial assets held for trading	1,675,259	—	31,704,908	0.05	-94.72	Relevant financial products closed transaction
Notes receivable	123,020,139	0.17	202,597,711	0.29	-39.28	Increase in transfer of notes
Prepayments	453,238,991	0.64	314,887,975	0.45	43.94	Increase in prepayments for goods and services
Other receivables	787,055,227	1.11	1,237,502,508	1.78	-36.40	Recovery of asset disposal proceeds
Goodwill	1,798,800,610	2.54	1,209,007,806	1.74	48.78	Increase due to overseas M&A
Short-term borrowings	137,579,445	0.19	296,807,055	0.43	-53.65	Adjustment of debt structure
Employee benefits payables	196,045,620	0.28	280,892,309	0.40	-30.21	Payment of incentive salary of last year
Other payables	1,417,172,772	2.00	1,011,487,419	1.46	40.11	H share dividend to be paid
Debentures payable	3,543,705,234	5.00	2,445,745,035	3.52	44.89	Issuance of high growth industry bonds of 1.1 billion RMB
Specialised reserves	68,837,903	0.10	51,893,030	0.07	32.65	Increase in the balance of safety production fee

MANAGEMENT DISCUSSION AND ANALYSIS

3. Other explanations

(1) Capital structure, capital liquidity and financial resources

As at the end of the Reporting Period, the shareholders' equity amounted to RMB35.010 billion, and total equity attributable to shareholders of the Company was RMB30.488 billion.

As at the end of the Reporting Period, total liabilities were RMB35.863 billion, and liabilities with interests was RMB19.803 billion. Analysis on the bank loans as at the end of the Reporting Period are as follows:

Unit: RMB

	As at 30 June 2025	As at 31 December 2024
Within 1 year	3,117,231,019	3,388,952,220
1–2 years	3,553,086,578	3,412,692,610
2–5 years	6,323,827,797	5,779,719,351
Above 5 years	312,722,000	406,358,750
Total	13,306,867,394	12,987,722,931

Apart from the above loans, the Group has corporate bonds of RMB6.084 billion due in 1 to 5 years.

Asset liability ratio of the Company (total liabilities/total assets) increased to 50.6% at the end of the Reporting Period from 49.8% at the beginning of the Reporting Period.

During the Reporting Period, there were no significant changes to the capital structure, capital liquidity and financial resources.

(2) Pledge of assets

Major restrictions on assets as at the end of the Reporting Period

Unit: RMB

	As at 30 June 2025
Cash and bank balances	913,075,307
Fixed assets	5,039,418
Intangible assets	3,409,197
Total	921,523,922

For details, please refer to Notes VII (1), VII (20) to the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

(3) Risks of foreign exchange rate fluctuation

The Group is exposed to transactional foreign exchange risk. This type of risk arises from sales or purchases made by the operating units in currencies other than their functional currencies.

The Finance Department of the Head Office of the Group is responsible for monitoring the Group's foreign currency transactions and the scale of foreign currency assets and liabilities, so as to minimize the foreign exchange risks it faces. The Group may avoid foreign exchange risks by signing forward foreign exchange contracts or currency swap contracts. During the Reporting Period, the Group entered into forward foreign exchange contracts to manage foreign exchange risk exposure.

For details, please refer to Note XI (1) Foreign exchange risk to the financial statements.

(4) Significant investment and capital expenditure

In the first half of 2025, the Group invested approximately RMB1.238 billion for new construction, renovation and expansion projects, mainly involving construction of overseas production lines and expenses for energy conservation and emission reduction upgrades. Based on the Group's current financial situation and profitability, it has sufficient self-funds and continuous operating cash inflows to meet the capital needs for the projects the Group. As at the end of the Reporting Period, the Group has not made any significant investments, acquisitions, or disposals of subsidiaries, associated companies, or joint ventures, and there are no plans for material investments or acquisitions of capital assets in the future.

(5) External equity investment

Unit: RMB

	As at 30 June 2025	As at 31 December 2024	Change (%)
Other equity instrument investment	945,621,616	934,524,059	1.19
Others	1,675,259	31,704,908	-94.72
Long term equity investment	583,078,169	584,752,454	-0.29

(6) Contingent liability

As at the end of the Reporting Period, the Group had no significant or contingent liability. For details, please refer to the Notes VII (34) to the financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

V. OUTLOOK FOR THE SECOND HALF OF 2025

On 1 July, 2025, the sixth meeting of the Central Financial and Economic Commission emphasized the need to “govern low-price and disorderly competition among enterprises according to law and regulations, guide enterprises to improve product quality, and promote the orderly exit of backward production capacity.” Subsequently, the China Cement Association issued the “Opinions on Further Promoting the High-Quality Development of the Cement Industry with ‘Anti-Involution’ and ‘Stable Growth’”, explicitly stating that enterprises with actual production capacity exceeding the registered capacity should promptly make up the capacity difference according to the “Implementation Measures for Capacity Replacement in the Cement and Glass Industry (2024 Edition)” issued by the Ministry of Industry and Information Technology, and complete relevant procedures such as registration, environmental impact assessment, and energy assessment. Those industries are expected to organize the production as required by laws and registered daily and annual capacity. In the second half of this year, the anti-involution policy characterized by legalization and marketization in the cement industry is expected to accelerate, effectively solving the development dilemma of overcapacity and supply-demand imbalance. Overall, the profitability of the cement industry is still under pressure, and urgently requires the government, industry, and enterprises to take more active and effective measures.

In the second half of the year, the Company will focus on its corporate strategy, further strengthen its operation-oriented thinking, accelerate the transformation towards green, intelligent, and international operations. The Company will concentrate on clients to enhance operational capabilities, focus on costs to achieve refined management, and focus on people to fully enhance employee motivation and organizational effectiveness. In the domestic market, adhering to the principle that “profit is the goal and price (revenue) is fundamental”, the Company aims to reduce costs, stabilize sales volumes, and increase prices, continuously improving business performance. In overseas markets, seizing favorable opportunities in the countries where its overseas businesses are located, the Company aims to expand production, increase prices, and reduce costs, optimizing production and operation and going all out to improve performance.

SIGNIFICANT MATTERS

I. CONNECTED TRANSACTION RELATED TO DAILY OPERATION

During the Reporting Period, the Company has no connected transactions related to daily operations.

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

As at the end of the Reporting Period, the guarantee balance for subsidiaries amounted to RMB11,116,207,818, accounting for 31.75% of the net assets of the Company.

III. OTHER SIGNIFICANT MATTERS

1. On 17 March 2025, Huaxin (Hainan) Investment Co., Ltd., a wholly-owned subsidiary of the Company, completed the acquisition of the 100% equity interest (the “Transaction”) in ITATUBA PARTICIPAÇÕES LTDA (the “Target Company A”) and the 40% equity interest in EMBU S.A. ENGENHARIA E COMÉRCIO (the “Target Company B”). As Target Company A holds 60% of the shares of Target Company B, upon completion, Target Company A and Target Company B become indirect wholly-owned subsidiaries of the Company and therefore the financial results of the Target Companies will be consolidated into the consolidated financial statements of the Group.
2. On 19 March 2025, the First Extraordinary Shareholders’ Meeting of the Company approved the Proposal on the Related Party Transaction of the acquisition of Holcim’s Asset in Nigeria. The transaction has been completed on 29 August 2025. The target company Caricement B.V. and Davis Peak Holdings Limited, with the ultimate target company Lafarge Africa Plc (the “Ultimate Target Company”) will be consolidated into the financial results of the Group. According to relevant rules of Securities and Exchange Commission of Nigeria, the Purchasers of the transaction will make a mandatory tender offer to the other shareholders of the Ultimate Target Company.
3. During the Reporting Period, the Company was not involved in any significant litigation or arbitration.
4. During the Reporting Period, the Company nor its subsidiaries had purchased, sold and redeemed listed securities of the Company.

CHANGES IN SHARES AND SHAREHOLDERS

I. STRUCTURE OF SHARES

During the Reporting Period, there were no changes in the total number of shares and the capital structure of the Company.

II. SHAREHOLDERS

1. To the best knowledge of the Company, as at 30 June 2025, the total number of registered shareholders of the Company was 45,661, among which, the number of A Shares shareholders was 45,651, the number of H Shares shareholders was 10.

2. Shareholding of the top 10 registered shareholders of the Company as at 30 June 2025

Unit: share

Full name of shareholders	Class of shares	Number of shares held	Proportion (%)
HKSCC Nominees Limited	H Shares	734,719,819	35.34
HOLCHIN B.V.	A Shares	451,333,201	21.71
Huaxin Group Co., Ltd.	A Shares	338,060,739	16.26
Hong Kong Securities Clearing Company Limited	A Shares	56,903,205	2.74
ICBC Credit Suisse Asset Management — China Life Insurance Company Limited — Dividend Insurance — ICBC Credit Suisse Fund China Life Equity Balanced Portfolio Single Asset Management Plan (Available-for-sale)	A Shares	17,866,837	0.86
The National Social Security Fund 413 Combination	A Shares	16,710,016	0.80
ICBC UBS Asset Management — China Life Insurance Company Limited — Traditional Insurance — ICBC Credit Suisse Fund China Life Shares Equity Balanced Portfolio Traditional Available-for-sale Single Asset Management Plan	A Shares	16,130,656	0.78
The National Social Security Fund 107 Combination	A Shares	12,498,720	0.60
China Railway Wuhan Group Co., Ltd.	A Shares	11,289,600	0.54
Agricultural Bank of China Co., Ltd. — CSI 500 Exchange Traded Open-ended Index Fund	A Shares	9,994,952	0.48

Notes: To the best knowledge of the Board, the Board is not aware of any connected relations or persons acting in concert among the top 10 registered shareholders of the Company.

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 2025, the following persons (other than the Directors, supervisors or chief executives of the Company) had interests in 5% or more of the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Unit: share

Full name of shareholders	Nature of interest	Class of shares	Number of shares	Approximate % of shares held in the relevant class	Approximate % of shares held in the total amount of share capital
Holcim Ltd.	Interest of controlled corporation	A Shares	451,333,201	33.57	21.71
		H Shares	417,902,467	56.88	20.10
		Total	869,235,668		41.81
Holderfin B.V.	Interest of controlled corporation	A Shares	451,333,201	33.57	21.71
		H Shares	384,210,624	52.29	18.48
		Total	835,543,825		40.19
Holchin B.V.	Beneficial owner	A Shares	451,333,201	33.57	21.71
		H Shares	384,210,624	52.29	18.48
		Total	835,543,825		40.19
State-owned Assets Supervision and Administration Commission of Huangshi Municipal People's Government	Interest of controlled corporation	A Shares	338,060,739	25.15	16.26
Huangshi State-owned Assets Management Company Limited	Interest of controlled corporation	A Shares	338,060,739	25.15	16.26
Huaxin Group Co., Ltd	Beneficial owner	A Shares	338,060,739	25.15	16.26
China Conch Venture Holdings (HK) Limited	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46
China Conch Venture Holdings International Limited	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46
Conch International Holdings (HK) Limited	Beneficial owner	H Shares	92,788,469	12.63	4.46
China Conch Venture Holdings Limited	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46

CHANGES IN SHARES AND SHAREHOLDERS

Full name of shareholders	Nature of interest	Class of shares	Number of shares	Approximate %	Approximate %
				of shares held in the relevant class	of shares held in the total amount of share capital
Anhui Conch Venture New Energy-saving Construction Material Co., Ltd.	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46
Anhui Conch Cement Company Limited	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46
Anhui Conch Holdings Co., Ltd	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46
Wuhu Conch Venture Property Co., Ltd.	Interest of controlled corporation	H Shares	92,788,469	12.63	4.46

Notes:

- (1) The percentage is calculated by the issued underlying shares or total shares of the Company as at 30 June 2025.
- (2) On 22 July 2025, Conch International Holdings (HK) Limited sold 14,885,400 H shares of the company. As of the date of this report, Conch International Holdings (HK) Limited held 77,903,069 H shares of the Company, which constitutes approximately 10.60% of the shares in relevant class and approximately 3.75% of the company's overall equity share capital.

Save as disclosed above, as at 30 June 2025, no other persons (other than the directors, supervisors and the chief executives of the Company) had interests in 5% or more of the shares and underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO or which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. Purchase, Sale or Redemption of listed securities of the Company

During the Reporting Period, save for the total of 7,195,677 A shares held by the relevant accounts of the Core Employees Stock Ownership Plans of the Company (including 6,380,038 shares to be unlocked and vested, 815,639 shares have been unlocked and vested but pending for sale), neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including the sale of treasury shares).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. CHANGE ON THE PROFILE OF DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Mr. Lo Chi Kong resigned from his position as a non-executive Director, member of each of the Audit Committee and the Remuneration and Assessment Committee and Chairman of the Governance and Compliance Committee on 4 June 2025 as he has reached his retirement age.

On 15 July 2025, Mr. Olivier Milhaud was appointed as non-executive director of the Eleventh Board of Directors on the Second Extraordinary General Meeting in 2025. His term of office will run concurrently with that of the Board.

On 21 August 2025, Mr. Olivier Milhaud was appointed as a member of the Audit Committee and the chairman of the Governance and Compliance Committee; and Ms. Tan Then Hwee was appointed as a member of the Remuneration and Assessment Committee.

As of the date of this report, the Eleventh Board of Directors of the Company comprises Mr. Li Yeqing and Mr. Liu Fengshan as executive Directors; Mr. Xu Yongmo, Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. Tan Then Hwee as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong as independent non-executive Directors.

Since July 2025, Mr. Li Yeqing served as an Executive Director of the Chinese Ceramic Society.

Since July 2025, Mr. Xu Yongmo served as the honorary president of the Chinese Ceramic Society.

Since December 2024, Ms. Tan Then Hwee served as a Director of HOLCIM INTERNATIONAL SERVICES SINGAPORE PTE LTD.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

II. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the SEHK pursuant to the Model Code set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

Unit: share

Name	Nature of interest	Class of shares	Number of shares	Approximate % of shares held in the relevant share class	Approximate % of shares held in the total amount of share capital
Mr. Li Yeqing	Beneficial owner	A shares	454,034	0.0338	0.0218
		H shares	1,083,896	0.1475	0.0521
Mr. Liu Fengshan	Beneficial owner	A shares	166,500	0.0124	0.0080
		H shares	292,100	0.0398	0.0141
Mr. Ming Jinhua	Beneficial owner	H shares	166,300	0.0226	0.0080
Mr. Zhang Lin	Beneficial owner	A shares	11,600	0.0009	0.0006
		H shares	248,400	0.0338	0.0119
Mr. Liu Weisheng	Beneficial Owner	H shares	13,700	0.0019	0.0007
	Interest of spouse		12,600	0.0017	0.0006
Mr. Liu Sheng	Interest of spouse	A shares	10,000	0.0007	0.0005
	Beneficial Owner		25,300	0.0034	0.0012
	Interest of spouse	H shares	27,900	0.0038	0.0013

Note: the percentage is calculated by the issued underlying shares or total shares of the Company as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors, supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

During the Reporting Period, none of the Directors and supervisors of the Company had material interest in any transactions, arrangements or contracts entered into by the Company or its subsidiaries.

IV. COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code under the Hong Kong Listing Rules and the Policy on the holding and transfer of securities by the Directors, supervisors and senior management of the Company as the code and guideline for securities transactions of Directors and supervisors of the Company. The Company had made specific enquiries of all Directors and all Directors confirmed that they had complied with the required standards as set out in the Model Code and the Company's code of conduct in relation to securities transactions by Directors during the Reporting Period.

V. EMPLOYEE

As at 30 June 2025, the Company had 19,902 employees (including overseas employees).

Throughout the Reporting Period, the Company has sustained its efforts in implementing a multiple training model that integrates both online and offline. We continue to refine the internal trainer management system, which is pivotal in enhancing overall organizational competencies. These strategies are aligned with the company's aspiration to rapidly achieve its strategic objective of evolving into a globally renowned multinational corporation.

The Company is dedicated to offering tailored management training, including Mini-MBA programs and online courses, to continually uplift the overall quality of our managers. A wide range of specialized training in areas like integrity, safety, technology, finance, marketing, procurement, and logistics, helps our staff maintain compliance and sharpen their professional skills. We are building a strong team of internal trainers through a qualification certification process. Moreover, we're enhancing our employees' comprehensive abilities through language classes and AI training. To support our global growth strategy, we've successfully launched the "Elite Plan" and "Kunpeng Project", which are designed to equip our international talents and reserves with the essential skills they need. Our overseas business school has also held two successful training sessions with external experts with impressive results.

VI. EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES

1. 2020–2022 Core Employee Stock Ownership Plan (2020–2022 ESOP)

The Company set up the 2020–2022 Core Employee Stock Ownership Plan ("2020–2022 ESOP"), which was reviewed and approved in the Company's second extraordinary general meeting in 2020 on 25 September 2020 in order to promote the Company's "milestone" development strategic plan for 2020–2025, establish and improve the benefit sharing mechanism between employees and shareholders.

The 2020–2022 ESOP includes Plan A and Plan B. Plan A is a long-term incentive plan related to the Company's annual performance assessment, and Plan B is a long-term incentive plan linked to the Company's milestone performance assessment. The total capital of the plan didn't exceed RMB610 million, of which the total capital of Plan A didn't exceed RMB210 million, and the total capital of Plan B didn't exceed RMB400 million. The stocks applicable to this plan are all from the A-shares of the Company repurchased with the Company's special securities account for repurchase.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 9 June 2023, the 25th Meeting of the Tenth Board of Directors of the Company approved Proposal on the Granting Result of 2020–2022 ESOP and Proposal on the Partial Repurchase and Cancellation of Shares in the 2020–2022 ESOP, specifying granting result and request the shareholders' general meeting to authorize the Board and authorized person to handle the repurchase and cancel unvested shares due to failure in achieving performance target and the capital reduction.

On 20 July 2023, the Third Extraordinary General Meeting in 2023, the First A Share Class Meeting in 2023 and the First H Share Class Meeting in 2023 of the Company were held respectively to approve the Proposal on the Partial Repurchase and Cancellation of Shares in the 2020–2022 ESOP and Proposal on Requesting the Shareholders' General Meeting to Authorize the Board and its Authorized Person to Handle Related Matters of the 2020–2022 ESOP.

On 28 August 2023, the Company finished cancelling the unvested shares due to failure in achieving performance target.

On 28 October 2023, the first lock-up period of the 2020–2022 ESOP expired.

On 26 May 2024, the second lock-up period of the 2020–2022 ESOP expired.

On 28 October 2024, the third lock-up period of the 2020–2022 ESOP expired.

The details of the shares granted and to be granted according to the 2020–2022 ESOP are set out as followed:

Unit: share

Name of Participant	Position	As at 1 January 2025	Granted within the Reporting Period	Vested within the Reporting Period	Invalid within the Reporting Period	Cancelled within the Reporting Period	As at 30 June 2025	Granted price (RMB) ¹	Grant date ²	Fair value as at the grant date (RMB)	Vesting period
Li Yeqing	Executive director & CEO	30,535	0	0	0	0	30,535	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Liu Fengshan	Executive director	14,554	0	0	0	0	14,554	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Ming Jinhua	Chairman of the Board of Supervisors	4,821	0	0	0	0	4,821	22.4	2022.5.31	19.83	2024.10.29–2025.05.31
Zhang Lin	Supervisor	7,909	0	0	0	0	7,909	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Yang Xiaobing	Supervisor	1,206	0	0	0	0	1,206	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Liu Weisheng	Supervisor	2,150	0	0	0	0	2,150	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Zhu Yaping	Then-serving supervisor	5,059	0	0	0	0	5,059	24.00	2020.10.29	24.18	2023.10.29–2025.10.29
Others	Other core employees	749,405	0	0	0	0	749,405	24.00	2020.10.29	24.18	2023.10.29–2025.10.29

Notes:

- (1) The granted price is determined pursuant to the pricing principles of the 2020–2022 ESOP.
- (2) The grant date is the announcement date of the non-trading transfer of the underlying shares from the special securities account for repurchase to the special securities account of 2020–2022 ESOP.
- (3) On the trading day immediately before 29 October 2020 (the grant date), the closing price of A share was RMB23.65; On the trading day immediately before 31 May 2022 (the grant date), the closing price of A share was RMB19.51.
- (4) The accounting standards and policies to estimate the fair value of the shares in the 2020–2022 ESOP are set out in Note (XIV) to the financial statements prepared in accordance with the PRC Accounting Standards.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The maximum number of shares can be granted for each of the executive directors and the supervisors listed in the table above under the 2020–2022 ESOP will not exceed the total number of shares he/she has already been granted; and the number of shares for any other core employee can be granted will not exceed 70,463. During the Reporting Period, the Company did not grant any shares.

Given the nature of the ESOP, the provisions under Rule 17.07(3) of the Listing Rules regarding the number of shares that may be issued and the related weighted average number are not applicable.

The remaining validity period for the 2020–2022 ESOP

The term of the 2020–2022 ESOP (including Plan A and Plan B) is 72 months commencing from the month when granted (i.e. from 29 October 2020 to 28 October 2026). The 2020–2022 ESOP terminates upon the expiration of the term or can be extended with the approval by the Board of Directors as proposed by the Administration Committee of the 2020–2022 ESOP. As at the date of this Report, the remaining validity period of the 2020–2022 ESOP is approximately 1 year and 1 month.

2. 2023–2025 Core Employee Stock Ownership Plan (2023–2025 ESOP)

On 30 June 2023, the 26th Meeting of the Tenth Board of Directors of the Company approved the Proposal on the 2023–2025 ESOP (draft) and its Summary and related proposals of the plan and submitted them to shareholders' general meeting for review.

On 20 July 2023, the 3rd Extraordinary Shareholders' General Meeting of the Company approved the Proposal on the 2023–2025 ESOP (draft), Proposal on the Administration Measures of 2023–2025 ESOP and Proposal to Shareholders' General Meeting to Authorize the Board of Directors to Handle Matters Related to the ESOP.

This 2023–2025 ESOP shall be implemented in three phases. During the 3 years from 2023 to 2025, an independent employee stock ownership sub-plan shall be developed for each year respectively. The total amount of funds used in 3 phases of this 2023–2025 ESOP will not exceed RMB223.5 million. The stocks under the 2023–2025 ESOP are sourced from the A shares of Huaxin Cement that have been repurchased by the Company through its special repurchase account and the stocks purchased (through, among others, block trading and centralized bidding) on the secondary market.

On the same day, the 27th Meeting of the Tenth Board of Directors of the Company approved Proposal on the Phase I (2023) ESOP Under 2023–2025 ESOP, specifying relevant contents of the first phase of the plan.

On 31 August 2023, non-trading transfer of shares of the Phase I (2023) ESOP under 2023–2025 ESOP (the "Phase I (2023) ESOP") was completed.

On 27 September 2023, share purchase of the Phase I (2023) ESOP was completed.

On 28 December 2023, the First Holders' Meeting of the Phase I (2023) ESOP Under 2023–2025 ESOP approved Proposal on Setting up the Administration Committee of the Phase I (2023) ESOP Under 2023–2025 ESOP, Proposal on Electing the Members of the Administration Committee of the Phase I (2023) ESOP Under 2023–2025 ESOP, Proposal on Authorizing the Administration Committee to Handle Related Matters of the Phase I (2023) ESOP Under 2023–2025 ESOP.

On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors of the Company approved the Proposal on the Granting Result of "Phase I (2023) ESOP Under 2023–2025 ESOP", specifying granting result of the Phase I (2023) ESOP, the unvested shares due to failure in achieving performance target shall be withdrawn and disposed by the Administration Committee of the Phase I (2023) ESOP, and all proceeds from disposal of such shares were vested in the Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 27 September 2024, the first lock-up period of the Phase I (2023) ESOP expired.

The details of the shares granted and to be granted according to the Phase I (2023) ESOP Under 2023–2025 ESOP are set out as followed:

Unit: share

Name of Participant	Position	As at 1 January 2025	Granted within the Reporting Period	Vested within the Reporting Period	Invalid within the Reporting Period	Withdrawn within the Reporting Period	Shares sold within the Reporting Period	As at 30 June 2025 ¹	Granted price (RMB) ²	Grant date ³	Fair value as at the grant date (RMB)	Vesting period
Li Yeqing	Executive director & CEO	113,729	0	0	0	0	34,119	79,610				
Liu Fengshan	Executive director	52,409	0	0	0	0	15,723	36,686				
Ming Jinhua	Chairman of the Board of Supervisors	48,915	0	0	0	0	14,675	34,240				
Zhang Lin	Supervisor	28,825	0	0	0	0	8,648	20,177	13.6	2023.9.28	14.97	2024.9.28–2026.9.28
Liu Weisheng	Supervisor	7,547	0	0	0	0	2,264	5,283				
Liu Sheng	Supervisor	6,216	0	0	0	0	1,865	4,351				
Yang Xiaobing	Supervisor	4,402	0	0	0	0	1,321	3,081				
Zhu Yaping	Then-serving supervisor	20,975	0	0	0	0	6,293	14,682				
Others	Other core employees	2,393,105	0	0	0	0	718,002	1,675,103				

Notes:

- (1) The change in the number of shares as at 30 June 2025 was due to the shares sold by the relevant Directors, Supervisors or employees after the expiration of the lock-up periods.
- (2) The granted price is the average transaction price at which this Phase I (2023) ESOP completed share purchase.
- (3) The grant date is the announcement date on completion of share purchase under this Phase I (2023) ESOP.
- (4) On the trading day immediately before 28 September 2023 (the grant date), the closing price of A share was RMB14.87.
- (5) The accounting standards and policies to estimate the fair value of the shares in the 2023–2025 ESOP are set out in the Note (XIV) to the financial statements prepared in accordance with the PRC Accounting Standards.

The maximum number of shares can be granted for each of the executive Directors and the supervisors listed in the table above under the Phase I (2023) ESOP will not exceed the total number of shares he/she has already been granted; and the number of shares for any other core employee can be granted will not exceed 55,903. During the Reporting Period, the Company did not grant any shares.

Given the nature of the ESOP, the provisions under Rule 17.07(3) of the Listing Rules regarding the number of shares that may be issued and the related weighted average number are not applicable.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The remaining validity period for the Phase I (2023) ESOP

The Phase I (2023) ESOP shall be valid for up to 60 months from the day when the Company makes an announcement that the last portion of shares to be transferred to the Phase I (2023) ESOP are transferred (i.e. from 28 September 2023 to 27 September 2028). The Phase I (2023) ESOP shall be terminated automatically if it is not renewed upon expiry. The term of the Phase I (2023) ESOP may be extended upon approval of the Holders attending the Holders' Meeting and representing over two thirds of the underlying shares and the Board of Directors, provided, however, that the term of the Phase I (2023) ESOP shall be extended by 12 months each time. As at the date of this Report, the remaining validity period of the Phase I (2023) ESOP is approximately 3 years.

On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors of the Company approved the Proposal on the Phase II (2024) ESOP Under 2023–2025 ESOP ("Phase II (2024) ESOP"), specifying relevant contents of the second phase of the plan.

On 30 September 2024, share purchase of the Phase II (2024) ESOP was completed.

On 24 December 2024, the First Holders' Meeting of the Phase II (2024) ESOP Under 2023–2025 ESOP approved Proposal on Setting up the Administration Committee of the Phase II (2024) ESOP Under 2023–2025 ESOP, Proposal on Electing the Members of the Administration Committee of the Phase II (2024) ESOP Under 2023–2025 ESOP, Proposal on Authorizing the Administration Committee to Handle Related Matters of the Phase II (2024) ESOP Under 2023–2025 ESOP.

The details of the shares granted and to be granted according to the Phase II (2024) ESOP Under 2023–2025 ESOP are set out as followed:

Unit: share

Name of Participant	Position	As at 1 January 2025	Granted within the Reporting Period ¹	Vested within the Reporting Period	Invalid within the Reporting Period ²	Withdrawn within the Reporting Period ³	As at 30 June 2025	Granted price (RMB) ⁴	Grant date ⁵	Fair value as at the grant date (RMB)	Vesting period
Li Yeqing	Executive director & CEO	136,672	1,126	0	0	0	137,798				
Liu Fengshan	Executive director	62,982	0	0	8,888	8,888	54,094				
Ming Jinhua	Chairman of the Board of Supervisors	58,784	0	0	8,218	8,218	50,566	11.9	2024.10.1	14.23	2025.10.1–2027.10.1
Zhang Lin	Supervisor	34,640	0	0	3,771	3,771	30,869				
Liu Weisheng	Supervisor	24,143	258	0	0	0	24,401				
Liu Sheng	Supervisor	7,470	0	0	1,194	1,194	6,276				
Yang Xiaobing	Supervisor	5,291	0	0	846	846	4,445				
Zhu Yaping	Then-serving supervisor	28,475	0	0	3,950	3,950	24,525				
Others	Other core employees	2,931,767	8,112	0	707,813	698,317	2,232,067				

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Notes:

- (1) Granted within the Reporting Period refers to shares supplementally granted to certain participants of this Phase II (2024) ESOP due to compensation adjustments or performance assessment requirements.
- (2) Invalid within the Reporting Period refers to shares under this Phase II (2024) ESOP that could not be vested by participants due to failure to meet performance assessment targets.
- (3) Withdrawn within the Reporting Period refers to shares under this Phase II (2024) ESOP that could not be vested due to unmet performance targets. After supplementary grants were made to certain participants (necessitated by compensation adjustments or performance assessment requirements), the shares were withdrawn and disposed of by the Administration Committee of the Phase II (2024) ESOP.
- (4) The granted price is the average transaction price at which this Phase II (2024) ESOP completed share purchase.
- (5) The grant date is the announcement date on completion of share purchase under this Phase II (2024) ESOP.
- (6) On the trading day immediately before 1 October 2024 (the grant date), the closing price of A share was RMB14.23.
- (7) The accounting standards and policies to estimate the fair value of the shares in the 2023–2025 ESOP are set out in the Note (XIV) to the financial statements prepared in accordance with the PRC Accounting Standards.

The maximum number of shares can be granted for each of the executive Directors and the supervisors listed in the table above under the Phase II (2024) ESOP will not exceed the total number of shares he/she has already been granted; and the number of shares for any other core employee can be granted will not exceed 55,270 (A total of 725,184 shares that could not be vested by participants due to failure to meet performance assessment targets have been withdrawn and disposed of by the Administration Committee of the ESOP. The number of shares for any other core employee can be granted has been adjusted accordingly.)

Given the nature of the ESOP, the provisions under Rule 17.07(3) of the Listing Rules regarding the number of shares that may be issued and the related weighted average number are not applicable.

The remaining validity period for the Phase II (2024) ESOP

The Phase II (2024) ESOP shall be valid for up to 60 months from the day when the Company makes an announcement that the last portion of shares to be transferred to the Phase II (2024) ESOP are transferred (i.e. from 1 October 2024 to 30 September 2029). The Phase II (2024) ESOP shall be terminated automatically if it is not renewed upon expiry. The term of the Phase II (2024) ESOP may be extended upon approval of the Holders attending the Holders' Meeting and representing over two thirds of the underlying shares and the Board of Directors, provided, however, that the term of the Phase II (2024) ESOP shall be extended by 12 months each time. As at the date of this Report, the remaining validity period of the Phase II (2024) ESOP is approximately 4 years.

On 27 May 2025, the 12th Meeting of the Eleventh Board of Directors of the Company approved the Proposal on the Phase III (2025) ESOP Under 2023–2025 ESOP ("Phase III (2025) ESOP"), specifying relevant contents of the third phase of the plan.

As at the end of the Reporting Period, the Phase III (2025) ESOP has not yet completed the purchase and grant of shares.

OTHER INFORMATION

I. REVIEW OF UNAUDITED INTERIM RESULT

The Company has set up the Audit Committee with terms of reference in compliance with all the applicable code provisions contained in Appendix C1 to the Hong Kong Listing Rules. The Audit Committee is responsible for reviewing and supervision of the financial reporting procedures, risk management and the internal controls of the Group as well as providing advice and suggestions to the Board. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2025 as disclosed in this report.

II. DIVIDEND

The Board did not recommend the payment of interim dividend nor capital reserve converted to equity capital for the Reporting Period.

III. CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules during the Reporting Period.

IV. UTILIZATION OF CORPORATE BONDS

As of the end of the Reporting Period, the proceeds had been fully utilized in accordance with the designed purpose of the bonds.

V. SIGNIFICANT SUBSEQUENT EVENTS

On 15 July 2025, the Company successfully completed the issuance of the First Tranche of 2025 Science and Technology Innovation Bonds of Huaxin Cement Co., Ltd. (“the Medium-term Notes”). The total issuance amount of the Medium-term Notes is RMB1 billion, with a maturity of 5 years and a coupon rate of 2.08%. The funds raised will be used to repay maturing bonds and replenish working capital. For details, please refer to the Overseas Regulatory Announcement of the Company on 15 July 2025.

After the Reporting Period and up to the date of this report, save for the events disclosed in this report, the Group did not have any material subsequent events.

FINANCIAL STATEMENTS (UNAUDITED)

I. AUDITOR'S REPORT

The financial statements have not been audited.

II. FINANCIAL STATEMENTS

30 June 2025 CONSOLIDATED BALANCE SHEET

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE VII	30 June 2025	31 December 2024
Current assets			
Cash and bank balances	1	6,669,909,310	6,809,002,574
Financial assets held for trading	2	1,675,259	31,704,908
Notes receivable	3	123,020,139	202,597,711
Accounts receivable	4	3,531,081,437	2,969,799,883
Receivables financing	5	606,554,060	511,791,354
Prepayments	6	453,238,991	314,887,975
Other receivables	7	787,055,227	1,237,502,508
Including: Interest receivable		8,391,077	8,692,908
Dividends receivable		41,073,613	41,073,612
Inventories	8	2,938,134,238	3,057,769,490
Contract Assets		7,165,000	—
Non-current Assets Maturing Within One Year		20,000,000	40,000,000
Other current assets	9	626,687,586	616,550,620
Total current assets		15,764,521,247	15,791,607,023
Non-current assets			
Long-term receivables	10	47,128,430	46,718,185
Long-term equity investments	11	583,078,169	584,752,454
Other equity investments	12	945,621,616	934,524,059
Other non-current financial assets		39,983,240	38,143,738
Fixed assets	13	28,157,407,375	28,408,451,936
Construction in progress	14	4,051,535,258	3,530,752,270
Right-of-use assets	15	1,432,628,851	1,514,705,861
Intangible assets	16	15,674,102,690	15,080,020,527
Development expenditures		45,895,912	60,934,742
Goodwill	17	1,798,800,610	1,209,007,806
Long-term prepaid expenses	18	930,913,248	981,013,500
Deferred tax assets	19	795,121,627	832,960,280
Other non-current assets		606,082,889	499,096,806
Total non-current assets		55,108,299,915	53,721,082,164
Total assets		70,872,821,162	69,512,689,187

FINANCIAL STATEMENTS (UNAUDITED)

30 June 2025 CONSOLIDATED BALANCE SHEET — *continued*

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE VII	30 June 2025	31 December 2024
Current liabilities			
Short-term borrowings	21	137,579,445	296,807,055
Derivative Financial Liabilities		26,610,545	—
Notes payable	22	766,900,771	675,782,946
Accounts payable	23	6,905,089,071	7,744,026,328
Contract liabilities	24	712,303,373	715,946,303
Employee benefits payable	25	196,045,620	280,892,309
Taxes and surcharges payable	26	668,747,034	755,744,542
Other payables	27	1,417,172,772	1,011,487,419
Including: Interest payable		97,221,153	48,543,388
Dividends payable		373,667,927	36,835,493
Current portion of non-current liabilities	28	6,700,222,210	6,619,044,244
Other current liabilities		66,371,674	69,172,946
Total current liabilities		17,597,042,515	18,168,904,092
Non-current liabilities			
Long-term borrowings	29	10,189,636,374	9,598,770,711
Bonds payable	30	3,543,705,234	2,445,745,035
Including: Preference shares		149,151,403	149,725,053
Lease liabilities	31	1,058,871,144	1,128,631,065
Long-term payables	32	744,210,662	836,919,326
Long-term employee benefits payable	33	54,830,186	57,915,052
Provisions	34	931,638,682	917,006,487
Deferred income	35	249,308,711	251,857,383
Deferred tax liabilities	19	1,394,245,626	1,109,442,589
Other non-current liabilities	36	99,693,000	99,693,000
Total non-current liabilities		18,266,139,619	16,445,980,648
Total liabilities		35,863,182,134	34,614,884,740

FINANCIAL STATEMENTS (UNAUDITED)

30 June 2025 CONSOLIDATED BALANCE SHEET — *continued*

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE VII	30 June 2025	31 December 2024
Equity			
Share capital	37	2,078,995,649	2,078,995,649
Capital reserves	38	1,613,689,816	1,580,482,247
Less: Treasury shares	39	79,338,174	64,638,011
Accumulated other comprehensive income	40	-470,885,148	-484,891,409
Specialized reserves	41	68,837,903	51,893,030
Surplus reserves	42	1,111,880,257	1,111,880,257
Unappropriated profit	43	26,164,852,220	26,017,705,413
Total equity attributable to owners of the parent		30,488,032,523	30,291,427,176
Non-controlling interests		4,521,606,505	4,606,377,271
Total equity		35,009,639,028	34,897,804,447
Total liabilities and equity		70,872,821,162	69,512,689,187

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY BALANCE SHEET

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE XVIII	30 June 2025	31 December 2024
Current assets			
Cash and bank balances		2,201,251,491	2,511,275,577
Financial assets held for trading		—	30,000,000
Notes receivable		4,311,802	30,000
Accounts receivable	1	395,158,447	672,952,955
Receivables financing		64,367,478	25,925,967
Prepayments		93,116,990	73,597,947
Other receivables	2	10,124,521,348	8,444,662,576
Inventories		167,344,002	241,534,220
Other current assets		113,458,213	110,917,414
Total current assets		13,163,529,771	12,110,896,656
Non-current assets			
Long-term receivables		77,306,452	67,546,368
Long-term equity investments	3	17,336,328,739	16,384,658,957
Other equity investments		945,621,616	934,524,059
Other non-current financial assets		39,983,240	37,854,770
Fixed assets		491,619,077	509,187,354
Construction in progress		35,175,349	37,189,643
Right-of-use assets		27,924,642	33,454,597
Intangible assets		103,585,812	105,044,873
Development expenditures		37,125,296	36,856,342
Long-term prepaid expenses		7,294,680	8,651,347
Deferred tax assets		143,717,802	134,659,036
Total non-current assets		19,245,682,705	18,289,627,346
Total assets		32,409,212,476	30,400,524,002

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY BALANCE SHEET — *continued*

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE XVIII	30 June 2025	31 December 2024
Current liabilities			
Derivative Financial Liabilities		26,610,545	—
Notes payable		327,937,551	242,155,289
Accounts payable		176,373,195	234,933,887
Contract liabilities		36,279,855	49,222,130
Employee benefits payable		11,598,982	26,173,353
Taxes payable		19,257,186	9,884,037
Other payables		7,994,068,836	7,828,063,409
Current portion of non-current liabilities		918,114,101	789,041,659
Other current liabilities			
Total current liabilities		<u>9,510,240,251</u>	<u>9,179,473,764</u>
Non-current liabilities			
Long-term borrowings		3,370,175,602	3,139,622,602
Bonds payable		3,394,553,832	2,296,019,982
Lease liabilities		18,733,752	18,084,931
Long-term employee benefits payable		8,800,028	11,119,492
Provisions		46,864,253	46,864,253
Deferred income		3,520,833	3,791,667
Total non-current liabilities		<u>6,842,648,300</u>	<u>5,515,502,927</u>
Total liabilities		<u><u>16,352,888,551</u></u>	<u><u>14,694,976,691</u></u>

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY BALANCE SHEET — *continued*

30 June 2025

Huaxin Cement Co., LTD

Expressed in Renminbi Yuan

Items	NOTE XVIII	30 June 2025	31 December 2024
Owners' equity			
Share capital		2,078,995,649	2,078,995,649
Capital reserves		1,905,595,227	1,891,587,870
Less: Treasury shares		79,338,174	64,638,011
Accumulated other comprehensive income		-72,310,797	-60,676,056
Surplus reserves		1,111,880,257	1,111,880,257
Unappropriated profit		11,111,501,763	10,748,397,602
Total equity		16,056,323,925	15,705,547,311
Total liabilities and equity		32,409,212,476	30,400,524,002

Legal representative:

Li Yeqing

Financial controller:

Chen Qian

Accounting supervisor:

Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE VII	First half of 2025	First half of 2024
Gross revenue	44	16,046,640,187	16,237,373,654
Including: Revenue		16,046,640,187	16,237,373,654
Total cost of sales		14,034,455,983	14,939,003,710
Less: Cost of sales	44	11,405,577,296	12,396,833,893
Taxes and surcharges	45	417,028,489	375,276,270
Selling expenses	46	762,586,412	787,871,075
Administrative expenses	47	939,872,641	908,113,338
Research and development expenses		72,224,935	70,954,352
Finance costs	48	437,166,210	399,954,782
Including: Interest expenses	48	354,306,130	367,989,624
Interest income	48	89,363,313	95,827,125
Add: Other income	49	71,238,835	82,438,706
Investment income	50	1,054,289	4,616,793
Including: Income from investments in associates and joint ventures	50	2,710,821	1,580,722
Gains (Losses) from changes in fair value	51	2,128,471	6,227,453
Credit impairment loss	52	-26,233,268	-31,626,854
Asset Impairment Loss	53	-4,054,858	-6,776,662
Gains/(Losses) on disposal of assets	54	-453,063	6,163,152
Operating profit		2,055,864,610	1,359,412,532
Add: Non-operating income	55	7,589,190	7,762,966
Less: Non-operating expenses	56	38,525,586	23,888,187
Profit before taxes		2,024,928,214	1,343,287,311
Less: Income tax expenses	57	624,995,493	321,600,930
Profit		1,399,932,721	1,021,686,381
Classified by continuity of operations			
Profit from continuing operations		1,399,932,721	1,021,686,381
Classified by attribution of ownership			
Profit attributable to owners of the parent		1,103,484,806	730,553,374
Profit attributable to non-controlling interests		296,447,915	291,133,007

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT — *continued*

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE VII	First half of 2025	First half of 2024
Other comprehensive income, net of tax		58,306,160	166,082,105
Other comprehensive income, net of tax, attributable to owners of the parent		14,006,261	118,552,914
Other comprehensive income that cannot be reclassified to profit or loss		8,323,168	20,964,304
Changes in fair value of other equity investment instruments		8,323,168	20,964,304
Other comprehensive income to be reclassified into profit or loss		5,683,093	97,588,610
Cash Flow Hedge Reserve		-19,957,909	—
Exchange differences on translation of foreign currency financial statements		25,641,002	97,588,610
Other comprehensive income, net of tax, attributable to non-controlling interests		44,299,899	47,529,191
Total comprehensive income		1,458,238,881	1,187,768,486
Total comprehensive income attributable to owners of the Company		1,117,491,067	849,106,288
Total comprehensive income attributable to non-controlling interests		340,747,814	338,662,198
Earnings per share			
Basic earnings per share	58	0.53	0.35
Diluted earnings per share	58	0.52	0.35

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY INCOME STATEMENT

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE XVIII	First half of 2025	First half of 2024
Revenue	4	1,115,929,981	1,203,431,544
Less: Cost of sales	4	922,841,822	1,083,419,867
Taxes and surcharges		7,423,253	9,146,061
Selling expenses		7,297,739	8,559,169
Administrative expenses		128,943,258	127,852,630
Research and development expenses		28,620,053	23,381,443
Finance costs		52,436,593	9,769,526
Including: Interest expenses		73,835,479	92,625,832
Interest income		88,592,855	91,699,932
Add: Other income		4,222,308	772,367
Investment income	5	1,340,340,740	1,122,846,395
Including: Income (losses) from investments in associates and joint ventures		1,195,218	71,253
Fair value gains (losses)		2,128,471	6,227,453
Credit impairment losses		-114,044	16,198
Impairment losses of assets		-49,662	-61,204
Gains (losses) on disposal of non-current assets		17,337	3,446,977
Operating profit		1,314,912,413	1,074,551,034
Add: Non-operating income		264,485	944,552
Less: Non-operating expenses		915,257	903,805
Profit before taxes		1,314,261,641	1,074,591,781
Less: Income tax expenses		-5,180,519	-11,962,842
Net profit		1,319,442,160	1,086,554,623
Including: Profit from continuing operations		1,319,442,160	1,086,554,623
Other comprehensive income, net of tax		-11,634,741	20,964,304
Other comprehensive income that will not be reclassified to profit or loss		8,323,168	20,964,304
Change in the fair value of other equity investments		8,323,168	20,964,304
Other comprehensive income to be reclassified into profit or loss		-19,957,909	—
Cash Flow Hedge Reserve		-19,957,909	—
Total comprehensive income		1,307,807,419	1,107,518,927

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE VII	First half of 2025	First half of 2024
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		13,785,982,422	14,432,640,465
Receipts of taxes and surcharges refunds		31,172,968	36,457,201
Other cash receipts relating to operating activities	59	436,849,993	370,601,693
Total of cash inflows from operating activities		14,254,005,383	14,839,699,359
Cash payments for goods and services		8,288,777,560	9,016,646,703
Cash payments to and on behalf of employees		1,550,351,382	1,600,949,998
Payments of all types of taxes and surcharges		1,965,441,912	1,769,625,712
Other cash payments relating to operating activities	59	825,640,225	721,892,883
Total cash outflows from operating activities		12,630,211,079	13,109,115,296
Net cash flows from operating activities		1,623,794,304	1,730,584,063
II. Cash flows from investing activities			
Cash receipts from returns of investments		360,000,000	1,442,656,854
Cash receipts from returns on investments		3,271,491	24,097,572
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		430,968,279	9,457,780
Net cash receipts from disposal of subsidiaries and other business units		—	—
Other cash receipts relating to investing activities	59	25,900,000	37,601,193
Total cash inflows from investing activities		820,139,770	1,513,813,399
Cash payments to acquire fixed assets, intangible assets and other long-term assets		1,238,087,883	1,444,409,433
Cash payments for investments		330,000,000	1,128,252,660
Net cash payments for acquisition of subsidiaries and other business units		1,217,289,372	109,727,361
Other cash payments relating to investing activities	59	178,340,668	10,000,000
Total cash outflows from investing activities		2,963,717,923	2,692,389,454
Net cash flows from investing activities		-2,143,578,153	-1,178,576,055

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CASH FLOWS — *continued*

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE VII	First half of 2025	First half of 2024
III. Cash flows from financing activities:			
Cash proceeds from investments by others		—	—
Cash receipts from borrowings		3,266,316,040	1,908,060,000
Other cash receipts relating to financing activities	59	343,311,818	124,039,019
Total of cash inflows from financing activities		3,609,627,858	2,032,099,019
Cash repayment for debts		1,994,791,503	1,462,785,762
Cash payments for distribution of dividends or profit and interest expenses		1,304,084,746	1,428,296,072
Other cash payments relating to financing activities	59	219,801,801	224,497,258
Total cash outflows from financing activities		3,518,678,050	3,115,579,092
Net cash flows from financing activities		90,949,808	-1,083,480,073
IV. Effect of exchange rate changes on cash and cash equivalents		-33,372,287	-14,593,489
V. Net increase in cash and cash equivalents		-462,206,328	-546,065,554
Add: Cash and cash equivalents at beginning of year		6,219,040,331	5,370,115,985
VI. Cash and cash equivalents at end of year		5,756,834,003	4,824,050,431

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY STATEMENT OF CASH FLOWS

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE	First half of 2025	First half of 2024
I. Cash flows from operating activities			
Cash receipts from the sale of goods and the rendering of services		868,813,305	1,668,846,129
Receipts of tax and surcharges refunds		2,244,936	8,356,058
Other cash receipts relating to operating activities		824,339,693	194,018,832
		<u>1,695,397,934</u>	<u>1,871,221,019</u>
Total cash inflows from operating activities			
		<u>1,695,397,934</u>	<u>1,871,221,019</u>
Cash payments for goods and services		728,468,578	1,207,253,068
Cash payments to and on behalf of employees		75,800,785	153,249,196
Payments of all types of taxes and surcharges		13,250,020	34,175,331
Other cash payments relating to operating activities		345,200,317	364,192,951
		<u>1,162,719,700</u>	<u>1,758,870,546</u>
Total cash outflows from operating activities			
		<u>1,162,719,700</u>	<u>1,758,870,546</u>
Net cash flows from operating activities		532,678,234	112,350,473
II. Cash flows from investing activities			
Cash receipts from returns on investments		260,000,000	1,030,000,000
Cash receipts from returns on investments		1,100,245,522	847,775,142
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		591,699	135,895
Other cash receipts relating to investing activities		505,080,667	851,088,000
		<u>1,865,917,888</u>	<u>2,728,999,037</u>
Total cash inflows from investing activities			
		<u>1,865,917,888</u>	<u>2,728,999,037</u>
Cash payments to acquire fixed assets, intangible assets and other long-term assets		6,745,215	19,414,862
Cash payments for investments		950,071,531	403,000,000
Net cash payments for acquisition of subsidiaries and other business units		230,000,000	1,030,000,000
Other cash payments relating to other investing activities		586,672,600	1,262,913,000
		<u>1,773,489,346</u>	<u>2,715,327,862</u>
Total cash outflows from investing activities			
		<u>1,773,489,346</u>	<u>2,715,327,862</u>
Net cash flows from investing activities		92,428,542	13,671,175

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY STATEMENT OF CASH FLOWS — *continued*

First half of 2025

Expressed in Renminbi Yuan

Items	NOTE	First half of 2025	First half of 2024
III. Cash flows from financing activities			
Cash proceeds from investments by others		—	—
Cash receipts from borrowings		1,869,532,600	1,000,000,000
Other cash receipts relating to financing activities		4,577,739,129	4,106,813,917
Total cash inflows from financing activities		6,447,271,729	5,106,813,917
Cash repayments for debts		405,030,000	282,030,000
Cash payments for distribution of dividends or profit and interest expenses		625,072,500	754,773,958
Other cash payments relating to financing activities		6,358,283,473	4,844,111,043
Total cash outflows from financing activities		7,388,385,973	5,880,915,001
Net cash flows from financing activities		-941,114,244	-774,101,084
IV. Effect of exchange rate changes on cash and Cash equivalents		5,992,678	161,693
V. Net increase in cash and cash equivalents		-310,014,790	-647,917,743
Add: Cash and cash equivalents at beginning of year		2,511,259,172	2,706,295,387
VI. Cash and cash equivalents at end of year		2,201,244,382	2,058,377,644

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

First half of 2025

Expressed in Renminbi Yuan

Items	First half of 2025									
	Share capital	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialized reserves	Surplus reserves	Unappropriated profit	Subtotal	Non-controlling interests	Total equity
I. Balance at end of prior year	2,078,995,649	1,580,482,247	64,638,011	-484,891,409	51,893,030	1,111,880,257	26,017,705,413	30,291,427,176	4,606,377,271	34,897,804,447
II. Balance at end of prior year	2,078,995,649	1,580,482,247	64,638,011	-484,891,409	51,893,030	1,111,880,257	26,017,705,413	30,291,427,176	4,606,377,271	34,897,804,447
III. Changes for the year	-	33,207,569	14,700,163	14,006,261	16,944,873	-	147,146,807	196,605,347	-84,770,766	111,834,581
(1) Total comprehensive income	-	-	-	14,006,261	-	-	1,103,484,806	1,117,491,067	340,747,814	1,458,238,881
(2) Owners' contributions and reduction in capital	-	33,207,569	14,700,163	-	-	-	-	18,507,406	14,533,438	33,040,844
1. Capital contributions by owners	-	-	-	-	-	-	-	-	-	-
2. Amount of share-based payments recognized inequity	-	13,604,324	14,700,163	-	-	-	-	-1,095,839	-	-1,095,839
3. Others	-	19,603,245	-	-	-	-	-	19,603,245	14,533,438	34,136,683
(3) Profit distribution	-	-	-	-	-	-	-956,337,999	-956,337,999	-439,968,925	-1,396,306,924
Dividend to shareholders	-	-	-	-	-	-	-956,337,999	-956,337,999	-439,968,925	-1,396,306,924
(4) Specialized reserves	-	-	-	-	16,944,873	-	-	16,944,873	-83,093	16,861,780
1. Appropriated for the year	-	-	-	-	227,127,202	-	-	227,127,202	10,491,032	237,618,234
2. utilization for the year	-	-	-	-	-210,182,329	-	-	-210,182,329	-10,574,125	-220,756,454
IV. Balance at the end of the year	2,078,995,649	1,613,689,816	79,338,174	-470,885,148	68,837,903	1,111,880,257	26,164,852,220	30,488,032,523	4,521,606,505	35,009,639,028

Items	First half of 2024									
	Share capital	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialized reserves	Surplus reserves	Unappropriated profit	Subtotal	Non-controlling interests	Total equity
I. Balance at end of prior year	2,078,995,649	1,586,014,852	62,203,991	-548,746,925	63,717,385	1,111,880,257	24,703,292,620	28,932,949,847	4,361,932,595	33,294,882,442
II. Balance at end of prior year	2,078,995,649	1,586,014,852	62,203,991	-548,746,925	63,717,385	1,111,880,257	24,703,292,620	28,932,949,847	4,361,932,595	33,294,882,442
III. Changes for the year	-	9,399,335	2,067,971	118,552,914	-	-	-371,314,321	-245,430,043	-66,707,025	-312,137,068
(1) Total comprehensive income	-	-	-	118,552,914	-	-	730,553,374	849,106,288	338,662,198	1,187,768,486
(2) Owners' contributions and reduction in capital	-	9,399,335	2,067,971	-	-	-	-	7,331,364	12,602,688	19,934,052
1. Capital contributions by owners	-	-	-	-	-	-	-	-	16,900,000	16,900,000
2. Amount of share-based payments recognized inequity	-	10,388,478	2,067,971	-	-	-	-	8,320,507	-	8,320,507
3. Others	-	-989,143	-	-	-	-	-	-989,143	-4,297,312	-5,286,455
(3) Profit distribution	-	-	-	-	-	-	-1,101,867,695	-1,101,867,695	-417,971,911	-1,519,839,606
Dividend to shareholders	-	-	-	-	-	-	-1,101,867,695	-1,101,867,695	-417,971,911	-1,519,839,606
(4) Specialized reserves	-	-	-	-	-	-	-	-	-	-
1. Appropriated for the year	-	-	-	-	134,599,417	-	-	134,599,417	-	134,599,417
2. utilization for the year	-	-	-	-	134,599,417	-	-	134,599,417	-	134,599,417
IV. Balance at the end of the year	2,078,995,649	1,595,414,187	64,271,962	-430,194,011	63,717,385	1,111,880,257	24,331,978,299	28,687,519,804	4,295,225,570	32,982,745,374

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY STATEMENT OF CHANGES IN EQUITY

First half of 2025

Expressed in Renminbi Yuan

Items	First half of 2025						
	Share capital	Capital reserves	Treasury shares	Less: Accumulated other comprehensive income	Surplus reserves	Unappropriated profit	Total equity
I. Balance at end of prior year	2,078,995,649	1,891,587,870	64,638,011	-60,676,056	1,111,880,257	10,748,397,602	15,705,547,311
II. Balance at end of prior year	2,078,995,649	1,891,587,870	64,638,011	-60,676,056	1,111,880,257	10,748,397,602	15,705,547,311
III. Changes for the year	—	14,007,357	14,700,163	-11,634,741	—	363,104,161	350,776,614
(1) Total comprehensive income	—	—	—	-11,634,741	—	1,319,442,160	1,307,807,419
(2) Owners' contributions and reduction in capital	—	14,007,357	14,700,163	—	—	—	-692,806
1. Amount of share-based payments recognized in equity	—	13,604,324	14,700,163	—	—	—	-1,095,839
2. Others	—	403,033	—	—	—	—	403,033
(3) Profit distribution	—	—	—	—	—	-956,337,999	-956,337,999
Distribution to owners	—	—	—	—	—	-956,337,999	-956,337,999
(4) Specialized reserves	—	—	—	—	—	—	—
1. Appropriated for the year	—	—	—	—	—	—	—
2. Utilization for the year	—	—	—	—	—	—	—
IV. Balance at the end of the year	<u>2,078,995,649</u>	<u>1,905,595,227</u>	<u>79,338,174</u>	<u>-72,310,797</u>	<u>1,111,880,257</u>	<u>11,111,501,763</u>	<u>16,056,323,925</u>

FINANCIAL STATEMENTS (UNAUDITED)

COMPANY STATEMENT OF CHANGES IN EQUITY — *continued*

First half of 2025

Expressed in Renminbi Yuan

Items	Share capital	Capital reserves	Less: Treasury shares	First half of 2024 Accumulated other comprehensive income	Surplus reserves	Unappropriated profit	Total equity
I. Balance at end of prior year	2,078,995,649	1,898,196,045	62,203,991	-38,093,676	1,111,880,257	9,921,766,405	14,910,540,689
II. Balance at end of prior year	2,078,995,649	1,898,196,045	62,203,991	-38,093,676	1,111,880,257	9,921,766,405	14,910,540,689
III. Changes for the year	—	-663,449	2,067,971	20,964,304	—	-15,313,072	2,919,812
(1) Total comprehensive income	—	—	—	20,964,304	—	1,086,554,623	1,107,518,927
(2) Owners' contributions and reduction in capital	—	-663,449	2,067,971	—	—	—	-2,731,420
1. Amount of share-based payments recognized in equity	—	-601,197	2,067,971	—	—	—	-2,669,168
2. Others	—	-62,252	—	—	—	—	-62,252
(3) Profit distribution	—	—	—	—	—	-1,101,867,695	-1,101,867,695
Distribution to owners	—	—	—	—	—	-1,101,867,695	-1,101,867,695
(4) Specialized reserves	—	—	—	—	—	—	—
1. Appropriated for the year	—	—	—	—	—	—	—
2. utilization for the year	—	—	—	—	—	—	—
IV. Balance at the end of the year	<u>2,078,995,649</u>	<u>1,897,532,596</u>	<u>64,271,962</u>	<u>-17,129,372</u>	<u>1,111,880,257</u>	<u>9,906,453,333</u>	<u>14,913,460,501</u>

Legal representative:
Li Yeqing

Financial controller:
Chen Qian

Accounting supervisor:
Wu Qiaoli

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

III. BASIC INFORMATION

1. Summary of the company

Huaxin Cement Co., Ltd. (hereinafter referred to as the “Company” or “Huaxin Cement”) is a joint stock limited liability company incorporated in the People’s Republic of China, specifically in Hubei province, on 30 November 1993. The Renminbi-denominated ordinary shares (A shares) and H shares of the Company are listed on the Shanghai Stock Exchange (“Shanghai Stock Exchange”) and The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), respectively. The Company’s principal place of business is at Huaxin Building Block B, No. 426 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan, Hubei Province, the People’s Republic of China.

The principle business activities of the Company and its subsidiaries (collectively, the “Group”) includes: manufacture and sale of cement, concrete, clinker, aggregate and other building materials.

These financial statements were approved by a resolution of the board of directors of the Company on August 29, 2025.

The consolidation scope of consolidated financial statements was determined on the basis of control. Please refer to Note IX for changes of the Reporting Period.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basic of the financial statement

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises- Basic Standards issued by the Ministry of Finance as well as specific accounting standards, the implementation guidance, interpretations and other relevant provisions issued and revised subsequently (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, these financial statements disclose relevant financial information in accordance with the Rules for the Compilation of Information Disclosure for Companies Offering Public Securities No. 15 — General Requirements for Financial Reporting, as well as relevant disclosures required by the Companies Ordinance of Hong Kong and the Listing Rules of the Stock Exchange of Hong Kong.

2. Going concern

These financial statements have been prepared on a going concern basis.

As at 30 June 2025, the Group’s current assets were RMB15,764,521,247 and current liabilities were RMB17,597,042,515, the amount of current assets was less than that of current liabilities. When evaluating whether the Group has sufficient financial resources to continue its operations, the management of the Group has taken its liquid working capital position in the future and financial resources into consideration, mainly including the net cash flows generated by operating activities and the availability of sufficient bank line of credit.

Therefore, the management of the Group considers that the Group will have sufficient working capital to cover operating use and make repayment on matured debts, thus it is appropriate to prepare the Group’s financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

V. MAJOR ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The specific accounting policies and accounting estimation has been prepared by the Group based on actual production and operation characteristics, as mainly embodied in the provision for bad debt of accounts receivable, inventory valuation methods, inventory depreciation provisions, the depreciation of fixed assets, the amortization of intangible assets, revenue recognition and measurement.

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and present fairly and fully the financial position of the Company and the Group as at 30 June 2025 and their financial performance and cash flows for the half year.

2. Accounting period

The accounting year for the Group is from 1 January to 31 December of each calendar year.

3. Business cycle

4. Accounting standard currency

The Company's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise stated, the unit of the currency is RMB yuan.

The Group's subsidiaries, joint ventures and associates determine their accounting standard currency according to the main economic environment in which they operate, and convert it into RMB when preparing the financial statements.

5. Determination method and selection criteria for importance standards

Items	Importance criteria
Accounts receivable with significant single provision for bad debt reserves	The amount of bad debt provision for a single customer is greater than RMB10million yuan
Significant accounts receivable with reversed bad debt provisions this year	The reversal amount of bad debt provision for a single customer is greater than RMB10million yuan
Significant accounts receivable written off	The amount of bad debt provision written off by a single customer is greater than RMB10million yuan
Prepaid accounts with an aging of over 1 year and significant amounts	Prepaid account amount for a single supplier with an aging of over 1 year is greater than RMB10million yuan
Important ongoing construction projects	The company will exceed the budget of RMB for a single ongoing construction project 500 million recognized as important
Overdue and significant accounts payable/contractual liabilities/other payables	Single supplier/customer balance exceeding RMB10 million yuan
Important cash flows from investment activities	Cash flow amount exceeding RMB100 million yuan is considered significant
Important non wholly owned subsidiaries	Non-wholly owned subsidiaries' revenue exceeds 3% of the group's total revenue, and the amount of minority shareholders' equity exceeds RMB300 million
Important joint ventures or associates	Book value of long-term equity investment in joint ventures or associated enterprises exceeds 5% of the group's net assets

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

6. Business combinations

The Group only has business combinations not under common control.

A business combination not under common control is a business combination in which the combining. The acquiree's identifiable assets, liabilities and contingent liabilities acquired in a business combination not under common control are measured at their fair values on the acquisition date. If the aggregate of the fair value of the consideration paid and any fair value of the acquirer's previously held equity interest exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, the difference shall be recognized as goodwill. Goodwill is subsequently measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration paid and any fair value of the acquirer's previously held equity interest is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, reassessment of the measurement of these items is conducted, if the sum of the fair value of this consideration and other items mentioned above is still lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired, the difference is recognized in profit or loss for the current period.

7. Consolidated financial statement

The consolidation scope of consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity (including an enterprise, a separable part of an investee, a structural entity controlled by the Company, etc.) that is controlled by the Company.

When preparing consolidated financial statements, subsidiaries adopt the same accounting period and accounting policies as those of the Company. All assets, liabilities, equity, income, expense and cash flows resulting from intra-group transactions are eliminated on consolidation in full.

Where the amount of losses for the current period attributed to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is allocated against non-controlling interests.

For subsidiaries acquired through a business combination not under common control, the operating results and cash flows of the acquiree's are included in the consolidated financial statements from the date on which the Group obtains control and will continue to be consolidated until the date that such control ceases. In preparing consolidated financial statements, adjustments shall be made to the subsidiaries' financial statements based on the fair values of the identifiable assets, liabilities and contingent liabilities at the acquisition date.

The Group reassesses its control over an investee when changes occur in key control elements.

Without loss of control, changes in minority shareholders' equity are treated as equity transactions.

8. Joint venture arrangements and joint operations

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

9. Cash and cash equivalents

Cash comprises the Group's cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments held by the Group that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

10. Foreign currency business and foreign currency statement translation

The Group translates the amounts of foreign currency transactions that have occurred into its functional currency.

Foreign currency transactions are initially recognized by translating the foreign currency amount into the functional currency at the spot exchange rate prevailing on the transaction date. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rates. All the resulting exchange differences are taken to profit or loss, except for those relating to foreign currency borrowings specifically for acquisition and construction of assets qualified for capitalization, which are capitalized in accordance with the principle of capitalization of borrowing costs. Non-monetary foreign currency items measured at historical cost shall be translated at the transaction-date spot exchange rates, while functional currency denominated amounts remain unchanged. Non-monetary foreign currency items measured at fair value are translated at the spot exchange rate prevailing on the date their fair value is determined. Resulting exchange differences are recognized either in profit or loss or in other comprehensive income for the period, depending on the nature of the item.

For foreign operations, the Group translates its functional currency amounts into Renminbi in preparing the financial statements as follows: asset and liability items in the balance sheet are translated using the spot exchange rates at the balance sheet date, and equity items other than "retained earnings" are translated using the spot exchange rates on the transaction dates; revenue and expense items in the income statement are translated using the weighted average exchange rate for the period during which the transactions occur (unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated using the spot exchange rate at the transaction date). The resulting exchange differences are recognized in other comprehensive income.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the average exchange rate for the period during which the cash flows occur (Unless it is not appropriate to use such exchange rate to translate as a result of the exchange rate changes, such items will be translated at the spot exchange rate prevailing on the date when the cash flows incurred). The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(1) *Recognition and derecognition of financial instruments*

The Group recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

The Group derecognizes and writes off a financial asset (or part of a financial asset, or part of a group of similar financial assets) from its account and balance sheet when the following conditions are met:

- (1) the rights to receive cash flows from the asset have expired;
- (2) the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

If the underlying obligation of a financial liability has been discharged or cancelled or has expired, the financial liability is derecognized. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

Regular way purchases or sales of financial assets are recognized and derecognized on the trade date. Regular way purchases or sales of financial assets mean that the financial assets are received or delivered under the terms of a contract within a period established by regulations or conventions in the marketplace. Trade date is the date that the Group commits to purchase or sell the asset.

(2) *Classification and measurement of financial assets*

The financial assets of the Group are classified in the initial recognition based on the business model of the Group’s financial asset management and the characteristics of the financial assets’ contractual cash flows: financial assets carried at amortized cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. However, if the accounts receivable or notes receivable arising from sales of goods or provision of services do not include significant financing components or does not consider financing components not exceeding one year, they shall be initially recognized at the transaction price.

In the case of financial assets at fair value through profit or loss, relevant transaction costs are directly charged to profit and loss for the current period; transaction costs relating to financial assets of other categories are included in the amounts initially recognized.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Financial instruments — *continued*

(2) *Classification and measurement of financial assets — continued*

The subsequent measurement of financial assets depends on their classification as follows:

Debt instrument investment measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if the financial assets meet the following conditions: the objective of the Group's business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets requires that the cash flows giving rise on specified dates represent payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Debt instruments investment at fair value through other comprehensive income

Financial assets are classified as financial assets at fair value through other comprehensive income if the financial assets meet the following conditions: the financial assets are held within a business model whose the objective is achieved by collect contractual cash flows and selling; the contractual terms of the financial assets requires that the cash flows giving rise on specified dates represent payments of principal and interest on the principal amount outstanding. For such financial assets, the effective interest method is used for recognizing interest income. Changes in fair value are included in other comprehensive income except for interest income, impairment loss, and exchange differences which are be recognized as profit or loss for the current period. On derecognition of financial assets, gains and losses accumulated in other comprehensive income are reclassified to profit or loss for the current period.

Equity instruments investment at fair value through other comprehensive income

The Group irrevocably elects to designate its certain equity instrument investments not held for trading as financial assets at fair value through other comprehensive income, and only recognize dividends (except for dividend income clearly recovered as part of the investment cost) in profit or loss for the current period. Subsequent changes in fair values are included in other comprehensive income, and no provision for impairment is required. On derecognition of financial assets, gains and losses previously accumulated in other comprehensive income are reclassified to retained earnings.

Financial assets measured at fair value through profit or loss

Except for the above-mentioned financial assets at amortized cost and financial assets at fair value through other comprehensive income, the Group has classified the remaining financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, where all changes in fair value are recognized in profit or loss for the current period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Financial instruments — *continued*

(3) *Classification and measurement of financial liabilities*

The Group's financial liabilities were classified at initial recognition as financial liabilities measured at fair value through profit or loss for the period and financial liabilities measured at amortized cost. For financial liabilities measured at fair value and their changes are included in profit or loss for the current period, the relevant transaction costs are directly included in the current profit or loss, and the related transaction costs of financial liabilities measured at amortized cost are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss for the current period, including transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as measured at fair value at the time of initial recognition and whose changes are included in profit or loss for the current period. Transactional financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, and all changes in fair value are included in profit or loss for the current period. For financial liabilities designated as measured at fair value and their changes are included in profit or loss for the period, they are subsequently measured at fair value, and other changes in fair value are included in profit or loss for the period except for changes in fair value caused by changes in the Group's own credit risk in other comprehensive income. If the fair value change caused by changes in the Group's own credit risk is included in other comprehensive income that causes or increases the accounting mismatch in profit or loss, the Group will include all fair value changes (including the amount affected by changes in its own credit risk) in profit or loss.

Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest rate method is used and subsequently measured according to the amortized cost.

(4) *Impairment of financial instruments*

The method of determining and accounting for expected credit loss

The Group recognizes impairment losses for: (i) financial assets measured at amortized cost, and (ii) debt instrument investments measured at fair value through other comprehensive income (FVOCI), based on expected credit losses (ECL). The related allowance is recognized in profit or loss for amortized cost assets, while for FVOCI debt instruments, it is recognized in other comprehensive income without reducing the carrying amount in the balance sheet.

For receivables and contract assets without significant financing components, the Group applies the simplified approach, recognizing a loss allowance for expected credit losses over their entire expected life.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Financial instruments — *continued*

(4) *Impairment of financial instruments — continued*

The method of determining and accounting for expected credit loss — continued

For financial assets other than those described above using the simplified measurement methodology, the Group assesses whether its credit risk has increased significantly since the initial recognition at each balance sheet date, and if the credit risk does not increase significantly after the initial recognition and is in the first stage, the Group shall measure the loss provision according to the amount equivalent to the expected credit loss in the next 12 months, and calculate the interest income according to the book balance and the actual interest rate. If credit risk has increased significantly since the initial recognition but no credit impairment has occurred, in the second stage, the Group measures the loss provision at an amount equivalent to the expected credit loss over the entire duration and calculates interest income based on the book balance and effective interest rate; If credit impairment occurs after initial recognition, in the third stage, the Group measures the loss provision at an amount equivalent to the expected credit loss for the entire duration and calculates interest income at amortized cost and effective interest rate. For financial instruments with only lower credit risk at the balance sheet date, the Group assumes that their credit risk has not increased significantly since initial recognition.

For the Group's disclosure of the criteria for judging a significant increase in credit risk and the definition of assets that have incurred credit impairment, please refer to Note 11 and 1.

The Group's methodology for measuring expected credit losses on financial instruments reflects factors such as unbiased weighted average amounts, time values in money, and reasonable and well-founded information on past events, current conditions and projections of future economic conditions that can be obtained at balance sheet date without unnecessary additional cost or effort.

Calculating impairment provisions according to the credit risk characteristics portfolio

The Group considers the credit risk characteristics of different customers and evaluates the expected credit losses on financial instruments measured at amortized cost based on the common risk characteristics and the aging portfolio.

Age calculation method based on the credit risk characteristic combination

The Group calculates the overdue account age according to contractual receipt dates.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Financial instruments — *continued*

(4) *Impairment of financial instruments — continued*

According to the single provision criteria for the provision for impairment of bad debts

If the credit risk characteristics of a counterparty are significantly different from those of other counterparties in the portfolio, the corresponding amount received from the counterparty shall be provided for losses according to a single item. The Group divides accounts receivable into cement portfolios, concrete portfolios and other portfolios based on credit risk characteristics, and calculates expected credit losses on the basis of the portfolio. If there is objective evidence that a credit impairment has occurred in an account receivable, the Group will recognize an impairment provision and the expected credit loss. For accounts receivable divided into portfolios, the Group calculates ECL based on default risk exposure and expected credit loss ratio for the entire duration with reference to historical credit loss experience, current conditions and forecasts of future economic conditions.

Write-off of impairment provisions

When the Group no longer reasonably expects to be able to fully or partially recover the contractual cash flows of financial assets, the Group directly writes down the carrying amount of the financial assets.

(5) *Derivative financial instruments*

The Group uses derivative financial instruments, such as interest rate swap, to hedge interest rate risk. Derivative financial instruments are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognized as an asset, and that with a negative fair value is recognized as a liability.

Other than hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognized in profit or loss for the current period.

(6) *Transfers of financial assets*

If the Group transfers substantially all associated risks and rewards, the financial asset is derecognized; if these are retained, the asset remains recognized.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it accounts for the transaction as follows: 1.If the Group has not retained control, it derecognizes the financial asset and recognizes any resulting assets or liabilities.2.If the Group has retained control, it continues to recognize the financial asset only to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred financial asset is recognized at the lower of the carrying amount of the financial asset and the amount of financial guarantee. The amount of financial guarantee refers to the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

12. Inventories

Inventories include raw materials, work in progress, finished goods, spare parts and auxiliary materials, etc.

Inventories are initially carried at cost. Cost of inventories comprises costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined by using the weighted average method. Spare parts and auxiliary materials include low value consumables and packing materials. Low value consumables and packing materials are amortized by using the immediate write-off method.

The Group adopts a perpetual inventory system.

At the balance sheet date, inventories are stated at the lower of cost and net realizable value. If the cost of inventories is higher than the net realizable value, a provision for decline in value of inventories is recognized in profit or loss for the current period. If factors that previously resulted in the provision for decline in value of inventories no longer exist and result in the net realizable value being higher than their carrying amount, the amount of the write-down is reversed to the extent of the amount of the previous provision for the inventories and is recognized in profit or loss for the current period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated expenses and the related taxes necessary to make the sale. The provision for decline in value is made on an individual basis, provided that for inventories with large quantity and lower unit cost, the provision for decline in value is made on a category basis. For inventories related to a series of products manufactured and sold in the same area, and of which the final use or purpose is identical or similar, and if it is difficult to measure them by separating them from other items, the provision for decline in value of inventories are made on a combination basis.

13. Contract assets

The Group presents contract assets or contract liabilities in its balance sheet based on the relationship between the performance of its performance obligations and customer payments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the carrying amount of the absorbing party's share of the owner's equity of the party being absorbed on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost and the carrying amount of the consideration paid for the combination shall be adjusted against capital reserve (where the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). Other comprehensive income prior to the date of the merger is accounted for on the same basis as that used to account for direct disposal of such assets or liabilities by the investee, and shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred to profit or loss for the current period upon such disposal, of which the investment which remains long-term equity investment upon the disposal is transferred in proportion, and the investment which is converted into financial instruments upon the disposal is transferred in full. The initial investment cost of the long-term equity investment is the cost of acquisition for a business combination not under common control (for a business combination not under common control achieved in stages, the initial investment cost is measured at the carrying amount of the equity investments in the acquiree before the acquisition date plus the additional investment cost incurred on the acquisition date). The cost of combination includes the assets transferred and the liabilities incurred or assumed by the acquirer, and the fair value of equity securities issued. Other comprehensive income held prior to the date of the acquisition and recognized using the equity method is accounted for on the same basis as that used to account for direct disposal of such assets or liabilities by the investee, and shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred to profit or loss for the current period upon such disposal, of which the investment which remains long-term equity investment upon the disposal is transferred in proportion, and the investment which is converted into other equity instruments investments upon the disposal is transferred in full. For a long-term equity investment acquired other than through a business combination, the initial investment cost is determined as follows: if acquired by paying cash, the initial investment cost is the actual purchase price paid and those costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; if acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued.

For a long-term equity investment where the Group can exercise control over the investee, the long-term equity investment is accounted for using the cost method in the Group's separate financial statements. Control refers to having the power over the investee, the entitlement to variable returns through the participation in the relevant activities of the investee, and the ability to affect the amount of returns by using its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. If investment is increased or withdrawn, the cost of long-term equity investment shall be adjusted. Cash dividends or profit distributions declared by the investee are recognized as investment income for the current period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

14. Long-term equity investments — *continued*

The equity method is adopted when the Group holds joint control or exercises significant influence on the investee. Joint control is the relevant agreed sharing of control over an arrangement, and relevant activities of such arrangement shall be decided upon the unanimous consent of the parties sharing control. Significant influence is the power to participate in decision making of the financial and operating policies of the investee, but without the power to control or jointly control with other parties the formulation of those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, long-term equity investment is measured at the initial investment cost. Where the initial investment cost is less than the investing enterprise's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes, upon acquisition of the long-term equity investment, its share of the net profits or losses and other comprehensive income made by the investee as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The Group recognizes its share of the investee's net profits or losses after making appropriate adjustments to the investee's net profits or losses, except for those from dispensing or selling businesses constituted by assets, based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its associates and joint ventures, attributable to the investing party according to its entitled ratio (but impairment losses for assets arising from internal transactions shall be recognized in full). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognized to the extent the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. The Group adjusts the carrying amount of the long-term equity investment for any changes in shareholders' equity of the investee (other than net profit or loss, other comprehensive income and profit distributions) and includes the corresponding adjustments in the shareholders' equity.

On disposal of a long-term investment, the difference between the carrying amount of the investment and the sales proceeds actually received is recognized in profit or loss for the current period. For long-term equity investments accounted for using the equity method, where the equity method is no longer adopted, the relevant other comprehensive income previously accounted for using the equity method is accounted for on the same basis as that used to account for direct disposal of such assets or liabilities by the investee, and shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred to profit or loss in full for the current period; where the equity method is still adopted, the relevant other comprehensive income previously accounted for using the equity method is accounted for on the same basis as that used to account for direct disposal of such assets or liabilities by the investee and transferred to profit or loss in proportion for the current period, and shareholders' equity recognized as a result of changes in other shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution is transferred to profit or loss in corresponding proportion for the current period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

15. Fixed assets

(1). *Confirmation conditions*

A fixed asset is recognized only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meet the recognition criteria shall be included in its cost, and the carrying amount of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditures shall be recognized in profit or loss for the period during which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the assets is considered. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable costs for bringing the asset to working condition for its intended use.

In addition to the use of the extracted safety production expenses, the depreciation of fixed assets is calculated using the life average method, and the service life, estimated net residual value rate and annual depreciation rate of various fixed assets are as follows:

(2). *Depreciation method*

Depreciation of fixed assets is calculated using the straight-line method. The useful lives, estimated net residual values and annual depreciation rates of fixed assets are as follows:

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

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and makes adjustments if necessary.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

16. Construction in progress

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period, and other relevant expenditures.

An item of construction in progress is transferred to fixed assets when the asset is ready for its intended use. The standards are set as below :

Standards for transferring to fixed assets	
Buildings	Start to use
Machinery and equipment	Achieve the design requirement and complete the trial production

17. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized. The amounts of other borrowing costs incurred are recognized as an expense in the period in which they are incurred.

The capitalization of borrowing costs commences only when the expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognized in profit or loss.

During the capitalization period, the amount of interest eligible for capitalization for each accounting period shall be determined as follows: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalization is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalization is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognized as an expense in profit or loss until the acquisition, construction or production is resumed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

18. Intangible assets

(1). *Measurement, useful life, impairment*

The intangible assets are amortized using the straight-line method over their useful lives. The useful lives are as follows:

	Useful life
Land use rights	40–50years
Mining rights	Amortization on the basis of production
Mine restoration fees	Amortization on the basis of production
Concession right	10–20 years
Software use rights and others	5–10years

(2). *The Accounting Management of Research and Developing Expenditure*

The Group classifies expenditure for an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognized in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalized when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits, for which, among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognized in profit or loss for the period in which it is incurred.

19. Long-term asset impairment

Impairment of assets other than the impairment of inventories, deferred tax assets and financial assets, is determined in the following way: the Group assesses at the balance sheet date whether there is any indication that an asset may be impaired; if any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing; goodwill arising from a business combination, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

19. Long-term asset impairment — *continued*

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognized in profit or loss. A provision for impairment loss of the asset is recognized accordingly.

For the purpose of impairment testing, the carrying amount of goodwill is allocated from the acquisition date on a reasonable basis, to each of the related asset groups or the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than an operating segment as determined by the Group.

The carrying amount of the related asset group to which goodwill has been allocated for impairment is compared to its recoverable amount. If the carrying amount of the asset group is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group, and then used to reduce the carrying amount of other assets within the asset group, on a pro-rata basis of the carrying amount of each asset.

Once the above-mentioned asset impairment losses are recognized, they will not be reversed in future accounting periods.

20. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred but should be recognized as expenses over more than one year in the current year and subsequent periods, including mine development expenses and residents' relocation expenses. Long-term deferred expenses are amortized using the straight-line method and production method according to the period over which it is estimated to generate economic benefits for the Group.

21. Contractual liabilities

Before transferring goods or services to customers, the obligation to transfer goods or services to customers due to receiving consideration from customers or obtaining the right to receive consideration unconditionally is recognized as contractual liabilities.

22. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1). *Short-term benefits*

In the accounting period in which services are rendered by employees, the actual amount of short-term benefits incurred is recognized as liabilities and charged to profit or loss for the current period or cost of underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

22. Employee benefits — *continued*

(2). *Post-employment benefits*

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, and an enterprise pension fund, the corresponding expenses shall be included in the cost of related assets or profit or loss.

The Group's defined benefit plans are various supplementary benefit plans targeting those employees retiring before the designated dates and retired employees. These plans are impacted by interest rate risk and changes in the life expectancy of pension beneficiaries.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized as current expenses on the earlier of the following dates: The Group recognizes the relevant restructuring expenses or termination benefits when the defined benefit plan is modified.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under cost of sales, administrative expenses, research and development expenses, selling expenses, and finance expenses in the income statement: service costs comprising current service costs, past service costs, gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

23. Projected liabilities

Except for contingent consideration and contingent liabilities assumed in business combinations that are not under the same control, obligations related to contingencies are current obligations assumed by the Group and the performance of such obligations is likely to result in the outflow of economic benefits to the Group, and the relevant amounts can be reliably measured, the Group recognizes them as projected liabilities.

Projected liabilities are initially measured in accordance with the best estimate of expenditure required to meet the relevant current obligations, taking into account factors such as risks, uncertainties and time value of money related to contingencies. Review the carrying value of projected liabilities at balance sheet date and make appropriate adjustments to reflect the current best estimates.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

24. Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognized, with a corresponding increase in capital reserves; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognizes the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the market closing price at the granted date as described in Note 15.

25. Preference shares and other financial instruments

Other financial instruments including preference shares issued by the Group are measured as equity instruments when they satisfy all the following criteria:

- (1) The financial instruments do not include cash or other financial assets delivered to other parties, or contractual obligations to exchange financial assets or liabilities with other parties under potential disadvantages;
- (2) When the Group's own equity instrument is required to or available to be used for settlement of the financial instrument, it does not include the contractual obligations to settle the Group's own variable equity instruments if it is a non-derivative instrument; if it is a derivative instrument, the Group can only settle the instrument by exchanging certain amount of its own equity instruments with fixed amount of cash or other financial assets.

Other preference shares issued by the Group that do not satisfy the above criteria are classified as financial liabilities.

For preference shares classified as financial liabilities, any gains or losses arising from changes in fair value and the dividends or interest expenses related to such financial liabilities, and any gains or losses arising from repurchase or redemption are recognized in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

26. Revenue

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

When the Group has fulfilled its performance obligations of the contract, the revenue is recognized when the customers take control of the relevant goods or services. Taking control of the relevant goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits from them.

Sale of cement and other construction materials

The Group recognizes revenue from the sale of cement and other construction materials when the control of the goods has been transferred to the customer. According to the sales contract, the point of recognition of sales revenue is usually when the cement and other construction materials are shipped out of the Group's own warehouses or designated warehouses.

The Group uses the amount of consideration that it expects to be entitled to receive as a result of the transfer of merchandise to customers as the transaction price, which is determined in accordance with the terms of the contract, taking into account past business practices. Some of the Group's contracts provide for certain discounts when customers purchase merchandise over a certain quantity, which is directly offset against the amount payable by the customer for the merchandise purchased in the current period. The Group makes its best estimate of the discount in accordance with the expectation that the transaction price after the estimated discount will not exceed the amount by which it is highly probable that the cumulative recognized revenue will not be materially reversed by the time the related uncertainty is eliminated, and re-estimates the discount at each balance sheet date.

For contracts containing significant financing components, the Group determines transaction prices by applying the discounted cash value method, where the nominal consideration is discounted to its present value at the customer's acquisition of control over goods or services. The difference between the determined transaction price and the contractually agreed consideration is amortized using the effective interest method over the contract period. When the interval between the customer's acquisition of control and payment fulfillment is expected to be less than one year, the Group excludes significant financing components from the contract.

Contracts for the provision of services

The Group fulfills its performance obligations through the provision of services such as solid waste treatment and governmental household waste treatment to its customers. Since the economic benefits arising from the Group's performance are obtained and consumed by the customers at the same time as the Group's performance, the Group recognizes revenue in accordance with the progress of performance as performance obligations fulfilled in a certain period of time, unless the progress of performance is not reasonably determinable. The Group determines the progress of performance in the provision of services in accordance with the output method. When the progress of performance is not reasonably determinable, the Group recognizes revenue at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred by the Group are expected to be reimbursed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

27. Contract cost assets

The Group's contract cost assets include the costs to obtain and fulfill a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortization period of the asset is one year or less.

Other than the costs which are capitalized as inventories, fixed assets and intangible assets, etc., costs incurred to fulfil a contract with a customer are capitalized as an asset if all of the following criteria are met:

- (1) The costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;
- (2) The costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future;
- (3) The costs are expected to be recovered.

The contract cost asset is amortized and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognized.

The Group accrues provisions for impairment and recognizes impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

- (1) The remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates;
- (2) The costs that are expected to be incurred to transfer those related goods or services

28. Government grants

Government grants are recognized when all attaching conditions can be complied with and the grant will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value cannot be reliably determined, it is measured at a nominal amount.

Government grants shall be recognized as government grants related to assets where long-term assets are built or otherwise developed in accordance with the requirements of government documents. If there are no specific requirements of government documents, judgement shall be exercised based on the basic conditions required for the grants. Government grants shall be recognized as government grants related to assets where the building or otherwise development of long-term assets is considered as the basic condition; otherwise, they shall be recognized as government grants related to income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

28. Government grants — *continued*

A government grant related to income is accounted for as follows: if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs expenses for losses are recognized; and if the grant is a compensation for related cost expenses or losses already incurred, it is immediately recognized in profit or loss for the current period.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognized as deferred income and amortized in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognized directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

29. Deferred tax assets/deferred tax liabilities

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognized as assets and liabilities.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (1) When the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilized, except :

- (1) When the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- (2) In respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized in the future.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

29. Deferred tax assets/deferred tax liabilities — *continued*

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

30. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

Right-of-use assets

At the commencement date of the lease, the Group recognizes a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. If the Group remeasures lease liabilities due to changes in lease payments, the book value of right-of-use assets shall be adjusted accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

30. Leases — *continued*

Right-of-use assets — continued

Lease liabilities

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognizes such interest expenses in profit or loss, except those in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognized in profit or loss as incurred, except those in the costs of the related asset as required.

After the commencement date of the lease, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the Group remeasures the lease liability at the present value of revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

Short-term leases and low value asset leases

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognize the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis.

As a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

30. Leases — *continued*

As a lessor — continued

As a lessor of an operating lease

Rental income under an operating lease is recognized through profit or loss using the straight-line method for each period of the lease term. Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss as incurred. Initial direct costs are capitalized and recognized over the lease term on the same basis as rental income, through profit or loss.

31. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as follows:

- (1) Fair value hedges, which are hedges of the risk of changes in the fair value of a recognised asset or liability for which a firm commitment (other than exchange rate risk) has not yet been recognised ;
- (2) Cash flow hedges, which are hedges of the exposure to variability in cash flows that arise from a particular type of risk associated with a recognised asset or liability, a forecast transaction that is probable, or the exchange rate risk embedded in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documents of the hedge relationship, risk management objectives and hedge strategies. The documents include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

31. Hedge accounting — *continued*

Fair value hedges

The gains or losses arising from the hedging instrument are recognised in profit or loss for the current period. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss for the current period. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

For fair value hedge relating to debt instruments carried at amortised cost, the adjustments on the carrying amount of the hedged items are amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognized hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss for the current period. The fair value changes of hedging instruments are also recognised in profit or loss for the current period.

(1) *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised directly in profit or loss.

If the forecast transaction being hedged is subsequently recognised as a non-financial asset or non-financial liability, or if the forecast transaction for the non-financial asset or non-financial liability results in a firm commitment to apply a fair value hedge, the amount of the cash flow hedging reserve that would otherwise have been recognised in other comprehensive income is reversed out to the amount initially recognised for that asset or liability. The remaining cash flow hedges are reversed out of the cash flow hedge reserve recognised in other comprehensive income to profit or loss in the same period in which the expected cash flows to be hedged affect profit or loss, if a sale is expected to occur.

(2) *Hedging costs*

The Group separates the forward element and the spot element of a forward contract and only designates the change in the value of the spot element of the forward contract as the hedging instrument; the Group recognises the change in fair value of the forward element of the forward contract and the foreign currency basis spread of a financial instrument in other comprehensive income to the extent that they relate to the hedged items. For a transaction related hedged item, it is accounted for in the same way as the amount of the cash flow hedge reserve. For a time-period related hedged item, the changes in fair values are amortised on a systematic and rational basis over the period during which the hedged items could affect profit or loss or other comprehensive income and reclassified from other comprehensive income to profit or loss for the current period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VI. TAXATION

1. Major categories of taxes and respective tax rates

	Tax basis	Tax rate
Value-added tax (VAT)	<p>Except for the local tax rate applicable to the overseas companies in accordance with the tax law, output tax shall be calculated according to the corresponding tax rate for the taxable income of the general taxpayers of the Group, and VAT shall be calculated and paid according to the difference after deducting the allowable deduction of input tax for the current period. Among them, the sand, soil and stone used in the sales of construction materials and the production of construction</p> <p>Materials of the Group are simply taxed according to the sales revenue, with a levy rate of 3%. Sales of concrete are simply taxed according to the sales revenue, with a levy rate of 3%. Sales of other commodities are calculated as output tax at a rate of 13%. Small scale taxpayers according to the sales revenue are subject to levy at a rate of 3%. The VAT rate for transportation services and professional and technical services is 6%.</p>	<p>General taxation: 13%, 6%</p> <p>Simplified taxation: 3%</p> <p>Overseas companies: 18%, 17%, 16%, 15%, 12% and, 5%</p>
Excise duty	The Group pays excise duty on cement sold in Maweni, Tanzania — at the rate of TZS 2000/T as prescribed by the Tanzanian tax law.	—
Urban maintenance and construction tax	It is levied at 7%, 5% and 1% of actual VAT paid.	7%.5%.1%
Education surcharge	It is levied at 3% of actual VAT paid.	3%
Property tax	It is levied based on the values of properties owned or used by the Group at the percentages prescribed by the tax laws. The tax of self-occupied properties is levied according to the values of the properties at an annual tax rate of 1.2%, which is calculated and paid based on the original value of the property less 10%–30% of that value; the tax for leased out properties is levied according to the rent at an annual tax rate of 12%, which is calculated and paid based on the rental income.	<p>Self-use property : 1.2%</p> <p>Rental properties : 12%</p>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VI. TAXATION — *continued*

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

	Tax basis	Tax rate
Land use tax:	It is levied based on the land areas occupied by the Group for production and operations, at the annual tax amount per sq.m. for the respective land use tax levels prescribed by local government.	—
Individual income tax	Individual income tax is withheld and paid under the tax laws based on salaries and other personal incomes paid to employees of the Group.	—
Land appreciation tax	It is levied at four-level excess progressive tax rates ranging from ~30% to 60% on the appreciation of land value for any land use right and buildings on the ground or other structures annexed thereto from which VAT arises as a result of the transfer of ownership by the Group at a consideration.	—
Resource tax	The Group's mining products are subject to resource tax on an ad valorem or ad valorem basis in accordance with the relevant provisions of national tax laws.	
Corporate income tax	Except for the overseas subsidiaries adopting the local corporate income tax and the income tax concessions entitled by some of the enterprises comprising the Group as below, the Group's corporate income tax is levied at the tax rate of 25% based on the taxable profit.	Overseas companies: 30%, 28%, 20%, 18%, 15%, 13%, 12.5%, 10% Other companies: 25%, 16.5%, 15%, 12.5%, 9%, 0%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VI. TAXATION – *continued*

2. Tax concessions

2.1 *Corporate income tax*

The Group's subsidiary Huaxin Cement Technology Management (Wuhan) Co., Ltd. was granted Certificate of High and New Technological Enterprise by Hubei Provincial Science & Technology Department in 2023. Pursuant to the Enterprise Income Tax Law of the PRC, the above company is entitled to a reduced tax rate of 15% for the year (2024: 15%).

The Group's subsidiary Huaxin Cement (Henan Xinyang) Co., Ltd. was granted the Certificate of High and New Technological Enterprise by Henan Provincial Science & Technology Department in 2022. Pursuant to the Enterprise Income Tax Law of the PRC, the above company is entitled to a reduced tax rate of 15% for the year (2024: 15%).

The Group's subsidiary Huaxin Super-kolon New Building Materials Technology (Huangshi) Co., Ltd. was granted the Certificate of High and New Technological Enterprise by Hubei Provincial Science & Technology Department in 2022. Pursuant to the Enterprise Income Tax Law of the PRC, the above company is entitled to a reduced tax rate of 15% for the year (2024: 15%).

The Group's subsidiaries Hainan Xinhongda Building Materials Co., Ltd., Hainan Baihuitong Supply Chain Technology Co., Ltd., are enterprises established in Hainan Province. Pursuant to Cai Shui [2020] No.31 Announcement of Corporate Income Tax Relief Policy in the Hainan Free Trade Port, the applicable enterprise income tax rate is reduced to 15%.

The Group's subsidiaries Huaxin Cement Chongqing Fuling Co., Ltd., Huaxin Cement (Enshi) Co., Ltd., Huaxin Cement (Quxian) Co., Ltd., Huaxin Cement (Wanyuan) Co., Ltd., Huaxin Cement (Lijiang) Co., Ltd., Yunnan Huaxin Dongjun Cement Co., Ltd., Huaxin Guizhou Dingxiao Special Cement Co., Ltd., Huaxin Cement (Zhaotong) Co., Ltd., Huaxin Hongta Cement (Jinghong) Co., Ltd., Huaxin Cement (Jianchuan) Co., Ltd., Huaxin Cement (Kunming Dongchuan) Co., Ltd., Huaxin Cement (Lincang) Co., Ltd., Huaxin Cement (Honghe) Co., Ltd., Chongqing Huaxin Diwei Cement Co., Ltd., Chongqing Huaxin Cantian Cement Co., Ltd. and Guizhou Shuicheng Rui An Cement Co., Ltd., Huaxin Cement (Fumin) Co., Ltd., Kunming Chongde Cement Co., Ltd. and Huaxin Cement (Tibet) Co., Ltd., Huaxin Cement (Diqing) Co. Ltd, Tibet Huaxin Building Materials Co., Ltd, Huaxin Cement (Yunlong) Co., Ltd, Panzhuhua Huaxin New Material Co., Ltd, Chongqing Huaxin Yanjing Cement Co., Ltd, Chongqing Huaxin Phoenix Lake Concrete Co., Ltd, Huaxin New Building Materials (Kunming) Co., Ltd, and Yunwei Baoshan Organic Chemical Co., Ltd. are manufacturing enterprises established in the western development zone of the PRC. Pursuant to Cai Shui [2020] No. 23 Announcement on the Continuation of the Enterprise Income Tax Policy for Western China Development, the applicable enterprise income tax rate of these subsidiaries for the years from 2021 to 2030 is reduced to 15%.

The Group's subsidiaries, Huaxin Environmental Engineering (Wuxue) Co., LTD., is qualified third-party enterprises engaged in pollution prevention and control.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VI. TAXATION — *continued*

2. Tax concessions — *continued*

2.1 Corporate income tax — *continued*

According to the Ministry of Finance Announcement No. 38 of 2023, “Announcement of the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission, and the Ministry of Ecology and Environment on Issues Concerning the Policies of Third-Party Enterprises Engaged in Pollution Prevention and Control”, the applicable enterprise income tax rate of these subsidiaries for the years from 2024 to 2027 is reduced to 15%.

For the Group’s subsidiaries engaged in the business of environmental engineering, their profits generated from the business of environmental protection and energy and water conservation are exempt from enterprise income tax in the first three years starting from the first year generating revenue and followed by a 50% reduction from the fourth year to the sixth year.

Huaxin Cement (Tibet) Co., Ltd. and Tibet Huaxin Building Materials Co., Ltd. subsidiaries of the Group are among the key enterprises supporting and encouraging the development in the Tibet Autonomous Region. Pursuant to the “Measures for the Implementation of Enterprise Income Tax Policies in the Tibet Autonomous Region (Provisional)” issued by the Government of the People’s Republic of China under No. 11 of the [2022], from 1 January, 2022 to 31 December, 2025, they will be exempted from the local portion of the enterprise income tax.

2.2 VAT

Based on the regulation in VAT Preference Items for Resource Comprehensively Utilized Products and Labor Services Involving the Comprehensive Utilization of Resources (Cai Shui [2015] No. 78), certain subsidiaries of the Group are entitled to the preferential policy of VAT refund upon paying at a refund ratio of 70%.

3. Other

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Items	Closing balance	Opening balance
Cash on hand	3,454,847	1,192,015
Bank deposits	5,753,379,156	6,217,848,316
Other cash and bank balances	913,075,307	589,962,243
Total	6,669,909,310	6,809,002,574
among others: total deposits outside the country	1,122,597,481	1,441,956,475

2. Financial assets held for trading

Unit: RMB

Items	Closing balance	Opening balance
Equity investments	1,675,259	1,704,908
Money Market Fund	—	30,000,000
Total	1,675,259	31,704,908

3. Notes receivable

Unit: RMB

Items	Closing balance	Opening balance
Bank Acceptance Bill	123,020,139	202,597,711
Total	123,020,139	202,597,711

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

3. Notes receivable — *continued*

Notes receivable that have been endorsed or discounted but are not yet due at the balance sheet date are as follows:

Unit: RMB

Items	Derecognised	Not Derecognised
Bank Acceptance Bill	—	74,832,987
Total	—	74,832,987

4. Accounts receivable

The ageing analysis of accounts receivable is as follows:

Unit: RMB

	Closing balance	Opening balance
Subtotal within 1 year	3,117,071,483	2,679,545,907
Within 6 months	2,372,795,383	2,215,711,566
6 to 12 months	744,276,100	463,834,341
1 to 2 years	528,209,141	425,135,025
2 to 3 years	103,382,207	65,994,623
Over 3 years	127,352,208	117,966,856
Less: Impairment allowance	344,933,602	318,842,528
Total	3,531,081,437	2,969,799,883

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

4. Accounts receivable — continued

The ageing analysis of accounts receivable is as follows: — continued

Unit: RMB

	Closing balance					Opening balance				
	Balance of carrying amount		Provision for bad debts		Book value	Balance of carrying amount		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Receivables for which bad debt provision is assessed on an individual basis	105,099,259	3	95,636,736	91	9,462,523	106,726,884	3	98,804,119	93	7,922,765
individual basis	105,099,259	3	95,636,736	91	9,462,523	106,726,884	3	98,804,119	93	7,922,765
Receivables for which bad debt provision is assessed on a portfolio basis	3,770,915,780	97	249,296,866	7	3,521,618,914	3,181,915,527	97	220,038,409	7	2,961,877,118
Category of cement receivable	726,443,268	19	31,221,063	4	695,222,205	525,791,336	16	29,102,959	6	496,688,377
Category of concrete receivable	2,506,818,556	65	152,437,024	6	2,354,381,532	2,250,043,609	68	126,054,526	6	2,123,989,083
Category of other business receivables	537,653,956	13	65,638,779	12	472,015,177	406,080,582	12	64,880,924	16	341,199,658
Total	3,876,015,039	/	344,933,602	/	3,531,081,437	3,288,642,411	/	318,842,528	/	2,969,799,883

Receivables for which bad debt provision is assessed on an individual basis are as follows:

Unit: RMB

	Closing balance			
	Balance of carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Client A	11,443,667	11,443,667	100	All uncollectible
Client B	8,974,092	8,974,092	100	Partly uncollectible
Other client	84,681,500	75,218,977	89	Partly uncollectible
Total	105,099,259	95,636,736	91	/

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

4. Accounts receivable — *continued*

The ageing analysis of accounts receivable is as follows: — continued

Receivables for which bad debt provision is assessed on a portfolio basis are as follows:

Category of cement receivable:

Unit: RMB

	Balance of carrying amount	Closing balance Provision for bad debts	Expected credit loss rate (%)
Within 6 months	615,988,003	9,576,719	2
6 to 12 months	72,764,874	6,961,015	10
1 to 2 years	26,933,860	4,117,774	15
2 to 3 years	6,365,847	6,174,872	97
Over 3 years	4,390,684	4,390,683	100
Total	<u>726,443,268</u>	<u>31,221,063</u>	

Category of concrete receivable:

Unit: RMB

	Balance of carrying amount	Closing balance Provision for bad debts	Expected credit loss rate (%)
Within 6 months	1,424,208,200	41,993,232	3
6 to 12 months	623,706,193	19,047,343	3
1 to 2 years	392,568,551	58,626,581	15
2 to 3 years	56,424,032	24,951,367	44
Over 3 years	9,911,580	7,818,501	79
Total	<u>2,506,818,556</u>	<u>152,437,024</u>	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

4. Accounts receivable — continued

The ageing analysis of accounts receivable is as follows: — continued

Category of other business receivables:

Unit: RMB

	Balance of carrying amount	Closing balance Provision for bad debts	Expected credit loss rate (%)
Within 6 months	329,025,734	11,645,679	4
6 to 12 months	54,231,340	3,772,547	7
1 to 2 years	102,189,068	18,347,227	18
2 to 3 years	23,309,883	13,444,854	58
Over 3 years	28,897,931	18,428,472	64
Total	537,653,956	65,638,779	

Movements in provision for bad debts of accounts receivable are as follows:

Unit: RMB

	Opening balance	Provision for the year	Amount of change for the period Recovered or reversal	Write-offs	Other movements	Closing balance
Bad debts of accounts receivable	318,842,528	56,522,932	31,862,136	135,943	-1,566,221	344,933,602
Total	318,842,528	56,522,932	31,862,136	135,943	-1,566,221	344,933,602

Accounts receivable written off during the period:

Unit: RMB

Items	Amount of write-off
Accounts receivable actually written off	135,943

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

4. Accounts receivable — *continued*

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

Unit: RMB

	Closing balance	Proportion in total accounts receivable (%)	Provision for bad debts	Book value
First	137,560,114	4	5,185,722	132,374,392
Second	66,451,627	2	2,449,514	64,002,113
Third	61,134,233	2	2,915,867	58,218,366
Fourth	48,011,922	1	1,311,162	46,700,760
Fifth	47,737,644	1	1,635,302	46,102,342
Total	<u>360,895,540</u>	<u>—</u>	<u>13,497,567</u>	<u>347,397,973</u>

5. Receivables financing

Unit: RMB

	Closing balance	Opening balance
Bank acceptance bills	<u>606,554,060</u>	<u>511,791,354</u>
Total	<u>606,554,060</u>	<u>511,791,354</u>

Bills endorsed or discounted but not yet due are as follows:

Unit: RMB

	Derecognized	Not Derecognized
Bank acceptance bills	<u>1,919,320,515</u>	<u>—</u>
Total	<u>1,919,320,515</u>	<u>—</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

6. Prepayments

An aging analysis of prepayments is as follows:

Unit: RMB

	Closing balance		Opening balance	
	Balance of carrying amount	Proportion (%)	Balance of carrying amount	Proportion (%)
Within 1 year	398,398,484	88	253,908,235	81
1 to 2 years	27,882,265	6	30,230,495	10
2 to 3 years	14,596,602	3	20,890,730	7
Over 3 years	12,361,640	3	9,858,515	3
Total	453,238,991	100	314,887,975	100

The top 5 of the balance of prepayment:

Unit: RMB

	Closing balance	Percentage of total amount (%)
First	38,819,190	9
Second	14,481,426	3
Third	8,421,688	2
Fourth	8,198,692	2
Fifth	5,767,575	1
Total	75,688,571	17

7. Other receivables

Unit: RMB

	Closing balance	Opening balance
Interests receivable	8,391,077	8,692,906
Dividends receivable	41,073,613	41,073,612
Other receivables	737,590,537	1,187,735,988
Total	787,055,227	1,237,502,508

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

7. Other receivables — continued

Other receivables

An aging analysis of other receivables is as follows:

Unit: RMB

	Closing balance	Opening balance
Within 1 year	321,624,579	636,386,497
1 to 2 years	207,183,583	356,907,345
2 to 3 years	89,186,653	91,778,591
Over 3 years	185,708,236	168,796,269
Less: Provision for bad debts of other receivables	66,112,514	66,132,714
Total	737,590,537	1,187,735,988

Other receivables are classified by nature as follows:

Unit: RMB

	Closing balance	Opening balance
Receivables from disposal of assets	259,373,391	697,542,989
Loans and out-of-pocket expenses	125,933,818	138,674,729
Margin and deposits	222,388,452	204,677,702
Other	196,007,390	212,973,282
Total	803,703,051	1,253,868,702

Movement in provision for bad debts:

Unit: RMB

	Amount of change during the period					Closing balance
	Opening balance	Provision for the year	Reversal for the year	Write-off for the year	Other	
Bad debt provision for other receivables	66,132,714	2,193,030	620,558	1,592,672	—	66,112,514
Total	66,132,714	2,193,030	620,558	1,592,672	—	66,112,514

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

7. Other receivables — continued

Other receivables — continued

The top 5 of the balance of other receivables:

Unit: RMB

	Closing balance	Closing balance (%)	Nature	Aging	Closing balance of provision for bad debts
First	170,000,000	21	Receivables from disposal of assets	Within 1 year	—
Second	80,855,621	10	Receivables from disposal of assets	1 to 2 years	—
Third	40,800,000	5	Margin and deposits	1 to 2 years, 2 to 3 years, Over 3 years	—
Fourth	30,369,521	4	Loans and out-of- pocket expenses	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	22,349,477
Fifth	38,927,223	5	Loans and out-of- pocket expenses	Over 3 years	38,927,223
Total	<u>360,952,365</u>	<u>45</u>	/	/	<u>61,276,700</u>

8. Inventories

Unit: RMB

	Closing balance			Opening balance		
	Balance of carrying amount	Provision for decline in value/ impairment	Book value	Balance of carrying amount	Provision for decline in value/ impairment	Book value
Raw materials	597,067,968	15,382,102	581,685,866	728,262,770	25,770,526	702,492,244
Work in progress	946,123,850	20,927,199	925,196,651	788,783,215	21,410,776	767,372,439
Finished goods	688,968,922	27,170,828	661,798,094	852,259,019	31,309,200	820,949,819
Spare parts	901,557,569	132,103,942	769,453,627	890,456,512	123,501,524	766,954,988
Total	<u>3,133,718,309</u>	<u>195,584,071</u>	<u>2,938,134,238</u>	<u>3,259,761,516</u>	<u>201,992,026</u>	<u>3,057,769,490</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

8. Inventories — continued

The movements in provision for write-down of inventories are as follows:

Unit: RMB

	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	25,770,526	—	—	—	10,388,424	15,382,102
Work in progress	21,410,776	—	—	—	483,577	20,927,199
Finished goods	31,309,200	496,457	—	—	4,634,829	27,170,828
Spare parts	123,501,524	6,662,479	5,044,017	3,104,078	—	132,103,942
Total	201,992,026	7,158,936	5,044,017	3,104,078	15,506,830	195,584,071

9. Other current assets

Unit: RMB

	Closing balance	Opening balance
Retained input VAT and prepaid income tax	510,710,536	533,342,789
Advance payment of income tax	94,970,158	56,621,514
Others	21,006,892	26,586,317
Total	626,687,586	616,550,620

10. Long-term receivables

Unit: RMB

	Closing balance			Opening balance		
	Balance of carrying amount	Provision for bad debts	Book value	Balance of carrying amount	Provision for bad debts	Book value
Loans	46,652,150	—	46,652,150	46,241,905	—	46,241,905
Others	476,280	—	476,280	476,280	—	476,280
Total	47,128,430	—	47,128,430	46,718,185	—	46,718,185

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

11. Long-term equity investments

Unit: RMB

	Opening balance	Increase in investment	Changes for the period Investment income or loss recognized under the equity method	Other equity changes	Cash dividends declared	Closing balance
I. Joint venture						
Tibet Huaxin New Aggregate Co.	20,291,611	-105,681	—	—	20,185,930	15,300,000
Subtotal	20,291,611	-105,681	—	—	20,185,930	15,300,000
II. Associates						
Tibet High-tech Building Materials Group Co., Ltd	381,704,461	1,329,807	403,033	—	383,437,301	361,995,062
Shanghai Wan'an Huaxin Cement Co., Ltd.	89,210,350	-134,589	—	—	89,075,761	88,751,254
Zhangjiajie Tianzi Concrete Co., Ltd.	3,566,505	-18,497	—	—	3,548,008	3,566,505
Xinyang Xinxin Mining Co., Ltd	62,854,742	32,216	—	—	62,886,958	60,000,000
MondiOmanLLC	27,124,785	1,607,565	—	4,788,139	23,944,211	24,895,533
Subtotal	564,460,843	2,816,502	403,033	4,788,139	562,892,239	539,208,354
Total	584,752,454	2,710,821	403,033	4,788,139	583,078,169	554,508,354

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

12. Other equity investments

Unit: RMB

	Initial investment cost	Changes in fair value gains recognized in other comprehensive income for the year	Closing balance	Accumulated gains recognized in other comprehensive income	Accumulated Losses recognized in other comprehensive income
Equity investment in unlisted companies 1	39,986,790	11,097,557	51,084,347	39,389,681	—
Equity investment in unlisted companies 2	894,537,269	—	894,537,269	—	105,462,731
Total	934,524,059	11,097,557	945,621,616	39,389,681	105,462,731

The voting rights of the Group in equity investment projects 1 and 2 of unlisted companies are 1.4988% and 5.2173%, respectively, and the Group does not participate in or influence their financial and operational decisions in any way, so the Group does not have a significant influence on the above-mentioned companies, and it is accounted for other equity instruments for strategic investment considerations.

13. Fixed assets

Unit: RMB

	Closing balance	Opening balance
Fixed assets	28,147,051,582	28,398,029,574
Disposal of fixed assets	10,355,793	10,422,362
Total	28,157,407,375	28,408,451,936

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

13. Fixed assets — *continued*

Unit: RMB

	Buildings	Machinery	Office equipment	Transportation equipment	Total
I. Original price					
1. Opening balance	22,447,480,429	27,552,216,906	360,233,509	548,938,270	50,908,869,114
2. Addition	578,270,069	572,622,860	12,653,867	109,486,313	1,273,033,109
(1) Purchase	15,434,461	20,138,910	8,102,729	6,477,758	50,153,858
(2) Transfers from construction in progress	430,375,720	412,033,834	2,681,368	34,215,936	879,306,858
(3) Business combinations	110,769,313	179,511,902	1,737,214	64,921,477	356,939,906
(4) Exchange differences on foreign currency translation	21,690,575	-39,061,786	132,556	3,871,142	-13,367,513
3. Reduction	18,290,472	43,104,375	1,142,901	16,336,736	78,874,484
(1) Disposal or retirement	13,424,112	42,955,275	1,112,741	16,336,736	73,828,864
(2) Disposal of subsidiaries	4,866,360	149,100	30,160	—	5,045,620
4. Closing balance	23,007,460,026	28,081,735,391	371,744,475	642,087,847	52,103,027,739
II. Accumulated depreciation					
1. Opening balance	6,621,849,878	14,770,747,462	258,018,586	416,302,329	22,066,918,255
2. Addition	490,363,751	934,469,327	15,603,044	64,712,769	1,505,148,891
(1) Provision	384,607,522	800,054,942	13,868,820	29,231,236	1,227,762,520
(2) Business combinations	75,208,179	116,862,726	1,112,783	32,107,875	225,291,563
(3) Exchange differences on foreign currency translation	30,548,050	17,551,659	621,441	3,373,658	52,094,808
3. Reduction	5,425,642	39,165,572	1,091,871	14,327,940	60,011,025
(1) Disposal or retirement	4,300,366	39,070,148	1,062,918	14,327,940	58,761,372
(2) Disposal of subsidiaries	1,125,276	95,424	28,953	—	1,249,653
4. Closing balance	7,106,787,987	15,666,051,217	272,529,759	466,687,158	23,512,056,121
III. Provision for impairment					
1. Opening balance	280,055,060	163,393,211	202,173	270,841	443,921,285
2. Addition	7	576,709	—	—	—
(1) Provision	—	—	—	—	—
(2) Exchange differences on foreign currency translation	7	576,709	—	—	576,716
3. Reduction	28,238	549,727	—	—	577,965
(1) Disposal or retirement	28,238	549,727	—	—	577,965
4. Closing balance	280,026,829	163,420,193	202,173	270,841	443,920,036
IV. Book value					
1. At the end of the year	15,620,645,210	12,252,263,981	99,012,543	175,129,848	28,147,051,582
2. At the beginning of the year	15,545,575,491	12,618,076,233	102,012,750	132,365,100	28,398,029,574

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

13. Fixed assets — continued

Fixed assets that are temporarily idle are as follows:

Unit: RMB

	Original price	Accumulated depreciation	Provision for impairment losses	Book value
Buildings	759,671,526	522,781,744	17,624,668	219,265,114
Machinery and equipment	1,114,887,608	994,846,143	11,647,426	108,394,039
Office equipment	9,342,171	8,617,164	—	725,007
Transportation equipment	25,390,685	24,146,832	—	1,243,853
Total	1,909,291,990	1,550,391,883	29,272,094	329,628,013

Fixed assets leased under operating leases are as follows:

Unit: RMB

	Buildings	Machinery	Office equipment	Transportation equipment	Total
Original price	—	—	—	—	—
Opening balance	2,876,444	2,161,885	—	—	5,038,329
Lease back	2,876,444	2,161,885	—	—	5,038,329
Closing balance	—	—	—	—	—
Accumulated depreciation	—	—	—	—	—
Opening balance	1,874,237	2,075,410	—	—	3,949,647
Lease back	1,874,237	2,075,410	—	—	3,949,647
Closing balance	—	—	—	—	—
Carrying value at the end of the year	—	—	—	—	—
Carrying value at beginning of the year	1,002,207	86,475	—	—	1,088,682

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

14. Construction in progress

Unit: RMB

	Closing balance	Opening balance
Construction in progress	3,974,544,849	3,412,128,279
Materials for construction of fixed assets	76,990,409	118,623,991
Total	4,051,535,258	3,530,752,270

Construction in progress

Unit: RMB

	Closing balance			Opening balance		
	Balance of carrying amount	Provision for impairment	Book value	Balance of carrying amount	Provision for impairment	Book value
Huaxin Huangshi Green Building Materials Billion Tons Machine-made Sand Project	818,354,502	—	818,354,502	716,358,282	—	716,358,282
Huaxin Environmental Engineering Series Project Huangshi Cement Supporting Project	146,248,005	—	146,248,005	153,407,103	—	153,407,103
Huaxin Integrated Series Project Huangshi Cement Supporting Project	246,640,062	—	246,640,062	138,611,523	—	138,611,523
Mozambique Nacala Upgrade and Renovation Project	267,506,171	—	267,506,171	249,325,455	—	249,325,455
Malawi 2000TPD Clinker Line Project	83,491,310	—	83,491,310	476,041,388	—	476,041,388
South Africa 2 # Clinker Renovation Project	265,515,542	—	265,515,542	39,275,247	—	39,275,247
Zambia Ndola Factory Renovation Project	376,076,893	—	376,076,893	65,396,249	—	65,396,249
Others	86,670,702	—	86,670,702	26,329,985	—	26,329,985
	1,692,644,832	8,603,170	1,684,041,662	1,555,986,217	8,603,170	1,547,383,047
Total	3,983,148,019	8,603,170	3,974,544,849	3,420,731,449	8,603,170	3,412,128,279

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

14. Construction in progress — continued

Changes of major construction in progress are as below:

Unit: RMB

	Budget	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Percentage of project investment in budget (%)	Progress of works	Accumulated amount of capitalized interest	Including: capitalized interest for the year	Capitalization rate of interest for the year (%)	Source of funding
Huaxin Huangshi Green Building Materials Billion Tons Machine-made Sand Project	11,650,210,000	716,358,282	101,996,220	—	—	818,354,502	80	80	73,146,223	—	3.51	Self-owned funds and bank borrowings
Mozambique Nacala Factory Upgrade and Renovation Project	527,643,462	476,041,388	73,727,407	466,277,485	—	83,491,310	90	N/A	—	—	—	Self-owned funds
Huangshi Cement Supporting Project	3,744,480,000	249,325,455	18,180,716	—	—	267,506,171	88	N/A	—	—	—	Self-owned funds
Huaxin Environmental Engineering Series Project	826,811,342	153,407,103	8,950,131	1,310,109	-1,301,887	162,349,012	N/A	N/A	10,206,197	144,472	3.65	Self-owned funds and bank borrowings
Huangshi Cement Supporting Project	1,500,341,300	138,611,523	207,604,570	97,185,502	2,390,530	246,640,061	N/A	N/A	—	—	—	Self-owned funds
Malawi 2000TPD Clinker Line Project	364,030,000	39,275,247	226,240,295	—	—	265,515,542	73	N/A	—	—	—	Self-owned funds
South Africa 2# Clinker Renovation Project	388,000,000	65,396,249	310,680,644	—	—	376,076,893	97	N/A	—	—	—	Self-owned funds
Zambia Ndola Factory Renovation Project	155,079,032	26,329,985	61,174,648	833,931	—	86,670,702	56	N/A	—	—	—	Self-owned funds
Others	N/A	1,547,383,047	480,834,259	313,699,831	46,576,819	1,667,940,656	N/A	N/A	—	—	—	Self-owned funds and bank borrowings
Total	—	3,412,128,279	1,489,388,890	879,306,858	47,665,462	3,974,544,849	/	/	83,352,420	144,472	/	

Provision for impairment of construction in progress:

Unit: RMB

	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for the provision
Project 1	6,421,942	—	—	6,421,942	Performance not meeting expectations
Project 2	1,281,870	—	—	1,281,870	The project has been suspended due to invalidation of initial planning
Project 3	899,358	—	—	899,358	Performance not meeting expectations
Total	8,603,170	—	—	8,603,170	/

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

14. Construction in progress — *continued*

Materials for construction of fixed assets

Unit: RMB

	Closing balance			Opening balance		
	Account balance	Impairment provision	Book value	Account balance	Impairment provision	Book value
Special equipment	76,990,409	—	76,990,409	118,623,991	—	118,623,991
Total	76,990,409	—	76,990,409	118,623,991	—	118,623,991

15. Right-of-use assets

Unit: RMB

	Land use right and mine use right	Buildings and Related facilities	Machinery and equipment	Automobiles and transportation vehicles	Total
I. Original price					
1. Opening balance	684,775,884	636,084,029	793,663,694	25,246,209	2,139,769,816
2. Addition	253,035,460	23,077,929	28,101,326	20,017	304,234,732
(1) New leased-in	253,895,552	22,538,638	27,889,746	—	304,323,936
(2) Exchange differences on foreign currency translation	-860,092	539,291	211,580	20,017	-89,204
3. Reduction	54,991,153	98,325,173	84,240,148	—	237,556,474
(1) Disposal	—	—	4,087,198	—	4,087,198
(2) Others	54,991,153	98,325,173	80,152,950	—	233,469,276
4. Closing balance	882,820,191	560,836,785	737,524,872	25,266,226	2,206,448,074
II. Accumulated depreciation					
1. Opening balance	219,860,483	197,848,022	203,676,471	3,678,979	625,063,955
2. Addition	62,453,037	37,485,781	49,456,798	245,212	149,640,828
(1) Provision	62,622,198	37,250,141	49,400,849	237,505	149,510,693
(2) Exchange differences on foreign currency translation	-169,161	235,640	55,949	7,707	130,135
3. Reduction	—	—	885,560	—	885,560
(1) Disposal	—	—	885,560	—	885,560
4. Closing balance	282,313,520	235,333,803	252,247,709	3,924,191	773,819,223
III. Book value					
1. At the end of the year	600,506,671	325,502,982	485,277,163	21,342,035	1,432,628,851
2. At the beginning of the year	464,915,401	438,236,007	589,987,223	21,567,230	1,514,705,861

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

16. Intangible assets

Unit: RMB

	Land use rights	Mining rights	Mine restoration fees	Concession rights	Software and others	Total
I. Original price						
1. Opening balance	3,841,882,360	13,957,140,074	975,893,723	210,002,434	314,068,217	19,298,986,808
2. Addition	235,410,202	660,293,873	12,307	1,130,695	10,648,651	907,495,728
(1) Purchase	—	14,449,266	—	1,130,695	7,732,235	23,312,196
(2) Transfer from construction in progress	2,390,530	10,366,333	—	—	2,763,147	15,520,010
(3) Exchange differences on foreign currency translation	21,681,133	52,594,688	12,307	—	150,901	74,439,029
(4) Business combinations	211,338,539	582,883,586	—	—	2,368	794,224,493
3. Reduction	13,293,483	—	—	—	141,843	13,435,326
(1) Disposal	13,293,483	—	—	—	141,843	13,435,326
4. Closing balance	4,063,999,079	14,617,433,947	975,906,030	211,133,129	324,575,025	20,193,047,210
II. Accumulated amortization						
1. Opening balance	756,318,643	2,811,743,274	244,060,422	94,726,962	260,249,802	4,167,099,103
2. Addition	47,051,752	206,406,931	22,156,641	14,793,640	11,440,113	301,849,077
(1) Provision	45,259,306	191,874,913	22,156,641	14,793,640	11,396,440	285,480,940
(2) Exchange differences on foreign currency translation	1,792,446	14,532,018	—	—	43,673	16,368,137
(3) Business combinations	—	—	—	—	—	—
3. Reduction	1,728,995	—	—	—	141,843	1,870,838
(1) Disposal	1,728,995	—	—	—	141,843	1,870,838
4. Closing balance	801,641,400	3,018,150,205	266,217,063	109,520,602	271,548,072	4,467,077,342
III. Provision for impairment losses						
1. Opening balance	6,421,519	24,913,690	—	—	20,531,969	51,867,178
2. Addition	—	—	—	—	—	—
(1) Provision	—	—	—	—	—	—
3. Reduction	—	—	—	—	—	—
(1) Disposal	—	—	—	—	—	—
4. Closing balance	6,421,519	24,913,690	—	—	20,531,969	51,867,178
IV. Book value						
1. At the end of the year	3,255,936,160	11,574,370,052	709,688,967	101,612,527	32,494,984	15,674,102,690
2. At the beginning of the year	3,079,142,198	11,120,483,110	731,833,301	115,275,472	33,286,446	15,080,020,527

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

17. Goodwill

Unit: RMB

	Opening balance	Increase business combinations	Decrease Disposals	Closing balance
Huaxin Cement (Daye) Co., Ltd	189,057,605	—	—	189,057,605
Natal Portland Cement Company (Pty)Ltd.	567,704,407	—	—	567,704,407
Cambodian Cement Chakrey Ting Factory Co., Ltd.	125,767,908	—	—	125,767,908
Huaxin Jinlong Cement (Yunxian) Co., Ltd.	101,685,698	—	—	101,685,698
CHILANGA Cement PLC	87,794,908	—	—	87,794,908
Hainan Xinhongda Building Materials Co., Ltd.	79,313,263	—	—	79,313,263
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	69,557,768	—	—	69,557,768
NETNIX LIMITED	59,573,587	—	—	59,573,587
Hainan Huaxin Fuli Concrete Co.	21,944,066	—	—	21,944,066
Huaxin Cement (E'zhou) Co., Ltd.	21,492,135	—	—	21,492,135
Hainan Huaxin Dacheng Concrete Co.	16,533,093	—	—	16,533,093
Yueyang County Yonggu Concrete Co.	8,119,042	—	—	8,119,042
Hainan Huaxin Ronghui Concrete Co., Ltd	5,809,669	—	—	5,809,669
Huaxin Commercial Concrete (Ezhou Huarong) Co.	25,017,823	—	—	25,017,823
ITATUBA PARTICIPAÇÕES LTDA	—	589,792,804	—	589,792,804
Total	1,379,370,972	589,792,804	—	1,969,163,776

Impairment losses of goodwill measured as follows:

Unit: RMB

	Opening balance	Increase Provision	Decrease Disposals	Closing balance
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	69,557,768	—	—	69,557,768
Huaxin Cement (E'zhou) Co., Ltd.	21,492,135	—	—	21,492,135
Hainan Xinhongda Building Materials Co., Ltd.	79,313,263	—	—	79,313,263
Total	170,363,166	—	—	170,363,166

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

18. Long-term prepaid expenditures

Unit: RMB

	Opening balance	Addition	Amortization	Impairment	Closing balance
Mine development cost	339,674,840	—	14,311,406	207,547	325,155,887
Relocation expenses	519,919,005	3,473,521	32,068,838	—	491,323,688
Others	121,419,655	3,497,371	8,154,277	2,329,076	114,433,673
Total	981,013,500	6,970,892	54,534,521	2,536,623	930,913,248

19. Deferred tax assets/Deferred tax liabilities

Deferred income tax asset

Unit: RMB

	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	590,145,573	145,229,630	589,008,281	145,511,759
Difference between the fair value and the tax cost of identifiable assets of business combination	804,957,678	199,766,999	823,255,876	206,522,016
Temporary differences arising from expense recognition	259,110,808	53,029,009	313,544,740	69,348,327
Unrealized profit arising from elimination of intra-group transactions	370,596,361	92,649,090	307,948,536	76,987,134
Eductible tax losses	1,072,708,421	262,346,913	1,125,382,375	279,225,599
Provision for staff welfare	90,633,308	19,789,965	106,393,210	23,642,890
Changes in fair value of other equity instruments	105,462,731	26,365,683	105,462,731	26,365,683
Lease	1,314,329,843	307,572,938	1,425,240,203	346,329,182
Provisions for Mine restoration	861,899,474	178,250,450	831,541,302	158,610,637
Others	265,985,830	71,591,405	292,722,559	78,397,887
Total	5,735,830,027	1,356,592,082	5,920,499,813	1,410,941,114

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

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

Deferred income tax liabilities not eliminated:

Unit: RMB

	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Capitalization of interest on general borrowings	109,283,588	27,320,897	113,245,421	28,311,355
Changes in fair value of other equity instrument investments	39,359,681	9,839,920	28,262,124	7,065,531
Changes in fair value of other non-current assets	36,121,515	9,030,379	33,993,044	8,498,261
Valuation appreciation on assets in business combination not involving enterprises under common control	2,113,427,080	540,418,295	1,705,074,373	393,429,315
Depreciation difference of fixed assets between accounting and tax basis	2,573,555,825	599,295,372	2,284,181,594	490,536,258
Lease	1,330,395,396	307,965,082	1,336,568,126	324,966,067
Intangible assets for Mine restoration	711,681,748	139,780,108	709,355,995	142,596,010
Others	1,195,742,138	322,066,028	1,059,732,622	292,020,626
Total	8,109,566,971	1,955,716,081	7,270,413,299	1,687,423,423

Deferred income tax assets and deferred income tax liabilities are presented at the net amount after eliminated:

Unit: RMB

	Amount of deferred income tax assets and liabilities offset at the end of the period	Closing balance of deferred income tax assets or liabilities after offset	Deferred income tax assets and liabilities offset at beginning of period	Opening balance of deferred tax assets or liabilities after offset
Deferred income tax assets	561,470,455	795,121,627	577,980,834	832,960,280
Deferred income tax liabilities	561,470,455	1,394,245,626	577,980,834	1,109,442,589

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

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

Details of unrecognized deferred income tax assets

Unit: RMB

	Closing balance	Opening balance
Deductible temporary differences	2,370,776,691	2,349,885,088
Deductible losses	2,215,626,514	1,937,776,451
Total	4,586,403,205	4,287,661,539

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

Unit: RMB

	Closing balance	Opening balance
2025	27,941,535	28,350,238
2026	35,330,367	35,330,367
2027	315,915,219	347,272,571
2028	327,315,936	331,311,871
2029	834,957,243	844,261,572
2030	443,231,692	153,626,850
2031	151,645,336	151,645,336
2032	27,319,062	2,129,471
2033	29,879,931	29,879,931
2034	13,968,244	13,968,244
2035	8,121,949	—
Total	2,215,626,514	1,937,776,451

The Group's subsidiaries with deductible losses prepare the profit forecasts for the next 5 years based on the approved budget to assess the taxable income before the expiration of the deductible loss, and to recognize the deferred income tax assets for the deductible loss based on the assessment result.

NOTES TO THE FINANCIAL STATEMENTS

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

20. Assets with restricted ownership or usage rights

Unit: RMB

	Closing balance		Opening balance	
	Carrying Amount	Book Value	Carrying Amount	Book Value
Cash and bank balances	913,075,307	913,075,307	589,962,243	589,962,243
Fixed assets	5,039,418	5,039,418	5,134,693	5,134,693
Intangible assets	3,409,197	3,409,197	5,563,022	5,563,022
Total	921,523,922	921,523,922	600,659,958	600,659,958

21. Short-term borrowings

Unit: RMB

	Closing balance	Opening balance
Mortgaged borrowings (Note 1)	10,000,000	10,000,000
Credit borrowings	84,435,179	174,557,055
Guaranteed Borrowings (Note 2)	43,144,266	112,250,000
Total	137,579,445	296,807,055

Note 1: As at 30 June 2025 and 31 December 2024, details and value of collaterals corresponding to mortgaged borrowings of the Group are set out in Note VII. 20.

Note 2: As at 30 June 2025 and 31 December 2024, the guaranteed borrowings were guaranteed by entities within the Group.

22. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance bills	766,900,771	675,782,946
Total	766,900,771	675,782,946

As at 30 June 2025, there were no outstanding notes payable

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

23. Accounts payable

Unit: RMB

	Closing balance	Opening balance
Within 1 year (inclusive of 1 year)	5,430,503,543	6,245,643,368
1 to 2 years (inclusive of 2 years)	413,066,178	467,761,605
2 to 3 years (inclusive of 3 years)	451,065,527	466,097,379
Over 3 years	610,453,823	564,523,976
Total	6,905,089,071	7,744,026,328

24. Contract liabilities

Unit: RMB

	Closing balance	Opening balance
Advance on sales of goods	712,303,373	715,946,303
Total	712,303,373	715,946,303

Generally, the Group will perform the obligations and recognize revenue within three months after receiving the advance on sales of goods will.

25. Employee benefits payable

Unit: RMB

	Opening balance	Increase	Decrease	Closing balance
Short-term remunerations	263,035,879	1,151,657,446	1,232,966,662	181,726,663
Post-employment benefits (defined contribution plan)	2,198,939	108,885,003	109,062,770	2,021,172
Other benefits due within 1 year	15,657,491	2,410,652	5,770,358	12,297,785
Total	280,892,309	1,262,953,101	1,347,799,790	196,045,620

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

25. Employee benefits payable — *continued*

Short-term remuneration is as follows:

Unit: RMB

	Opening balance	Increase	Decrease	Closing balance
Wages or salaries, bonuses, allowances and subsidies	192,976,846	821,222,534	880,637,836	133,561,544
Staff welfare	36,394,304	118,889,456	155,283,760	—
Social security contributions	2,785,871	111,342,674	92,850,458	21,278,087
Including: Medical insurance	2,259,383	103,901,698	85,331,586	20,829,495
Work injury insurance	339,747	7,124,642	7,236,923	227,466
Maternity insurance	186,741	316,334	281,949	221,126
Housing funds	193,135	65,315,304	65,298,355	210,084
Union running costs and employee education costs	<u>30,685,723</u>	<u>34,887,478</u>	<u>38,896,252</u>	<u>26,676,949</u>
Total	<u>263,035,879</u>	<u>1,151,657,446</u>	<u>1,232,966,662</u>	<u>181,726,663</u>

Defined contribution plan are as follows:

Unit: RMB

	Opening balance	Increase	Decrease	Closing balance
Basic pension	1,731,824	104,526,491	104,702,369	1,555,946
Unemployment insurance	<u>467,115</u>	<u>4,358,512</u>	<u>4,360,401</u>	<u>465,226</u>
Total	<u>2,198,939</u>	<u>108,885,003</u>	<u>109,062,770</u>	<u>2,021,172</u>

The Group participated in the pension insurance and unemployment insurance plan managed by local government. According to the plan, the Group made contributions based on 0.1%–20% and 0.5–1% of the basic wages of employees. In addition to the monthly deposit fees mentioned above, the Group has no further payment obligations. The corresponding expenses are included in the current profit or loss or the cost of related assets when incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

26. Taxes and surcharges payable

Unit: RMB

	Closing balance	Opening balance
VAT	165,696,413	179,442,886
Corporate income tax	366,496,105	426,100,850
Individual income tax	8,317,608	1,230,459
Resources tax	34,606,384	38,125,599
Environmental protection tax	19,548,669	20,326,675
Others	74,081,855	90,518,073
Total	668,747,034	755,744,542

27. Other payables

Unit: RMB

	Closing balance	Opening balance
Interests payable	97,221,153	48,543,388
Dividends payable	373,667,927	36,835,493
Other payables	946,283,692	926,108,538
Total	1,417,172,772	1,011,487,419

Interests payable

Unit: RMB

	Closing balance	Opening balance
Interests of corporate bonds	84,974,051	28,848,781
Interests on borrowings	12,247,102	19,694,607
Total	97,221,153	48,543,388

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

27. Other payables — *continued*

Dividends payable

Unit: RMB

	Closing balance	Opening balance
Dividends on common stock	352,678,609	23,408,183
Dividends on non-controlling shareholders — CHILANGA Cement PLC non-controlling shareholders	20,989,318	13,427,310
Total	373,667,927	36,835,493

Other payables

Unit: RMB

	Closing balance	Opening balance
Deposits	486,364,468	422,856,081
Payables to non-controlling shareholders	190,667,808	191,475,403
Payables for equity acquisition and others	99,869,451	104,462,234
Others	169,381,965	207,314,820
Total	946,283,692	926,108,538

As at 30 June 2025, significant other payables over one year of the Group are as follows:

Unit: RMB

	Closing balance	Reasons for un-repayment
Payables to non-controlling shareholders	188,964,875	Undue Payment
Payables for equity acquisition and others	99,869,451	Criteria is not met
Total	288,834,326	/

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

28. Current portion of non-current liabilities

Unit: RMB

	Closing balance	Opening balance
Long-term borrowings due within one year	2,979,651,569	3,092,145,165
Bonds payable due within one year	2,540,196,941	2,547,073,585
Long-term payables due within one year	869,077,137	637,661,438
Lease liabilities due within one year	311,296,563	342,164,056
Total	6,700,222,210	6,619,044,244

29. Long-term borrowings

Unit: RMB

	Closing balance	Opening balance
Pledged borrowings	—	129,780,000
Guaranteed borrowings	8,682,243,181	8,591,443,197
Credit borrowings	4,487,044,762	3,969,692,679
Guaranteed borrowings due within one year	2,279,594,824	2,639,427,349
Credit borrowing due within one year	700,056,745	414,937,816
Pledged borrowings due within one year	—	37,780,000
Total	10,189,636,374	9,598,770,711

As at 30 June 2025, the annual interest rates of the borrowings above were 1.35%–19.53%(31 December 2024: 1.35%–11.19%).

Note 1: As at 30 June 2025 and 31 December 2024, the guaranteed borrowings of the Group were guaranteed by entities within the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

30. Bonds payable

(1). *Bonds payable*

Unit: RMB

	Closing balance	Opening balance
Overseas bond issued in 2020	—	—
Company bonds issued in 2022 (Low-carbon transition-linked bonds) (Phase I)	399,685,909	399,823,745
Preference shares of subsidiary	149,151,403	149,725,053
Bonds issued in 2023	798,700,976	799,354,497
Bonds issued in 2024	1,098,030,772	1,096,841,740
Bonds issued in 2025	1,098,136,175	—
Total	3,543,705,234	2,445,745,035

(2). *Changes in bonds payable*

Unit: RMB

Bond Name	Face value	Coupon rate (%)	Issue date	Term	Issue amount	Balance at the beginning of the year	Issued during the year	Amortization of premium or discount	Exchange gain or loss	Transfer to non current liabilities due within one year	Closing balance	Balance of interest payable
Issuance of overseas bonds in 2020	100	2.25	2020/11/19	5	1,973,460,000	2,047,293,903	—	1,615,985	-8,492,628	2,040,417,259	—	5,592,655
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety I	100	2.99	2022/7/19	3	500,000,000	499,779,682	—	632,720	—	499,779,682	632,720	14,212,740
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety II	100	3.39	2022/7/19	5	400,000,000	399,823,745	—	95,656	—	—	399,664,320	12,891,288
Public Offering of "Belt and Road" Science and Technology Innovation Corporate Bonds for Professional Investors in 2023 (First Issue)	100	3.12	2023/12/5	3	800,000,000	798,538,763	—	162,214	—	—	798,700,976	14,223,781
Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2024 (First Issue)	100	2.49	2024/8/14	5	1,100,000,000	1,097,657,474	—	373,298	—	—	1,098,030,772	—
Public Offering of "Belt and Road" Science and Technology Innovation Corporate Bonds for Professional Investors in 2025 (First Issue)	100	2.14	2025/1/13	5	1,100,000,000	—	1,098,010,167	126,008	—	—	1,098,136,175	—
Total	/	/	/	/	5,873,460,000	4,843,093,567	1,098,010,167	3,005,880	-8,492,628	2,540,196,941	3,395,420,044	46,920,463

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

30. Bonds payable — continued

(3). Notes to other financial instruments classified as financial liabilities

Movements in preference shares

Unit: RMB

Outstanding financial instruments	Opening balance		Addition		Closing balance	
	Shares	Carrying amount	Shares	Carrying amount	Shares	Carrying amount
Preference shares of the subsidiary	19,250,000	149,725,053	—	573,650	19,250,000	149,151,403
Total	19,250,000	149,725,053	—	573,650	19,250,000	149,151,403

(4). Maturity analysis of bonds payable due over one year

Unit: RMB

	Closing balance	Opening balance
1 to 2 years	1,198,386,885	799,354,497
2 to 5 years	2,345,318,350	1,646,390,538
Over 5 years	—	—
Total	3,543,705,235	2,445,745,035

31. Lease liabilities

Unit: RMB

	Closing balance	Opening balance
Lease liabilities	1,370,167,707	1,470,795,121
Less: lease liabilities due within one year	311,296,563	342,164,056
Total	1,058,871,144	1,128,631,065

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

32. Long-term payable

Unit: RMB

Item	Closing balance	Opening balance
Long-term accounts payable	744,210,662	836,919,326
Total	744,210,662	836,919,326

Unit: RMB

Item	Closing balance	Opening balance
Transaction fees of mining rights paid in installments	1,201,241,888	1,332,878,585
Finance lease back payable	412,045,911	141,702,179
Less: Transaction fees of mining rights paid by installments due within one year	711,164,873	574,589,471
Finance lease payable due within 1 year	157,912,264	63,071,967
Total	744,210,662	836,919,326

Increase the financing borrowing of 300 million yuan through sale and leaseback by Societe Generale Financial Leasing Co., Ltd.

Analysis of maturity of long-term payables:

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (inclusive of 1 year)	869,077,137	637,661,438
1 to 2 years (inclusive of 2 years)	313,448,857	382,728,954
2 to 5 years (over 2 years and inclusive of 5 years)	426,112,679	432,642,003
Over 5 years	4,649,126	21,548,369
Total	1,613,287,799	1,474,580,764

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

33. Long-term Employee Benefits Payable

Unit: RMB

Item	Closing balance	Opening balance
Net liabilities of defined benefit plan	67,127,971	73,572,543
Less: To be paid within one year	12,297,785	15,657,491
Total	54,830,186	57,915,052

Note 1: The Group's defined benefit plans are various supplementary benefit plans targeting those employees retiring before the designated dates and retired employees. These plans are impacted by interest rate risk and changes in the life expectancy of pension beneficiaries.

34. Provisions

Unit: RMB

Item	Opening balance	Closing balance	Formation reasons
Mine restoration fees (Note 1)	853,017,115	840,267,091	The Group's cement companies recognize estimated restoration costs on the basis of mine restoration expenditures to be incurred in subsequent years.
Others (Note 2)	78,621,567	76,739,396	Others include expected compensation payments for pending litigations of the Group's subsidiaries, etc.
Total	931,638,682	917,006,487	/

Note 1: The estimated restoration costs will be incurred in the following years to restore the mine of subsidiaries within the Group.

Note 2: Provisions for Others include the expected compensation for contingency litigation by subsidiaries of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

35. Deferred income

Unit: RMB

Item	Opening balance	Addition	Reduction	Closing balance	Underlying reason
Government grants	251,857,383	5,963,700	8,512,372	249,308,711	Government grants related to assets
Total	<u>251,857,383</u>	<u>5,963,700</u>	<u>8,512,372</u>	<u>249,308,711</u>	/

36. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advance on sales of goods	<u>99,693,000</u>	<u>99,693,000</u>
Total	<u>99,693,000</u>	<u>99,693,000</u>

37. Share capital

Unit: RMB

Item	Opening balance	Closing balance
Listed shares without restriction of trading		
RMB ordinary shares	1,344,275,649	<u>1,344,275,649</u>
Overseas listed ordinary shares	734,720,000	<u>734,720,000</u>
Total	<u>2,078,995,649</u>	<u>2,078,995,649</u>

38. Capital reserve

Unit: RMB

Item	Opening balance	Addition	Reduction	Closing balance
Share premium	1,455,752,836	19,200,212	—	<u>1,474,953,048</u>
Other capital surplus	99,222,724	403,033	—	<u>99,625,757</u>
Equity incentive	<u>25,506,687</u>	<u>13,604,324</u>	—	<u>39,111,011</u>
Total	<u>1,580,482,247</u>	<u>33,207,569</u>	—	<u>1,613,689,816</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

39. Treasury shares

Unit: RMB

Item	Opening balance	Addition	Reduction	Closing balance
Treasury share for equity incentive plan	64,638,011	23,329,853	8,629,690	79,338,174
Total	64,638,011	23,329,853	8,629,690	79,338,174

The Company repurchased 1,941,784 shares and incurred expenditures of RMB23,329,852.60 for the employee incentive program in January-June 2025.

40. Accumulated other comprehensive income

Unit: RMB

Item	Opening balance	Amount for the current period	Amount incurred before income tax for the period			Closing balance
			Less: Income	Attributable to owners of the company after tax	Attributable to the minority interest after tax	
Changes in fair value of investment in other equity instruments	-60,676,056	11,097,557	-2,774,389	8,323,168	—	-52,352,888
Exchange differences on foreign currency translation	-424,215,353	69,940,901	—	25,641,002	44,299,899	-398,574,351
Effective Portion of Cash Flow Hedge Gains or Losses	—	-26,610,545	6,652,636	-19,957,909	—	-19,957,909
Total	-484,891,409	54,427,913	3,878,247	14,006,261	44,299,899	-470,885,148

41. Specialized reserves

Unit: RMB

Item	Opening balance	Addition	Reduction	Closing balance
Production safety cost	51,893,030	227,127,202	210,182,329	68,837,903
Total	51,893,030	227,127,202	210,182,329	68,837,903

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

42. Surplus reserves

Unit: RMB

Item	Opening balance	Addition	Reduction	Closing balance
Statutory surplus reserve	1,048,299,928	—	—	1,048,299,928
Discretionary surplus reserve	63,580,329	—	—	63,580,329
Total	1,111,880,257	—	—	1,111,880,257

According to the requirements of the Company Law and the Articles of Association of the Company, the Company shall appropriate 10% of its net profit to the statutory surplus reserve. In the event that the accumulated statutory surplus reserve of the Company has exceeded 50% of the registered capital of the Company, additional appropriation will not be needed. After the appropriation to statutory surplus reserve, the Company may make appropriation to the discretionary surplus reserve. Upon approval, the discretionary surplus reserve can be used to make up for losses from previous years or to increase the share capital.

The cumulative amount of the Company's statutory surplus reserve has exceeded 50% of the registered capital, and no statutory surplus reserve was withdrawn in January-June 2025 (2024: Nil).

43. Unappropriated profit

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Retained earnings as at the beginning of the year	26,017,705,413	24,703,292,620
Adjustment of total retained profits at the beginning of the current period (Add +, Less —)	—	—
Retained profits at the beginning of the current period (after adjustment)	26,017,705,413	24,703,292,620
Add: Net profit attributable to the owners of the parent Company in the current period	1,103,484,806	2,416,280,487
Less: Appropriation to statutory surplus reserve	—	—
Ordinary share dividends payable	956,337,999	1,101,867,695
Retained earnings at the end of the year	26,164,852,220	26,017,705,413

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

44. Operating revenue and cost

Unit: RMB

Item	Amount for the current period		Amount for the prior period	
	Revenue	Cost	Revenue	Cost
Principal operations	15,936,934,688	11,333,787,250	16,078,811,428	12,270,184,750
Other operations	109,705,499	71,790,046	158,562,226	126,649,143
Total	<u>16,046,640,187</u>	<u>11,405,577,296</u>	<u>16,237,373,654</u>	<u>12,396,833,893</u>

The operating revenue from contracts with customers is as follows:

Unit: RMB

	Amount for the current period		Amount for the prior period	
	Operating revenue	Operating cost	Operating revenue	Operating cost
Analysis by product				
Sales of cement	8,754,581,124	6,029,693,118	8,367,925,294	6,600,511,569
Sales of concrete	3,456,745,885	3,003,271,938	3,942,691,547	3,484,753,219
Sales of clinker	397,096,518	355,224,754	298,126,527	271,007,070
Sales of aggregate	2,762,583,002	1,439,038,459	2,961,595,021	1,557,498,051
Others	675,633,658	578,666,188	667,035,265	483,063,984
Timing of revenue recognition				
At a point in time	15,677,002,520	11,061,956,250	15,916,631,348	12,245,596,306
Over time	362,880,005	318,570,696	315,632,119	148,980,410
Rental income-operating lease	6,757,662	5,825,393	5,110,187	2,257,177
Total	<u>16,046,640,187</u>	<u>11,386,352,339</u>	<u>16,237,373,654</u>	<u>12,396,833,893</u>

Other information:

The business activities of the Group include manufacturing and selling cement, clinker, aggregate, concrete, new building materials and waste disposal etc.

Selling cement and new building materials

Revenue is recognized at a point in time in accordance with the contractual performance obligations, using the transfer of control as the criterion for revenue recognition. The Group settles with its customers on a cash-on-delivery basis and on a cash-on-delivery basis, whereby cash-on-delivery is made on credit to customers in accordance with the customers' credit ratings and credit limits approved by the Group, and the customers make payments in accordance with the agreed-upon billing periods.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

44. Operating revenue and cost — *continued*

Other information: — continued

Rendering services

The performance obligation is satisfied over time as services are rendered and payment is generally settled on a timely basis. The Group recognize the revenue upon completion of disposal amount.

Information relating to the transaction price apportioned to the remaining performance obligation:

As at 30 June 2025, the amount of revenue corresponding to contracts entered into but not yet fulfilled or earlier performance obligations amounted to RMB712,303,373, which is recognized as revenue within the next 2 years (31 December 2024: RMB715,946,303)

45. Tax and surcharges

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Consumption tax	55,450,478	39,540,072
City maintenance and construction tax	30,069,001	25,464,460
Education surcharges	14,629,525	14,091,838
Resource tax	202,445,803	193,198,489
Property tax	26,658,772	27,971,465
Land-use tax	35,074,149	30,325,591
Environment protection tax	17,086,348	15,727,513
Others	35,614,413	28,956,841
Total	417,028,489	375,276,270

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

46. Selling expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Consumption of materials	236,141,204	233,980,373
Staff costs	222,893,281	259,303,219
Depreciation and amortization expenses	59,695,961	59,381,152
Electric charge	59,354,253	54,258,660
Repair expenses	23,682,371	24,053,223
Sales expenses	110,844,620	116,472,884
Others	49,974,722	40,421,564
Total	762,586,412	787,871,075

47. Administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Employee compensation and labor costs	500,783,551	531,440,589
Depreciation and amortization expenses	109,521,921	95,636,772
Agency fees	46,800,196	37,543,881
Office expenses	129,351,901	123,856,972
Environmental protection and greening fees	58,368,782	28,512,331
Others	95,046,290	91,122,793
Total	939,872,641	908,113,338

48. Finance costs

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Interest expenses	354,306,130	367,989,624
Less: Interest	-89,363,313	-95,827,125
Exchange gains	158,608,792	115,189,408
Others	13,614,601	12,602,876
Total	437,166,210	399,954,782

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

49. Other income

Unit: RMB

	Amount for the current period	Amount for the prior period
Tax refunds from comprehensive utilization of resources	12,827,093	18,337,079
Amortization of deferred income	8,512,372	9,148,670
Others	49,899,370	54,952,957
Total	71,238,835	82,438,706

50. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Gains from long-term equity investments under equity method	2,710,821	1,580,722
Income (losses) on disposal of long-term equity investments	-3,236,317	—
Investment gains from held for trading financial assets during the holding period	1,556,780	3,036,071
Gain from debt restructuring	23,005	—
Total	1,054,289	4,616,793

51. Gains (losses) from changes in fair value

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Held-for-trading financial assets		
Other non-current financial assets	2,128,471	6,227,453
Total	2,128,471	6,227,453

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

52. Credit impairment loss

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Losses on impairment of account receivables	24,660,796	29,651,146
Losses on impairment of other receivables	1,572,472	1,975,708
Total	26,233,268	31,626,854

53. Asset Impairment Loss

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Losses on decline in value of inventories	4,054,858	5,658,528
Losses on decline in value of construction in process	—	1,118,133
Total	4,054,858	6,776,662

54. Gains/(Losses) on disposal of assets

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Gains/(Losses) on disposal of long-term assets	-453,063	6,163,152
Total	-453,063	6,163,152

55. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Recognised in non-recurring profit and loss
Gains on disposal of fixed assets	976,815	669,781	976,815
Government grants	—	104,000	—
Others	6,612,375	6,989,186	6,612,375
Total	7,589,190	7,762,966	7,589,190

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

56. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Losses on retirement of fixed assets	3,344,615	3,173,489	3,344,615
Expenses on donation	3,396,350	7,102,026	3,396,350
Others	31,784,620	13,612,671	31,784,620
Total	38,525,586	23,888,187	38,525,586

57. Income tax expense

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Current income tax expenses	571,791,452	396,233,620
Deferred income tax expense	53,204,041	-74,632,690
Total	624,995,493	321,600,930

A reconciliation of income tax expense and total profit is set out as follows:

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Profit before tax	2,024,928,214	1,343,287,311
Effect of non-taxable income	506,232,053	335,821,828
Effect of different tax rates of some subsidiaries	-84,520,336	-67,406,015
Non-taxable income	-635,185	-1,126,994
Expenses not deductible costs	667,741	7,156,407
Effect of deductible losses of deferred tax assets not recognized in the previous period	-11,119,192	-20,186,170
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the current period	69,982,592	42,865,661
Withholding Income Tax on Profit Distributions by Overseas Subsidiaries	147,738,075	15,404,371
Others	-3,350,257	9,071,842
Income tax expense at the effective tax rate of the Group	624,995,493	321,600,930

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

58. Earnings per share

Item	Amount for the current period RMB/share	Amount for the prior period RMB/share
Basic earnings per share		
Continuing operations	<u>0.53</u>	<u>0.35</u>
Diluted earnings per share		
Continuing operations	<u>0.52</u>	<u>0.35</u>

The calculation of the basic earnings per share is based on the net profit for the period attributable to ordinary shareholders of the Company (after deducting the cash dividends expected to be unlocked by holders of restricted stocks in the future) divided by the weighted average number of outstanding ordinary shares in issue.

The diluted element of earnings per share is determined by current net profit attributable to the Company's ordinary shareholders, after adjusted for dilutive potential ordinary share.

The denominator of diluted earnings per share is equal to the sum of: (1) the weighted average of the parent company's issued ordinary shares in basic earnings per share; and (2) the weighted average number of additional ordinary shares assuming conversion of dilutive potential common shares into common shares.

In calculating the weighted average number of the additional shares of ordinary stock resulting from conversion of dilutive potential ordinary stock into outstanding ordinary stock, dilutive potential ordinary stock issued in prior periods, assuming conversion at the beginning of the current period; Dilutive potential ordinary stock issued in the current period, assuming conversion on the issue date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

58. Earnings per share — *continued*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company	1,103,484,806	730,553,347
Less: Cash dividends expected to unlock future restricted shareholders	—	—
subtotal	<u>1,103,484,806</u>	<u>730,553,347</u>
Add: Cash dividends expected to unlock future restricted shareholders	—	—
Less: The effect of subsidiaries dilutive potential ordinary share	<u>16,546,260</u>	<u>5,684,034</u>
Adjusted net profit for the period attributable to the Company's ordinary shareholders	<u>1,086,938,546</u>	<u>724,869,340</u>
Attributed to:		
Continuing operations	<u>1,086,938,546</u>	<u>724,869,340</u>
Shares		
Weighted average number of ordinary shares in issue of the Company	2,077,779,049	2,078,818,009
Dilution effect — the weighted average of common shares		
Restricted stocks	<u>2,153,277</u>	—
The adjusted weighted average of the Company's common shares outstanding	<u>2,079,932,326</u>	<u>2,078,818,00</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

59. Notes to the statement of cash flows items

1. *Cash related to operating activities*

Other cash receipts relating operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Receipt of security deposit, petty cash	254,718,658	205,070,657
Government subsidy	49,899,370	54,952,957
Interest income	89,363,313	95,827,125
Others	42,868,652	14,750,954
Total	436,849,993	370,601,693

Other cash payments relating to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Deposit and other amounts paid	254,659,523	248,008,751.03
Selling and administrative expenses etc. paid	191,249,195	160,876,971.98
Environmental protection fee	47,067,667	11,773,022
Other current accounts	332,663,840	301,234,137.97
Total	825,640,225	721,892,882.98

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

59. Notes to the statement of cash flows items — *continued*

2. *Cash related to investing activities*

Other cash receipts relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Recovery of non-financial corporate transactions	25,900,000	25,600,000
Cash and cash equivalents held by subsidiaries on the date of purchase	—	12,001,193
Total	25,900,000	37,601,193

Other cash payments relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Deposits for engineering	—	10,000,000
Intention money for equity mergers and acquisitions	178,340,668	—
Total	178,340,668	10,000,000

3. *Cash related to financing activities*

Other cash receipts relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Receive after sale finance lease payment and security deposit	300,000,000	118,000,000
Received from non-financial corporations	5,814,707	—
Sale of non-controlling equity funds	32,971,879	—
Others	4,525,232	6,039,019
Total	343,311,818	124,039,019

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

59. Notes to the statement of cash flows items — *continued*

3. *Cash related to financing activities — continued*

Other cash payment relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Lease payment	151,706,212	146,338,126
Payment for employee Stock Ownership Plan	30,577,096	39,180,300
Expenses related to issuance of bonds, acquisition of loans and acquisition of financial lease funds	37,518,493	35,978,831
Payment for non-controlling shares	—	3,000,000
Total	219,801,801	224,497,258

4. *Significant activities not involving current cash receipts and disbursements*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Bank acceptance bills endorsed for payment of goods and services	2,360,794,800	2,272,973,242
Bank acceptance bills endorsed for payment of construction work	759,963,400	570,426,300

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

60. Supplemental information to statement of cash flows

1. *Supplemental information to statement of cash flows*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	1,399,932,721	1,021,686,381
Add: Impairment losses on assets	4,054,858	6,776,662
Credit impairment losses	26,233,268	31,626,854
Depreciation of fixed assets	1,227,762,520	1,159,557,697
Depreciation of right-of-use assets	135,715,703	147,079,501
Amortization of intangible assets	285,480,940	594,639,589
Amortization of long-term amortized expenses	54,534,521	53,105,103
(Gain) Loss on disposal of fixed assets, intangible assets and other long-term assets	453,063	-6,163,152
Loss on retirement of fixed assets	963,680	2,503,709
Loss (gain) on change in fair value	-2,128,471	-6,227,453
Financial cost	526,529,522	495,781,908
Investment losses	-1,054,289	-4,616,793
Increase in deferred income tax assets	-77,616,029	-81,146,078
Increase in deferred income tax liabilities	24,411,988	68,830,134
Decrease in inventory	200,783,743	-41,648,086
Increase in operating receivables	-2,015,473,919	-1,161,268,713
Increase in operating payables	-158,277,145	-540,784,530
Amortization of deferred income	-8,512,372	-9,148,670
Net cash flows from operating activities	1,623,794,304	1,730,584,063
2. Major investing and financing activities that do not involve cash:		
Bank acceptance bills endorsed for payment of construction work	759,963,400	570,426,300
3. Net change in cash and cash equivalents:		
Balance of cash at the end of the year	5,756,834,003	4,824,050,431
Less: Balances of cash equivalents at the beginning of the year	6,219,040,331	5,370,115,985
Net decrease in cash and cash equivalents	-462,206,328	-546,065,554

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

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

2. Information on purchasing subsidiaries and other business units

Unit: RMB

	Amount
Cash paid for acquisition of subsidiaries and other operating units	1,263,055,384
ITATUBA PARTICIPAÇÕES LTDA	1,263,055,384
Less: Cash and cash equivalents held by subsidiaries and other operating units at acquisition date	45,966,011
ITATUBA PARTICIPAÇÕES LTDA	45,966,011
Add: Cash or cash equivalents paid in the current period for business mergers that occurred in previous periods	200,000
Xishui Tongsheng Building Materials Co., LTD	200,000
Net cash paid(received) for acquisition of subsidiaries and other business units	<u>1,217,289,373</u>

3. Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
Cash	5,756,834,003	6,219,040,331
Including: Cash on hand	3,454,846	1,221,618
Bank deposits	<u>5,753,379,157</u>	<u>6,217,818,713</u>
Balance of cash and cash equivalents at end of the year	<u>5,756,834,003</u>	<u>6,219,040,331</u>

4. Monetary funds not classified as cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance	Rationale
Deposits for letter of credit	378,006,608	6,899,449	Guarantees
Deposits for mine land reclamation	353,993,148	191,781,553	Guarantees
Deposits for acceptance bills	85,683,524	71,029,060	Guarantees
Deposits for letter of guarantee	65,168,986	201,813,666	Guarantees
Other cash and bank balances with restrictions	30,223,041	118,438,515	Guarantees
Total	<u>913,075,307</u>	<u>589,962,243</u>	/

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

61. Foreign currency monetary items

“Foreign currency” means a currency other than the basic accounting currency of each company within the Group.

Unit: RMB

Item	Original currency	Exchange rate	CNY balance
Cash and bank balances			
USD	294,689,675	7.1586	2,109,565,509
CNY	21,974,362	1.0000	21,974,362
EUR	1,737,305	8.4024	14,597,534
HKD	175,026	0.9120	159,615
ZAR	544,256	0.4031	219,396
ZMW	3,787	0.3018	1,143
KES	5,245	0.0554	291
TZS	69,300	0.0027	190
RUB	15	0.0913	1
MZN	4,770	0.1121	535
Accounts receivable			
USD	5,154,439	7.1586	36,898,571
Other receivables			
USD			
EUR	18,135	8.4024	152,378
Accounts payable			
USD	21,428,741	7.1586	153,399,782
EUR	785,290	8.4024	6,598,321
CNY	45,892,156	1.0000	45,892,156
ZAR	5,731,333	0.4031	2,310,358
CHF	24,800	8.9721	222,508
Other payables			
CNY	8,403,051	1.0000	8,403,051
USD	155,543	7.1586	1,113,468
HKD	14,030,340	0.9120	12,794,968
Interest payable			
USD	1,524,743	7.1586	10,915,024
Dividend payable			
HKD	368,481,183	0.9120	336,036,415
Bonds payable			
USD	19,250,000	7.1586	137,803,050
Non-current Liabilities due within			
One year			
USD	5,000,000	7.1586	35,793,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

62. Lease

1. As a lessee

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Interest expense on lease liabilities	29,037,215	31,267,691
Lease costs recognized in profit or loss using the simplified approach	15,791,018	15,230,480
Total cash outflows related to leases	<u>167,496,934</u>	<u>161,568,606</u>

The Group has lease contracts for various items of land, houses and buildings, machinery, vehicles, and other equipment used in its operations. Leases of houses and buildings and machinery generally have lease terms of 3–8 years, while those of vehicles and other equipment generally have lease terms of 3–8 years. Generally, the Group is restricted from assigning and subleasing the underlying assets and some contracts require the Group to maintain certain financial ratios.

Total lease-related cash outflows CNY 167,496,934.

2. As lessor

The Group has entered into operating leases on underlying assets subject to operating leases, and the lease terms are between 2016 and 2028. Some leases include clauses for extension and termination options and variable lease payments. Residual value risk of the underlying assets is not significant.

Unit: RMB

Item	Rental income for the current period	Rental income for the prior period
Operating leases	<u>6,757,662</u>	<u>5,110,187</u>
Total	<u>6,757,662</u>	<u>5,110,187</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

62. Lease — *continued*

2. As lessor — *continued*

The Group had total future minimum lease receivables (undiscounted) with its tenants falling due as follows:

Unit: RMB

Item	Annual undiscounted lease receipts	
	Closing balance	Opening balance
Within 1 year, inclusive	5,269,139	7,790,082
1 to 2 years inclusive	1,143,507	1,425,071
2 to 3 years inclusive	100,000	—
3 to 4 years inclusive	—	—
4 to 5 years inclusive	—	—
Total undiscounted lease receipts after five years	6,512,646	11,369,511

VIII. RESEARCH AND DEVELOPMENT EXPENDITURES

The Research and development expenditures by nature is as follows (excluding amortization of self-developed intangible assets):

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Employee remuneration and labor costs	53,977,035	49,712,408
Depreciation and amortization expense	3,268,024	3,503,893
Agency fees	7,152,393	6,318,521
Office expenses	5,667,726	5,814,329
Others	5,979,366	5,605,201
Total	76,044,544	70,954,352
Including: Expensed research and development expenditure	72,224,935	70,954,352
Capitalized research and development expenditure	3,819,609	399,345

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

VIII. RESEARCH AND DEVELOPMENT EXPENDITURES — *continued*

The Development expenditures on R&D projects eligible for capitalization are listed below:

Unit: RMB

Item	Balance at beginning of year	Increase Internal development	Reduction Transfer to other long-term assets	Balance at end of year
Project 1	36,856,342	268,954	—	37,125,296
Project 2	21,919,399	138,548	18,858,440	3,199,507
Project 3	2,159,001	3,412,108	—	5,571,109
Total	60,934,742	3,819,610	18,858,440	45,895,912

IX. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combination no involving entities under common control

Business combination not involving entities under common control occurred during the year are presented below:

Unit: RMB

Name of acquiree	Point of equity acquired	Cost of equity acquired	Percentage of equity acquired (%)	Methods of equity acquisition	Acquisition date	Acquisition Date determining the acquisition date	Operating income of the subsidiary purchased from the acquisition date to the period end	Net profit of the subsidiary purchased from the acquisition date to the period end	Net cash flows of the subsidiary purchased from the acquisition date to the period end
ITATUBA PARTICIPAÇÕES LTDA	17 March 2025	1,262,165,065	100%	Purchase	17 March 2025	Transfer control	156,245,294	20,874,967	29,696,501

In December 2024, the Group signed an equity acquisition agreement with a third party, intending to acquire 100% of the equity of ITATUBA PARTICIPAÇÕES LTDA located in Brazil and 40.25% of the equity of EMBU S.A. ENGENHARIA E COMÉRCIO (ITATUBA PARTICIPAÇÕES LTDA holds 59.75% of its equity) (hereinafter referred to as the “Target Company”) for a cash consideration of US\$186.6 million. On March 17, 2025, the Group completed the equity acquisition of the Target Company and paid an initial consideration of US\$176.9 million.

Acquisition consideration and goodwill

Unit: RMB

	ITATUBA PARTICIPAÇÕES LTDA
Acquisition consideration	
— Cash	1,262,165,065
Total acquisition costs	1,262,165,065
Less: Fair value of identifiable net assets acquired	672,372,261
Goodwill	589,792,804

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

IX. CHANGES IN THE SCOPE OF CONSOLIDATION — *continued*

1. Business combination no involving entities under common control — *continued*

The fair values and carrying amount of the identifiable assets and liabilities of ITATUBA PARTICIPAÇÕES LTDA at the acquisition date are as follows:

Unit: RMB

	ITATUBA PARTICIPAÇÕES LTDA	
	17 March 2025	17 March 2025
	Fair value	Carrying amount
Assets:	1,077,476,812	605,001,867
Cash and bank balances	45,966,011	45,966,011
Receivables	68,894,074	68,894,074
Prepayments	30,107	30,107
Inventories	35,341,154	35,341,154
Other current assets	162,168	162,168
Fixed assets	131,648,343	131,648,343
Intangible assets	794,224,493	321,749,548
Construction in progress	153,500	153,500
Right-of-use asset	1,012,781	1,012,781
Deferred tax assets	44,181	44,181
Liabilities:	405,104,551	244,453,069
Short-term borrowings	19,333,515	19,333,515
Accounts payable	23,891,503	23,881,503
Employee benefits payable	17,079,093	17,079,093
Taxes and surcharges payable	13,256,052	13,256,052
Current portion of non-current liabilities	833,139	833,139
Long-term borrowings	44,757,169	44,757,169
Lease liabilities	185,199	185,199
Long-term payables	17,479,369	17,479,369
Provisions	12,167,350	12,167,350
Deferred tax liabilities	256,122,162	95,480,680
Net Assets	672,372,261	360,548,798
Less: Minority interest	—	—
Net assets acquired	<u>672,372,261</u>	<u>360,548,798</u>

As of the date of approval of these financial statements, the Group is conducting an assessment of the purchase consideration allocation to determine the fair values of the assets and liabilities of the target company as of the acquisition date. The fair values as of the acquisition date presented above are the Group's best estimate at present.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

IX. CHANGES IN THE SCOPE OF CONSOLIDATION — *continued*

2. Deregistration of subsidiaries

The Group deregistered 7 subsidiaries during the year. Information of these subsidiaries is as follows :

	Proportion of shareholding of parent company before deregistration	Reason for not being subsidiary
Huaxin (Zhuzhou) New Material Technology Co., LTD	100%	Deregistration
Changsha Huaxin Mixed New Material Co., LTD	100%	Deregistration
Tianjin Baihuitong Supply Chain Technology Co., LTD	100%	Deregistration
Huaxin New Building Materials (Wuding) Co., LTD	100%	Deregistration

3. Establishment of new subsidiaries

Hua Tech Engineering Limited	Establishment
Huaxin Green Building Materials (Huangshi Xisaishan) Co., Ltd.	Establishment
Qichun Zhongsheng Building Materials Trading Co., Ltd.	Mergers and acquisitions
Jiangyin Xinding Concrete Co., Ltd.	Mergers and acquisitions
EMBU S.A. ENGENHARIA E COMÉRCIO	Mergers and acquisitions
ITATUBA PARTICIPAÇÕES LTDA	Mergers and acquisitions

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

Information of the Company's major subsidiaries is as follows:

Unit: RMB

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Huaxin Cement (Yangxin) Co., Ltd	Yangxin	50,000.00	Yangxin	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Wuxue) Co., Ltd	Wuxue	30,000.00	Wuxue	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Chibi) Co., Ltd	Chibi	14,000.00	Chibi	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Yichang) Co., Ltd	Yichang	15,000.00	Yichang	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Xiangyang) Co., Ltd	Xiangyang	14,000.00	Xiangyang	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Enshi) Co., Ltd	Enshi	6,000.00	Enshi	Manufacture and sale of building materials	67	33	Establishment
Huaxin Cement (Zhaotong) Co., LTD	Zhaotong	10,000.00	Zhaotong	Manufacture and sale of building materials	60	40	Establishment
Huaxin Cement (Tibet) Co., LTD	Tibet	5,000.00	Tibet	Manufacture and sale of building materials	79	—	Establishment
Huaxin Cement (Wuhan) Co., LTD	Wuhan	6,000.00	Wuhan	Manufacture and sale of building materials	70	30	Establishment
Wuhan Ganghua Cement Co., LTD	Wuhan	4,000.00	Wuhan	Manufacture and sale of building materials	50	—	Establishment
Huaxin Cement (Xiantao) Co., LTD	Xiantao	2,390.00	Xiantao	Manufacture and sale of building materials	80	—	Establishment
Huaxin Cement (Yueyang) Co., LTD	Yueyang	5,000.00	Yueyang	Manufacture and sale of building materials	45	55	Establishment
Huaxin Concrete (Wuhan) Co., LTD	Wuhan	19,830.00	Wuhan	Production and sale of concrete	100	—	Establishment
Huaxin Concrete (Huangshi) Co., LTD	Huangshi	2,500.00	Huangshi	Production and sale of concrete	—	100	Establishment
Huaxin Cement (Henan Xinyang) Co., LTD	Xinyang	20,000.00	Xinyang	Manufacture and sale of building materials	100	—	Establishment
Huangshi Huaxin Cement Research and Design Co., LTD	Huangshi	100	Huangshi	Engineering and design of building materials	99	—	Establishment
Hubei Dalling Future Environmental Protection Packaging Technology Co., LTD	Huangshi	6,000.00	Huangshi	Manufacture and sale of cement bags	100	—	Establishment
Huaxin Cement (Zigui) Co., LTD	Zigui	24,000.00	Zigui	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Zhuzhou) Co., LTD	Zhuzhou	34,000.00	Zhuzhou	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Chenzhou) Co., LTD	Chenzhou	22,000.00	Chenzhou	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Macheng) Co., LTD	Macheng	6,500.00	Macheng	Manufacture and sale of building materials	100	—	Establishment
Huaxin Environmental Engineering (Wuxue) Co., LTD	Wuxue	6,000.00	Wuxue	Environmental design, construction, and waste disposal	—	100	Establishment
Huaxin Cement Technology Management (Wuhan) Co.,LTD	Wuhan	2,000.00	Wuhan	Technology development and consulting services	100	—	Establishment
Huaxin Ezhou Packaging Co., LTD	Ezhou	3,400.00	Ezhou	Manufacture and sale of cement bags	—	100	Establishment
Huaxin Cement (Huangshi) Bulk Storage &Transportation Co., LTD	Huangshi	2,000.00	Huangshi	Loading and unloading,warehousing and other services	100	—	Establishment
Huaxin Cement Xiangyang Xiangcheng Co., LTD	Xiangyang	4,000.00	Xiangyang	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Quxian) Co., LTD	Quxian	24,000.00	Quxian	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Wanyuan) Co., LTD	Wanyuan	20,200.00	Wanyuan	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement Chongqing Fuling Co., LTD	Fuling	20,000.00	Fuling	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Daoxian) Co., LTD	Daoxian	18,000.00	Daoxian	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Kunming Dongchuan) Co., LTD	Kunming	14,000.00	Kunming	Manufacture and sale of building materials	100	—	Establishment
Huaxin Cement (Lengshuijiang) Co., LTD	Lengshuijiang	20,000.00	Lengshuijiang	Manufacture and sale of building materials	90	—	Establishment
Huaxin Environmental Engineering Co., LTD	Wuhan	100,000.00	Wuhan	Environmental design,construction and waste disposal	100	—	Establishment
Huaxin Aggregate (Yangxin) Co., LTD	Yangxin	14,000.00	Yangxin	Production and sale of construction aggregates	—	100	Establishment
Huaxin Central Asia Investment (Wuhan) Co., LTD	Wuhan	40,000.00	Wuhan	Investment	100	—	Establishment
Xinyang Huaxin Concrete Co., LTD	Xinyang	2,500.00	Xinyang	Production and sale of concrete	—	100	Establishment
Huaxin Cement (Huangshi) Equipment Manufacturing Co., LTD	Huangshi	13,000.00	Huangshi	Manufacture, repair and installation of Electromechanical equipment	—	100	Establishment
Huaxin Zhuzhou Packaging Co., LTD	Zhuzhou	500	Zhuzhou	Manufacture and sale of cement bags	—	100	Establishment
Nanzhang Huaxin Xinrui Hotel Management Co., LTD	Nanzhang	50	Nanzhang	Accommodation services	—	99	Establishment
Huaxin Environmental Engineering (Huangshi) Co., LTD	Huangshi	720	Huangshi	Environmental design,construction and waste disposal	—	100	Establishment
Tibet Huaxin Building Materials Co., LTD	Tibet	3,500.00	Tibet	Production and sale of concrete	—	56	Establishment
Huaxin Quxian Packaging Co., LTD	Quxian	500	Quxian	Manufacture and sale of cement bags	—	100	Establishment
Huaxin Cement (Sangzhi) Co., LTD	Sangzhi	15,000.00	Sangzhi	Manufacture and sale of building materials	80	—	Establishment
Huaxin Concrete (Wuhan Caidian) Co., LTD	Wuhan	2,500.00	Wuhan	Production and sale of concrete	—	100	Establishment
Nantong Huaxin Shengyuan Concrete Co., LTD	Nantong	3,000.00	Nantong	Production and sale of concrete	—	100	Establishment
Zhangjiagang Huaxin Southeast Concrete Co., LTD	Zhangjiagang	3,000.00	Zhangjiagang	Production and sale of concrete	—	100	Establishment
Changshu Huaxin Jinlong Concrete Co., LTD	Changshu	3,000.00	Changshu	Production and sale of concrete	—	100	Establishment
Zhangjiagang Huaxin Xinggang Concrete Co.,LTD	Zhangjiagang	3,000.00	Zhangjiagang	Production and sale of concrete	—	100	Establishment
Taicang Huaxin Longhe Concrete Co., LTD	Taicang	3,000.00	Taicang	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Tongjin Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Tongxin Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES — *continued*

1. Interests in subsidiaries — *continued*

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Nantong Huaxin Jinlong Concrete Co., LTD	Nantong	3,000.00	Nantong	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Wuhan Jiangxia) Co., LTD	Wuhan	2,500.00	Wuhan	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Boai Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Jiujiang Huaxin Concrete Co., LTD	Jiujiang	3,000.00	Jiujiang	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Xiaogan) Co., LTD	Xiaogan	2,500.00	Xiaogan	Production and sale of concrete	—	100	Establishment
Huaxin Concrete Co., LTD	Wuhan	13,500.00	Wuhan	Investment	100	—	Establishment
Huaxin Concrete Xiangyang Fancheng District Co., LTD	Xiangyang	2,550.00	Xiangyang	Production and sale of concrete	—	100	Establishment
Huaxin Building Materials Xiangyang Xiangcheng District Co., LTD	Xiangyang	1,410.00	Xiangyang	Production and sale of concrete	—	100	Establishment
Nanchong Huaxin New Building Materials Co., LTD	Nanchong	1,000.00	Nanchong	Manufacture and sale of building materials	—	100	Establishment
Changshu Huaxin Shunfeng Concrete Co., LTD	Changshu	3,000.00	Changshu	Production and sale of concrete	—	100	Establishment
Huaxin Logistics (Changyang) Co., LTD	Changyang	500	Changyang	Logistics services	—	100	Establishment
Abra Holdings Ltd	Mauritius	USD40 million	Mauritius	Investment	—	100	Establishment
Shanghai Huaxin Runshen Concrete Co., LTD	Shanghai	3,000.00	Shanghai	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Ezhou Gedian Economic and Technological Development) Co., LTD	Wuhan	2,500.00	Wuhan	Production and sale of concrete	—	100	Establishment
Huaxin Wuhan Building Materials Trading Co., LTD	Wuhan	1,000.00	Wuhan	Manufacture and sale of building materials	—	100	Establishment
Chenzhou Huaxin New Building Materials Co., LTD	Chenzhou	300	Chenzhou	Manufacture and sale of building materials	—	100	Establishment
Quxian Huaxin New Building Material Co., LTD	Quxian	500	Quxian	Manufacture and sale of building materials	—	100	Establishment
Taizhou Huaxin Tianhou Concrete Co., LTD	Taizhou	3,000.00	Taizhou	Production and sale of concrete	—	100	Establishment
Huaxin Aggregate Co., LTD	Wuhan	5,000.00	Wuhan	Investment	100	—	Establishment
Huaxin New Building Materials Co., LTD	Wuhan	9,000.00	Wuhan	Manufacture and sale of new materials	100	—	Establishment
Huaxin Environmental Engineering (Zhuzhou) Co., LTD	Zhuzhou	2,400.00	Zhuzhou	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Xinyang) Co., LTD	Xinyang	5,000.00	Xinyang	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Equipment Engineering Co., LTD	Huangshi	19,000.00	Huangshi	Manufacture and repair of electromechanical equipment	100	—	Establishment
Huaxin Environmental Engineering Fengjie County Co., LTD	Fengjie	2,000.00	Fengjie	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin (Hong Kong) International Holdings Ltd	Hong Kong	USD 200 million	Hong Kong	Investment	100	—	Establishment
Huaxin Environmental Engineering Nanzhang Co., LTD	Nanzhang	1,500.00	Nanzhang	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Zhuhai) Co., LTD	Zhuhai	6,000.00	Zhuhai	Environmental design,construction and waste disposal	—	80	Establishment
Huaxin Concrete (Zhuzhou) Co., LTD	Zhuzhou	2,500.00	Zhuzhou	Production and sale of concrete	—	100	Establishment
Huaxin Environmental Engineering (Fangxian) Co., LTD	Fangxian	1,000.00	Fangxian	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Concrete (Enshi) Co., LTD	Enshi	1,200.00	Enshi	Production and sale of concrete	—	100	Establishment
Huaxin Environmental Engineering (Ezhou) Co., LTD	Ezhou	2,000.00	Ezhou	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Yingcheng) Co., LTD	Yingcheng	2,500.00	Yingcheng	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Concrete (Ezhou) Co., LTD	Ezhou	2,500.00	Ezhou	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Jianli) Co., LTD	Jianli	2,500.00	Jianli	Production and sale of concrete	—	100	Establishment
Enping Huaxin Environmental Engineering Co., LTD	Enping	500	Enping	Environmental design,construction and waste disposal	—	80	Establishment
Huaxin Concrete (Yichang) Co., LTD	Yichang	2,500.00	Yichang	Production and sale of concrete	—	100	Establishment
Huaxin Environmental Engineering (Zigui) Co., LTD	Zigui	2,100.00	Zigui	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Youxian) Co., LTD	Youxian	2,900.00	Youxian	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Hong Kong (Cambodia) Investment Co., LTD	Hong Kong	HKD10 thousand	Hong Kong	Investment	—	100	Establishment
Xiangyang Huaxin Logistics Co., LTD	Xiangyang	100	Xiangyang	Loading and unloading, storage and other services	—	100	Establishment
Huaxin Hong Kong (Central Asia) Investment Co., LTD	Hong Kong	HKD10 thousand	Hong Kong	Investment	—	51	Establishment
Huaxin Environmental Engineering (Wanyuan) Co., LTD	Wanyuan	1,000.00	Wanyuan	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Zhaotong) Co., LTD	Zhaotong	2,000.00	Zhaotong	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Daye) Co., LTD	Daye	60	Daye	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Loudi) Co., LTD	Loudi	4,000.00	Loudi	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering Yunyang County Co., LTD	Yunyang	2,000.00	Yunyang	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Narayani Investment (Shanghai) Co., LTD	Shanghai	100	Shanghai	Investment	100	—	Establishment
Wuhan Longwangzui Huaxin Environmental Engineering Co., LTD	Wuhan	1,200.00	Wuhan	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Yidu City) Co., LTD	Yidu	3,000.00	Yidu	Environmental design,construction and waste disposal	—	100	Establishment
Wuhan South Prince Lake Huaxin Environmental Engineering Co., LTD	Wuhan	1,000.00	Wuhan	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin (Zigui) Logistics Co., LTD	Zigui	500	Zigui	Loading and unloading,storage and other services	—	100	Establishment
Chongqing Fuling Huaxin Environmental Engineering Co., LTD	Chongqing	100	Chongqing	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin (Jianchuan) Environmental Engineering Co., LTD	Jianchuan	1,500.00	Jianchuan	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin (Lijiang) Environmental Engineering Co., LTD	Lijiang	1,500.00	Lijiang	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin Environmental Engineering (Yichang) Co., LTD	Yichang	2,000.00	Yichang	Environmental design,construction and waste disposal	100	—	Establishment
Chongqing Huaxin New Building Materials Co., LTD	Chongqing	500	Chongqing	Production and sale of new materials	—	100	Establishment
Huaxin Environmental (Shiyan) Renewable Resources Utilization Co., LTD	Shiyan	2,000.00	Shiyan	Environmental design,construction and waste disposal	—	100	Establishment
Huaxin New Material (Changyang) Co., LTD	Changyang	39,300.00	Changyang	Production and sale of new materials	—	100	Establishment

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES – *continued*

1. Interests in subsidiaries – *continued*

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Huaxin Cement (Huangshi) Co., LTD	Huangshi	111,600.00	Huangshi	Manufacture and sale of building materials	80	14	Establishment
Huaxin New Building Materials (Fumin) Co., LTD	Fumin	3,000.00	Fumin	Production and sale of new materials	—	65	Establishment
Zhuzhou Huaxin Logistics Co., LTD	Zhuzhou	200	Zhuzhou	Loading and unloading, storage and other services	—	100	Establishment
Zhuzhou Huaxin Environmental Hazardous Waste Disposal Co., LTD	Zhuzhou	1,300.00	Zhuzhou	Environmental design, construction and waste disposal	—	80	Establishment
Huaxin (Nanzhang) Renewable Resources Utilization Co., LTD	Nanzhang	2,000.00	Nanzhang	Industrial Solid Waste, Hazardous	—	100	Establishment
Huaxin Environment (Yangxin) Renewable Resources Utilization Co., LTD	Yangxin	1,500.00	Yangxin	Environmental design, construction and waste disposal	—	100	Establishment
Wuhan Huaxin Changshankou Logistics Co., LTD	Wuhan	1,000.00	Wuhan	Loading and unloading, storage and other services	—	100	Establishment
Huaxin Concrete (Yangxin) New Material Co., LTD	Yangxin	2,500.00	Yangxin	Production and sale of concrete	—	100	Establishment
Huaxin Environmental Engineering (Badong) Co., LTD	Badong	2,000.00	Badong	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin New Building Materials Xiangyang Co., LTD	Xiangyang	3,000.00	Xiangyang	Manufacture and sale of new materials	—	100	Establishment
Huaxin Anti-seepage and Energy-saving Special New Material (Fumin) Co., LTD	Fumin	500	Fumin	Manufacture and sale of new materials	—	86	Establishment
Huaxin Aggregate (Zhuzhou) Co., LTD	Zhuzhou	10,000.00	Zhuzhou	Manufacture and sale of new materials	—	70	Establishment
Huaxin (Huangshi) Logistics Co., LTD	Huangshi	2,000.00	Huangshi	Loading and unloading, storage and other services	100	—	Establishment
Huaxin (Lijiang) Environmental Protection New Material Co., LTD	Lijiang	6,000.00	Lijiang	Manufacture and sale of new materials	—	70	Establishment
Shannan Huaxin Environmental Engineering Co., LTD	Shannan	3,000.00	Shannan	Environmental design, construction and waste disposal	—	79	Establishment
Wuhan Changshankou Huaxin Environmental Engineering Co., LTD	Wuhan	10,000.00	Wuhan	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin Hong Kong (Tanzania) Investment Co., LTD	Hong Kong	HKD30,250 thousand	Hong Kong	Investment	—	100	Establishment
Hubei Huaxin Environmental Logistics Co., LTD	Huangshi	1,000.00	Huangshi	Loading and unloading, warehousing, transportation, etc.	—	100	Establishment
Huaxin Jiaotou (Chibi) New Building Materials Co., LTD	Chibi	10,000.00	Chibi	Manufacture and sale of new materials	—	51	Establishment
Huaxin Environmental Engineering (Yunnan) Co., LTD	Kunming	3,000.00	Kunming	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin Chaokolong New Building Material Technology (Huangshi) Co., LTD	Huangshi	5,000.00	Huangshi	Manufacture and sale of new materials	—	100	Establishment
HX International (Tanzania) Limited.	Tanzania	TSZ 10 million	Tanzania	Investment	—	100	Establishment
Huaxin Commercial Concrete Xianning Co., LTD	Xianning	2,500.00	Xianning	Production and sale of concrete	—	100	Establishment
Huaxin Cement (Songming) Co., LTD	Kunming	30,000.00	Kunming	Manufacture and sale of building materials	—	100	Establishment
Huaxin Environmental Engineering (Changyang) Co., LTD	Changyang	3,000.00	Changyang	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin (Changyang) Renewable Resources Utilization Co., LTD	Changyang	3,000.00	Changyang	Environmental design, construction and waste disposal	—	100	Establishment
Huangshi Huaxin Green Building Material Industry Co., LTD	Huangshi	430,000.00	Huangshi	Production and sale of construction aggregates	58	—	Establishment
Huaxin Concrete (Huanggang) Co., LTD	Huanggang	2,500.00	Huanggang	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Macheng) Co., LTD	Macheng	2,500.00	Macheng	Production and sale of concrete	—	100	Establishment
Chongqing Huaxin Renewable Resources Utilization Co., LTD	Chongqing	1,000.00	Chongqing	Industrial Solid Waste	—	100	Establishment
Huaxin Environmental Engineering (Hefeng) Co., LTD	Hefeng	1,000.00	Hefeng	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin New Building Materials (Luonan) Co., LTD	Luonan	5,000.00	Luonan	Manufacture and sale of new materials	—	55	Establishment
Changzhou Huaxin Concrete Co., LTD	Changzhou	21,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Huaxin New Building Materials (Kunming) Co., LTD	Kunming	5,000.00	Kunming	Manufacture and sale of new materials	—	100	Establishment
Huaxin (Haikou) Investment Co., LTD	Haikou	USD405 million	Haikou	Investment	60	40	Establishment
Yangxin Fuhua Handling Co., LTD	Yangxin	30,000.00	Yangxin	Loading and unloading, warehousing and other services	—	58	Establishment
Huaxin Concrete (Shishou) Co., LTD	Shishou	2,500.00	Shishou	Production and sale of concrete	—	100	Establishment
Huaxin Concrete Suizhou Co., LTD	Suizhou	2,500.00	Suizhou	Production and sale of concrete	—	100	Establishment
Huaxin Gangcheng Building Materials (Huangshi) Co., LTD	Huangshi	20,000.00	Huangshi	Production and sale of construction aggregates	—	51	Establishment
Huaxin Property Management Huangshi Co., LTD	Huangshi	300	Huangshi	Property management services	100	—	Establishment
Huaxin Environmental Engineering (Guangdong) Co., LTD	Guangzhou	1,000.00	Guangzhou	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin Phosphogypsum (Wuxue) Co., LTD	Wuxue	2,000.00	Wuxue	Manufacture and sale of new materials	—	100	Establishment
Huaxin Chunjin Building Materials (Wuxue) Co., LTD (Note 1)	Wuxue	5,000.00	Wuxue	Manufacture and sale of building materials	—	32	Establishment
Huaxin New Building Materials (Wuxue) Co., LTD	Wuxue	3,000.00	Wuxue	Manufacture and sale of new materials	—	100	Establishment
Huaxin New Material (Yidu) Co., LTD	Yidu	2,500.00	Yidu	Manufacture and sale of new materials	—	100	Establishment
Huaxin Fine Calcium (Xiangyang) Co., LTD	Xiangyang	2,700.00	Xiangyang	Manufacture and sale of building materials	—	100	Establishment
Hainan Baihuitong Supply Chain Technology Co., LTD	Haikou	10,000.00	Haikou	Logistics services	—	100	Establishment
Fumin Park New Building Materials Co., LTD	Fumin	10,000.00	Fumin	Manufacture and sale of new materials	—	100	Establishment
Huaxin Concrete (Zigui) Co., LTD	Zigui	2,500.00	Zigui	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Qianjiang) Co., LTD	Qianjiang	2,500.00	Qianjiang	Production and sale of concrete	—	100	Establishment
Nanjing Huaxin Concrete Co., LTD	Nanjing	5,000.00	Nanjing	Production and sale of concrete	—	100	Establishment
Huaxin New Materials Concrete Xiangyang Co., LTD	Xiangyang	2,500.00	Xiangyang	Production and sale of concrete	—	100	Establishment
Huaxin Zhongnan (Wuhan) Environmental Technology Co., LTD	Wuhan	500	Wuhan	Environmental design, construction and waste disposal	—	55	Establishment
Huaxin Environmental Engineering (Chongqing) Co., LTD	Chongqing	4,100.00	Chongqing	Environmental design, construction and waste disposal	—	100	Establishment
Jingjiang Huaxin Concrete Co., LTD	Jingjiang	2,500.00	Jingjiang	Production and sale of concrete	—	100	Establishment
Huaxin Fortress New Building Materials (Daye) Co., LTD	Daye	3,000.00	Daye	Manufacture and sale of new materials	—	100	Establishment
Huaxin Concrete (Yangxin) Co., LTD	Yangxin	2,500.00	Yangxin	Production and sale of concrete	—	100	Establishment

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES — *continued*

1. Interests in subsidiaries — *continued*

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Huaxin Concrete (Daye) Co., LTD	Daye	2,500.00	Daye	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Tongchuang Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Tianmen) Co., LTD	Tianmen	2,500.00	Tianmen	Production and sale of concrete	—	100	Establishment
Huaxin New Material (Zigui) Co., LTD	Zigui	10,000.00	Zigui	Manufacture and sale of new materials	—	100	Establishment
Zhenjiang Huaxin Jingfa Concrete Co., LTD	Zhenjiang	3,000.00	Zhenjiang	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Tong He Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Changzhou Huaxin Tong Li Concrete Co., LTD	Changzhou	3,000.00	Changzhou	Production and sale of concrete	—	100	Establishment
Huaxin Green Building Materials (Wuxue) Co., LTD	Wuxue	50,000.00	Wuxue	Manufacture and sale of building materials	—	59	Establishment
Huaxin Environmental Engineering (Hunan) Co., LTD	Changsha	1,000.00	Changsha	Environmental design, construction and waste disposal	—	100	Establishment
Huaxin Concrete Xiangyang Xiangcheng District Co., LTD	Xiangyang	2,500.00	Xiangyang	Production and sale of concrete	—	100	Establishment
Huaxin New Building Materials (Huangshi) Co., LTD	Huangshi	5,000.00	Huangshi	Manufacture and sale of new materials	100	—	Establishment
Huaxin New Building Materials (Honghe) Co., LTD	Honghe	2,500.00	Honghe	Manufacture and sale of new materials	—	100	Establishment
Nantong Huaxin Chunfa Concrete Co., LTD	Nantong	3,000.00	Nantong	Production and sale of concrete	—	100	Establishment
Taichang Huaxin Xinyang Concrete Co., LTD	Taichang	2,500.00	Taichang	Production and sale of concrete	—	100	Establishment
Nantong Taisheng Huaxin Concrete Co., LTD	Nantong	3,000.00	Nantong	Production and sale of concrete	—	100	Establishment
Huaxin Concrete (Hanchuan) Co., LTD	Hanchuan	2,500.00	Hanchuan	Production and sale of concrete	—	100	Establishment
Huaxin Gayur Cement LLC (Note 2)	Tajikistan	USD20 million	Tajikistan	Manufacture and sale of building materials	—	38	Establishment
Huaxin Gayur (Sogd) Cement LLC (Note 3)	Tajikistan	TJS 223.04 million	Tajikistan	Manufacture and sale of building materials	—	36	Establishment
Huaxin Cement Narayani Co., LTD	Nepali	USD28 million	Nepali	Manufacture and sale of building materials	—	100	Establishment
Cambodian Packaging Chakrey Ting Co., LTD	Cambodian	USD5 million	Cambodian	Manufacture and sale of cement bags	—	68	Establishment
Huaxin Cement Jizzakh LLC	Uzbekistan	USD30 million	Uzbekistan	Manufacture and sale of building materials	—	100	Establishment
Huaxin Cambodia Trading Co., LTD	Cambodian	USD0.6million	Cambodian	Import and export trade of cement	—	100	Establishment
Huaxin Gayur New Building Materials Co., LTD (Note 3)	Tajikistan	TJS28 million	Tajikistan	Manufacture and sale of new materials	—	32	Establishment
Jiangsu Huaxin Supply Chain Co., LTD	Changzhou	1,000	Changzhou	Logistics services	—	100	Establishment
Xinyang Xinxin green Building Material Co., LTD	Xinyang	10,000	Xinyang	Production and sale of construction aggregates	—	51	Establishment
Nantong Huaxin Xincheng Concrete Co., LTD	Nantong	2,500	Nantong	Production and sale of concrete	—	100	Establishment
Wuhan Baihutong Supply Chain Technology Co., LTD	Wuhan	5,000	Wuhan	Logistics services	—	100	Establishment
Huaxin Solid Waste Disposal (Changyang) Co., LTD	Changyan	1,600	Changyan	Production and sale of construction aggregates	—	100	Establishment
Huaxin Cement International Finance Company Limited	Hong Kong	USD100 thousand	Hong Kong	Investment	—	100	Establishment
Cambodia Concrete Chakrey Ting Co., LTD.	Cambodia	USD60	Cambodia	Production and sale of concrete	—	68	Establishment
Hua Tech Engineering Limited	Zambia	ZMW20 thousand	Zambia	Manufacture and repair of Electromechanical equipment	—	100	Establishment
Huaxin Zimbabwe Industries (Private) Limited	Zimbabwe	USD 2 million	Zimbabwe	Manufacture and sale of building materials	—	100	Establishment
Yellow Stone Engineering Construction SPC	Oman	Oman 250 thousand	Oman	Manufacture and repair of Electromechanical equipment	—	100	Establishment
Giant Stone Engineering Construction Pty LTD.	South Africa	ZAR2 million	South Africa	Manufacture and repair of Electromechanical equipment	—	100	Establishment
Changshu Huaxin Changling Concrete Co., LTD	Changshu	3,000	Changshu	Production and sale of concrete	—	100	Mergers and acquisitions
Zhenjiang Huaxin Mingxing Concrete Co., LTD	Zhenjiang	3,000.00	Zhenjiang	Production and sale of concrete	—	100	Mergers and acquisitions
Huaxin Xijiesi Building Material Technology (Huangshi) Co., LTD	Huangshi	2,800.00	Huangshi	Manufacture and sale of building materials	—	70	Mergers and acquisitions
Hainan Huaxin Pan Africa Investment Co., Ltd.	Haikou	1,000	Haikou	Investment	—	100	Establishment
Suzhou Industrial Park Huaxin Concrete Co., Ltd.	Suzhou	2,500	Suzhou	Production and sale of concrete	—	100	Establishment
Changyang Xinzhiba Logistics Co., Ltd.	Yichang	2,000	Yichang	Logistics services	—	100	Establishment
Huaxin New Building Materials (Chibi) Co., LTD	Chibi	3,000	Chibi	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Hefeng) National Building Materials Co., LTD	Hefeng	4,764.00	Hefeng	Manufacture and sale of building materials	51	—	Mergers and acquisitions
Huaxin Hongta Cement (Jinghong) Co., LTD	Jinghong	17,961.00	Jinghong	Manufacture and sale of building materials	51	—	Mergers and acquisitions
Huaxin Cement (Changyang) Co., LTD	Changyang	24,900.00	Changyang	Manufacture and sale of building materials	100	—	Mergers and acquisitions
Huaxin Cement (Jingzhou) Co., LTD	Jingzhou	8,080.00	Jingzhou	Manufacture and sale of building materials	88	12	Mergers and acquisitions
Huaxin Cement (Fangxian) Co., LTD	Fangxian	8,000.00	Fangxian	Manufacture and sale of building materials	70	—	Mergers and acquisitions
Huaxin Cement (Danjiangkou) Co., LTD	Danjiangkou	2,450.00	Danjiangkou	Manufacture and sale of building materials	—	70	Mergers and acquisitions
Huaxin Cement (Diqing) Co., LTD	Diqing	9,500.00	Diqing	Manufacture and sale of building materials	69	—	Mergers and acquisitions
Huaxin Jinlong Cement (Yunxian) Co., LTD	Yunxian	8,000.00	Yunxian	Manufacture and sale of building materials	80	—	Mergers and acquisitions
Huaxin Cement Suizhou Co., LTD	Suizhou	4,100.00	Suizhou	Manufacture and sale of building materials	60	—	Mergers and acquisitions
Huaxin Concrete Jingmen Co., LTD	Jingmen	2,500.00	Jingmen	Production and sale of concrete	—	100	Mergers and acquisitions
Hainan Huaxin Dacheng Concrete Co., LTD	Haikou	3,000.00	Haikou	Production and sale of concrete	—	70	Mergers and acquisitions
Hainan Huaxin Full Concrete Co., LTD	Haikou	2,800.00	Haikou	Production and sale of concrete	—	70	Mergers and acquisitions
Nanjing Huaxin Pingda Building Material Technology Co., LTD	Nanjing	3,000.00	Nanjing	Production and sale of concrete	—	100	Mergers and acquisitions
Huanggang Jiamei New Material Technology Co., LTD	Huanggang	2,500.00	Huanggang	Production and sale of concrete	—	100	Mergers and acquisitions
Yangzhou Huaxin Jiangyang Concrete Co., LTD	Yangzhou	3,000.00	Yangzhou	Production and sale of concrete	—	100	Mergers and acquisitions
Huaxin Tianbang Concrete (Wuhan Hanyang) Co., LTD	Wuhan	2,500.00	Wuhan	Production and sale of concrete	—	100	Mergers and acquisitions
Xishui County Concrete Sheng Building Material Co., LTD	Xishui	2,500.00	Xishui	Manufacture and sale of building materials	—	100	Mergers and acquisitions

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES – *continued*

1. Interests in subsidiaries – *continued*

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Suzhou Liangxing Concrete Co., LTD	Suzhou	3,000.00	Suzhou	Production and sale of concrete	—	100	Mergers and acquisitions
Huaxin Concrete Xianning Co., LTD	Xianning	4,200.00	Xianning	Production and sale of concrete	—	100	Mergers and acquisitions
Zaoyang Huaxin Concrete Co., LTD	Zaoyang	2,500.00	Zaoyang	Production and sale of concrete	—	84	Mergers and acquisitions
Huaxin Concrete (Daye) Co., LTD	Daye	32,700.00	Daye	Manufacture and sale of building materials	70	—	Mergers and acquisitions
Huaxin Cement (Ezhou) Co., LTD	Ezhou	5,000.00	Ezhou	Manufacture and sale of building materials	70	—	Mergers and acquisitions
Hubei Zhushen Building Materials Co., LTD	Wuhan	2,500.00	Wuhan	Production and sale of concrete	—	84	Mergers and acquisitions
Huaxin Concrete (Chongyang) Co., LTD	Xianning	2,588.00	Xianning	Production and sale of concrete	—	51	Mergers and acquisitions
Success Eagle Cement (Hong Kong) Limited	Hong Kong	HKD10 thousand	Hong Kong	Investment	—	65	Mergers and acquisitions
Huaxin Cement (Enping) Co., LTD	Enping	HKD280 million	Enping	Manufacture and sale of building materials	—	65	Mergers and acquisitions
Huaxin Concrete Xiangyang Co., LTD	Xiangyang	2,500.00	Xiangyang	Production and sale of concrete	—	84	Mergers and acquisitions
Huaxin Environmental Engineering (Shiyan) Co., LTD	Shiyan	5,000.00	Shiyan	Environmental design, construction and waste disposal	—	100	Mergers and acquisitions
Huaxin Cement (Fumin) Co., LTD	Fumin	39,000.00	Fumin	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Yunnan Huaxin Dongjun Cement Co., LTD	Kunming	26,000.00	Kunming	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Lijiang) Co., LTD	Lijiang	10,000.00	Lijiang	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Honghe) Co., LTD	Honghe	50,000.00	Honghe	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Chuxiong) Co., LTD	Chuxiong	3,260.00	Chuxiong	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Yanshan Yuanda Red River Cement Co., LTD	Honghe	300	Honghe	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Jianchuan) Co., LTD	Jianchuan	27,000.00	Jianchuan	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Yunlong) Co., LTD	Yunlong	30,000.00	Yunlong	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huaxin Cement (Lincang) Co., LTD	Lincang	36,090.00	Lincang	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Kunming Chongde Cement Co., LTD	Kunming	38,200	Kunming	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Yunnan Huaxin Building Materials Investment Co., LTD	Kunming	305,883	Kunming	Investment	100	—	Mergers and acquisitions
Kunming Huaxin Logistics Co., LTD	Kunming	1,000	Kunming	Loading and unloading, warehousing and other services	—	100	Mergers and acquisitions
Yunnan State Capital Cement Kunming Co., LTD	Kunming	13,038	Kunming	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Chongqing Huaxin Yanjing Cement Co., LTD	Chongqing	21,000	Chongqing	Manufacture and sale of building materials	100	—	Mergers and acquisitions
Chongqing Huaxin Diwei Cement Co., LTD	Chongqing	45,268	Chongqing	Manufacture and sale of building materials	97	—	Mergers and acquisitions
Chongqing Huaxin Sentian Cement Co., LTD	Chongqing	27,000	Chongqing	Manufacture and sale of building materials	100	—	Mergers and acquisitions
Huaxin Guizhou Dingxiu Special Cement Co., LTD	Guizhou	23,107	Guizhou	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Guizhou Shucheng Rui'an Cement Co., LTD	Guizhou	20,000	Guizhou	Manufacture and sale of building materials	—	70	Mergers and acquisitions
Chongqing Huaxin Logistics Co., LTD	Chongqing	50	Chongqing	Loading and unloading, warehousing and other services	—	98	Mergers and acquisitions
Chongqing Huaxin Phoenix Lake Concrete Co., LTD	Chongqing	5,107	Chongqing	Production and sale of concrete	100	—	Mergers and acquisitions
Chongqing Huaxin Tiancheng Concrete Co., LTD	Chongqing	3,250	Chongqing	Production and sale of concrete	100	—	Mergers and acquisitions
Yunwei Baoshan Organic Chemical Co., LTD	Baoshan	10,000	Baoshan	Manufacture and sale of building materials	—	80	Mergers and acquisitions
Hainan Xinhongda Building Materials Co., LTD	Haikou	1,500	Haikou	Manufacture and sale of new materials	—	100	Mergers and acquisitions
Yidu Honghua Xintong Logistics Co., LTD	Yidu	4,500	Yidu	Loading and unloading, warehousing and other services	—	100	Mergers and acquisitions
Huaxin Concrete (Huangmei) Co., LTD	Huangmei	2,600	Huangmei	Production and sale of concrete	—	100	Mergers and acquisitions
Hainan Huaxin Ronghui Concrete Co., LTD	Haikou	3,000	Haikou	Production and sale of concrete	—	70	Mergers and acquisitions
Nantong Tongchang Building Material Co., LTD	Nantong	3,000	Nantong	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Yueyang County Yonggu Concrete Co., LTD	Yueyang	3,350	Yueyang	Production and sale of concrete	—	100	Mergers and acquisitions
Yangzhou Huaxin Dingli Concrete Co., LTD	Yangzhou	2,500	Yangzhou	Production and sale of concrete	—	100	Mergers and acquisitions
Oman Cement Company SAOG	Oman	OMR 33million	Oman	Manufacture and sale of building materials	—	65	Mergers and acquisitions
Cambodian Cement Chakrey Ting Factory Co., LTD	Cambodia	USD 60million	Cambodia	Manufacture and sale of building materials	—	68	Mergers and acquisitions
Yuzhno-Kyrgyzskiy Cement CJSC	Kyrgyzstan	KGS 528 million	Kyrgyzstan	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Stone Group LLL	Kyrgyzstan	KGS 1000	Kyrgyzstan	Management and staffing services	—	100	Mergers and acquisitions
Power Assets LLL	Kyrgyzstan	KGS 1000	Kyrgyzstan	Land and Building Rental Services	—	100	Mergers and acquisitions
Maweni limestone limited	Tanzania	TZS 1 million	Tanzania	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Chilanga Cement PLC	Zambia	ZMW 10,001,995	Zambia	Manufacture and sale of building materials	—	80	Mergers and acquisitions
Portland Cement (Malawi) Limited	Malawi	MWK15,786,274	Malawi	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Natal Portland Cement Company (Pty) Ltd.	South Africa	ZAR 644 million	South Africa	Manufacture and sale of building materials	—	100	Mergers and acquisitions
SOMMERSET INVESTMENTS LIMITED	Mauritius	USD 177 million	Mauritius	Investment	100	—	Mergers and acquisitions
Panzhihua Huaxin New Materials Co., LTD	Panzhihua	1,000	Panzhihua	Manufacture and sale of building materials	—	100	Mergers and acquisitions
InterCement South Africa Proprietary Limited	South Africa	—	South Africa	Manufacture and sale of building materials	—	100	Mergers and acquisitions
NPC Intercement (RF) Proprietary Limited	South Africa	USD 51 million	South Africa	Manufacture and sale of building materials	—	74	Mergers and acquisitions
NPC Concrete Proprietary Limited	South Africa	ZAR 100	South Africa	Manufacture and sale of building materials	—	74	Mergers and acquisitions
South Coast Stone Crushers Proprietary Limited	South Africa	ZAR 100	South Africa	Manufacture and sale of building materials	—	55	Mergers and acquisitions
Sterkspruit Aggregates Proprietary Limited	South Africa	ZAR 100	South Africa	Manufacture and sale of building materials	—	55	Mergers and acquisitions
Cimentos de Mozambique, S.A.	Mozambique	MZN 628 million	Mozambique	Manufacture and sale of building materials	—	96	Mergers and acquisitions
Hunan Junfu Building Materials Co., LTD	Changsha	2,500	Changsha	Production and sale of concrete	—	100	Mergers and acquisitions
Huaxin Commercial Concrete (Ezhou Huarong) Co., LTD	Ezhou	2,500	Ezhou	Production and sale of concrete	—	100	Mergers and acquisitions

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES — *continued*

1. Interests in subsidiaries — *continued*

Interests in subsidiaries	Place of business	Registered RMB'000	Place of registration	Nature of business	Percentage of shareholding (%)		Acquired method
					Direct	Indirect	
Yangxin Tainao Yicheng Building Material Co., LTD	Yangxin	2,600	Yangxin	Manufacture and sale of building materials	—	100	Mergers and acquisitions
Huangshi Huaxin Guanggu East New Building Material Co., LTD	Huangshi	15,000	Huangshi	Production and sale of construction aggregates	—	100	Mergers and acquisitions
Wuhan Baihutong Supply Chain Technology Co., LTD	Wuhan	5,000	Wuhan	Logistics services	—	100	Establishment
Suzhou Huaxin Kanghong Concrete Co., LTD	Suzhou	2,500	Suzhou	Production and sale of concrete	—	100	Mergers and acquisitions
NETNIX LTD Cyprus Investment Entity	Cyprus	EUR 10 thousand	Cyprus	Investment	—	100	Mergers and acquisitions
Xianning Huaxin Tuoxin Concrete Co., LTD	Xianning	2,500	Xianning	Production and sale of concrete	—	100	Establishment
Yangxin County Fuhua Agricultural Technology Co., Ltd.	Yangxin	500	Yangxin	Production and sale of agricultural products	—	100	Establishment
Jiaxing Xinlujiang Concrete Co., Ltd.	Jiaxing	3,000	Jiaxing	Production and sale of concrete	—	100	Mergers and acquisitions
Hefei Huaxin Guofeng Concrete Co., Ltd.	Hefei	2,500	Hefei	Production and sale of concrete	—	100	Mergers and acquisitions
Liling Shichang Tongfa Building Materials Co., Ltd.	Lilin	2,500	Lilin	Production and sale of concrete	—	100	Mergers and acquisitions
Huaxin Green Building Materials (Huangshi Xisaishan) Co., Ltd.	Huangshi	2,500	Huangshi	Manufacture and sale of building materials	—	100	Establishment
Qichun Zhongsheng Building Materials Trading Co., Ltd.	Huanggang	2,600	Huanggang	Production and sale of concrete	—	100	Mergers and acquisitions
Jiangyin Xinding Concrete Co., Ltd.	Jiangyin	2,500	Jiangyin	Production and sale of concrete	—	100	Mergers and acquisitions
EMBUS.A.ENGENHARIAECOMÉRCIO	Brazil	BRL 13 million	Brazil	Production and sale of construction aggregates	—	100	Mergers and acquisitions
ITATUBA PARTICIPAÇÕES LTDA	Brazil	BRL 7million	Brazil	Investment	—	100	Mergers and acquisitions

Basis for holding half or less of the voting rights but still controlling the investee and for holding more than half of the voting rights but not controlling the investee is listed as below:

- Note 1:** The Group holds 59% of the shares of Huaxin Green Building Materials (Wuxue) Co., Ltd and Huaxin Green Building Materials (Wuxue) Co., Ltd holds 55% of the shares of Huaxin Chunjin Building Materials (Wuxue) Co., Ltd. Therefore, the Group holds 32% of the shares of Huaxin Chunjin Building Materials (Wuxue) Co., Ltd indirectly. The board of directors of Huaxin Chunjin Building Materials (Wuxue) Co., Ltd adopts the simple majority principle in making resolutions. There are three members in the board of directors and the Group has the right to appoint two directors, with 67% of the voting rights. Therefore, the Group has control over Huaxin Chunjin Building Materials (Wuxue) Co., Ltd.
- Note 2:** The Group holds 100% of the shares of Huaxin (Hong Kong) International Holdings Co., Ltd and 51% of the shares of Huaxin Hong Kong (Central Asia) Investment Co., Ltd holds 75% of the shares of Huaxin Ya Wan Cement Co., Ltd. Therefore, the Group holds 38% of the shares of Huaxin Ya Wan Cement Co., Ltd indirectly. The board of directors of Huaxin Ya Wan Cement Co., Ltd. adopts the simple majority principle in making resolutions. There are four members in the board of directors and the Group has the right to appoint three directors, with 75% of the voting rights. Therefore, the Group has control over Huaxin Ya Wan Cement Co., Ltd.
- Note 3:** Huaxin Ya Wan Cement Co., Ltd holds 95% and 85% of the shares of Huaxin Gayur(Sogd) Cement LLC and New Gayur New Building Materials Co., Ltd. 95% and 85% respectively. Therefore, the Group has control over Huaxin Gayur(Sogd) Cement LLC and New Gayur New Building Materials Co., Ltd.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES — *continued*

1. Interests in subsidiaries — *continued*

Significant non-wholly subsidiaries

Unit: RMB

Subsidiaries	Percentage of non-controlling shareholding(%)	Profit or loss attributable to non-controlling shareholders	Dividend Payment to non-controlling shareholders in the current period	Closing balance of minority interests
Huangshi Huaxin Green Building Material Industry Co., Ltd	42%	-37,707,910	—	1,036,468,657
Huaxin Green Building Materials (Wuxue) Co., Ltd	41%	76,340,207	100,040,000	431,792,569
Oman Cement Company SAOG	35%	32,518,968	196,081,852	650,882,947

Main financial information of the above significant subsidiaries with minority interests

Unit: RMB

Subsidiaries	Current assets		Non-current assets		Closing balance			Current assets		Non-current assets		Opening balance		
					Total assets	Current liabilities	Non-current liabilities					Total assets	Current liabilities	Non-current liabilities
Huangshi Huaxin Green Building Material Industry Co., Ltd	704,815,612	8,818,955,529	9,523,771,141	2,633,077,176	4,092,811,457	6,725,888,633	783,395,410	8,745,391,859	9,528,787,269	2,690,058,387	3,950,515,477	6,640,573,864		
Huaxin Green Building Materials (Wuxue) Co., Ltd	733,737,206	825,258,153	1,558,995,359	487,803,509	70,407,560	558,211,069	828,016,153	846,258,273	1,674,274,426	529,314,459	82,045,856	611,360,315		
Oman Cement Company SAOG	543,375,820	1,795,790,515	2,339,166,335	190,167,082	311,225,991	501,393,073	1,041,347,020	1,671,688,713	2,713,035,733	199,650,023	169,388,021	369,038,044		

Unit: RMB

Subsidiaries	Amount for the current period				Amount for the prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Huangshi Huaxin Green Building Material Industry Co., Ltd	516,175,394	-90,330,897	-90,330,897	-76,635,788	642,744,209	4,316,944	4,316,944	408,049,806
Huaxin Green Building Materials (Wuxue) Co., Ltd	685,249,976	181,870,179	181,870,179	-15,720,020	955,822,194	282,504,963	282,504,963	421,317,548
Oman Cement Company SAOG	630,348,072	92,164,478	48,620,535	130,483,150	642,713,288	119,323,407	179,472,540	175,435,966

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

X. INTERESTS IN OTHER ENTITIES — *continued*

2. Interests in associates

Unit: RMB

Name	Place of business	Place of registration	Nature of business	Percentage of shareholding (%)		Accounting treatment
				Direct	Indirect	
Tibet High-Tech Building Materials Group Co., Ltd	Tibet	Tibet	Manufacture and sale of building materials	43	—	Equity method
Shanghai Wanan Huaxin Cement Co., Ltd	Shanghai	Shanghai	Manufacture and sale of building materials	49	—	Equity method
Zhangjiajie Tianzi Concrete Co., Ltd	Sangzhi	Sangzhi	Production and sale of concrete	30	—	Equity method
Xinyang Xinxin Mining Co., Ltd	Xinyang	Xinyang	Wholesale of non-metallic minerals and products	30	—	Equity method
Mondi Oman LLC	Oman	Oman	Manufacture of industrial paper bags	30	—	Equity method
Tibet Huaxin New Aggregate Co., Ltd.	Tibet	Tibet	Manufacture and sale of building materials	51	—	Equity method

The following table presents the summarised financial information for joint ventures and associates that are individually immaterial to the Group:

Unit: RMB

	Closing balance/ Amount for the current period	Opening balance/ Amount for the prior period
Joint ventures:		
Total carrying value of investments	20,185,930	20,291,611
Total of the following by percentage of shareholding		
— Net profit	-105,681	—
— Total comprehensive income	-105,681	—
Associates:		
Total carrying value of investments	562,892,239	564,460,843
Total of the following by percentage of shareholding		
— Net profit	2,816,502	1,580,722
— Total comprehensive income	2,816,502	1,580,722

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

1. Financial instrument risk

The Group is exposed to risks in various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk.

The Board is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and overseeing the implementation of risk management measures. The Group has developed risk management policies to identify and analyze the risks to which the Group is exposed, which clearly define specific risks, covering many aspects such as market risk, credit risk, and liquidity risk. The Group regularly assesses changes in the market environment and the Group's business activities to decide whether to update its risk management policies and systems. The Group's risk management is carried out by the Risk Management Committee in accordance with the policies approved by the Board. The Risk Management Committee identifies, evaluates and mitigates risks in close cooperation with other business units of the Group. The Group's internal audit department conducts regular audits of risk management controls and procedures, and reports the results to the Group's audit committee.

The Group diversifies the risk of financial instruments through appropriate diversification of investment and business portfolios, and reduces the risk of concentration in any single industry, specific region or specific counterparty by formulating corresponding risk management policies.

Credit risk

The Group only deals with accredited, reputable third parties. In accordance with the Group's policy, all customers who require credit transactions are subject to credit review. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group does not face significant bad debt risks. For transactions that are not settled in the accounting standard currency of the relevant business unit, the Group does not provide credit transaction conditions unless specifically approved by the Group's credit control department. Monetary funds, bank acceptance receivables, and derivative financial instruments have low credit risk due to the fact that the counterparties are banks with good reputations and high credit ratings.

The Group's other financial assets include accounts receivable, other receivables, long-term receivables and debt investments, the credit risk of which is derived from counterparty defaults, and the maximum exposure is equal to the book value of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instrument risk — *continued*

The maximum credit exposure to the Group on each balance sheet date is the total amount charged to customers less impairment provisions.

As the Group only deals with accredited, reputable third parties, the risk is manageable. Credit risk is centrally managed across customer, counterparty, geographic region and industry. Given the wide dispersion of the Group's customer portfolio across departments and industries, credit risk shows no significant concentration. The Group holds collateral and other credit enhancements for some of the accounts receivable balances according to the credit status of customers.

At each balance sheet date, the Group assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition. The Group's main criteria for judging a significant increase in credit risk are: 1. Overdue days exceeding 30 days; 2. The operating environment of the debtor; 3. Internal and external credit ratings; 4. Significant adverse changes in actual or expected operating results, etc.

Definition of Credit-Impaired Assets

The Group primarily considers a financial asset to be credit-impaired when it is more than 180 days past due. However, credit impairment may also be recognized earlier if internal assessments or external indicators provide objective evidence that the contractual amounts may not be fully recoverable, even after accounting for any available credit enhancements.

Credit impairment of financial assets may be caused by a combination of events and may not be caused by isolated events.

Liquidity risk

The Group aims to use a variety of financing instruments to maintain a balance between sustainability and flexibility in financing. The Group finances its operations with funds generated through operations and borrowings.

The Group's liquidity mainly relies on sufficient operating cash inflows to meet maturing debt commitments and on external financing to meet future committed capital expenditures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instrument risk — *continued*

Liquidity risk — continued

The following table summarizes the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

30 June 2025

Unit: Yuan Currency: RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	total
Short-term borrowing	137,579,445	—	—	—	137,579,445
Notes payable	766,900,771	—	—	—	766,900,771
Accounts payable	6,905,089,071	—	—	—	6,905,089,071
Other payables	1,417,172,772	—	—	—	1,417,172,772
Long-term borrowing	3,037,398,444	3,729,199,844	6,993,622,143	366,322,333	14,126,542,764
Payable bonds	2,588,800,604	883,295,065	2,872,195,356	—	6,344,291,025
Long-term payable	911,538,984	330,409,497	441,297,781	4,980,000	1,688,226,262
Lease liabilities	311,296,563	306,249,521	602,679,466	294,187,208	1,514,412,758
total	<u>16,075,776,654</u>	<u>5,249,153,927</u>	<u>10,909,794,746</u>	<u>665,489,541</u>	<u>32,900,214,868</u>

December 31, 2024

Unit: Yuan Currency: RMB

	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	total
Short-term borrowing	299,712,860	—	—	—	299,712,860
Notes payable	675,782,946	—	—	—	675,782,946
Accounts payable	7,744,026,328	—	—	—	7,744,026,328
Other payables	1,011,487,419	—	—	—	1,011,487,419
Long-term borrowing	3,451,076,073	3,681,246,932	6,027,300,676	415,935,322	13,575,559,003
Payable bonds	2,634,121,084	865,264,497	1,783,635,281	—	5,283,020,862
Long-term payable	637,661,438	408,242,131	473,814,928	22,401,281	1,542,119,778
Lease liabilities	314,349,444	276,907,305	570,614,159	413,930,657	1,575,801,565
total	<u>16,768,217,592</u>	<u>5,231,660,865</u>	<u>8,855,365,044</u>	<u>852,267,260</u>	<u>31,707,510,761</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instrument risk — *continued*

Market risk

Interest rate risk

The risk exposure to changes in market interest rates is mainly related to the Group's floating-rate long-term liabilities. The Group manages interest rate risk by closely monitoring interest rate fluctuations, regularly reviewing borrowing structures, and flexible use of financial derivatives such as interest rate swaps.

As of the end of June 2025, the Group's interest-bearing floating-rate RMB borrowings were RMB11,259,445,157; long-term floating-rate US dollar borrowings were equivalent to RMB206,985,130; long-term floating-rate South African rand borrowings were equivalent to RMB217,679,400; and long-term Brazilian real borrowings were equivalent to RMB59,674,939.

The following table provides a sensitivity analysis of the interest rate risk associated with long-term RMB borrowings, reflecting the impact on net profit or loss via floating rate borrowing, as well as the net after-tax other comprehensive income, *ceteris paribus*.

30 June 2025

Unit: Yuan Currency: RMB

	Basis Point Increase/ (Decrease)	Net Profit and Loss Increase/ (Decrease)	Net after-tax of other comprehensive income Increase/ (decrease)	Total Increase/ (Decrease) in Shareholders' Equity
Renminbi	100	-112,594,452	—	-112,594,452
Renminbi	-100	112,594,452	—	112,594,452

December 31, 2024

Unit: Yuan Currency: RMB

	Basis Point Increase/ (Decrease)	Net Profit and Loss Increase/ (Decrease)	Net after-tax of other comprehensive income Increase/ (decrease)	Total Increase/ (Decrease) in Shareholders' Equity
Renminbi	100	-115,919,757	—	-115,919,757
Renminbi	-100	115,919,757	—	115,919,757

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instrument risk — *continued*

Exchange rate risk

The Group is exposed to transactional exchange rate risk. Such risks result from sales or purchases made by the business unit in a currency other than its accounting standard currency.

In addition, the Group has exchange rate exposure arising from foreign currency borrowings.

The following table provides a sensitivity analysis of exchange rate risk, reflecting the impact of reasonable and likely changes in the following foreign exchange rates on net profit or loss and net comprehensive income after tax, assuming all other variables remain constant.

30 June 2025

Unit: Yuan Currency: RMB

	Basis Point Increase/ (Decrease)	Net Profit and Loss Increase/ (Decrease)	Net after-tax of other comprehensive income Increase/ (Decrease)	Total Increase/ (Decrease) in Shareholders' Equity
The Tanzanian shilling depreciated against the US dollar	5	-30,694,075	—	-30,694,075
The Tanzanian shilling appreciated against the US dollar	-5	30,694,075	—	30,694,075
The Nepalese rupee depreciated against the US dollar	5	-61,692,557	—	-61,692,557
The Nepalese rupee appreciated against the US dollar	-5	61,692,557	—	61,692,557
The RMB depreciated against the US dollar	5	34,234,839	—	34,234,839
The yuan appreciated against the US dollar	-5	-34,234,839	—	-34,234,839

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

1. Financial instrument risk — *continued*

Exchange rate risk — continued

December 31, 2024

Unit: Yuan Currency: RMB

	Basis Point Increase/ (Decrease)	Net Profit and Loss Increase/ (Decrease)	Net after-tax of other comprehensive income Increase/ (Decrease)	Total Increase/ (Decrease) in Shareholders' Equity
The Tanzanian shilling depreciated against the US dollar	5	-38,284,490	—	-38,284,490
The Tanzanian shilling appreciated against the US dollar	-5	38,284,490	—	38,284,490
The Nepalese rupee depreciated against the US dollar	5	-60,850,065	—	-60,850,065
The Nepalese rupee appreciated against the US dollar	-5	60,850,065	—	60,850,065
The RMB depreciated against the US dollar	5	32,617,487	467,661	33,085,148
The yuan appreciated against the US dollar	-5	-32,617,487	467,661	-33,085,148

2. Capital management

The Group's primary objective of capital management is to ensure the Group's ability to continue operating and maintain a healthy capital ratio to support business development and maximise shareholder value.

The Group manages and adjusts its capital structure based on changes in the economic environment and the risk profiles of related assets. To maintain or optimize its capital structure, the Group may adjust shareholder profit distributions, return capital to shareholders, or issue new shares. Notably, the Group is not subject to external mandatory capital requirements. For the six months ended 30 June 2025, and the full year of 2024, there were no changes to the Group's capital management objectives, policies, or procedures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

2. Capital management — *continued*

The Group monitors its capital through the asset-liability ratio, which is calculated by dividing total liabilities by total assets. The Group's asset-liability ratios as at the balance sheet date are as follows:

Unit: Yuan Currency: RMB

	Closing balance	Opening balance
Total liabilities	35,863,182,134	34,614,884,740
Total assets	70,872,821,162	69,512,689,187
Asset-liability ratio	51%	50%

3. Hedging

(1) Hedging business risk management

Item	Risk management strategy & objectives	Qualitative & quantitative information on hedging risk	The economic relationship between the hedged project and the related hedging instrument	Expected effective achievement of risk management objectives	The impact of the corresponding hedging activity on risk exposure
Forward exchange contracts	Reduce the foreign exchange rate risk; Partial offset strategy	Foreign currency debt that changes with the exchange rate	The currency, direction and purpose are the same; lock in currency volatility risk	Hedge exchange rate fluctuations	Reduce risk exposure

(2) Hedging business and application of hedging accounting

Item	Hedged items & hedging instruments' book value	Accumulated fair adjustments in hedged book value	Availability & Source of invalid part	Impact on financial statements
Type				
Cash Flow	1,845,400,909	N/A	Relativity	-19,957,909 yuan (Unsettled profits and losses are included in other comprehensive income)

Other Notes:

To mitigate foreign exchange risk exposure, the company implements a partial offset hedging strategy, with hedging accounting applied to align risk management and financial reporting.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XI. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS — *continued*

3. Hedging — *continued*

- (3) *The company carries out hedging business for risk management, and is expected to achieve risk management objectives but does not apply hedging accounting.*

Other Notes:

—

4. Financial asset transfer

(1) *Transfer method classification*

Methods	Type	Amount	Termination of confirmation	The basis for judging the termination of confirmation
Bill endorsement/bill discounting	Notes receivable	74,832,987	No	Risks and rewards are almost entirely retained, including the risk of default
Bill endorsement/bill discounting	Receivables financing	1,919,320,515	Yes	Almost all the risk and reward are transferred
Factoring	Accounts receivable	65,768,621	Yes	Almost all the risk and reward are transferred
Total	/	<u>2,059,922,123</u>	/	/

(2) *Terminated recognition due to transfer*

Items	Transfer method	Amount	Gain & Loss
Receivables financing	Bill endorsement/ bill discounting	1,919,320,515	—
Accounts receivable	Factoring	<u>65,768,621</u>	—
Total	/	<u>1,985,089,136</u>	—

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XII. FAIR VALUE DISCLOSURES

1. Assets and liabilities measured at fair value

Unit: RMB

Item	Closing fair value			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
I. Continuous fair value measurement				
(I) Held-for-trading financial assets	41,658,499	—	—	41,658,499
1. Financial assets at fair value through profit or loss	1,675,259	—	—	1,675,259
(1) Investment in debt instruments	—	—	—	—
(2) Investment in equity instruments	1,675,259	—	—	1,675,259
2. Financial assets designated as at fair value through profit or loss	39,983,240	—	—	39,983,240
(1) Equity Instrument Investments	39,983,240	—	—	39,983,240
(II) Other equity instrument investments	—	—	945,621,616	945,621,616
(III) Receivables financing	—	—	606,554,060	606,554,060
Total assets continuously measured at fair value	41,658,499	—	1,552,175,676	1,593,834,175
(IV) Bonds payable — preferred shares	—	—	149,151,403	149,151,403
Total liabilities continuously measured at fair value	—	—	149,151,403	149,151,403
II. Non-continuous fair value measurement	—	—	—	—
(I) Assets held for sale	—	—	—	—
Total assets not continuously measured at fair value	—	—	—	—
Total liabilities not continuously measured at fair value	—	—	—	—

2. Quoted prices in active markets (Level 1)

The fair values of listed equity investments are based on quoted market prices.

3. Level 2 fair value measurements

The Group has entered into derivative financial instrument contracts with multiple counterparties, primarily financial institutions with high credit ratings. Derivative financial instruments, including interest rate swaps, are measured using valuation techniques similar to forward pricing, swap models, and present value methods.

The models incorporate a number of market-observable inputs, including the counterparty's credit quality, spot and forward exchange rates, and interest rate curves. The carrying value of interest rate swaps is equal to their fair value. The marked-to-market value of derivative financial assets represents the net amount after deducting the credit valuation adjustment (CVA) attributable to the default risk of derivative counterparties. Changes in counterparty credit risk have no significant impact on the assessment of hedge effectiveness for derivatives designated in hedge relationships, nor on other financial instruments measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XII. FAIR VALUE DISCLOSURES – *continued*

4. Level 3 fair value measurements

The Group's Finance Department is responsible for formulating policies and procedures for the fair value measurement of financial instruments. On each balance sheet date, the Finance Department analyzes changes in the value of financial instruments and identifies the key inputs applicable to valuation. Valuations must be reviewed and approved by the Chief Financial Officer (CFO). For the purpose of interim and annual financial statements, the valuation process and results are discussed with the Audit Committee twice a year.

The financial assets measured at fair value using Level 3 inputs by the Group include Equity Investments in Unlisted Companies (Project 1 and Project 2). For Equity Investment in Unlisted Company (Project 1), the Group adopts the comparable company method for valuation, with key parameters mainly including liquidity discount. Due to the small total balance of Project 1, changes in its parameters have a minimal impact on the Group. When measuring the fair value of Equity Investment in Unlisted Company (Project 2), the Group splits the investee company into significant assets or asset groups for fair value assessment, and the valuation methods adopted include the asset-based approach, market approach, and income approach. The Group is required to make estimates of the key parameters used in the assessment process.

Among them, the fair value of the investee company's mining rights and its held long-term equity investments has a significant impact on the Group. The valuation methods and key unobservable inputs used in the assessment process mainly include: 1) For the assessment of the investee company's mining rights, the discounted cash flow (DCF) method is adopted, with the main unobservable inputs being the weighted average cost of capital (WACC) and gross profit margin; 2) For the assessment of the long-term equity investments held by the investee company, the market capitalization method and comparable company method are adopted, with the main unobservable input being the liquidity discount.

The financial liabilities measured at fair value using Level 3 inputs by the Group include Bonds Payable – Preferred Shares. The Group uses the discounted cash flow method to assess Bonds Payable – Preferred Shares, with key parameters including bond discount rate and stock price volatility. Due to its small overall balance, changes in its parameters have a minimal impact on the Group.

5. Reconciliation of Beginning and Ending Carrying Amounts for Continuing Level 3 Fair Value Measurement Items, and Sensitivity Analysis of Unobservable Inputs

First half of 2025

Unit: RMB

	Total profit or loss			Closing balance
	Opening Balance	Amount included in profit or loss	Amount included in comprehensive income	
Equity investments	934,524,059	—	11,097,557	945,621,616
Bonds payable — preference shares	149,725,053	573,650	—	149,151,403

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS

1. Major shareholders of the Company

Unit: RMB

Name of major shareholders	Registered office	Nature of business	Registered capital	To the Company Shareholding ratio (%)	To the Company Proportion of voting rights (%)
Holchin B.V.	Amsterdam, Netherlands	Establishment of companies other enterprises; acquisition, management, supervision and transfer of shares and other interests in legal persons, companies and enterprises	EUR100,000	40.19	41.81
Huaxin Group Limited	Huangshi City, Hubei Province	Manufacture and sale of cement products, machinery parts, real estate development, commerce, services, etc.	RMB340,000,000	16.26	16.26

Holchin B.V. is the largest shareholder of the Company, and its ultimate controlling shareholder is Holcim Ltd. Holpac Limited, the person acting in concert with Holchin B.V., holds 1.62% of the Company's equity. Therefore, the voting right ratio of Holchin B.V. in the Company is 41.81%.

2. Subsidiaries

See Note X.1 for details of the Company's subsidiaries.

3. Associates

See note X.2 for details of the Company's associates.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS — *continued*

4. Other related parties

Related Party Relationships	
Lafarge ASIA SDN BHD	Controlled by Holcim Ltd
Mbeya Cement Company Limited	Controlled by Holcim Ltd
Lafarge Cement Zimbabwe Limited	Controlled by Holcim Ltd
Hima Cement Ltd.	Controlled by Holcim Ltd
Bamburi Cement Limited	Controlled by Holcim Ltd
Holcim Group Services	Controlled by Holcim Ltd
Lafarge SA	Controlled by Holcim Ltd
Holcim Trading Ltd.	Controlled by Holcim Ltd
Holcim Technology Ltd.	Controlled by Holcim Ltd
Lafarge Industries South Africa (Pty) Ltd.	Controlled by Holcim Ltd
Dujiangyan Lafarge Cement Co.,Ltd.	Controlled by Holcim Ltd
Xinyang Xinxin Mining Co., Ltd.	Associate of the Group
Mondi Oman LLC	Associate of the Group
Shanghai Wan'an Huaxin Cement Co., Ltd.	Associate of the Group
Tibet Huaxin New Aggregate Co., Ltd.	Associate of the Group
Tibet Shigatse High-tech Xuelian Cement Co., Ltd	Subsidiary of the Group's associate
Shigatse High-Tech Environmental Engineering Co., Ltd	Subsidiary of the Group's associate
Huangshi State-owned Assets Operation Co., Ltd.	The parent company of the shareholder (s) who exercise significant influence over the Company

5. Major transactions of the Group with related parties

(1) *Transactions concerning goods and services with related parties*

Purchases of goods and receipts of services from related parties

		Unit: RMB	
Related parties	Nature of transaction	Amount for the current period	Amount for the prior period
Mondi Oman LLC	Procurement of Spare Parts	12,316,321	20,111,429
Huangshi Huaxin Canfu Industrial and Trade Co., Ltd	Procurement of Spare Parts	11,179,579	6,340,291
Xinyang Xinxin Mining Co., Ltd.	Procurement of materials	11,730,072	11,172,186
Tibet Huaxin New Aggregate Co., Ltd.	Procurement of materials	4,901,391	—

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS — *continued*

5. Major transactions of the Group with related parties — *continued*

(1) *Transactions concerning goods and services with related parties — continued*

Sales of goods and services to related parties

Unit: RMB

Related parties	Nature of transaction	Amount for the current period	Amount for the prior period
Dujiangyan Lafarge Cement Co., Ltd.	Sales of goods	307,467	540,706
Holcim Group Services	Sales of goods	103,842	69,005
Shigatse High-Tech Environmental Engineering Co., Ltd	Sales of goods	10,092,478	113,980
Tibet Huaxin New Aggregate Co., Ltd.	Sales of goods	887,645	442,659
Tibet Shigatse High-tech Xuelian Cement Co., Ltd	Sales of goods	5,133,027	4,526,197
Shanghai Wan'an Huaxin Cement Co., Ltd.	Sales of services	180,299	—
Shigatse High-Tech Environmental Engineering Co., Ltd	Sales of services	6,763,440	353
Tibet Huaxin New Aggregate Co., Ltd.	Sales of services	1,664,755	—
Tibet Shigatse High-tech Xuelian Cement Co., Ltd	Sales of services	2,179,536	686,703

Explanation of Related-Party Transactions in the Purchase and Sale of Goods, and the Provision and Receipt of Services

The Group's purchase/sale of goods and receipt/provision of services from/to related parties are determined through negotiations based on market prices and conducted in accordance with the terms of the agreements signed between the Group and the related parties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS — *continued*

5. Major transactions of the Group with related parties — *continued*

(2) *Remuneration for key management personnel*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Remuneration for key management personnel	1,466	1,414

6. Amounts due to/from related parties

(1) *Accounts receivable*

Unit: RMB

		Amount for the current period		Amount for the prior period	
		Balance of		Balance of	
		carrying amount	Provision for bad debts	carrying amount	Provision for bad debts
Related parties					
Accounts receivable	Lafarge Cement Zimbabwe Limited	28,545	—	28,268	—
Accounts receivable	Dujiangyan Lafarge Cement Co., Ltd.	149,727	—	16,877	—
Accounts receivable	Shigatse High-Tech Environmental Engineering Co., Ltd	4,435,147	—	854,445	—
Accounts receivable	Shanghai Wan'an Huaxin Cement Co., Ltd.	1,000,000	—	1,000,000	—
Accounts receivable	Tibet Shigatse High-tech Xuelian Cement Co., Ltd	822,572	—	109,235	—
Total		6,435,991	—	2,008,825	—

(2) *Accounts payable*

Unit: RMB

		Closing balance	Opening balance
Related parties			
Accounts payable	Bamburi Cement Limited	575,553	569,979
Accounts payable	Hima Cement Ltd.	1,266,289	1,244,117
Accounts payable	Tibet Huaxin New Aggregate Co., Ltd.	—	3,586,718
Accounts payable	Xinyang Xinxin Mining Co., Ltd.	16,568,314	5,813,332
Total		18,410,156	11,214,146
Other Payables	Mbeya Cement Company Limited	78,198	77,440
Other Payables	Tibet Shigatse High-tech Xuelian Cement Co., Ltd	328,286	277,833
Other Payables	Tibet Huaxin New Aggregate Co., Ltd.	7,000	—
Other Payables	Shigatse High-Tech Environmental Engineering Co., Ltd	7,339	—
Total		420,822	355,273

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIII. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS — *continued*

6. Amounts due to/from related parties — *continued*

(3) *Other Items*

Unit: RMB

Related parties		Closing balance	Opening balance
Other Receivables	Huangshi State-owned Assets Operation	41,073,612	41,073,612
Dividends	Co., Ltd.		
Receivable			

XIV. SHARE-BASED PAYMENT

1. Various Equity Instruments

(1) *Employee Stock Ownership Plan 2020–2022*

On 25 September 2020, the Group's general meeting approved the Company's 2020–2022 Core Employee Stock Ownership Plan (Draft) (the "2020 Employee Stock Ownership Plan"). The plan will grant zero-priced restricted stocks to the board of directors, supervisors, and senior management. 2020 Employee Stock Ownership Plan includes two parts: Plan A and Plan B. Plan A refers to the long-term incentive plan linked to the annual performance assessment of the Company from 2020 to 2022, which are awarded, assessed and unlocked by stages. Plan B refers to the Company's long-term incentive plan linked to the milestone performance assessment from 2020 to 2022, with one-time award, one-time assessment and one-time unlocking. On 9 June 2023, the board of directors approved the Granting Results of the Company's 2020–2022 Core Employee Stock Ownership Plan. The result was that 2,723,597 shares of Plan A are unvested, and the final amount of granted shares was 3,435,155. 14,880,609 shares of Plan B are unvested, and the final amount of granted shares was Nil.

The results of the Company's comprehensive performance assessment for the year 2022 were lower than the threshold value, result in the Company's performance assessment coefficient for the year 2022 was 0%, and all the 1,728,304 shares of the third phase of the 2020–2022 Employee Stock Ownership Plan A-0 Plan could not be attributed. The results of the assessment of the Milestone Performance Objectives for the 2020–2022 assessment period were lower than the threshold value, result in the assessment coefficient was determined to be 0%, and all the 14,880,609 shares of the 2020–2022 Employee Stock Ownership Plan B could not be attributed. 5,485 shares of the 2020–2022 Employee Stock Ownership Plan could not be attributed due to employee resignation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIV. SHARE-BASED PAYMENT — *continued*

1. Various Equity Instruments — *continued*

(2) *Employee Stock Ownership Plan 2023–2025*

On 20 July 2023, the Group's general meeting approved the Company's 2023–2025 Core Employee Stock Ownership Plan (Draft) (the "2023 Employee Stock Ownership Plan"). The plan will grant zero-priced restricted stocks to the board of directors, supervisors, and senior management. The restricted shares granted under the Plan are subject to lock-up period. The planned shares acquired under the plan will be unlocked in three phases (meeting the performance conditions), with the unlocking points being 12, 24 and 36 months respectively from the date of the Company's announcement of the last transfer of the underlying shares to the name of the account of the current shareholding plan. The percentage of unlocking for each phase will be 30%, 30% and 40% of the shares attributable to the shareholding, respectively.

For the 2023 Plan, the securities account held 2,917,577 shares. Based on the 2023 performance assessment results, a total of 241,764 shares were non-vestable. These non-vestable shares shall be recovered and disposed of by the Management Committee, and any proceeds generated shall belong to the Company. The 2023 Plan ultimately granted 2,675,813 shares in actual terms, which shall be implemented in accordance with the lock-up period and unlocking period arrangements specified in the 2023 Plan.

The Plan was reviewed and approved at the Company's 3rd Extraordinary General Meeting of 2023 held on July 20, 2023. Pursuant to the authorization granted by the General Meeting to the Board of Directors, the Company held the first meeting of the 11th Session of the Board of Directors on May 21, 2024, at which it reviewed and approved the Second Tranche (2024) Core Employee Stock Ownership Plan of the Company's 2023–2025 Core Employee Stock Ownership Plan (hereinafter referred to as the "2024 Tranche Stock Ownership Plan"). Under this Plan, restricted shares were granted at zero price to 747 participants, including directors, supervisors, and senior management personnel. The underlying shares obtained under this Tranche Plan shall be unlocked in three phases (subject to meeting performance conditions). The unlocking points shall be 12 months, 24 months, and 36 months respectively from the date on which the Company announces the completion of the last transfer of the underlying shares to the account name of the current Tranche Stock Ownership Plan, with the unlocking percentage for each phase being 30%, 30%, and 40% of the vestable shares respectively.

For the 2024 Plan, the securities account held 3,290,225 shares. Based on the 2024 performance assessment results, a total of 725,184 shares were non-vestable. These non-vestable shares shall be recovered and disposed of by the Management Committee, and any proceeds generated shall belong to the Company. The 2024 Plan ultimately granted 2,565,041 shares in actual terms, which shall be implemented in accordance with the lock-up period and unlocking period arrangements specified in the 2024 Plan.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XIV. SHARE-BASED PAYMENT — *continued*

1. Various Equity Instruments — *continued*

(2) *Employee Stock Ownership Plan 2023–2025 — continued*

The Plan was reviewed and approved at the Company's 3rd Extraordinary General Meeting of 2023 held on July 20, 2023. Pursuant to the authorization granted by the General Meeting to the Board of Directors, the Company held the first meeting of the 11th Session of the Board of Directors on May 27, 2025, at which it reviewed and approved the Third Tranche (2025) Core Employee Stock Ownership Plan of the Company's 2023–2025 Core Employee Stock Ownership Plan (hereinafter referred to as the "2025 Tranche Stock Ownership Plan"). Under this Plan, restricted shares were granted at zero price to 750 participants, including directors, supervisors, and senior management personnel. The underlying shares obtained under this Tranche Plan shall be unlocked in three phases (subject to meeting performance conditions). The unlocking points shall be 12 months, 24 months, and 36 months respectively from the date on which the Company announces the completion of the last transfer of the underlying shares to the account name of the current Tranche Stock Ownership Plan, with the unlocking percentage for each phase being 30%, 30%, and 40% of the vestable shares respectively.

2. Equity-settled share-based payment

Unit: RMB

Equity-settled share-based payment objects	—
Method for Determining the Fair Value of Equity Instruments on the Grant Date	Closing Price of the Company's Stock on the Grant Date
Basis for Determining the Number of Vestable Equity Instruments	The company's financial performance indicators and individual performance indicators are assessed on an annual basis, with the number of equity instruments held by incentive recipients who meet the assessment targets serving as the basis for determination.
Cumulative Amount of Equity-Settled Share-Based Payments Recognized in Capital Reserves	39,111,011

3. Current Period Share-Based Payment Expenses

Unit: RMB

	Equity-settled share-based payment expense
Management staff	10,896,324
Sales staff	1,683,293
Research staff	814,215
Production staff	210,492
Total	13,604,324

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XV. COMMITMENTS AND CONTINGENCIES

1. Commitments

	Closing balance	Opening balance
Capital commitments	1,563,401,971	2,199,237,536
Investment Commitments	6,024,806,446	7,366,169,132
Total	7,588,208,417	9,565,406,668

XVI. OTHER SIGNIFICANT MATTERS

1. Segment reporting

(1) Determination basis and accounting policies of reporting segments

For management purposes, the Group is organised into business units based on their geographical locations and has 2 reportable geography operating segments as follows:

The Domestic segment is mainly engaged in business activities in China, including the production and sale of cement, concrete, aggregates, clinker and other construction materials.

The Overseas segment is mainly engaged in business activities outside China, including the production and sale of cement, concrete, aggregates, clinker and other construction materials.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is measured consistent with the Group's total profit from continuing operations.

Segment assets exclude deferred tax assets, and segment liabilities exclude deferred tax liabilities.

The intersegment transactions are transacted with reference to the prices used for transactions made to third parties at the then prevailing market price.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XVI. OTHER SIGNIFICANT MATTERS — *continued*

1. Segment reporting — *continued*

(2) Segment reporting

Unit: RMB

Item	Domestic segment	Overseas segment	Unallocated amounts	Elimination Between segments	Total
Segment revenue	12,149,338,734	4,426,068,839	—	-528,767,386	16,046,640,187
Sales between segments	528,767,386	—	—	-528,767,386	—
Sales to external customers	11,620,571,348	4,426,068,839	—	—	16,046,640,187
Segment costs	9,084,416,532	2,776,312,759	—	-455,151,995	11,405,577,296
Costs between segments	447,062,385	—	—	-447,062,385	—
Costs to external customers	8,637,354,147	2,776,312,759	—	-8,089,610	11,405,577,296
Investment income from investments in joint ventures and associates	1,103,256	1,607,565	—	—	2,710,821
Impairment losses of assets	734,900	-4,789,758	—	—	-4,054,858
Impairment of credit losses	-27,904,560	1,671,292	—	—	-26,233,268
Profit before income taxes	1,230,275,183	819,594,104	—	-24,941,073	2,024,928,214
Income tax expenses	393,720,287	231,275,206	—	—	624,995,493
Profit	836,554,896	588,318,898	—	-24,941,073	1,399,932,721
Total assets	64,931,148,234	14,739,822,415	795,121,627	-9,593,271,114	70,872,821,162
Total liabilities	32,162,987,654	5,698,011,193	1,394,245,626	-3,392,062,339	35,863,182,134
Total non-current asset	41,681,292,989	11,599,152,013	—	—	53,280,445,002
Depreciation and amortization	1,346,690,479	356,803,205	—	—	1,703,493,684
Long-term equity investments in associates and joint ventures	559,133,958	23,944,211	—	—	583,078,169
Increase in Other Non-Current Assets Excluding Long-Term Equity Investments	-570,843,322	1,984,226,707	—	—	1,413,383,385

Note: The non-current assets exclude debt investments, other equity investments, other non-current financial assets, long-term receivables and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

1. Accounts receivable

The ageing analysis of accounts receivable is as follows:

Unit: RMB

Aging	Closing balance	Opening balance
Within 6 months	307,148,626	431,620,119
6 to 12 months	28,677,950	168,626,047
1 to 2 years	29,188,732	42,541,254
2 to 3 years	10,039,992	32,061,110
Over 3 years	39,987,218	17,867,621
Less: Impairment allowance	19,763,196	19,763,196
Total	395,158,447	672,952,955

Movements in provision for bad debts of accounts receivable are as follows:

Unit: RMB

	Opening balance					Closing balance				
	Balance of carrying amount		Provision for bad debts		Carrying value	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Receivables for which bad debt provision is assessed on an individual basis	397,985,906	96	16,944,838	4	381,041,068	681,603,010	98	17,355,079	3	664,247,931
Receivables for which bad debt provision is assessed on a portfolio basis	17,056,612	4	2,939,233	17	14,117,379	11,113,141	2	2,408,117	22	8,705,024
Including:										
Receivable of cement	—	—	—	—	—	5,911	—	5,911	100	—
Receivable of others	17,056,612	4	2,939,233	17	14,117,379	11,107,230	2	2,402,206	22	8,705,024
Total	415,042,518	/	19,884,071	/	395,158,447	692,716,151	/	19,763,196	/	672,952,955

As at 30 June 2024, receivable for which bad debt provision is assessed on an individual basis:

Unit: RMB

	Closing balance			
	Balance of carrying amount	Provision for bad debts	Proportion (%)	Reasons for provision
Customer B	11,443,667	11,443,667	100	All uncollectible
Others	386,542,239	5,501,171	1	Partly uncollectible
Total	397,985,906	16,944,838	4 /	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

1. Accounts receivable — *continued*

Receivables for which bad debt provision is assessed on a portfolio basis are as follows:

Category of other business receivables:

Unit: RMB

	Balance at end of year	Closing balance Provision for bad debts	Proportion (%)
Within 6 months	6,765,967	338,994	5
6 to 12 months	40,469	2,833	7
1 to 2 years	9,270,868	1,668,756	18
2 to 3 years	120,615	69,956	58
Over 3 years	858,693	858,693	100
Total	17,056,612	2,939,233	17

Movements in provision for bad debts of accounts receivable are as follows:

Unit: RMB

	Opening balance	Provision for the year	Movements during the year Recovered or reversal	Write-offs	Other movements	Closing balance
Bad debts of accounts receivable	19,763,196	240,043	637,154	—	-517,986	19,884,071
Total	19,763,196	240,043	637,154	—	-517,986	19,884,071

As at 30 June 2025, the top 5 of the balances of accounts receivable were as follows:

Unit: RMB

	Balance at end of year	Percentage of total accounts receivable (%)	Provision for bad debts
First	50,506,915	12	—
Second	39,196,153	9	—
Third	35,998,990	9	—
Fourth	26,593,871	6	—
Fifth	26,451,447	6	—
Total	178,747,376	42	—

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

2. Other receivables

Unit: RMB

	Closing balance	Opening balance
Interest receivables	170	170
Dividends receivable	711,073,612	514,173,613
Other receivables	9,413,447,566	7,930,488,793
Total	10,124,521,348	8,444,662,576

Other receivables

An aging analysis of other receivables is as follows:

Unit: RMB

	Closing balance	Opening balance
Within 1 year	3,970,217,327	2,356,325,716
1 to 2 years	1,381,523,650	2,440,831,954
2 to 3 years	1,238,340,207	886,373,344
Over 3 years	2,869,542,258	2,293,140,487
Less: Provision for bad debts of other receivables	46,175,876	46,182,708
Total	9,413,447,566	7,930,488,793

Other receivables are classified by nature as follows:

Unit: RMB

	Closing balance	Opening balance
Amounts due from subsidiaries and related parties	9,379,369,383	7,915,548,609
Guarantees, deposits and holdings	52,453,294	51,610,505
Others	27,800,765	9,512,387
Total	9,459,623,442	7,976,671,501

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

2. Other receivables — *continued*

Other receivables — continued

Movements in provision for bad debts of other receivable are as follows:

Unit: RMB

	Opening balance	Provision for the year	Reversal for the year	Write-off for the year	Other	Closing balance
Bad debt provision for other receivables	46,182,708	—	6,832	—	—	46,175,876
Total	46,182,708	—	6,832	—	—	46,175,876

As at 30 June 2025, the top 5 of the balances of other receivables were as follows:

Unit: RMB

	Closing balance	Proportion in total balance of other receivables	Nature	Aging	Closing balance of provision for bad debts
First	2,119,115,879	22	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years	—
Second	934,224,264	10	Amounts due from subsidiaries	1 to 2 years, 2 to 3 years Over 3 years	—
Third	624,113,868	7	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years	—
Fourth	549,889,044	6	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years	—
Fifth	493,470,337	5	Amounts due from subsidiaries	Within 1 year, 1 to 2 years,	44,383,694
Total	4,720,813,392	50	/	/	44,383,694

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

3. Long-term equity investments

Unit: RMB

	Closing balance			Opening balance		
	Balance of carrying amount	Impairment provision	Balance of carrying amount	Impairment provision	Balance of carrying amount	Impairment provision
Investment in subsidiaries	16,905,815,677	42,000,000	16,863,815,677	15,955,744,146	42,000,000	15,913,744,146
Investment in associates and joint ventures	472,513,062	—	472,513,062	470,914,811	—	470,914,811
Total	17,378,328,739	42,000,000	17,336,328,739	16,426,658,957	42,000,000	16,384,658,957

Cost method:

Unit: RMB

		Opening balances of	Movements during the year		
	Opening balance (Book value)	impairment provision	Additional investment	Closing balance (Book value)	Closing balances of impairment provision
Huaxin Aggregate Co., Ltd.	258,100,000	—	—	258,100,000	—
Huaxin Hongta Cement (Jinghong) Co., Ltd.	91,601,080	—	—	91,601,080	—
Huaxin Environmental Engineering (Yichang) Co., Ltd.	20,000,000	—	—	20,000,000	—
Huaxin Environmental Engineering Co., Ltd.	1,000,000,000	—	—	1,000,000,000	—
Huaxin (Huangshi) Logistics Co., Ltd.	20,000,000	—	—	20,000,000	—
Huaxin Concrete (Wuhan) Co., Ltd.	568,802,159	—	—	568,802,159	—
Huaxin Concrete Co., Ltd.	255,000,000	—	—	255,000,000	—
Huaxin Jinlong Cement (Yunxian) Co., Ltd.	363,802,268	—	—	363,802,268	—
Huaxin Narayani Investment (Shanghai) Co., Ltd.	500,000	—	—	500,000	—
Huaxin Cement (Changyang) Co., Ltd.	197,590,806	—	—	197,590,806	—
Huaxin Cement (Chenzhou) Co., Ltd.	220,000,000	—	—	220,000,000	—
Huaxin Cement (Chibi) Co., Ltd.	140,000,000	—	—	140,000,000	—
Huaxin Cement (Daye) Co., Ltd.	420,100,753	—	—	420,100,753	—
Huaxin Cement (Dao xian) Co., Ltd.	180,000,000	—	—	180,000,000	—
Huaxin Cement (Diqing) Co., Ltd.	65,550,000	—	—	65,550,000	—
Huaxin Cement (Ezhou) Co., Ltd.	99,437,030	—	—	99,437,030	—
Huaxin Cement (Enping) Co., Ltd.	674,058	—	—	674,058	—
Huaxin Cement (Enshi) Co., Ltd.	40,200,000	—	—	40,200,000	—
Huaxin Cement (Fangxian) Co., Ltd.	30,124,664	—	—	30,124,664	—
Huaxin Cement (Henan Xinyang) Co., Ltd.	200,000,000	—	—	200,000,000	—
Huaxin Cement (Hefeng) National Building Materials Co., Ltd	44,700,483	—	—	44,700,483	—
Huaxin Cement (Huangshi) Bulk Storage and Transportation Co., Ltd.	20,000,000	—	—	20,000,000	—
Huaxin Cement (Huangshi) Co., Ltd.	892,800,000	—	—	892,800,000	—
Huaxin Cement Technology Management (Wuhan) Co., Ltd.	20,000,000	—	—	20,000,000	—
Huaxin Cement (Jingzhou) Co., Ltd.	70,800,000	—	—	70,800,000	—
Huangshi Huaxin Cement Scientific Research and Design Co., Ltd.	990,000	—	—	990,000	—
Huaxin Cement (Kunming Dongchuan) Co., Ltd.	140,000,000	—	—	140,000,000	—
Huaxin Cement (Lengshuijiang) Co., Ltd.	180,000,000	—	—	180,000,000	—
Huaxin Cement (Macheng) Co., Ltd.	65,000,000	—	—	65,000,000	—
Huaxin Cement (Quxian) Co., Ltd.	240,000,000	—	—	240,000,000	—
Huaxin Cement (Sangzhi) Co., Ltd.	120,000,000	—	—	120,000,000	—
Huaxin Cement Suizhou Co., Ltd.	24,600,000	—	—	24,600,000	—

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

3. Long-term equity investments — *continued*

Cost method: — continued

	Opening balance (Book value)	Opening balances of impairment provision	Movements during the year Additional investment	Closing balance (Book value)	Closing balances of impairment provision
Huaxin Cement (Wanyuan) Co., Ltd.	190,000,000	—	—	190,000,000	—
Huaxin Cement (Wuhan) Co., Ltd.	—	42,000,000	—	—	42,000,000
Huaxin Cement (Wuxue) Co., Ltd.	300,000,000	—	—	300,000,000	—
Huaxin Cement (Tibet) Co., Ltd.	50,000,000	—	—	50,000,000	—
Huaxin Cement (Xiantao) Co., Ltd.	14,658,136	—	—	14,658,136	—
Huaxin Cement Xiangyang Xiangcheng Co., Ltd.	40,000,000	—	—	40,000,000	—
Huaxin Cement (Xiangyang) Co., Ltd.	140,000,000	—	—	140,000,000	—
Huaxin Cement (Yangxin) Co., Ltd.	653,713,479	—	—	653,713,479	—
Huaxin Cement (Yichang) Co., Ltd.	505,589,562	—	—	505,589,562	—
Huaxin Cement (Yueyang) Co., Ltd.	59,500,000	—	—	59,500,000	—
Huaxin Cement (Zhaotong) Co., Ltd.	60,000,000	—	—	60,000,000	—
Huaxin Cement Chongqing Fuling Co., Ltd.	200,000,000	—	—	200,000,000	—
Huaxin Cement (Zhuzhou) Co., Ltd.	340,000,000	—	—	340,000,000	—
Huaxin Cement (Zigui) Co., Ltd.	240,000,000	—	—	240,000,000	—
Huaxin (Hong Kong) International Holdings Co., Ltd.	1,574,475,219	—	—	1,574,475,219	—
Huaxin New Building Materials Co., Ltd.	117,543,012	—	—	117,543,012	—
Huaxin Zhongya Investment (Wuhan) Co., Ltd.	388,623,689	—	—	388,623,689	—
Huaxin Equipment Engineering Co., Ltd.	190,000,000	—	—	190,000,000	—
Hubei Dailing Future Environmental Protection Packaging Technology Co., Ltd.	60,229,648	—	—	60,229,648	—
SOMMERSET INVESTMENTS LIMITED	252,000,000	—	—	252,000,000	—
Wuhan Ganghua Cement Co., Ltd.	20,000,000	—	—	20,000,000	—
Yunnan Huaxin Building Materials Investment Co., Ltd.	977,000,000	—	—	977,000,000	—
Chongqing Huaxin Cantian Cement Co., Ltd.	253,300,000	—	—	253,300,000	—
Chongqing Huaxin Diwei Cement Co., Ltd.	73,000,000	—	—	73,000,000	—
Chongqing Huaxin Phoenix Lake Concrete Co., LTD	40,000,000	—	—	40,000,000	—
Chongqing Huaxin Tiancheng Concrete Co., Ltd.	29,000,000	—	—	29,000,000	—
Chongqing Huaxin Yanjing Cement Co., Ltd.	29,738,100	—	—	29,738,100	—
Huangshi Huaxin Green Building Materials Industry Co., Ltd.	1,870,000,000	—	—	1,870,000,000	—
Huaxin (Hainan) Investment Co., Ltd.	1,202,000,000	—	950,071,531	2,152,071,531	—
Huaxin Property Management Huangshi Co., Ltd.	3,000,000	—	—	3,000,000	—
Huaxin New Building Materials (Huangshi) Co., LTD.	50,000,000	—	—	50,000,000	—
Total	15,913,744,146	42,000,000	950,071,531	16,863,815,677	42,000,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

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

3. Long-term equity investments — *continued*

Equity method:

Unit: RMB

	Opening balance	Movements during the year Investment profit or loss under the equity method	Other changes	Closing balance
Joint ventures				
Tibet High-tech Building Materials Group Co., Ltd.	381,704,461	1,329,807	403,033	383,437,301
Shanghai Wan'an Huaxin Cement Co., Ltd.	89,210,350	-134,589	—	89,075,761
Total	<u>470,914,811</u>	<u>1,195,218</u>	<u>403,033</u>	<u>472,513,062</u>

4. Operating revenue and cost

Unit: RMB

Item	Amount for the current period		Amount for the prior period	
	Revenue	Costs	Revenue	Costs
Principal operations	224,103,510	179,657,057	285,176,436	259,619,340
Other operations	891,826,471	743,184,765	918,255,108	823,800,527
Total	<u>1,115,929,981</u>	<u>922,841,822</u>	<u>1,203,431,544</u>	<u>1,083,419,867</u>

5. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Gains from long-term equity investments under the cost method	1,337,800,000	1,119,600,000
Investment gains from held for trading financial assets during the holding period	1,195,218	71,253
Gains(losses) on disposal of long-term equity investments	1,345,522	3,175,142
Total	<u>1,340,340,740</u>	<u>1,122,846,395</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025 (Expressed in Renminbi Yuan)

XVIII.SUPPLEMENTAL INFORMATION

1. Breakdown of non-recurring Profit and Loss

Unit: RMB

Item	Amount
Net income on disposal of non-current assets	-1,416,744
Government grants recognized in current profit or loss (except for the government grants that are closely related to the normal operating business of the Company and received in a certain amount or have continuing effect on profit or loss in accordance with the state's regulations)	54,395,661
Except for those relating to the hedging transactions under the Company's normal operating business, profit/loss from the change of fair value of financial assets and financial liabilities, and profit/loss from the disposal of financial assets and financial liabilities in non-financial enterprises	471,938
Reversal of provisions for impairment of receivables that are individually tested for impairment	3,153,787
Other non-operating income and expenses other than the above items	-18,304,048
Less: Impact of income tax	6,503,665
Less: Impact of non-controlling interests	-1,678,157
Total	<u>33,475,086</u>

2. Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on net asset (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to ordinary shareholders of the Company	3.57	0.53	0.52
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	3.47	0.51	0.51