



淮北綠金產業投資股份有限公司

HUAIBEI GREENGOLD INDUSTRY INVESTMENT CO., LTD.*

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

STOCK CODE : 2450

2025

Interim Report

**For identification purposes only*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yong (*Chairman*)
Mr. Qin Jiapeng
Mr. Mao Hongxian
(*appointed on 17 January 2025*)
Mr. Yao Minglei
(*appointed on 17 January 2025*)
Ms. Lu Junzhe
(*retired on 17 January 2025*)
Mr. Zhao Song
(*retired on 17 January 2025*)
Mr. Zhang Zhengguang
(*retired on 17 January 2025*)

Independent Non-executive Directors

Mr. Gao Wei
Mr. Liu Chaotian
Ms. Xing Mengwei

SUPERVISORS (*removed on 17 January 2025*)

Ms. Zhao Mingling
Ms. Li Chi
Ms. Dong Jing

JOINT COMPANY SECRETARIES

Mr. Yao Minglei
(*appointed on 28 August 2025*)
Ms. Tam Pak Yu, Vivien
(*appointed on 29 May 2025*)
Ms. Lu Junzhe
(*resigned on 29 May 2025*)
Mr. Li Kin Wai
(*resigned on 29 May 2025*)

AUDIT COMMITTEE

Mr. Gao Wei (*Chairman*)
Mr. Liu Chaotian
Ms. Xing Mengwei

REMUNERATION COMMITTEE

Mr. Liu Chaotian (*Chairman*)
Mr. Gao Wei
Mr. Liu Yong

NOMINATION COMMITTEE

Mr. Liu Yong (*Chairman*)
Mr. Gao Wei
Mr. Liu Chaotian
Ms. Xing Mengwei
(*appointed on 24 June 2025*)

ESG COMMITTEE

Mr. Liu Yong (*Chairman*)
Mr. Qin Jiapeng
Mr. Mao Hongxian
(*appointed on 17 January 2025*)
Mr. Zhang Zhengguang (*retired on 17 January 2025*)

AUTHORISED REPRESENTATIVES

Mr. Yao Minglei
(*appointed on 29 May 2025*)
Ms. Tam Pak Yu, Vivien
(*appointed on 29 May 2025*)
Ms. Lu Junzhe
(*resigned on 29 May 2025*)
Mr. Li Kin Wai
(*resigned on 29 May 2025*)

INTERNATIONAL AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
Public Interest Entity Auditor
registered in accordance with the
Accounting and Financial Reporting
Council Ordinance
Level 35, Tower 1,
Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kwun Tong, Kowloon, Hong Kong

LEGAL ADVISORS

as to Hong Kong laws
DeHeng Law Offices (Hong Kong)
LLP

as to PRC laws
Beijing Deheng Law Offices

COMPLIANCE ADVISER

China Everbright Capital Limited

REGISTERED OFFICE AND HEADQUARTERS IN THE PRC

4/F, Shuangchuang Service Centre
No. 3 Taobo Road
Song Tuan Town, Lieshan District
Huaibei City
Anhui Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China Co., Ltd. (Huaibei Huaihai
Road Branch)

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK NAME

HUAIBEI GD CO

STOCK CODE

2450

COMPANY'S WEBSITE

<http://www.ljgft.com/>

Management Discussion and Analysis

OVERVIEW

Huaibei GreenGold Industry Investment Co., Ltd.* (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is a construction materials provider with state-owned background located in Huaibei City, Anhui Province. The main products of the Group include: aggregate products mined and processed by Huaibei Tongming Mining Co., Ltd. (“**Tongming Mining**”), a subsidiary of the Company, in the Gaoloushan Mine located in Lieshan District, Huaibei City and concrete products produced and manufactured by Huaibei Liantong Municipal Engineering Co., Ltd. (“**Liantong Municipal**”), a subsidiary of the Company, in Xiangshan District, Huaibei City. The Group mainly sells aggregate products and concrete products to construction companies, building materials companies and wholesalers. Compared with similar market participants for the six months ended 30 June 2025 (the “**Reporting Period**”), Tongming Mining maintained a stable market share and is one of the major construction aggregate producers in the market of Huaibei City and its surrounding cities (including southern Suzhou City, Bozhou City, and northern Bengbu City) in terms of sales volume.

BUSINESS REVIEW

Despite the significant drop in aggregate and concrete product prices caused by the economic downturn, the Group has remained united against the severe market situation and multiple challenges, continuously improving its risk management and control capabilities and its ability to seize opportunities. By implementing product quality upgrading projects and building a diversified marketing channel system, the Group has not only mitigated various risks and challenges but also injected new impetus into the high-quality development of the enterprise. The Company’s performance has improved significantly compared with last year, with revenue increasing by 14.9% year-on-year. In the first half of 2025, Tongming Mining actively developed markets in Guoyang, Mengcheng, Yongcheng and other regions, and successively entered into stone supply agreements and commenced stone supply cooperation with parties including Bozhou Conch Cement Co., Ltd.* (亳州海螺水泥有限責任公司), Mengcheng Sanshi Building Materials Co., Ltd.* (蒙城縣三石建材有限公司), Huaibei Nanping Zhonglian Cement Co., Ltd.* (淮北南坪中聯水泥有限公司), Yongcheng Yudong Concrete Co., Ltd.* (永城市裕東砼業有限公司), and Mengcheng Xuefa Building Materials Sales Co., Ltd.* (蒙城縣學發建材銷售有限公司). Tongming Mining strived to integrate into expressway and high-speed rail projects, supplying a total of over 800,000 tonnes of various types of stone materials to projects such as Xuzhou-Huaibei-Fuyang Expressway, Wuzhou-Mengcheng Expressway, Bozhou-Mengcheng Expressway, and High-Speed Rail West Station of Huaibei in the first half of the 2025, which significantly boosted the sales volume of stone products. At the same time, the Group worked together to improve product quality. In the first half of the 2025, the +165m mining platform entered the slope mining phase, while the +135m mining platform had not yet been fully formed. Despite these challenges, the Group invested significant manpower and resources to ensure product quality, establishing a good reputation for Tongming Mining’s products.

Management Discussion and Analysis

OVERVIEW OF THE CONSTRUCTION MARKET

Driven by a series of economic stimulus policies and major infrastructure project plans introduced in 2025 by Anhui Province and Huaibei City, the local construction and building materials industry is expected to see a slight improvement compared to 2024.

Firstly, from a policy perspective, the “Several Policy Measures to Promote Sustained Economic Recovery and Improvement” (《關於推動經濟持續回升向好若干政策舉措》) issued by the People’s Government of Anhui Province on 26 January 2025, and a supporting implementation plan thereunder released by Huaibei City on 16 June 2025, explicitly proposed to increase urban renewal efforts and stabilise the real estate market. In particular, the “Key Agenda of Huaibei City on Urban Housing Security in 2025” (《淮北市2025年城鎮住房保障工作要點》), issued by the Housing and Urban-Rural Development Bureau of Huaibei City (淮北市住房和城鄉建設局) on 21 February 2025, prioritised initiatives such as urban village redevelopment and the construction of affordable housing. These policy directions will create stable market demand for the construction industry.

Secondly, in terms of infrastructure construction, Huaibei City and its surrounding areas will enter a concentrated construction period for major transportation projects in 2025. The continuous advancement of regional expressway networks such as Bozhou-Mengcheng Expressway, Huaibei-Suzhou-Bengbu Expressway, and Wuzhou-Mengcheng Expressway, as well as the commencement of new projects such as S235 Huaibei Section Class-I Highway, Xuzhou-Dangshan-Shangqiu Expressway, and Suzhou-Suining Expressway, being the regional expressway networks developments, are anticipated to drive demand for construction materials like sand and gravel aggregates, thereby stimulating growth in the local construction market.

Given the aforesaid policies and project implementation, the board (the “**Board**”) of directors (the “**Directors**”) of the Company believes that, Huaibei City and its surrounding areas (including southern Suzhou City, Bozhou City, and northern Bengbu City) will witness a substantial wave of infrastructure construction. The market demand for construction materials, especially basic building materials such as sand and gravel aggregates, will maintain stable growth. Meanwhile, emerging fields such as green buildings and prefabricated buildings will gain greater development opportunities.

In view of the above, the Board believes that the current policy environment and project planning will create favorable conditions for the Group’s business development, particularly in its core operations such as building material supply and construction services, where revenue enhancement is anticipated. The Group will closely monitor the implementation of relevant policies and adjust its business strategies in a timely manner to seize the market opportunities arising from this round of infrastructure construction.

PROGRESS OF BASIC CONSTRUCTION PROJECTS

As of the date of this report, Phase II of the Gaoloushan Renovation and Expansion Project with an annual capacity of 8 million tonnes has been completed and put into operation. Based on the probable reserves and estimated annual production of up to 8 million tonnes in 2031 pursuant to the development plan, the total reserves of Phase II are estimated to reach 164 million tonnes, and Gaoloushan Mine has an estimated life of 16 years.

SAFETY AND ENVIRONMENTAL PROTECTION

The Group adheres to the safety and environmental protection policies of “Safety First, Precaution Foremost and Comprehensive Governance” and “Equal Emphasis on Both Resources Development and Environmental Protection” to ensure its production safety and environmental protection. During the Reporting Period, the Group achieved its target of production safety. Environmental protection was stringently observed in compliance with the relevant national laws and regulations.

Management Discussion and Analysis

FINANCIAL REVIEW

During the Reporting Period, the revenue of the Group amounted to RMB127.3 million, representing an increase of 14.9% from RMB110.8 million for the corresponding period of 2024. There were no significant changes to the general business model of the Group during the Reporting Period. Sales of stone products increased due to an increase in infrastructure projects, and the overall business recovered compared to the same period of last year.

Revenue from Principal Business

The following table illustrates the details of sales by products of the Group for the six months ended 30 June 2025 and 30 June 2024, respectively:

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Revenue	Sales		Revenue	Sales	
		volume	Unit price		volume	Unit price
		Thousand tonnes/m ³	RMB per tonne/m ³		Thousand tonnes/m ³	RMB per tonne/m ³
	RMB'000 (unaudited)			RMB'000 (unaudited)		
Sales of aggregate products and others						
— Aggregate products and others	127,194	2,823.7	45.0	88,021	1,732.2	50.8
Concrete products						
— Sales of ready-mixed concrete	—	—	—	22,384	65.3	342.8
— Sales of cement-stabilised macadam	—	—	—	347	3.2	108.4
— Income from agency services of concrete products and additives	107	12.3	8.7	—	—	—
	107			22,731		
Total	127,301			110,752		

During the Reporting Period, the revenue from sales of aggregate products and others of the Group amounted to RMB127.2 million, representing an increase of 44.5% as compared to RMB88.0 million for the corresponding period of last year, which is due to the combined effect of (i) the increase in the sales volume of aggregate products and others of the Group from 1,732.2 thousand tonnes for the six months ended 30 June 2024 to 2,823.7 thousand tonnes for the Reporting Period, representing an increase of 63.0%; and (ii) the decrease in the average selling price of aggregate products and others from RMB50.8 per tonne for the six months ended 30 June 2024 to RMB45.0 per tonne for the Reporting Period, representing a decrease of 11.4%.

During the Reporting Period, the revenue from sales of ready-mixed concrete and cement-stabilised macadam of the Group was nil, representing a significant decrease as compared to the corresponding period of last year. Due to the shrinking market for ready-mixed concrete and cement-stabilised macadam, slow return of funds from the sales of relevant products and in order to avoid market risks, invest prudently and consolidate the development direction of the Company, the business was not conducted during the Reporting Period. The Company is actively coordinating all parties to address the idle issues of its production lines and equipment.

Management Discussion and Analysis

During the Reporting Period, income from agency services of concrete products and additives of the Group amounted to RMB0.1 million. Such increase was due to the absence of agency service business in the corresponding period of last year.

COST OF SALES

During the Reporting Period, the Group's cost of sales amounted to RMB75.8 million, representing an increase of RMB5.4 million from RMB70.3 million for the corresponding period of last year. The increase was due to the increase in the sales volume of the Company's products.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the gross profit of the Group amounted to RMB51.5 million, representing an increase of RMB11.1 million from RMB40.4 million for the corresponding period of last year. The gross profit margin during the Reporting Period was 40.5%, representing an increase of 4 percentage points from 36.5% for the corresponding period of last year.

OTHER INCOME

During the Reporting Period, the Group's other income was approximately RMB3.7 million, representing a decrease of approximately 20.8% from RMB4.7 million for the corresponding period of 2024. The decrease in other income was mainly due to the decrease in interest income.

ADMINISTRATIVE EXPENSES

During the Reporting Period, the administrative expenses incurred by the Group amounted to RMB16.7 million. The slight increase from RMB15.6 million in the corresponding period of last year was attributable to the increase in third-party service fees.

IMPAIRMENT LOSS ON TRADE RECEIVABLES

During the Reporting Period, the Group's impairment loss on trade receivables amounted to approximately RMB5.9 million, representing an increase of 48.0% from the impairment loss of RMB4.0 million for the corresponding period of 2024, mainly due to the increase in the provision for overdue bad debts.

Management Discussion and Analysis

FINANCE COSTS

For the Reporting Period, the finance costs incurred by the Group amounted to RMB33.5 million, representing a decrease of RMB1.7 million from RMB35.2 million for the corresponding period of last year, due to the decrease in discounted interest on long-term payables.

INCOME TAX EXPENSES

During the Reporting Period, the Group's income tax expenses amounted to RMB2.5 million, representing an increase of RMB1.1 million as compared to RMB1.4 million for the corresponding period of 2024, mainly due to the impact of deferred income tax. During the Reporting Period, corporate income tax within the territory of the PRC has been provided at 25% (corresponding period of 2024: 25%) on the taxable income (except for the high and new technology enterprises and western-region-development subsidiaries of the Group in Mainland China, which are taxed at a preferential rate of 15%). The effective tax rate of the Group is approximately 25% during the Reporting Period (corresponding period of 2024: 25%).

NET LOSS

During the Reporting Period, the Group incurred a net loss of approximately RMB3.4 million (corresponding period of 2024: RMB11.1 million), representing a reduction in loss of approximately 69.3% as compared to the corresponding period of last year. The reduction in loss was primarily attributable to the increase in operating revenue.

LOSS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

During the Reporting Period, the Group recorded a loss attributable to the equity shareholders of the Company of approximately RMB2.8 million, representing a reduction of approximately 63.7% from a loss attributable to the equity shareholders of the Company of approximately RMB7.7 million for the corresponding period of 2024.

FINANCIAL CONDITION

As at 30 June 2025, total equity decreased from RMB703.8 million as at 31 December 2024 to RMB700.4 million, mainly due to the impact of loss in the first half of 2025. Total assets decreased from RMB2,475.0 million as at 31 December 2024 to RMB2,270.3 million as at 30 June 2025, due to the decrease in the advance payments to immediate holding company.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and cash equivalents increased from RMB320.3 million as at 31 December 2024 to RMB384.4 million as at 30 June 2025, mainly due to the repayment from the immediate holding company.

As at 30 June 2025, the Group has not provided guarantees to related parties.

CASH FLOWS AND WORKING CAPITAL

The Group's cash and cash equivalents increased from RMB320.3 million as at 31 December 2024 to RMB384.4 million as at 30 June 2025. The increase was mainly due to the combined effect of net cash generated from operating activities of RMB36.5 million, a net increase from investing activities of RMB221.8 million, and a decrease in net cash from financing activities of RMB194.3 million.

Management Discussion and Analysis

BORROWINGS

As at 30 June 2025, the Group had outstanding bank loans of approximately RMB1,335.8 million (31 December 2024: RMB1,360 million), of which RMB185.4 million must be repaid within one year, RMB165.4 million must be repaid after one year but within two years, RMB526.3 million must be repaid after two years but within five years and RMB458.7 million will be repayable in more than five years.

As at 30 June 2025, the bank loans were denominated in RMB. As at 30 June 2025, the interest-bearing bank loans held by the Group were at floating interest rates.

CAPITAL EXPENDITURES

During the Reporting Period, the Group's capital expenditures were approximately RMB10.7 million, representing a decrease of approximately RMB13 million from RMB23.7 million for the corresponding period of 2024. The decrease was due to the completion of specific projects and reduction in external capital expenditures.

DIVIDEND

The Board proposed that no payment of interim dividend for the six months ended 30 June 2025 would be made by the Company.

GEARING RATIO

The Group monitors capital by gearing ratio, which is total liabilities divided by total assets as at the end of the year/period and multiplied by 100%. As at 30 June 2025, the gearing ratio of the Group decreased by 2.4 percentage points to 69.2% (31 December 2024: 71.6%), mainly due to the Group's repayment of borrowings and external debts.

MARKET RISKS

The Group is exposed to multiple market risks, mainly including external environmental challenges such as changes in the industry competitive landscape, fluctuations in the costs of production factors and constraints on logistics and transportation.

The Group faces the risk of market competition. Affected by the cyclical downturn of the construction industry, the regional market is in a state of oversupply, leading to intensified competition in the regional market and a decline in the product's premium capacity.

The Group is exposed to raw materials price and other commodities price risks. Its costs and profitability partly depend on its ability to find and maintain a stable and sufficient supply of raw materials at acceptable prices. The Group's aggregate products are affected by fluctuations in raw material costs, and price fluctuations of key production materials such as explosives, fuel oil and electricity directly impact mining costs.

The Group also faces the risk of transportation costs. The transportation costs for product sales are affected by the sales distance. Due to the adjustment of the layout of regional infrastructure projects, the Group's transportation costs have increased, which has weakened its cost advantage in the competition in the regional market.

Management Discussion and Analysis

INTEREST RATE RISK

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group and interest-bearing bank borrowings. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank borrowings by placing them in appropriate short-term deposits at fixed or floating interest rates and at the same time by borrowing loans at a mixture of fixed or floating interest rates.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Reporting Period.

FUNDING AND FINANCIAL POLICY

The Group utilises cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to discharge its debt and to ensure the continuous growth of the Group's business.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's present operations are carried on in the PRC and generally all of the Group's monetary assets, loans and transactions are principally denominated in Renminbi. As at 30 June 2025, the Group was not exposed to any significant foreign currency exchange risk in its operations. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure during the Reporting Period.

RISK OF CHANGE IN INDUSTRY POLICIES

An array of laws, regulations and rules on the construction industry in China constitute the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation, domestic and foreign trade, and capital investment etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

CAPITAL STRUCTURE

The H shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 January 2023 (the "**Listing Date**"). There has been no change in the capital structure of the Company since the Listing Date.

INFORMATION ON EMPLOYEES

As at 30 June 2025, the Group had 160 employees (31 December 2024: 166), including the executive Directors. Total staff costs (including Directors' emoluments) were approximately RMB10.9 million, representing a decrease of approximately 8.4% from RMB11.9 million for the corresponding period of 2024. Remuneration is determined with reference to market norms and individual employees' performance, qualifications and experience.

The Company regularly provides induction training, vocational skills training, management skills training and other tailor-made internal trainings for new employees, ordinary employees and management, or arranges for suitable personnel to participate in third-party training, with the aim of improving the vocational skills and management ability of employees, and selecting suitable personnel to participate in the management of the Company through the competition for positions.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL

During the Reporting Period, there were no significant asset acquisitions or disposals, mergers or equity investments of the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 30 December 2022, the Group did not have plans for material investments and capital assets as at the date of this report.

CHARGES ON GROUP ASSETS

As at 30 June 2025, the Group has pledged assets of RMB1,210.1 million and restricted bank deposits of RMB0.14 million (31 December 2024: pledged assets of RMB1,233.4 million and restricted bank deposits of RMB1.09 million).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

OUTLOOK

During the Reporting Period, the Group was devoted to implementing its development programme. As Phase II of Gaoloushan Mine is put into operation, the Group will increase the production capacity, with the annual output of aggregate products expected to reach 6 million tonnes in 2025, and plans to gradually increase the annual production in the following years.

Since the beginning of 2025, with the continuous advancement of major transport infrastructure projects such as Bozhou-Mengcheng Expressway, Xuzhou-Huaibei-Fuyang Expressway, and Wuzhou-Mengcheng Expressway, as well as the full commencement of new projects such as Xuzhou-Dangshan-Shangqiu Expressway and Suzhou-Suining Expressway, Huaibei City and its surrounding areas are ushering in a new boom of infrastructure construction. Against this backdrop, it is expected that Huaibei City and its surrounding areas, including southern Suzhou City, Bozhou City, and northern Bengbu City, will experience a sustained increase in demand for construction aggregates.

The Group will actively seize market opportunities, on the one hand, to continuously deepen its cooperation with existing customers, and on the other hand, to focus on developing potential customer resources. By fully leveraging internal production capacity and optimising operational efficiency, the Group will ensure a stable supply of aggregate and concrete products to meet the growing market demand. At the same time, the Group will remain committed to delivering solid financial performance through refined management and innovation-driven strategies, fostering high-quality sustainable development to provide robust material support for regional infrastructure construction.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, there was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries (including sale of treasury shares). As at 30 June 2025, the Company did not hold any treasury shares.

SHARE SCHEME

During the Reporting Period and up to the date of this report, the Group has no share scheme.

CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions with Leiming Blasting

On 9 May 2025, the Company entered into a blasting services procurement framework agreement (the “**Blasting Services Procurement Framework Agreement**”) with Anhui Leiming Blasting Engineering Co., Ltd.* (安徽雷鳴爆破工程有限責任公司) (“**Leiming Blasting**”), pursuant to which Leiming Blasting shall provide blasting services to the Group for a term of three years from 1 January 2025 to 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and all other applicable laws and regulations.

Tongming Mining is owned as to approximately 29.6% by Leiming Blasting. Therefore, Leiming Blasting is a substantial shareholder of the subsidiary of the Company and hence a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. The transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, the Board (including all the independent non-executive Directors) has approved the Blasting Services Procurement Framework Agreement and the annual caps therein.

For further details, please refer to the announcement of the Company dated 9 May 2025.

Continuing Connected Transactions with Huaibei Construction Investment

On 9 May 2025, the Company entered into a products sales framework agreement (the “**Products Sales Framework Agreement**”) with Huaibei City Construction Investment Holding Group Co., Ltd.* (淮北市建投控股集團有限公司) (“**Huaibei Construction Investment**”), pursuant to which the group shall supply aggregate and concrete products to Huaibei Construction Investment group for a term of three years from 1 January 2025 to 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

On 9 May 2025, the Company entered into a construction project framework agreement (the “**Construction Project Framework Agreement**”) with Huaibei Construction Investment, pursuant to which the Group shall procure construction services from Huaibei Construction Investment group for a term of three years from 1 January 2025 to 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Huaibei Construction Investment is the controlling Shareholder of the Company, holding approximately 75% of the total share capital of the Company, therefore Huaibei Construction Investment and its respective associates are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under each of the Products Sales Framework Agreement and the Construction Project Framework Agreement constitute continuing connected transactions of the Company.

Other Information

Each of the Products Sales Framework Agreement and the Construction Project Framework Agreement, and the continuing connected transactions contemplated therein (including the respective proposed annual caps) have been approved at the 2025 second extraordinary general meeting of the Company held on 28 August 2025.

For further details, please refer to the announcement of the Company dated 9 May 2025, the circular and the notice of the 2025 second extraordinary general meeting of the Company both dated 4 July 2025, and the poll results announcement of the Company dated 28 August 2025.

The Non-compliance in relation to the Renewal of Continuing Connected Transactions

The Company failed to timely renew the Blasting Services Procurement Framework Agreement and the Products Sales Framework Agreement (the “**Framework Agreements**”) because of its lack of experience in handling the renewal process for the Framework Agreements as this is the first time for the Company to renew the Framework Agreements upon its listing on the Stock Exchange in January 2023, and the unexpected prolonged approval process for the renewal of the Framework Agreements. The relevant departments of the Company commenced the renewal procedures in December 2024 and underestimated the necessary times and procedures required to finalise and approve the Framework Agreements. The Company admitted that it should have started the renewal of the Framework Agreements earlier, failure of which led to the non-compliance of the Listing Rules.

The Company has implemented/plans to implement, among others, the following internal control measures (the “**Internal Control Measures**”) to enhance its internal control mechanisms:

- (a) to strengthen the provision of internal training for the management and staff of the Company, in particular in relation to connected transactions under the Listing Rules;
- (b) to establish a dynamic monitoring system to issue work reminders 180 days prior to the expiration of the agreements in relation to the connected transactions;
- (c) to optimise the decision-making process, to establish a joint pre-examination mechanism with State-owned Assets Supervision and Administration Commission of Huaibei Municipal People’s Government (淮北市政府國有資產監督管理委員會) to shorten the administrative review procedure, and to implement a dual-line parallel approval system;
- (d) to strengthen compliance assurance, to conduct periodic risk assessments to identify emerging risks and updating internal controls accordingly, implement the “Management Compliance Improvement Plan for Connected Transactions” from June 2025, and conduct special internal audits on connected transactions every quarter;
- (e) to appoint an executive Director and several personnel of the legal and the securities investment department of the Company to monitor the connected transactions; and
- (f) to review, maintain and update a list of connected persons from time to time based on the shareholding structure of the respective connected persons.

The Internal Control Measures aim to strengthen the compliance capacity of the Company in relation to the strict adherence to the Listing Rules, ensure the enforcement of the internal control mechanisms and remedial measures, shorten the compliance procedures and improve the internal compliance efficiency, so that the Company is able to comply with the requirements of the Listing Rules in a timely manner.

For further details, please refer to the announcement of the Company dated 25 July 2025.

Other Information

EVENTS AFTER THE REPORTING PERIOD

Appointment of Joint Company Secretary

In relation to the appointment of Mr. Yao Minglei (“**Mr. Yao**”) as a joint company secretary of the Company, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years from the date of appointment of Mr. Yao, subject to certain conditions. Mr. Yao was appointed as the joint company secretary of the Company on 28 August 2025.

For further details, please refer to the announcement of the Company dated 28 August 2025.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Class of Shares	Capacity/Nature of interest	Number of securities held ⁽¹⁾	Approximate percentage of the total issued domestic Share capital	Approximate percentage of the total issued H Share capital	Approximate percentage of the total share capital
Huaibei City Construction Investment Holding Group Co., Ltd.* (淮北市建投控股集团有限公司) (“ Huaibei Construction Investment ”)	Domestic Shares	Beneficial owner	196,020,000 (L)	99%	—	74.25%
		Interest in controlled corporation ⁽²⁾	1,980,000 (L)	1%	—	0.75%
CHU DAVID (朱偉東)	H shares	Beneficial owner	3,664,500	—	5.55%	1.39%
Huatai Securities Co., Ltd.	H shares	Interest in controlled corporation	3,379,500	—	5.12%	1.28%

Other Information

Notes:

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the Domestic Shares.
- (2) Huaibei Cultural Tourism Investment Development Group Co., Ltd.* (淮北市文化旅遊投資發展集團有限公司) held 1,980,000 Domestic Shares, representing 0.75% of the total share capital of our Company. Huaibei Construction Investment holds the entire equity interest of Cultural Tourism Investment. Accordingly, by virtue of the SFO, Huaibei Construction Investment is deemed or taken to be interested in all the Shares which are beneficially owned by Cultural Tourism Investment.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN THE INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

As disclosed in the announcement of the Company dated 17 January 2025, Mr. Liu Yong and Mr. Qin Jiapeng have been re-appointed and Mr. Mao Hongxian and Mr. Yao Minglei have been appointed as the executive Directors of the third session of the Board, and Mr. Gao Wei, Mr. Liu Chaotian and Ms. Xing Mengwei have been re-appointed as independent non-executive Directors of the third session of the Board with effect from 17 January 2025.

As disclosed in the announcement of the Company dated 28 August 2025 and the section “Events After The Reporting Period — Appointment of Joint Company Secretary” of this report, Mr. Yao Minglei was appointed as the joint company secretary of the Company with effect from 28 August 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Main Board Listing Rules during the Reporting Period and as at the date of this interim report.

DIRECTORS’ AND SUPERVISORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party and in which a Director or a Supervisor or his or her connected entity had a material interest, whether directly or indirectly, subsisted during the Reporting Period and as at the date of this interim report.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries during the Reporting Period.

Other Information

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of shareholders as a whole. The Company has adopted the code provisions (the “**Code Provisions**”) in Part 2 of the Corporate Governance Code (Appendix C1) to the Listing Rules as its own code to govern its corporate governance practices. The Board believes that the Company has complied with the relevant Code Provisions during the six months ended 30 June 2025, and no Directors are aware of any information that reasonably shows that the Company has not complied with the Code Provisions at any time during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Having made specific enquiries to all the Directors, the Company confirms that all the Directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2025.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three members, namely Mr. Gao Wei (Chairman), Mr. Liu Chaotian and Ms. Xing Mengwei, all of whom are independent non-executive Directors. The Company’s interim report and interim results announcement for the six months ended 30 June 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of the financial information complies with the applicable accounting standards, the requirements of the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 — unaudited (Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	4	127,301	110,752
Cost of sales		(75,787)	(70,349)
Gross profit		51,514	40,403
Other income	5	3,685	4,651
Administrative expenses		(16,680)	(15,610)
Impairment loss on trade receivables		(5,946)	(4,018)
Profit from operations		32,573	25,426
Finance costs	6(a)	(33,481)	(35,164)
Loss before taxation	6	(908)	(9,738)
Income tax	7	(2,515)	(1,409)
Loss and total comprehensive loss for the period		(3,423)	(11,147)
Attributable to:			
Equity shareholders of the Company		(2,788)	(7,678)
Non-controlling interests		(635)	(3,469)
Loss and total comprehensive loss for the period		(3,423)	(11,147)
Loss per share			
Basic and diluted	8	RMB(0.01)	RMB(0.03)

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 16(a).

Consolidated Statement of Financial Position

At 30 June 2025 — unaudited (Expressed in RMB)

	Note	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	9	1,848,809	1,884,177
Non-current prepayments and deposits	11	7,163	7,066
		1,855,972	1,891,243
Current assets			
Inventories	10	1,956	1,749
Trade and other receivables	11	27,888	28,094
Advance payment to immediate holding company		—	232,530
Cash at bank and on hand	12	384,527	321,426
		414,371	583,799
Current liabilities			
Trade and other payables	13	175,439	229,159
Contract liabilities		8,750	9,061
Interest-bearing borrowings	14	185,420	128,420
		369,609	366,640
Net current assets		44,762	217,159
Total assets less current liabilities		1,900,734	2,108,402
Non-current liabilities			
Interest-bearing borrowings	14	1,150,370	1,231,580
Long-term payables	15	—	125,860
Deferred tax liabilities		30,588	28,073
Accrual for reclamation costs		19,408	19,098
		1,200,366	1,404,611
NET ASSETS		700,368	703,791

Consolidated Statement of Financial Position

At 30 June 2025 — unaudited (Continued) (Expressed in RMB)

	Note	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
CAPITAL AND RESERVES			
Share capital	16	264,000	264,000
Reserves		202,909	205,697
Total equity attributable to equity shareholders of the Company		466,909	469,697
Non-controlling interests		233,459	234,094
TOTAL EQUITY		700,368	703,791

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 — unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company					Non-	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	controlling interests RMB'000	
Balance at 1 January 2024	264,000	3,726	92,334	116,890	476,950	189,397	666,347
Changes in equity for the six months ended 30 June 2024:							
Loss for the period	—	—	—	(7,678)	(7,678)	(3,469)	(11,147)
Other comprehensive loss	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	(7,678)	(7,678)	(3,469)	(11,147)
Dividend payout	—	—	—	(7,392)	(7,392)	—	(7,392)
Appropriation of maintenance and production funds	—	—	3,482	(3,482)	—	—	—
Utilisation of maintenance and production funds	—	—	(31)	31	—	—	—
	—	—	3,451	(10,843)	(7,392)	—	(7,392)
Balance at 30 June 2024	264,000	3,726	95,785	98,369	461,880	185,928	647,808

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 — unaudited (Continued) (Expressed in RMB)

	Attributable to equity shareholders of the Company					Non-	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	controlling interests RMB'000	
Balance at 1 January 2025	264,000	3,726	92,245	109,726	469,697	234,094	703,791
Changes in equity for the six months ended 30 June 2025:							
Loss for the period	—	—	—	(2,788)	(2,788)	(635)	(3,423)
Other comprehensive loss	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	(2,788)	(2,788)	(635)	(3,423)
Appropriation of maintenance and production funds	—	—	4,777	(4,777)	—	—	—
Utilisation of maintenance and production funds	—	—	(49)	49	—	—	—
	—	—	4,728	(4,728)	—	—	—
Balance at 30 June 2025	264,000	3,726	96,973	102,210	466,909	233,459	700,368

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2025 — unaudited (Expressed in RMB)

		Six months ended 30 June	
	Note	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Operating activities			
Cash generated from operations		36,500	59,482
Tax paid		—	(3,361)
Net cash generated from operating activities		36,500	56,121
Investing activities			
Payments for purchase of property, plant and equipment		(10,721)	(939)
Repayment from immediate holding Company		232,530	—
Net cash generated from/(used in) investing activities		221,809	(939)
Financing activities			
Proceeds from bank loans		—	1,360,000
Repayment of bank loans		(24,210)	(800,369)
Repayment of borrowings from a related party		—	(207,000)
Repayment to a related party		—	(22,000)
Repayment of long-term payables		(136,774)	(136,675)
Decrease in restricted deposits for interest-bearing borrowing		—	267,000
Dividends paid		(8,000)	—
Interest paid		(25,278)	(23,086)
Net cash (used in)/generated from financing activities		(194,262)	437,870
Net increase in cash and cash equivalents		64,047	493,052
Cash and cash equivalents at 1 January	12	320,338	73,671
Cash and cash equivalents at 30 June	12	384,385	566,723

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Huaibei GreenGold Industry Investment Co., Ltd. (“**the Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 21 December 2018, as a limited liability company. The address of the Company’s registered office is at 4/F., Shuangchuang Service Centre, No. 3, Taobo Road, Song Tuan Town, Lieshan District, Huaibei City, Anhui Province, the PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 20 January 2023. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in aggregates production and engineering material processing and sales.

2 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 28 August 2025.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of the interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). The interim financial statements are unaudited.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended IFRSs issued by the IASB to these unaudited condensed consolidated interim financial statements for the current accounting period:

- Amendments IAS 21, Lack of Exchangeability

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amended IFRS has had no material effect on how the Group's results and financial position for the current period have been prepared or presented.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the production and sale of aggregate products and others and concrete products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
— Revenue from sales of aggregate products and others	127,194	88,021
— Revenue from sales of concrete products	—	22,731
— Income from agency services of concrete products and additives	107	—
	127,301	110,752

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic information is disclosed in Notes 4(b)(i) and 4(b)(iii), respectively.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Aggregate products and others: this segment includes production and sale of aggregate products and others;
- Concrete products: this segment includes production, sale and agency services of concrete products and additives to be used in building and road construction.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of deferred tax assets and unallocated head office and corporate assets. Segment liabilities include all liabilities with the exception of current taxation, deferred tax liabilities and unallocated head office and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments.

Segment profit represents revenue less cost of sales, and includes selling expenses and administrative expenses directly attributable to the segment. Items that are not specifically attributable to individual segments, such as unallocated head office and corporate expenses, depreciation and amortisation, interest income and finance costs are not included in segment profit. In addition to receiving segment information concerning segment profit, management is also provided with segment information concerning depreciation, amortisation, interest income and finance costs.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

	Six months ended 30 June 2025		
	Aggregate products and others RMB'000 (unaudited)	Concrete products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Disaggregated by timing of revenue recognition			
Point in time	127,194	107	127,301
Revenue from external customers and reportable segment revenue	127,194	107	127,301
Reportable segment profit/(loss) (adjusted EBITDA)	85,793	(5,861)	79,932
Depreciation and amortisation	(43,311)	(2,775)	(46,086)
Interest income	1,434	125	1,559
Amortisation of unrealised financing income of non-current portion of other receivables	97	—	97
Finance costs	(33,481)	—	(33,481)
As at 30 June 2025			
Reportable segment assets	2,063,329	86,352	2,149,681
Reportable segment liabilities	1,523,877	18,462	1,542,339

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

	Six months ended 30 June 2024		
	Aggregate products and others RMB'000 (unaudited)	Concrete products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Disaggregated by timing of revenue recognition			
Point in time	88,021	22,731	110,752
Revenue from external customers and reportable segment revenue	88,021	22,731	110,752
Reportable segment profit/(loss) (adjusted EBITDA)	56,921	(3,760)	53,161
Depreciation and amortisation	(24,469)	(3,444)	(27,913)
Interest income	3,329	180	3,509
Amortisation of unrealised financing income of non-current portion of other receivables	291	—	291
Finance costs	(35,164)	—	(35,164)
As at 30 June 2024			
Reportable segment assets	2,426,634	125,100	2,551,734
Reportable segment liabilities	1,897,881	23,473	1,921,354

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Profit		
Total reportable segment profit	79,932	53,161
Depreciation and amortisation	(46,089)	(27,916)
Interest income	2,152	3,949
Amortisation of unrealised financing income of non-current portion of other receivables	97	291
Unallocated head office and corporate expenses	(3,519)	(4,059)
Finance costs	(33,481)	(35,164)
Consolidated loss before taxation	(908)	(9,738)

(iii) Geographic information

The Group's revenue is generated from sales of aggregate products and others, and sales and agency services of concrete products and additives in the PRC. The Group does not have material assets or operations outside the PRC, no segment analysis based on geographical locations of the customers and assets is presented.

5 OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest income	2,152	3,949
Others	1,533	702
	3,685	4,651

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest expenses on:		
— Bank and other borrowings	25,994	24,367
— Long-term payables	7,177	10,478
Unwinding interest of provisions	310	319
	33,481	35,164

No borrowing costs have been capitalised during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(b) Other items

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation and amortisation charge		
— owned property, plant and equipment	44,425	26,182
— right-of-use assets (Note 9)	1,664	1,734
Cost of inventories sold (Note 10)	75,787	70,349

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current tax	—	2,779
Deferred tax	2,515	(1,370)
	2,515	1,409

The Company and the subsidiaries of the Group established in the PRC are subject to PRC Corporate Income tax rate of 25% during the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of RMB2,788,000 for the six months ended 30 June 2025 (2024: RMB7,678,000) and the weighted average number of ordinary shares in issue during the period of 264,000,000 shares (2024: 264,000,000 shares).

(b) Diluted loss per share

The Company did not have any potential dilutive shares throughout the period of 2025 and 2024. Accordingly, diluted loss per share is the same as the basic loss per share.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group incurred capital expenditure on property, plant and equipment with a cost of RMB10,721,000 (six months ended 30 June 2024: RMB23,700,000).

Right-of-use assets

(i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Land use rights (Note 9 (iii))	143,180	144,844

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets (Continued)

(ii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation charge of right-of-use assets by class of underlying asset (Note 6(b)):		
— Land use rights	1,664	1,734

(iii) Land use rights represent premiums paid by the Group for land located in the PRC. These land use rights are with an initial period of 50 years.

(iv) The mining rights with carrying values of approximately RMB1,210,147,000 (2024: RMB1,233,443,000) are pledged to banks as securities for banking facilities granted to the Group as at 30 June 2025.

10 INVENTORIES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Raw materials and others	1,956	1,749

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Carrying amount of inventories sold	75,787	70,349

All of the inventories are expected to be recovered within one year.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Current		
Trade and bills receivables, net of loss allowance	23,086	23,993
Other receivables	2,382	1,784
Financial assets measured at amortised cost	25,468	25,777
VAT recoverables	1,138	931
Deposits and prepayments	1,282	1,386
	27,888	28,094
Non-current		
Reclamation deposit	7,163	7,066
	35,051	35,160

Current portion of trade and bills receivables, prepayments, deposits and other receivables are expected to be recovered within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, are as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 3 months	13,032	14,579
3 to 6 months	4,220	5,822
6 to 12 months	5,834	3,592
	23,086	23,993

Trade and bills receivables are due within 30–180 days from the date of billing.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

12 CASH AT BANK AND ON HAND

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Cash at bank and on hand	384,385	320,338
Restricted bank deposits (Note)	142	1,088
Cash at bank and on hand in the consolidated statement of financial position	384,527	321,426
Less: restricted bank deposits (Note)	142	1,088
Cash and cash equivalents in the consolidated cash flow statement	384,385	320,338

Note: As at 31 December 2024 and 30 June 2025, bank deposits are restricted due to pre-litigation property preservation.

13 TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Trade payables to		
— related parties	6,463	16,523
— third parties	11,178	25,162
	17,641	41,685
Interest payables	377	—
Payables for staff related costs	1,906	1,981
Payables for other taxes	5,872	6,007
Payable for property, plant and equipment	2,236	19,203
Payables for capital expenditure	129,298	133,035
Distributions/dividends payables	14,268	22,268
Other accruals and payables	3,841	4,980
Financial liabilities measured at amortised cost	175,439	229,159

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

13 TRADE AND OTHER PAYABLES (Continued)

All of the trade and other payables are expected to be settled or recognised as income within one year or repayable on demand.

At the end of the reporting period, the ageing analysis of trade payables presented based on the invoice date is as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 12 months	13,084	33,358
Over 12 months	4,557	8,327
	17,641	41,685

14 INTEREST-BEARING BORROWINGS

(a) The analysis of the carrying amount of interest-bearing borrowings of the Group is as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Current interest-bearing borrowings		
Bank loans		
— Guarantees provided by a related party and pledge of the Group's assets	185,420	128,420
Non-current interest-bearing borrowings		
Bank loans		
— Guarantees provided by a related party and pledge of the Group's assets	1,150,370	1,231,580
	1,335,790	1,360,000

All of the interest-bearing borrowings are carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

14 INTEREST-BEARING BORROWINGS (Continued)

(b) The interest-bearing borrowings were repayable as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Within 1 year or on demand	185,420	128,420
After 1 year but within 2 years	165,420	162,420
After 2 years but within 5 years	526,260	521,260
More than 5 years	458,690	547,900
	1,335,790	1,360,000

15 LONG-TERM PAYABLES

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
Present value of mining rights payable	129,298	258,895
Less: current portion recorded in trade and other payables (Note 13)	129,298	133,035
Carrying amount	—	125,860

It represents consideration for mining rights of RMB683,869,000, which was repayable by five equal instalments per annum. The carrying amounts were discounted at an effective rate of 5.7% per annum.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period:		
No final dividend for the year ended 31 December 2024 (2023: RMB0.028 per ordinary share)	—	7,392

No interim dividend has been declared and recognised as a liability at the end of the reporting period (for the six months ended 30 June 2024: Nil).

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

16 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Share capital

Movements of the Company's ordinary shares are set out below:

	At 30 June 2025		At 31 December 2024	
	No. of shares (‘000)	RMB’000	No. of shares (‘000)	RMB’000
Ordinary shares, issued and fully paid:				
At the beginning and at the end of the period/year	264,000	264,000	264,000	264,000

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

18 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following significant related party transactions during the six months ended 30 June 2025 and 2024:

(a) Significant transactions with related parties

	Six months ended 30 June	
	2025 RMB’000 (unaudited)	2024 RMB’000 (unaudited)
<u>Sales to</u>		
Ultimate controlling party and its affiliates	11,853	31,065
<u>Receiving service from</u>		
Non-controlling equity owner of a subsidiary	12,817	7,093
Ultimate controlling party and its affiliates	229	24,120
<u>Purchasing goods from (Note (i))</u>		
Ultimate controlling party and its affiliates	5,509	3,217
<u>Guarantees received at the end of the period</u>		
Ultimate controlling party and its affiliates	435,790	460,000

Notes:

- (i) During the period ended 30 June 2025, the Group purchased consumer goods from the ultimate controlling party and its affiliates. The transaction met the conditions stipulated in Rule 14A.97 under Chapter 14A of the Listing Rules, and was considered as fully exempt continuing connected transaction.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

Details of the outstanding balances with related parties are as follows:

	At 30 June 2025 RMB'000 (unaudited)	At 31 December 2024 RMB'000 (audited)
<u>Trade in nature</u>		
<u>Trade and other receivables</u>		
Ultimate controlling party and its affiliates	13,334	12,952
<u>Trade and other payables</u>		
Ultimate controlling party and its affiliates	1,918	2,004
Non-controlling equity owner of a subsidiary	4,545	14,519
	At 30 June 2025	At 31 December 2024
<u>Non-trade in nature</u>		
<u>Trade and other receivables</u>		
Ultimate controlling party and its affiliates	—	232,530
<u>Trade and other payables</u>		
Ultimate controlling party and its affiliates	1,707	8,456
Parent company of non-controlling equity owner of a subsidiary	3,951	—
Distributions/dividends payables to non-controlling equity owners of subsidiaries	14,268	22,268

(c) Transactions with other state-controlled entities in the PRC

The ultimate controlling party of the Company, 淮北市建投控股集团有限公司 (“**Huaibei Construction Investment Holding Group Co., Ltd.**”), is a state-controlled enterprise controlled by the PRC government. Apart from transactions with Huaibei Construction Investment and its affiliates, the Group also has transactions with other state-controlled entities, including but not limited to the following:

- the sale of aggregate products and others and concrete products;
- blasting services;
- bank deposits; and
- bank loans.