西部水泥

中國西部水泥有限公司
WEST CHINA CEMENT LIMITED

(Incorporated in Jersey with limited liabilty with registered number 94796)
Stock Code: 2233



ANNUAL REPORT 2025



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Corporate Information

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Yaobai R&D Training Center
No. 336 4th Shenzhou Road
Aerospace Industrial Base
Chang'an District
Xi'an, Shaanxi Province, PRC

REGISTERED OFFICE

13 Castle Street
St Helier
Jersey JE1 1ES
Channel Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 402A–403A, 4/F
Empire Centre
68 Mody Road
Tsim Sha Tsui
Hong Kong

COMPANY WEBSITE

www.westchinacement.com

BOARD OF DIRECTORS

Executive Directors

Zhang Jimin *(Chairman)*
Cao Jianshun *(Chief Executive Officer)*
Chu Yufeng *(Chief Financial Officer)*
Wang Rui

Non-Executive Directors

Ma Zhaoyang
Wang Zhixin
Wang Manbo (appointed with effect from 27 May 2025)
Fan Zhan (resigned with effect from 27 May 2025)

Independent Non-Executive Directors

Lee Kong Wai Conway *(Lead Independent Non-Executive Director)*
Zhu Dong
Tam King Ching Kenny
Feng Tao
Lau Ka Keung (appointed with effect from 24 March 2025)

COMPANY SECRETARY

Chan King Sau *HKICPA*

AUTHORIZED REPRESENTATIVES

Cao Jianshun
Chan King Sau *HKICPA*

MEMBERS OF THE AUDIT COMMITTEE

Lee Kong Wai Conway *(Chairman)*
Zhu Dong
Tam King Ching Kenny
Feng Tao
Lau Ka Keung (appointed with effect from 24 March 2025)

MEMBERS OF THE REMUNERATION COMMITTEE

Tam King Ching Kenny *(Chairman)*
Zhang Jimin
Zhu Dong
Lee Kong Wai Conway

MEMBERS OF THE NOMINATION COMMITTEE

Zhang Jimin *(Chairman)*
Lee Kong Wai Conway
Tam King Ching Kenny
Wang Rui (appointed with effect from 24 March 2025)

INDEPENDENT AUDITORS

Deloitte Touche Tohmatsu
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
35/F One Pacific Place
88 Queensway
Hong Kong

JERSEY PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services (Channel Islands) Limited
Ordinance House
31 Pier Road
St Helier
Jersey JE4 8PW

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of Xi'an

Financial Highlights

RMB' Million (unless otherwise specified)	**Year ended 31 December 2025 (million)**	Year ended 31 December 2024 (million)	% Change
Total Cement and Clinker Sales Volume (million tons)	**21.8**	20.0	9.0%
Cement Sales Volume (million tons)	**20.5**	19.2	6.8%
Aggregates Sales Volume (million tons)	**4.5**	3.5	28.6%
Commercial Concrete sales volume (million cubic meters)	**1.3**	1.4	(7.1%)
Revenue	**9,621.2**	8,344.9	15.3%
Gross Profit	**2,458.5**	1,973.8	24.6%
EBITDA[(1)]	**3,015.2**	2,630.0	14.6%
Profit Attributable to Owners of the Company	**879.6**	626.2	40.5%
Basic Earnings Per Share	**16.1 cents**	11.5 cents	40.0%
Proposed Final Dividend	**4.8 cents**	3.4 cents	41.2%
Gross Profit Margin	**25.6%**	23.7%	1.9 ppt
EBITDA Margin	**31.3%**	31.7%	(0.4 ppt)

	31 December 2025	31 December 2024	% Change
Total Assets	**35,236.0**	36,289.9	(2.9%)
Net Debt[(2)]	**9,964.6**	9,017.9	10.5%
Net Gearing[(3)]	**71.6%**	65.3%	6.3 ppt
Net Assets Per Share	**255 cents**	253 cents	0.8%

Notes:

(1) EBITDA equal to profit before tax plus finance costs, depreciation and amortisation, impairment losses and net losses on disposal of property, plant and equipment, mining rights and right-of-use assets, less interest income, net foreign exchange gains/(losses), gain on disposal of subsidiaries, gain on acquisition of subsidiaries, gain on modification of other long-term payables, fair value change on equity instrument at FVTPL and hyperinflation restatement.

(2) Net debt equal to borrowings, medium-term notes and senior notes less bank balances and cash and restricted/pledged bank deposits.

(3) Net gearing is measured as net debt to equity.

Business Overview

West China Cement Limited (the "Company") and its subsidiaries (collectively, the "Group") is one of the leading cement producers in Shaanxi Province, with a leading market position in eastern and southern Shaanxi and a presence in Sichuan and Guizhou Provinces, Uzbekistan as well as Mozambique, Democratic Republic of the Congo ("D.R. Congo") and Ethiopia, Africa. As at 31 December 2025, the Group had a total production capacity of 38.5 million tons, comprising 21 cement production lines, with 21.7 million tons in Shaanxi Province, 1.5 million tons in Sichuan Province, 1.8 million tons in Guizhou Province, 2.5 million tons in Uzbekistan, 2.0 million tons in Mozambique, 2.7 million tons in D.R. Congo and 6.3 million tons in Ethiopia, Africa. Moreover, the Group had total production capacities of 15.0 million tons in aggregates and 12.4 million cubic meters of commercial concrete.

The Group's cement production is geared towards the economic development of Western China, Uzbekistan, Mozambique, D.R. Congo and Ethiopia, Africa, driven by the Chinese Government's "Western Development Policy" and the "Silk Road Economic Development Plan". The Group aims to serve the development needs of Shaanxi, Guizhou, Sichuan, Uzbekistan, Mozambique, D.R. Congo and Ethiopia, Africa supplying cement products to the infrastructure, urban and rural construction markets. The Group's cement products are used in a variety of infrastructure projects such as highways, railways, bridges, hydroelectric power stations, water conservancy and water transfer projects.



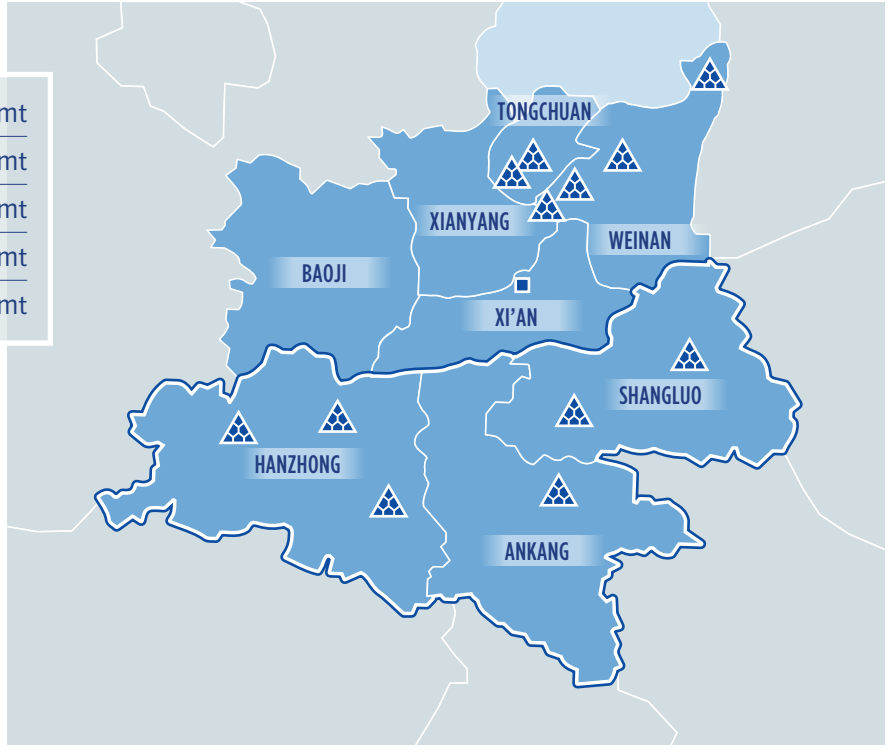
CHINA



CHINA CAPACITY	
Shaanxi	21.7 mt
Guizhou	1.8 mt
Sichuan	1.5 mt

SHAANXI PROVINCE

Tongchuan City	6.2 mt
Weinan City	7 mt
Shangluo City	3.3 mt
Ankang City	2.0 mt
Hanzhong City	3.3 mt



Business Overview

2025 has proved to be a pivotal year for the Group, marked by significant operational change and progress. On the operational side, the Group has seen some deteriorations for its core China operations as a result of the declining national cement demand which led to the decrease in both Average selling prices (ASPs) and gross profit. Internationally, investments in sub-Saharan Africa and Central Asia began to pay off, with those operations have started to contribute significantly to the Group's profitability. In addition, the Group has embarked on a significant restructuring of its assets as it continues to pursue growth in its newer, overseas markets. In August 2025, the Group completed the disposal of its entire operations in Xinjiang Province, comprising four plants totalling 3.5 million tons of cement capacity, to the Anhui Conch Cement Company Limited group. In December 2025, the Group completed the acquisition of the 1.2-million-ton Cimenterie de Lukala (CILU) plant located near to Kinshasa, the capital city of the Democratic Republic of Congo (DRC), from the Heidelburg Materials AG group. The main rationale for these transactions is to continue the Group's growth strategy in sub-Saharan Africa, redirect the Group's financial and management resources to focus on development in these overseas markets and strengthen the Group's financial position by using some of the proceeds from the Xinjiang disposal to partially repay the Group's US$600 million 4.95% senior notes due in July 2026.

The Group's operations in China have continued to be affected by a relatively subdued construction market due to low levels of infrastructure and real estate demand growth. Demand in Shaanxi Province has outpaced the rest of the PRC market, with Fixed Asset Investment (FDI) growth of -2.8% compared with -3.8% for the PRC as a whole and Real Estate Development Investment (RDI) growth at -7.9% versus -17.2% for the whole country, but activity has remained lacklustre. In the face of this subdued demand, the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest decrease in the Group's ASPs in China. In addition, unit costs have fallen, especially in Shaanxi Province, due to lower coal costs. Consequently, despite reduced volumes, gross margins remained stable, resulting in a stable impact on the Group's profitability.

Since 2020, the Group has expanded its production into overseas markets in sub-Saharan Africa and Central Asia, supplying its cement products to infrastructure, urban and rural development markets in these continents. The Group believes its cement plant construction and cement production and sales expertise is uniquely positioned to support and benefit from economic and cement industry development in these geographies. Africa has the world's fastest population growth profile, with total population expected to reach nearly 2.5 billion in 2050 from 1.5 billion in 2024. Sub-Saharan Africa has some of the fastest GDP growth rates in the world. Infrastructure development and urbanization in these markets are benefiting from domestic and international growth policies, including the Chinese Government's Belt and Road Initiative. Sub-Saharan Africa has some of the lowest per capita cement consumption rates in the world, at a fraction of those in developed markets, and cement production in many countries is backward, under-supplied and highly fragmented.

SUB-SAHARAN AFRICA



Lemi National Cement, Ethiopia

ETHIOPIA

National Cement:
Acquired November 2022.
1.3 mt

Lemi National Cement:
Commissioned September 2024.
5 mt



Great Lakes Cement Plant, DRC

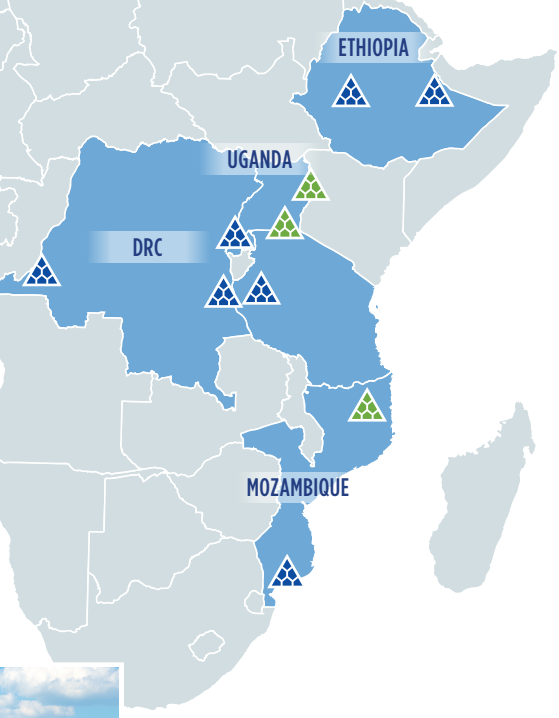
GREAT LAKES REGION

Great Lakes Cement SAS:
Commissioned December 2022.
1.5 mt

Rwanda Grinding Mill:
Commissioned August 2023.
1 mt

Cimenterie de Lukala (CILU):
Acquired December 2025.
1.2 mt

WIH Tanzania Grinding Mill:
Commissioned July 2025.
300k





Dugongo Cement, Mozambique

MOZAMBIQUE

Dugongo Cement:
Commissioned December 2020.
2 mt

Dugongo Cement Nampula:
4Q2026 expected commissioning.
1.5 mt

UGANDA

YIH Uganda Moroto SMC Ltd:
1Q2026 expected commissioning.
3 mt

YIH Uganda-Jinja Grinding Mill:
1Q2026 expected commissioning.
3 mt

CENTRAL ASIA





Andijan WCC Cement, Uzbekistan

UZBEKISTAN

Andijan WCC Cement:
Commissioned May 2024.
2.5 mt

Milestones

Year	Event	Year End Cement Capacity (million tons)
2004	The Group's first NSP production facility commenced construction in 2003 at Pucheng. The plant was commissioned in February.	1.4
2006	The Group was listed on the London Stock Exchange AIM market in December, raising GBP22 million.	1.4
2007	The Group's second production facility was constructed at Lantian in Xi'an. The two production lines were commissioned in May and August, respectively.	3.6
2008	The Group successfully completed a USD60 million syndicated loan.	3.6
2009	The Group's Ankang Xunyang production facility commenced operation in January, establishing a core market in southern Shaanxi. The Group's first acquisitions, the Zhen'an and Danfeng Plants in Shangluo region, were completed in August and December.	8.5
2010	The Group's two production lines in Hanzhong, the Yangxian and Mianxian Plants, were commissioned in January and July respectively. The USD60 million syndicated loan was repaid in March. In August, the Group was delisted from the London AIM market and was successfully listed on The Stock Exchange of Hong Kong Limited (the "HKSE"), raising HK$1.6 billion. The Weinan Pucheng Line 2 was commissioned in September. The Group acquired the Ankang Jianghua Plant in December, completing the establishment of a leadership position in southern Shaanxi.	12.5
2011	The Group successfully issued a USD400 million 5-year senior note at 7.5% p.a. interest rate. The Group established its first production base in Xinjiang through the acquisition of the Hetian Plant in Hotan region in May. The Group also announced the construction of the Yutian Plant in Hotan, Xinjiang. The Group's third plant in Hanzhong region, the Hanzhong Xixiang Plant, was commissioned in May. The Group acquired the Weinan Hancheng Plant in May.	16.2
2012	The Group's Shangluo Danfeng Line 2 Plant was commissioned in April. The Group acquired the Weinan Shifeng Plant and the Weinan Fuping Plant in April and June 2012, an important move in the supply consolidation process in Shaanxi Province and strengthening its presence in the Xi'an Metropolitan market. The Yutian Plant, Hetian, Xinjiang was commissioned in August.	23.7
2013	The Group successfully issued a RMB800 million 3-Year Mid-Term Note at 6.1% p.a. interest rate in March. Most of the proceeds were used to refinance short-term bank borrowings.	23.7
2014	The Group completed phase I of the Lantian Cement Kiln Waste Sludge Treatment Facility in January, the first of such facilities in Shaanxi Province and North West China. This marks an important step in the Group's on-going efforts in environmental protection solutions, and a new revenue stream for the Group. The Group successfully issued a USD400 million 5-year senior note at 6.5% p.a. interest rate to redeem in full the previous senior notes issued in 2011.	23.7
2015	Completion of the construction of the 1.5 million tons Xinjiang Yili Plant and the 1.8 million tons Guizhou Huaxi Plant with full commissioning commencing in the first quarter of 2015. Announcement in June of a subscription by Conch International Holdings (HK) Limited, a wholly owned subsidiary of Conch Cement for new shares in the Group equal to approximately 16.67% of total issued share capital of the Company as enlarged by the subscription shares. The Group acquired the Yaowangshan Cement Plant, with a cement capacity of 2.2 million tons, in October taking Group total current capacity to 29.2 million tons.	29.2

Milestones

Year	Event	Year End Cement Capacity (million tons)
	Subsequently, both Conch Cement and the Company, among others, entered into an acquisition agreement (the "Acquisition Agreement") in November whereby the Group purchases 4 cement plants in Central Shaanxi from Conch Cement totaling 10.4 million tons of cement capacity in consideration of an issue of 3,402,876,000 shares by the Company ("Consideration Shares"). After the issue of the Consideration Shares, Conch Cement will increase their holding in the Group to 57.57%.	
2016	As certain conditions precedent of the Acquisition Agreement were not satisfied or waived before 5:00 pm on 30 June 2016, the long stop date under the Acquisition Agreement, the Acquisition Agreement ceased and was determined.	29.2
	The Group successfully issued the first tranche of the short-term notes with an aggregate principal amount of RMB800 million at the interest rate of 5.5% per annum, and with a term of one year to investors in the national inter-bank market in the PRC on 15 March 2016.	
	Fuping Municipal Waste Treatment Facility was commissioned in March.	
2017	The Group successfully issued the second tranche of the short-term notes with an aggregate principal amount of RMB400 million at the interest rate of 6.98% per annum, and with a term of one year to investors in the national inter-bank market in the PRC on 3 March 2017.	29.2
	Mianxian Solid Waste Treatment Facility was commissioned in October.	
2018	The Group early redeemed USD80 million 5-year senior note in November and December.	29.2
	Four aggregates production lines with capacities of 7 million tons in total were commissioned.	
2019	The Group fully repaid USD400 million 5-year senior note at the maturity date in September.	29.2
	The Group successfully raised a syndicated loan of USD150 million with a term of three years in September.	
	The Group's production capacities of aggregates and commercial concrete increased to 15.0 million tons and 4.55 million cubic meters, respectively.	
2020	The Moyu Plant, Xinjiang was commissioned in December.	33.2
	The Mozambique Plant, Africa was commissioned in December.	
	The Group's production capacity of commercial concrete increased to 9.8 million cubic meters.	
2021	The Tongchuan Plant, Shaanxi was commissioned in June.	29.0
	The Group fully repaid the syndicated loan of USD150 million.	
	The Group successfully issued a USD600 million 5-year senior note at 4.95% p.a. interest rate.	
2022	The Kangding Plant was consolidated in April.	33.3
	The National Cement Plant was commissioned in November	
	The Great Lakes Plant was commissioned in December.	
2023	The Group fully repaid the medium-term notes of RMB700 million in September.	31.8
	The Kangding Plant was derecognised as a subsidiary in September.	
2024	The Andijan Plant was commissioned in May.	39.3
	The Lemi Plant was commissioned in September.	
2025	The Group successfully issued a USD400 million 3-year senior note at 9.9% p.a. interest rate.	38.5
	The Kangding Plant was consolidated in May.	
	The Xinjiang Plants were disposed in August.	
	The CILU Plant was consolidated in December.	

Chairman's Statement

High quality development in Africa will be a major focus in 2026 and beyond

Zhang Jimin
Chairman





On behalf of the board of directors (the "Board") of West China Cement Limited and its subsidiaries, I am pleased to present to our shareholders the annual report (including the audited consolidated financial statements) of the Group for the year ended 31 December 2025.

OVERVIEW

2025 has proved to be a pivotal year for the Group, marked by significant operational change and progress. On the operational side, the Group has seen some deteriorations for its core China operations as a result of the declining national cement demand which led to the decrease in both ASP and gross profit. Internationally, investments in sub-Saharan Africa and Central Asia began to pay off, with those operations have started to contribute significantly to the Group's profitability.

The Group's operations in China have continued to be affected by a relatively subdued construction market due to low levels of infrastructure and real estate demand growth. Demand in Shaanxi Province has outpaced the rest of the PRC market, with Fixed Asset Investment (FDI) growth of -2.8% compared with -3.8% for the PRC as a whole and Real Estate Development Investment (RDI) growth at -7.9% versus -17.2% for the whole country, but activity has remained lacklustre. In the face of this subdued demand, the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest decrease in the Group's ASPs in China. In addition, unit costs have fallen, especially in Shaanxi Province, due to lower coal costs. Consequently, despite reduced volumes, gross margins remained stable, resulting in a stable impact on the Group's profitability.

Since 2020, the Group has expanded its production into overseas markets in sub-Saharan Africa and Central Asia, supplying its cement products to infrastructure, urban and rural development markets in these continents. The Group believes its cement plant construction and cement production and sales expertise is uniquely positioned to support and benefit from economic and cement industry development in these geographies. Africa has the world's fastest population growth profile, with total population expected to reach nearly 2.5 billion in 2050 from 1.5 billion in 2024. Sub-Saharan Africa has some of the fastest GDP growth rates in the world. Infrastructure development and urbanization in these markets are benefiting from domestic and international growth policies, including the Chinese Government's Belt and Road Initiative. Sub-Saharan Africa has some of the lowest per capita cement consumption rates in the world, at a fraction of those in developed markets, and cement production in many countries is backward, under-supplied and highly fragmented

FINANCIAL RESULTS

In 2025, the Group saw a tough operating environment in China. The Group's cement and clinker sales volumes have increased slightly from 20.0 million tons in 2024 to 21.8 million tons in 2025 and the Group has recorded a 24.6% increase in gross profit as compared to 2024. Moreover, the Group has maintained strong cash flows, with stable EBITDA maintaining at approximately RMB2.6 billion and 3.0 billion in 2024 and 2025, respectively. The Group's net gearing ratio has in turn increased from 65.3% in 2024 to 71.6% in 2025, as a result of the increase in borrowings for capacity development during the year. The ratio is still maintained at a low industry level to provide a healthy statement of financial positions in the Group.

DIVIDEND

Having considered the Group's increased net profit for the year ended 31 December 2025, the Board has recommended payment of a final dividend of RMB4.8 cents per ordinary share for this financial year.

OPERATIONS

Deteriorations in the Group's China operations as a result of the declining national cement demand, netting with increasing contributions from the overseas business, have led to a moderate improvement in the Group's financial performance in 2025. Cement and clinker sales volumes in the reporting period have risen by 9.0% to 21.8 million tons. While sales volumes in China fell by 18.8% to 13.0 million tons, overseas volumes have risen by 120% to 8.8 million tons.

In China, cement and clinker ASPs decreased by 6.3% to RMB251 per ton. However, benefiting from the lower production costs, the Group was able to keep a stable Gross Profits per Ton (GP/T) of RMB39. Overseas, significant increases in sales volumes have resulted in much more sustainable ASPs of RMB470 per ton, resulting in an average GP/T of RMB171.

The Group's revenues rose to RMB9.62 billion in 2025, with RMB4.92 billion coming from its core China markets and RMB4.70 billion from overseas markets. Total gross profits of the Group was RMB2.46 billion in 2025. As overseas ASPs and GP/Ts were higher than those in domestic markets, the Group recorded RMB0.5 billion in gross profits from China and RMB1.96 billion from overseas. Total EBITDA of the Group in 2025 was RMB3.02 billion.

The Group believes that its focus on overseas development, including expansion in sub-Saharan Africa and Central Asia, has been validated by its recent financial performance. In 2025, while cement and clinker sales volumes overseas amounted to 40% of total Group sales, income from these overseas markets made up approximately 49% of the Group's total revenue and 80% of the Group's gross profit.

ENVIRONMENT & SOCIAL & GOVERNANCE

The Group continues to monitor and improve its environmental and emission standards in the following ways. Firstly, the Group's 'Benchmarking Checklist of Environmental Protection Regulations and Standards' has been implemented to carry out in depth monitoring of emissions and training of the Group's staff. Secondly, the Group's 'Safety and Environment Department' conducts quarterly inspections of monitoring reports and environment management measures at each plant. Thirdly, disposal and storage of hazardous waste is carefully planned on an annual basis, with waste labelled and disposed of in accordance with the new emission standards issued by the Ministry of Ecology and Environment. All of the Group's plants in the PRC have been refurbished as 'Garden-like Plants', and the Group has implemented similar strategies at its plants in Africa to enhance environmental management there. Practices such as soil reclamation and mine re-greening are carried out at the Group's limestone mines and annual monitoring work in areas such as landscaping, slope deformation, soil and water pollution, soil quality, reclamation and vegetation is carried out to ensure mine recovery and land reclamation at end-of-life mines.

The Group fully adheres to the 'Work Safety Law' in the PRC as well as any regulations in the countries in which it operates. During the year, there were zero fatalities and 898 days lost to injury compared with 1,364 in 2024. The Group runs a standardised and regulated operation process for workplace safety that is a requirement for employees and contractors alike. There is also a Safety Production Committee, headed by the Group CEO and comprises six specialised safety leadership teams. Robust anti-corruption and integrity policies have been put in place at all of the Group's operations. These include transparent anti-fraud monitoring systems and reporting platforms, and the Group maintains ongoing risk assessment activities and anti-corruption training for all staff. The Group also has robust supply chain management systems in place, with a digital management platform and centralised supplier data base. The Group has over 2000 suppliers of which over 600 are long term partners. These suppliers are subjected to ongoing audits, including supplier evaluations and risk assessment monitoring.

During the year, charitable donations made by the Group amounted to RMB5.8 million. Some of the projects that the Group has contributed to include the construction of the Mudada Village Primary School and Katenbe Manatee School in Mozambique; the Shaanxi Yaobai Education Foundation, which aims to improve the quality of basic education in Shaanxi Province; and continued contributions to the 'Golden Autumn School Aid' activity, which has benefited 115 students in need of educational support.

OUTLOOK

Following the progress that has been made in 2025 on both the operational and M&A side, the Group's priorities are focused on strengthening the Group's financial position, continuing to benefit from the stable performance in the China markets and strengthening its position in its overseas markets, where much progress has already been achieved.

Firstly, the Group completed the disposal of its Xinjiang plants to members of the Anhui Conch Cement Company Limited group in August 2025, and this disposal is expected to bring in approximately RMB1.65 billion of cash, subject to adjustments. Some of this cash has been earmarked for the partial repayment of the Group's US$600 million 4.95% senior notes which are due to mature in July 2026. In order to further optimize the Group's investment structure, reduce its debt ratio, save on interest costs, allocate resources more effectively, strengthen its strategic focus on key areas of development, advance the expansion and deepening of the Group's presence in overseas markets, and enhance the Group's overall operational efficiency and long-term competitiveness, the Group is currently in preliminary discussions to dispose certain assets located in China.

Secondly, the Group aims to benefit from the increased levels of supply side discipline in Shaanxi Province and the continued environmental controls that have succeeded in limiting excessive supply in the province. While the Group does not expect any significantly strong pick up in real estate development in 2026, there is some reasonable demand coming from infrastructure projects in Shaanxi; if supply discipline, construction activity and pricing levels from 2025 continue into 2026, the Group expects stable financial returns from its China operations in 2026.

Finally, the Group aims to build on and strengthen its position in its burgeoning overseas markets. Since 2020, the Group has built a significant presence in the Ethiopia cement market, has one of two operational clinker plants in Mozambique (the other one, the Dugongo Nampula Plant, which are due to be completed in the first quarter of 2027) and has built the largest clinker and cement operation in the Great Lake region of the DRC, Rwanda and western Tanzania, as well as expanding into Uzbekistan.

Two further developments will continue to strengthen the Group's Great Lake operations in a region which, despite the current armed conflict in Goma, is a high-growth resource and infrastructure-led market. Firstly, the Group completed the acquisition of the Cimenterie de Lukala (CILU) plant, located in the DRC's capital city of Kinshasa, in December 2025, this will extend the Group's market strength into the west of the DRC. Secondly, the Group aims to complete the construction of the Moroto Plant and Jinja Grinding Mill in Uganda in the first quarter of 2026. This market is a natural geographical extension of the Great Lakes area and will help the Group to strengthen its position as one of sub-Saharan and East Africa's major cement producers.

On behalf of the Board, I would like to take this opportunity to thank our management, employees, bankers and advisors for their efforts in 2025. I would also like to thank our shareholders for their continuing support of our Group in the past and into the future.

Zhang Jimin
Chairman

23 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

Overview

2025 has proved to be a pivotal year for the Group, marked by significant operational change and progress. On the operational side, the Group has seen some deteriorations for its core China operations as a result of the declining national cement demand which led to the decrease in both ASP and gross profit. Internationally, investments in sub-Saharan Africa and Central Asia began to pay off, with those operations have started to contribute significantly to the Group's profitability.

In addition, the Group has embarked on a significant restructuring of its assets as it continues to pursue growth in its newer, overseas markets. In August 2025, the Group completed the disposal of its entire operations in Xinjiang Province, comprising four plants totalling 3.5 million tons of cement capacity, to the Anhui Conch Cement Company Limited group. In December 2025, the Group completed the acquisition of the 1.2-million-ton Cimenterie de Lukala (CILU) plant located near to Kinshasa, the capital city of the Democratic Republic of Congo (DRC), from the Heidelburg Materials AG group.

The main rationale for these transactions is to continue the Group's growth strategy in sub-Saharan Africa, redirect the Group's financial and management resources to focus on development in these overseas markets and strengthen the Group's financial position by using some of the proceeds from the Xinjiang disposal to partially repay the Group's US$600 million 4.95% senior notes due in July 2026.

As of 31 December 2025, the Group had a total annual cement production capacity in China of 25.0 million tons, comprising 15 cement production lines, with 21.7 million tons in Shaanxi Province, 1.8 million tons in Guizhou Province and 1.5 million tons in Sichuan Province. In its overseas markets, the Group had a total cement production capacity of 13.5 million tons, comprising 6 production lines, with 6.3 million tons in Ethiopia, 2.5 million tons in Uzbekistan, 2.0 million tons in Mozambique and 2.7 million tons in the DRC.

Group Operational Performance

Deteriorations in the Group's China operations as a result of the declining national cement demand, netting with increasing contributions from the overseas business, have led to a moderate improvement in the Group's financial performance in 2025.

Cement and clinker sales volumes in the reporting period have risen by 9.0% to 21.8 million tons (2024: 20.0 million tons). While sales volumes in China fell by 18.8% to 13.0 million tons (2024: 16.0 million tons), overseas volumes have risen by 120% to 8.8 million tons (2024: 4.0 million tons).

In China, cement and clinker Average Selling Prices (ASPs) decreased by 6.3% to RMB251 per ton (2024: RMB268 per ton). However, benefiting from the lower production costs, the Group was able to keep a stable Gross Profits per Ton (GP/T) of RMB39 (2024: RMB41). Overseas, significant increases in sales volumes have resulted in much more sustainable ASPs of RMB470 per ton (2024: RMB568), resulting in an average GP/T of RMB171 (2024: RMB272).

The Group's revenues rose to RMB9.62 billion in 2025 (2024: RMB8.34 billion), with RMB4.92 billion (2024: RMB5.18 billion) coming from its core China markets and RMB4.70 billion (2024: RMB3.16 billion) from overseas markets. Total gross profits of the Group was RMB2.46 billion in 2025 (2024: RMB1.97 billion). As overseas ASPs and GP/Ts were higher than those in domestic markets, the Group recorded RMB0.5 billion in gross profits from China (2024: RMB0.67 billion) and RMB1.96 billion from overseas (2024: RMB1.30 billion). Total EBITDA of the Group in 2025 was RMB3.02 billion (2024: RMB2.63 billion).

The Group believes that its focus on overseas development, including expansion in sub-Saharan Africa and Central Asia, has been validated by its recent financial performance. In 2025, while cement and clinker sales volumes overseas amounted to 40% of total Group sales, income from these overseas markets made up approximately 49% of the Group's total revenue and 80% of the Group's gross profit.

Operating Environment-China

The Group's operations in China have continued to be affected by a relatively subdued construction market due to low levels of infrastructure and real estate demand growth. Demand in Shaanxi Province has outpaced the rest of the PRC market, with Fixed Asset Investment (FDI) growth of -2.8% compared with -3.8% for the PRC as a whole and Real Estate Development Investment (RDI) growth at -7.9% versus -17.2% for the whole country, but activity has remained lacklustre.

In the face of this subdued demand, the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest decrease in the Group's ASPs in China. In addition, unit costs have fallen, especially in Shaanxi Province, due to lower coal costs. Consequently, despite reduced volumes, gross margins remained stable, resulting in a stable impact on the Group's profitability.

In Shaanxi Province as a whole, the Group's capacity utilisation fell from 62% in 2024 to 51% in 2025, with sales of 11 million tons of cement and clinker, representing 17.9% lower than the same period in 2024. ASPs also fell from RMB242 per ton to RMB232 per ton over the same period and costs per ton fell from RMB209 to RMB194. This has led to GP/T increasing from RMB33 to RMB38 year-on-year.

In central Shaanxi, an area dominated by the Xi'an Metropolitan market where oversupply has been most acute in recent years, supply side discipline has resulted in the Group recording capacity utilisation rates of just 37% in 2025 (down from 48% in 2024) with sales of 4.83 million tons of cement and clinker, 22.3% lower year-on-year. ASPs have decreased from RMB234 to RMB227 per ton over the same period which, with lower unit costs, has led to GP/T rising from RMB21 to RMB26. Infrastructure projects that have contributed to cement demand in this area including the Xi'an-Shiyan High-Speed Railway, which consumed 480,000 tons in 2025, and water conservancy and gas transmission construction projects.

The Group has maintained its leadership position in southern Shaanxi, an area where it has over 70% market share. Although the ASP premium over central Shaanxi has contracted, with ASPs in the south at RMB235 per ton versus RMB249 in 2024, capacity utilisation rates have remained good at above 70%. Sales volumes in southern Shaanxi in 2025 were 6.15 million tons, 14.5% lower year-on-year, and lower unit costs have resulted in GP/T improving from RMB44 to RMB48. Demand in the south has been supported by the Ankang-Chongqing High-Speed Railway, which consumed 600,000 tons of cement in 2025, and a number of reservoir construction projects amongst others.

Outside of Shaanxi, the Group's Xinjiang plants have been operating at approximately 45% of capacity in 2025, compared with 51% in the same period last year, and have achieved sales of 1.05 million tons. ASPs have held up reasonably well at RMB380 per ton compared with RMB399 in 2024, with GP/T margins at RMB86 (2024: GP/T at RMB112). The disposal of these Xinjiang assets was completed in August 2025. In Guizhou Province, the Group's Huaxi plant is located close to Guiyang City and the Gui-An New Area. The plant's capacity utilisation has remained stable at 43% (2024: 44%) but ASPs of RMB340 and unit costs of RMB357 have resulted in gross loss per ton of RMB17 compared with GP/T RMB19 in the same period in 2024. In Sichuan, the Group completed the re-acquisition of the 1.5-million-ton Paomashan Plant located in Kangding in April 2025 from PRC Court liquidators at a consideration of RMB139 million. The plant contributed approximately 220,000 tons of cement sales in 2025 at a GP/T of RMB33.

Operating Environment — Overseas

Since 2020, the Group has expanded its production into overseas markets in sub-Saharan Africa and Central Asia, supplying its cement products to infrastructure, urban and rural development markets in these continents. The Group believes its cement plant construction and cement production and sales expertise is uniquely positioned to support and benefit from economic and cement industry development in these geographies.

Africa has the world's fastest population growth profile, with total population expected to reach nearly 2.5 billion in 2050 from 1.5 billion in 2024. Sub-Saharan Africa has some of the fastest GDP growth rates in the world. Infrastructure development and urbanization in these markets are benefiting from domestic and international growth policies, including the Chinese Government's Belt and Road Initiative. Sub-Saharan Africa has some of the lowest per capita cement consumption rates in the world, at a fraction of those in developed markets, and cement production in many countries is backward, under-supplied and highly fragmented.

Ethiopia

The Group's largest overseas operations are in Ethiopia. In 2022, the Group acquired a 62.5% stake in the 1.3-million-ton-per-annum National Cement Plant, which was subsequently upgraded and now operates together with its local partner East African Mining Corporation PLC. In September 2024, the 5.0-million-ton-per-annum Lemi National Cement Plant, located 150 km from Ethiopia's capital Addis Ababa and one of the largest cement production lines in Africa, was commissioned and is operated with East African Mining Corporation PLC on the same terms as National Cement Plant.

Ethiopia is a landlocked country with a population of approximately 135 million. The cement market is mainly domestic, with some US dollar exports to neighbouring Djibouti and Somalia. The country has forecast GDP growth rates of circa 6% and cement demand is infrastructure-led with increasing road, rail and airport construction projects. Cement demand in the country is expected to top 12 million tons in 2025 and supply, which is estimated at approximately 10 million tons per annum, has been constrained by old, inefficient capacity and raw material and clinker bottlenecks. Foreign currency restrictions have been gradually eased since July 2024 as part of economic reforms and an IMF financing package, and outward remittances of dividends are expected in 2026 and onwards.

The Group has recorded a significant increase in its sales volumes in 2025 following the commissioning of the Lemi National Cement Plant in September 2024. The Group sold 4 million tons of cement and clinker during the reporting period, equal to approximately 64% capacity utilisation as the Lemi plant was ramped up following commissioning compared with 1.35 million tons in 2024. The blended ASP from the two plants in 2025 has been RMB422, yielding a GP/T of RMB159.

Mozambique

Mozambique was the Group's first point of entry into sub-Saharan Africa. The 2.0-million-ton-per-annum Dugongo Cement Plant, located close to Mozambique's capital city Maputo, was commissioned in December 2020 and the Group has a 60% stake in the plant alongside local investors. The Dugongo plant is one of two operational clinker lines in the country and manufactures clinker both for its own use and sales to third-party grinding mills.

Mozambique has a population of over 36 million people and forecast GDP growth rates of circa 4%, with a strong demographic growth and urbanisation profile. Cement demand for 2025 is forecast at approximately 3.5 million tons with clinker supply at approximately 2.5 million tons, and in addition to domestic demand, there are export markets in South Africa, Eswatini, Malawi and Madagascar. Longer-term growth in the country is underpinned by expected development of large offshore liquefied natural gas (LNG) resources. Recent political uncertainty in the country has impacted foreign exchange reserves and outward remittances but this is expected to ease into 2026.

Mozambique experienced political unrest in the third quarter of 2024, but this subsided by the beginning of 2025 and the country has since experienced record construction activity and cement demand. The Group has registered sales of cement and clinker of 1.97 million tons, achieving a capacity utilisation rate of 99%. This compares with total cement and clinker sales of 1.52 million tons in 2024. Blended ASPs for clinker and cement in 2025 were RMB603 (2024: RMB617) and GP/T were RMB295 (2024: RMB286).

Democratic Republic of the Congo

The Group's Great Lakes capacity comprises a 1.5-million-ton-per-annum clinker and cement plant in Kalemi, in the east of the DRC on the shore of Lake Tanganyika, a 1.0-million-ton grinding mill in Rwanda and a 300,000-ton grinding mill in western Tanzania on the other side of Lake Tanganyika. All of this capacity is 100% owned by the Group. The Great Lakes Cement Plant in the DRC was commissioned in December 2022 and includes coal mines, a power station and a wharf for transshipment of clinker to the Rwanda and Tanzania grinding mills, which were commissioned in August 2023 and July 2025 respectively. The Great Lakes plant has the only clinker production line in eastern DRC and around Lake Tanganyika and the Group's sales area includes the DRC, Rwanda, Burundi and Western Tanzania.

The Great Lakes region has some of the highest GDP growth rates in sub-Saharan Africa but is also an area that has been affected by political instability and armed conflict in 2024 and 2025. Forecast GDP growth to 2026 is expected to be circa 5% in the DRC, 7% in Rwanda and 4% in Burundi. The DRC is rich in resources and Rwanda has experienced high levels of FDI growth but both of these economies have been hit by the recent conflict around Goma. Annual cement demand in the DRC is forecast at approximately 4 million tons, Rwanda adds another 1 million tons, Burundi 650,000 and east Tanzania approximately 350,000 tons. The main settlement currency in the region is US dollar and there are no currency controls.

Cement and clinker sales have remained relatively low in 2025 as a direct result of the armed conflict between the DRC and Rwanda and resulting difficulty of transporting clinker from the Great Lakes plant to the Rwanda Grinding Mill. In 2025, total blended sales were 970,000 tons, out of which 380,000 tons of cement were sold from the Rwanda Grinding Mill. This compares with total cement and clinker sales of 720,000 tons in 2024 when sales were affected by flooding. ASPs have remained high in 2025 at RMB878, with GP/T at RMB173, due to high unit costs as a result of low-capacity utilisation and high transportation cost.

Central Asia — Uzbekistan

The 2.5-million-ton-per-annum Andijan Cement Plant is the Group's first capacity in Central Asia and was commissioned in May 2024. The plant is 77% owned by the Group, along with local Uzbek and Tajik partners, and is located in the Fergana valley marketing its products in the surrounding area, the capital city Tashkent and some exports into Kyrgyzstan and Tajikistan.

Uzbekistan, with a population of over 37 million people, has projected GDP growth of circa 5% per annum until 2030. The country has planned a number of large-scale infrastructure projects, including the China-Kyrgyzstan-Uzbekistan Railway, extensive road construction and over 3,000 mini hydro power stations, leading to projected cement demand growth rates of 15%. In addition, housing is a big demand driver, with over 12 million square meters commissioned since 2024. Cement demand is forecast at over 20 million tons in 2025 and the industry is in oversupply due to recent new capacity from the Group and the Anhui Conch Cement Company Limited group. Old capacity is being actively shut down by the government and new capacity approvals have been suspended.

The Andijan plant has been running at approximately 64% capacity utilisation in 2025, selling 1.84 million tons of cement and clinker. This compares with total cement and clinker sales of 0.44 million tons in 2024. In spite of the relative oversupply, ASPs and GP/T have remained reasonably stable at RMB215 and RMB63, respectively, compared with the ASP of RMB202 and the GP/T of RMB64 in 2024.

Environment, Social and Governance

Environment

The Group is committed to work towards the highest industry standards with regards to the environment and emission controls. All of the Group's production facilities, in China and overseas, are modern plants employing NSP technology. The plants are situated in close proximity to their respective limestone quarries and, where necessary, limestone conveyor belts have been constructed in order to minimize transportation emissions. The Group also uses desulfurized gypsum and construction waste as raw material inputs in some of its cement products. Fly ash from power plants and slag from iron and steel plants are also recycled as inputs into some of the Group's cement products.

Residual heat recovery systems have been installed at 12 out of 15 of the Group's production lines in China. These systems reduce the electricity consumption at each line by approximately 30% and reduce carbon dioxide emissions by approximately 22,000 tons per million tons of cement production. In 2025, these systems generated 261 million kWh of power, saving 104,300 tons of coal consumption and reducing carbon dioxide emissions by 260,000 tons.

Proprietary technology cement kiln flue gas denitrification equipment is fitted at all of the Group's plants in China, and these reduce nitrous oxide ("NOx") emissions by approximately 60% per ton of clinker produced. Further NOx reduction modifications, including the recent installation of de-nitration spray-guns, and particulate matter (PM) reduction measures, with the installation of kiln-end dust collectors and other modifications, have been completed at a number of the Group's plants. Although this de-NOx technology has not yet been installed in the Group's African plants due to the supply chain constraints of transporting the hazardous ammonia-based reagents required, all of the Group's plants in Africa are equipped with dust collection systems that significantly outperform local PM emission standards. All of the Group's plants in Africa using the latest modern technology are mostly recently constructed and boast best of class emission standards in sub-Saharan Africa.

These measures have resulted in significant emission reductions. Since 2021, the Group has reduced its total NOx emissions from approximately 7,000 tons to 4,000 tons, its sulphur dioxide emissions from 600 tons to under 300 tons and its PM emissions from 600 tons to approximately 250 tons. Since 2022, energy consumption per ton of clinker produced has fallen from 916kWh to 879kWh and energy consumption per unit of operating revenue has fallen from 1.53 kWh/RMB to 1.05 kWh/RMB.

In addition, the Group's Fuping Plant has a Municipal Waste Treatment Facility that is capable of treating dangerous and hazardous waste, while the Group's Mianxian Plant has a Solid Waste Treatment Facility. The Group continues to explore new opportunities to develop solid waste disposal facilities at its clinker kilns in Shaanxi Province.

The Group continues to monitor and improve its environmental and emission standards in the following ways. Firstly, the Group's 'Benchmarking Checklist of Environmental Protection Regulations and Standards' has been implemented to carry out in depth monitoring of emissions and training of the Group's staff. Secondly, the Group's 'Safety and Environment Department' conducts quarterly inspections of monitoring reports and environment management measures at each plant. Thirdly, disposal and storage of hazardous waste is carefully planned on an annual basis, with waste labelled and disposed of in accordance with the new emission standards issued by the Ministry of Ecology and Environment.

All of the Group's plants in the PRC have been refurbished as 'Garden-like Plants', and the Group has implemented similar strategies at its plants in Africa to enhance environmental management there. Practices such as soil reclamation and mine re-greening are carried out at the Group's limestone mines and annual monitoring work in areas such as landscaping, slope deformation, soil and water pollution, soil quality, reclamation and vegetation is carried out to ensure mine recovery and land reclamation at end-of-life mines.

Social and Governance

As of 31 December 2025, the Group had 9,422 employees, of which over 5,500 are located at our overseas plants. This includes 384 senior management and 1,072 middle management personnel. The Group complies fully with the labour laws of the PRC and those of the countries in which it operates and carries out strict pre-recruitment vetting processes. The Group operates training courses that cover over 95% of employees.

The Group fully adheres to the 'Work Safety Law' in the PRC as well as any regulations in the countries in which it operates. During the year, there were zero fatalities and 898 days lost to injury compared with 1,364 in 2024. The Group runs a standardised and regulated operation process for workplace safety that is a requirement for employees and contractors alike. There is also a Safety Production Committee, headed by the Group CEO and comprises six specialised safety leadership teams.

Robust anti-corruption and integrity policies have been put in place at all of the Group's operations. These include transparent anti-fraud monitoring systems and reporting platforms, and the Group maintains ongoing risk assessment activities and anti-corruption training for all staff. The Group also has robust supply chain management systems in place, with a digital management platform and centralised supplier data base. The Group has over 2000 suppliers of which over 600 are long term partners. These suppliers are subjected to ongoing audits, including supplier evaluations and risk assessment monitoring.

During the year, charitable donations made by the Group amounted to RMB5.8 million. Some of the projects that the Group has contributed to include the construction of the Mudada Village Primary School and Katenbe Manatee School in Mozambique; the Shaanxi Yaobai Education Foundation, which aims to improve the quality of basic education in Shaanxi Province; and continued contributions to the 'Golden Autumn School Aid' activity, which has benefited 115 students in need of educational support.

PROSPECTS

Overview

Following the progress that has been made in 2025 on both the operational and M&A side, the Group's priorities are focused on strengthening the Group's financial position, continuing to benefit from the stable performance in the China markets and strengthening its position in its overseas markets, where much progress has already been achieved.

Firstly, the Group completed the disposal of its Xinjiang plants to members of the Anhui Conch Cement Company Limited group in August 2025, and this disposal is expected to bring in approximately RMB1.65 billion of cash, subject to adjustments. Some of this cash has been earmarked for the partial repayment of the Group's US$600 million 4.95% senior notes which are due to mature in July 2026. In order to further optimize the Group's investment structure, reduce its debt ratio, save on interest costs, allocate resources more effectively, strengthen its strategic focus on key areas of development, advance the expansion and deepening of the Group's presence in overseas markets, and enhance the Group's overall operational efficiency and long-term competitiveness, the Group is currently in preliminary discussions to dispose certain assets located in China.

Secondly, the Group aims to benefit from the increased levels of supply side discipline in Shaanxi Province and the continued environmental controls that have succeeded in limiting excessive supply in the province. While the Group does not expect any significantly strong pick up in real estate development in 2026, there is some reasonable demand coming from infrastructure projects in Shaanxi; if supply discipline, construction activity and pricing levels from 2025 continue into 2026, the Group expects stable financial returns from its China operations in 2026.

Finally, the Group aims to build on and strengthen its position in its burgeoning overseas markets. Since 2020, the Group has built a significant presence in the Ethiopia cement market, has one of only two operational clinker plants in Mozambique (with another plant under construction in the north of the country) and has built the largest clinker and cement operation in the Great Lake region of the DRC, Rwanda and western Tanzania, as well as expanding into Uzbekistan.

Two further developments will continue to strengthen the Group's Great Lake operations in a region which, despite the current armed conflict in Goma, is a high-growth resource and infrastructure-led market. Firstly, the Group completed the acquisition of the Cimenterie de Lukala (CILU) plant, located in the DRC's capital city of Kinshasa, in December 2025: this will extend the Group's market strength into the west of the DRC. Secondly, the Group aims to complete the construction of its cement and grinding capacity in Uganda in the first half of 2026. This market is a natural geographical extension of the Great Lakes area and will help the Group to strengthen its position as one of sub-Saharan and East Africa's major cement producers.

Operations — China

The Group's operations in China, and Shaanxi in particular, have been characterised by supply side discipline in 2025. The Group's capacity utilisation in the oversupplied central Shaanxi region was just 48%, although it was higher at over 70% in the Group's southern Shaanxi stronghold during the reporting period. This discipline has been supported by measures to reduce cement industry oversupply, including peak-shifting production halts during periods of low demands and increasingly stringent environmental and emission controls which have had the effect of reducing capacity. The net effects of these measures have been a moderate drop in ASPs for all producers in Shaanxi Province. The Group believes that if these supply side measures continue, then it will be able to maintain stable levels of profitability into 2026. With regards to the supply side, the Group expects stable prices in 2026, as a result of the limited supply under the increasingly stringent environmental policies imposed by the government.

On the demand side, while property development is likely to remain slow into 2026, the infrastructure market remains relatively active, especially in southern Shaanxi. Projects such as the Xi'an-Shiyan High Speed Railway, the Lanzhou-Hanzhong-Shiyan High Speed Railway and the Xi'an-Ankang-Chongqing High Speed Railway, as well as numerous reservoirs and water projects, hydro power projects, highways and gas transmission projects will continue to drive demand for the Group's cement products. The Group's Huaxi plant in Guizhou is facing a similar low-demand scenario and the Group expects capacity utilisation to remain at sub-40% levels. The Group has also re-purchased its 1.5-million-ton Kangding Paomashan Plant in Sichuan Province in the PRC, which contributed 220,000 tons of sale in 2025 and is likely to contribute an incremental amount of sales in 2026.

Operations — Overseas

The Group remains very optimistic about the growth potential in its areas of overseas development and believes that it is in the process of building an extremely strong cement asset in sub-Saharan Africa and Central Asia. The Group believes that its cement plant construction and cement production and sales expertise is uniquely positioned to support economic and cement industry development in undersupplied geographies where current capacity is backward and highly fragmented.

Ethiopia

In Ethiopia, the Group has been operating the 1.5-million-ton National Cement Plant, in the east of the country, since 2022. Its new 10,000-ton-per-day clinker Lemi National Cement Plant was only commissioned in September 2024 and 2025 is its first full year of operation. The Lemi plant, located in the Amhara Region approximately 150 km from Ethiopia's capital Addis Ababa, is one of the largest and most modern single production facilities in Africa. Its cement is sold into Addis Ababa and the Amhara and Oromia regions.

The Lemi plant operated at approximately 50% capacity utilisation in the first quarter of 2025 as its production was ramped up following commissioning, but this rose to over 70% in the second quarter of 2025 which bodes well for operations into the second half of the year. ASPs have fallen to more sustainable levels as this new capacity has been absorbed by the market but costs per ton have remained stable, lower than those of the smaller National Cement Plant, leading to GP/T levels in excess of RMB160. The smaller National Cement Plant has been operating at well approximately 70% capacity utilisation, achieving GP/T levels close to RMB140, and these levels are likely to be sustained into 2026.

The Ethiopian construction industry is expected to contribute well over 20% of the country's GDP over the next few years, with government-led infrastructure projects including airport, road, power and resources projects such as the Tuluk Kapi gold and copper mine in the Oromia Region particularly significant. There remains concern that the conflict in Tigray, in the north of the country, may flare up again but this is quite distant from the Group's areas of operation and sales. The key current economic issue is currency liberalisation, which has been ongoing with IMF support since July 2024, and expectations remain that offshore remittances will be further opened up by the government.

Mozambique

The Group's 2.0-million-ton Dugongo plant had a very strong first half. The plant operated at close to 100% capacity, with stable ASPs in excess of RMB600 and GP/T rising in 2025 as construction activity in the capital city Maputo and surrounding areas picked up following political unrest in 2024. The plant markets its products into the Maputo area and central Mozambique, where there is no clinker supply at present; it also sends some exports to South Africa, Eswatini and Madagascar via sea transportation. The lack of clinker capacity in the country has led to clinker making up over 25% of Group sales in 2025 and this is expected to continue until more capacity is constructed in the country.

Currently under construction in the north of the country, the Group's Dugongo Cement Nampula Plant is expected to be completed by the first quarter of 2027 and will have a designed capacity of 3,500 tons per day of clinker or an annual 1.5 million tons of cement. The plant has a planned capex of US$200 million and will be 80% owned by the Group, with the remaining interests owned by local investors. It is located in the Nampula region, an area with strong transportation links to surrounding countries such as Malawi and Tanzania and also one that is set to benefit from LNG offshore exploration and development.

It is this LNG development in the Rovuma basin off the northern coast that is set to power economic growth in the country in the medium term. Mozambique is estimated to have 65 trillion cubic feet of recoverable gas reserves and has already become the world's sixth largest exporter of natural gas. There are a number of very large LNG projects backed by international oil companies, including Total, Exxon Mobil and ENI, that have either been recently approved by the government or are due to begin construction in 2026. These projects are central to the country's economic growth strategy, will stimulate construction activity and are also expected to alleviate the current foreign currency shortage that Mozambique has been suffering from in 2025.

Great Lakes Region

The Group's strategy in the Great Lakes Region has been to build an interconnecting network of clinker and grinding stations that is able to supply cement to all of the countries surrounding Lake Tanganyika, including the DRC, Rwanda, Burundi and Tanzania. The central part of this network is the 3,500-ton-per-day Great Lakes clinker plant in the DRC, designed to sell cement in the eastern and central DRC markets as well as export clinker to the 1-million-ton capacity Rwanda Cement Grinding Mill and the newly constructed 300,000-ton capacity Tanzania Grinding Mill.

There is currently no large-scale cement clinker production line in the provinces of Zambezi, Nampula, Niassa, Sofala and Cabo Delgado in the central and northern Mozambique. The total population of Sales in 2025 have been poor due to the effects of the conflict around Goma. Transportation has been difficult and the border between the DRC and Rwanda has been closed intermittently, which has hindered the transportation of clinker. In spite of this, the Group has still managed to sell over 130,000 tons of cement and clinker in the region, and although ASPs have been high, at around RMB900 per ton, costs and GP/T have not been indicative of future prospects due to the situation on the ground.

The DRC, however, is resource-rich with large foreign currency resource exports, and Rwanda in particular benefits from significant Foreign Direct Investment growth that has resulted in strong economic growth. There is a shortage of cement and clinker and a lot of demand has been historically satisfied by expensive clinker imports from Tanzania and further afield. The Group's clinker plant in the DRC is the only one in the region and the Group expects operations to perform very well with a more stable political situation.

The Group has also announced the acquisition of the 1.2-million-ton Cimenterie de Lukala (CILU) plant in the DRC's capital city Kinshasa from the Heidelburg Materials AG group. This acquisition completed in December 2025. The Cimenterie de Lukala SA is the oldest cement company in the DRC with a history dating back to its establishment in 1920 and has a very strong brand recognition in the DRC market. The CILU plant is an integrated clinker and cement facility with considerable limestone reserves and its kiln was upgraded in 2019. This acquisition will allow the Group to expand its cement plant network into the west of the DRC, market its products country-wide and become the largest producer in the region.

Uganda

Uganda is situated to the northeast of the Great Lakes Region and is a country with approximately 5 million tons of cement demand but limited clinker supplies of around 1.25 million tons located in areas of depleting limestone reserves in Kasese in the west and Tororo in the east. Much of the country is reliant on expensive clinker and cement imports from Kenya and the port of Mombasa over 1,000 km away. Uganda is one of sub-Saharan Africa's fastest growing economies: growth is expected at around 7% in 2025, with oil production and pipeline construction as key economic drivers.

The Group's capacity in Uganda is currently under construction and is expected to be commissioned in 2026. Having managed to secure the only plentiful limestone supply in the country, the Group is building its 6,000-ton-per-day clinker plant in Moroto in northwest Uganda as well as an accompanying 3-million-ton grinding station in Jinja in the south on the shore of Lake Victoria, 80 km from Uganda's capital city Kampala. This new capacity will amount to approximately 3 million tons of cement capacity and will result in the Group becoming the largest cement company in Uganda, extending the Group's footprint to the north of the Great Lakes region to become a major force in the East African cement market.

Uzbekistan

In Central Asia, the Group's 2.5-million-ton Uzbekistan Andijan Plant has been in operation since May 2024. 2025 is its first year of full operation. In 2025, the plant ran at over 70% capacity, with ASPs reaching over RMB200 and GP/T at over RMB60. These sales have come about due to buoyant residential construction activity in the Fergana Valley, increased exports to neighbouring Kyrgyzstan and limits on imports from Kyrgyzstan and Tajikistan.

Whilst the Uzbekistan market is currently relatively oversupplied, with new capacity from the Group and other Chinese cement producers, the government expects annual cement demand growth rates of 15% to supply a long list of infrastructure projects including rail, road and hydro-power plants. In addition, the country is resource-rich and is estimated to have over 100 million tons of oil reserves and 3.4 trillion cubic meters of natural gas reserves. The Group therefore expects to see continued good volumes out of its first Central Asia plant, even if ASPs and GP/Ts are not as high as some of its new capacity in Africa.

Capital Expenditure

The Group has now completed the construction of the Lemi plant in Ethiopia, its cement grinding mill facilities in the Great Lake Region and the Andijan plant in Uzbekistan. Its current construction projects include the Moroto Plant and Jinja Grinding Mill in Uganda as well as the Dugongo Nampula Plant in Mozambique, which are due to be completed in the first quarter of 2026 and the first quarter of 2027, respectively. In addition to this, the Group carries out regular maintenance and upgrade work on its existing facilities. The Group has funded and expects to continue to fund these commitments from operating cash flow and available banking facilities.

Future plans for material investments or capital assets

The Group did not have any future plans for material investments or capital assets as at the date of this report.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 15.3% from RMB8,344.9 million for the year ended 31 December 2024 to RMB9,621.2 million for the year ended 31 December 2025. Sales volume of cement and clinker increased by 9.0%, from approximately 20.0 million tons to approximately 21.8 million tons during the year.

Overall cement and clinker prices were a bit lower than those in 2024, however, with the increased in sales volumes, which has resulted in increase in revenue. Cement ASPs for the year ended 31 December 2025 were RMB339 per ton as compared with RMB341 per ton for the year ended 31 December 2024. The reasons for these fluctuations in ASPs are discussed in the "Operating Environment" section above.

Other than the above increase in cement and clinker sales revenue, the revenues arising from the sales of aggregates and commercial concrete increased by approximately 9.6% to RMB137.3 million (2024: RMB125.3 million) and decreased by 18.4%, to RMB373.9 million (2024: RMB458.0 million), for the year ended 31 December 2025, respectively.

Cost of Sales

Cost of sales increased by 12.4% from RMB6,371.2 million for the year ended 31 December 2024 to RMB7,162.7 million for the year ended 31 December 2025.

Coal costs were decreasing during the year. With the decrease in the demand of coal under the economic slowdown, the average cost per ton of coal decreased by approximately 10.7% to approximately RMB651 per ton from approximately RMB729 per ton in 2024. These have resulted in a cost decrease of approximately RMB2.0 per ton of total cement produced. With the effect of the increase in sales volume, total coal costs increased by approximately 3.8% as compared with that of 2024.

The average cost of limestone decreased to approximately RMB17.3 per ton during the year (2024: RMB17.7 per ton). Moreover, the average prices of other raw materials were also decreasing over the year. Even though the cement sales volume increased by 6.8% during the year, the total raw materials costs decreased by approximately 1.4%, which was approximately a decrease of raw materials cost of RMB5.7 per ton of total cement produced, as compared with that of 2024.

The average cost of electricity decreased slightly during the year decreasing by approximately RMB0.6 per ton of total cement produced. With the effect of the increase in sales volume by 6.8%, total electricity costs increased by approximately 4.2% as compared with that of 2024.

The total depreciation cost increased by approximately 23.4% as compared with that of 2024, which was approximately an increase of RMB7.8 per ton of total cement produced, since more depreciation was charged for the newly commissioning plants during the year.

The total staff cost decreased by approximately 7.3% as compared with that of 2024, which was approximately a decrease of RMB1.9 per ton of total cement produced, as a result of the strengthened cost control during the year.

As to other items in the costs balance, the balance mainly represented certain environmental related expenses, i.e. sewage fee, environmental protection fee, charged by the government, and safety fee as well as overhaul expense. Other costs in total increased by approximately 29.6% as compared with that of 2024, which was approximately a decrease of RMB5.8 per ton of total cement produced, as a result of the increase in production capacities during the year.

Moreover, other than the above increase cost of cement and clinker sold, the costs arising from the production of aggregates and commercial concrete also increased by 5.2% to RMB73.2 million (2024: RMB69.6 million) and decreased by 13.1% to RMB372.6 million (2024: RMB428.8 million), during the year, respectively.

Gross Profit and Gross Profit Margin

Gross profit increased by RMB484.7 million, or 24.6% from RMB1,973.8 million for the year ended 31 December 2024 to RMB2,458.5 million for the year ended 31 December 2025. The increase in gross profit was mainly due to the increase in sales volume as described above. Gross profit margins increased from 23.7% for the year ended 31 December 2024 to 25.6% for the year ended 31 December 2025.

Other Income

Other income mainly comprises VAT refunds, which is a form of government incentive for the recycling of industrial waste as production input, other government grants and dividend income from equity investment at FVTPL. Other income decreased by approximately 23.0% from RMB148.1 million for the year ended 31 December 2024 to RMB114.1 million for the year ended 31 December 2025. The decrease in other income was mainly due to net effect of the decrease in the VAT refunds partially offset by increase in dividend income during the year.

Administrative and Selling & Marketing Expenses

Administrative expenses primarily included staff costs, general administrative expenses, depreciation and amortization. The amount increased by 7.2% from RMB702.3 million for the year ended 31 December 2024 to RMB753.1 million for the year ended 31 December 2025. Selling & marketing expenses increased by 14.0% from RMB131.8 million to RMB150.2 million for the year ended 31 December 2025 as compared with that of 2024. The increase in administrative and selling and marketing expenses were mainly attributable to the increase in capacities and the development of new market in Africa during the year.

Other Expenses

Other expenses primarily included the donations of RMB5.8 million (2024: RMB6.6 million) and legal and professional fees of RMB93.2 million (2024: RMB95.1 million). There was no material fluctuations during the year.

Other Gains and Losses, net

Other gains increased by RMB98.5 million from RMB182.5 million for the year ended 31 December 2024 to RMB281.0 million for the year ended 31 December 2025. The increase was mainly due to the combined effect of the following factors. Firstly, there were net losses on disposal of property, plant and equipment, mining rights and right-of-use assets of RMB37.5 million (2024: gains of RMB7.8 million) during the year. Secondly, there was a hyperinflation restatement regarding the subsidiaries in Ethiopia of RMB122.4 million for the year ended 31 December 2024. No such restatement was recorded for the year ended 31 December 2025. Thirdly, there was a gain on acquisition of subsidiaries of RMB253.6 million (2024: Nil) in relation to the acquisition of Kangding Paomashan Cement Co., Ltd and Cimenterie de Lukala SA. Fourthly, there was a gain on disposal of subsidiaries in Xinjiang Province of RMB160.3 million (2024: RMB2.9 million). Fifthly, there was a gain on modification of other long-term payables of RMB87.8 million (2024: Nil). Finally, there was a net foreign exchange loss of RMB190.7 million (2024: Net gain of RMB54.9 million) recorded during the year.

Impairment losses under expected credit loss ("ECL") model, net of reversal

Impairment losses decreased by RMB134.6 million, or 245.2%, from RMB54.9 million for the year ended 31 December 2024 to the reversal of impairment losses of RMB79.7 million for the year ended 31 December 2025. The decrease was mainly due to the increase in impairment losses reversed on trade receivables and loan receivables to RMB84.2 million (2024: RMB6.1 million) and the decrease in impairment loss recognised on other receivables to RMB4.5 million (2024: RMB31.8 million) during the year.

Finance Costs

Finance costs increased by RMB332.7 million, or 112.9%, from RMB294.7 million for the year ended 31 December 2024 to RMB627.4 million for the year ended 31 December 2025. The increase was mainly due to the decrease in the capitalized interest for the construction in progress to RMB146.9 million (2024: RMB337.6 million) and the increase in the interest on bank loans to RMB453.4 million (2024: RMB368.4 million) as a result of the increase in bank loans during the year.

Income Tax Expense

Income tax expenses increased by RMB27.7 million, from RMB262.3 million for the year ended 31 December 2024 to RMB290.0 million for the year ended 31 December 2025. Current income tax expense plus under provision increased by RMB96.2 million to RMB363.2 million (2024: RMB267.0 million), whereas deferred tax credit increased by RMB68.5 million to RMB73.2 million (2024: RMB4.7 million).

The increase in the current tax expense is mainly due to the increase in profit tax in all jurisdictions as a result of the increase in profits in these operating regions and the increase in provision for income taxes under Pillar Two Rules implemented in Hong Kong. The increase in deferred tax credit was mainly due to the increase in the deferred tax assets arising from the unused tax losses and the assets booked at fair value on acquisition.

The detailed income tax expenses for the Group are outlined in Note 9 to the consolidated financial statements above.

Profit Attributable to the Owners of the Company

Profit attributable to the owners of the Company increased from RMB626.2 million for the year ended 31 December 2024 to RMB879.6 million for the year ended 31 December 2025. This is primarily due to the increase in the overseas cement sales volume, lower costs of sales of the Group's cement products in the PRC and the record of a negative goodwill arising from the acquisition of equity interests of Cimenterie de Lukala SA during the year ended 31 December 2025.

Basic earnings per share increased from RMB11.5 cents for the year ended 31 December 2024 to RMB16.1 cents for the year ended 31 December 2025.

FINANCIAL AND LIQUIDITY POSITION

As at 31 December 2025, the Group's total assets decreased by 2.9% to RMB35,236.0 million (2024: RMB36,289.9 million) while total equity increased by 0.7% to RMB13,917.2 million (2024: RMB13,816.5 million).

As at 31 December 2025, the Group had bank balances and cash as well as restricted/pledged bank deposits, amounting to RMB1,561.7 million (2024: RMB2,541.4 million). After deducting total borrowings and senior notes ("SN") of RMB11,526.3 million (2024: RMB11,559.3 million), the Group had net debt of RMB9,964.6 million (2024: RMB9,017.9 million). 71.9% (2024: 78.3%) of borrowings are at a fixed interest rate. Moreover, the Group also held loan receivables of RMB302.0 million (2024: RMB408.4 million) at fixed interest rates. Please refer to Notes 24, 31, 33, 46 to the consolidated financial statements above for the details of the loan receivables, bank borrowings, SN and the respective pledge of assets.

As at 31 December 2025, the Group's net gearing ratio, measured as net debt to equity, was 71.6% (2024: 65.3%). Consistent with industry norms, the Group continuously monitors its gearing ratio and manages its capital to optimise the cost of capital and to safeguard the Group's ability to continue as a going concern. As at 31 December 2025, the Group has net current liabilities position of approximately RMB4,598.6 million. As at 31 December 2025, the Group has unused banking facility of approximately RMB1,797.8 million, which is available for drawdown and utilisation in the course of ordinary business. Subsequent to 31 December 2025, the Group has raised net proceeds from the issue of additional senior notes of approximately USD291.7 million (RMB2,016.3 million) and obtained additional banking facilities of approximately RMB30.0 million, both of which were made available for the Group for utilisation. Moreover, subsequent to 31 December 2025, the Group had been in negotiation with certain financial institutions that have expressed an intention to offer to the Group new banking facilities. The Group has received banking facility proposals and/or letter of intent amounting to RMB2,256.3 million from those financial institutions. The Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future.

During the year, there was no material change in the Group's funding and treasury policy.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure, measured as the additions of property, plant and equipment, right-of-use assets and mining rights, for year ended 31 December 2025 amounted to RMB2,918.6 million (2024: RMB4,606.6 million). Capital commitments as at 31 December 2025 amounted to RMB5,812.0 million (2024: RMB3,680.9 million). Both capital expenditure and capital commitments were mainly related to the maintenance and upgrading of existing production facilities as well as the construction of new production facilities in Mozambique and Uganda. The Group has funded these commitments from operating cash flow and available banking facilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total of 9,422 (2024: 9,504) full-time employees. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the year ended 31 December 2025, employees benefit expenses were RMB872.3 million (2024: RMB869.1 million). The remuneration policy of the Group is to provide remuneration packages, in terms of basic salary, short term bonuses and long term rewards such as options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when the occasion requires. The executive Directors, who are also employees of the Company, receive compensation in the form of salaries, bonuses and other allowances.

MATERIAL ACQUISITIONS AND DISPOSALS

On 27 January 2025 and 8 May 2025, the Group announced the acquisition of an aggregate 98.77% equity interest in Cimenterie de Lukala SA (CILU) in Kinshasa, the DRC, for a total consideration of US$125,650,069, which included the consideration of US$115,950,000 for the assignment of certain of CILU's outstanding intra-Group repayment claims, subject to customary closing adjustments. The transaction was completed in December 2025. For further information, please refer to the announcements of the Company dated 27 January 2025 and 8 May 2025.

On 25 June 2025, the Group announced a major disposal of its cement assets in Xinjiang Province to Anhui Conch Cement Company Limited group for a consideration of RMB1.65 billion, subject to adjustments. The disposal was completed on 15 August 2025 following independent shareholders' and PRC regulatory approval. For further information, please refer to the announcements of the Company dated 25 June 2025, 14 August 2025 and 15 August 2025 and the circular dated 25 July 2025.

FOREIGN EXCHANGE RISK MANAGEMENT

During the year ended 31 December 2025, the Group's sales, purchases, loans receivables, restricted/pledged deposit, bank balances and cash and bank borrowings were mainly denominated in Renminbi. Moreover, the Group's other long term payables and senior notes were denominated in United States Dollars as well as several intercompany balances between the subsidiaries were denominated in different functional currencies, i.e. Meticais and Ethiopian Birr. Renminbi, Meticais and Ethiopian Birr are not freely convertible currencies. Future exchange rates of the Renminbi, Meticais and Ethiopian Birr could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government, Mozambique government and Ethiopia government. The exchange rates may also be affected by economic developments and political changes on a domestic and/or international level, and the demand and supply of Renminbi, Meticais and Ethiopian Birr. The appreciation or depreciation of Renminbi, Meticais and Ethiopian Birr against foreign currencies may have an impact on the operating results of the Group. The Group currently does not maintain a foreign currency hedging policy. However, the management team of the Company will continue to monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

CREDIT RISK MANAGEMENT

The Group's credit risk is primarily attributable to its trade receivables and loan receivables. It is the risk of loss arising from a customer's, a lessee's or counterparty's inability to meet its obligations.

The Group has made various efforts to control credit risks. In accordance with the policy of the Group, it will only enter into transactions with recognized and creditworthy customers, lessees and counterparties. In respect of its financial leasing business, it would examine and verify the credit risk of all lessees and counterparties that the Group has financial leasing, factoring, entrusted loan and small loan arrangements with. In respect of its main cement business, it would carry out credit assessment before entering into contracts with its customers and build credit records of its customers, in order to mitigate credit risk and reduce the overdue receivables.

In addition, the Group will also carry out regular reviews on the trade receivables and loan receivables balances and will write off bad debts, if any. The maximum exposure to credit risk arising from its financial leasing business equals to the carrying amount of the loan receivables.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency of the Company. The Board will continue to review and improve the corporate governance practices from time to time to ensure the Group is led by an effective Board in order to optimize returns for the shareholders of the Company.

The Company has applied the principles of and has complied with all applicable code provisions as set out in Part 2 of Appendix C1 of the Listing Rules (the "CG Code") during the year ended 31 December 2025. The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this annual report, the Company shall refer to the then effective CG Code.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set forth in Appendix C3 of the Listing Rules as its own code of conduct for dealing in securities by the Directors. Specific enquiries have been made with all the Directors and each of them has confirmed and declared that they have complied with the required standards as set out in the Model Code during the year ended 31 December 2025.

BOARD OF DIRECTORS

Responsibilities of the Board

The Board is primarily responsible for formulating business strategy, reviewing and monitoring business performance of the Group, and approving financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear direction. Each of the Directors has full and direct access to the advice and services of the Company Secretary of the Company. The Company provides the Directors with sufficient resources to perform their duties and the Directors may seek independent professional advice at the Company's cost, where it is considered relevant and necessary for the purpose of discharging their duties.

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities.

Board Composition

The Board has a balanced composition of executive and non-executive Directors to ensure independent viewpoints in all discussions. The Board, as at 31 December 2025, comprised 12 Directors, including four executive Directors, three non-executive Directors and five independent non-executive Directors. Board members are listed below:

Executive Directors

Zhang Jimin *(Chairman)*
Cao Jianshun *(Chief Executive Officer)*
Chu Yufeng *(Chief Financial Officer)*
Wang Rui

Non-Executive Directors

Ma Zhaoyang
Wang Zhixin
Wang Manbo (appointed with effect from 27 May 2025)
Fan Zhan (resigned with effect from 27 May 2025)

Independent Non-Executive Directors

Lee Kong Wai Conway *(Lead Independent Non-Executive Director)*
Zhu Dong
Tam King Ching Kenny
Feng Tao
Lau Ka Keung (appointed with effect from 24 March 2025)

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

The Board's composition satisfies the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, which stipulate that there should be at least three independent non-executive Directors representing at least one-third of the Board, and of whom at least one of the independent non-executive Directors must possess appropriate professional qualifications or accounting or related financial managing expertise.

There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

Biographical information of the Directors is set forth on pages 38 to 42 of this annual report.

The executive Directors and non-executive Directors have entered into a service contract with the Company for terms of one year and three years, respectively, which may only be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing.

The Company has entered into a letter of appointment with each of the independent non-executive Directors for a term of one year, and such appointments can only be terminated by either party giving to the other not less than three months prior notice in writing.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company considers that the three independent non-executive Directors that they have met the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent.

To ensure that independent views and input are available to the Board, the Board strictly complies with the Listing Rules, the Code and nomination policy to assess and ensure the independence of the independent non-executive Directors. Each committee of the Board is authorised to engage external legal, financial or other independent professional advisers or other persons to enable it to discharge its duties as it considers necessary. For the year ended 31 December 2025, the aforesaid mechanisms were implemented effectively.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year ended 31 December 2025, the roles and duties of the Chairman and the Chief Executive Officer of the Company were carried out by different individuals and had been clearly defined in writing.

During the year ended 31 December 2025, the Chairman of the Board was Mr. Zhang Jimin and the Chief Executive Officer was Mr. Cao Jianshun. The positions of Chairman and Chief Executive Officer were held by separate persons in order to preserve independence and a balance of views and judgements. With the support of the senior management, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board's approval.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

According to Article 23 of the Company's articles of association (the "Articles"), the Directors shall have power at any time and from time to time to appoint any person (other than one disqualified or ineligible by law to act as a director of a company) to be a Director either to fill a casual vacancy or as an addition to the existing Directors provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. Any Director so appointed shall hold office until the next following annual general meeting of the Company (the "AGM") and shall then be eligible for re-election at such meeting.

According to Article 24 of the Company's Articles, at every AGM, one-third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. If any Director has at the start of the AGM been in office for three years or more since his/her last appointment or re-appointment, he/she shall retire at that AGM. If the Company does not fill the vacancy at the meeting at which a Director retires by rotation or otherwise, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and not passed.

INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

Each newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and his/her full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary.

During the year ended 31 December 2025, there were two in-house seminars conducted covering the topics of directors' duties, corporate governance practices and disclosure requirements under the Listing Rules and the Securities and Futures Ordinance ("SFO").

Details regarding the trainings attended by the Directors during the year ended 31 December 2025 are as follows:

Directors	External training	In-house training
Executive Directors		
Zhang Jimin *(Chairman)*	–	2/2
Cao Jianshun *(Chief Executive Officer)*	–	2/2
Chu Yufeng *(Chief Financial Officer)*	–	2/2
Wang Rui	–	2/2
Non-Executive Directors		
Ma Zhaoyang	–	2/2
Wang Zhixin	–	2/2
Wang Manbo (appointed with effect from 27 May 2025)	–	2/2
Fan Zhan (resigned with effect from 27 May 2025)	–	0/2
Independent Non-Executive Directors		
Lee Kong Wai Conway *(Lead Independent Non-Executive Director)*	9	2/2
Zhu Dong	–	2/2
Tam King Ching Kenny	17	2/2
Feng Tao	–	2/2
Lau Ka Keung (appointed with effect from 24 March 2025)	7	2/2

DELEGATION BY THE BOARD

The Board undertakes responsibility for decision making in major Company matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers. The Board also has the full support of the Chief Executive Officer and the senior management for the discharge of its responsibilities.

BOARD MEETINGS AND ATTENDANCES

The Board meets regularly in person or by means of electronic communication. During the year ended 31 December 2025, two Board meetings were held. Directors received at least 14 days' prior notice of regular Board meetings and an agenda. For Board meetings scheduled at short notice, Directors are given as much notice as possible in the circumstances.

The Company Secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. The final version of these minutes are available for inspection by Directors at any time.

The table below sets out the attendance records of each Director at the Board Meetings and the annual general meeting for the year 2025 ("2025 AGM") during the year ended 31 December 2025:

Directors	Number of Board meetings attended	2025 AGM attended
Zhang Jimin *(Chairman)*	4/4	1/1
Cao Jianshun *(Chief Executive Officer)*	4/4	1/1
Chu Yufeng *(Chief Financial Officer)*	4/4	1/1
Wang Rui	4/4	1/1
Ma Zhaoyang	4/4	1/1
Wang Zhixin	3/4	1/1
Wang Manbo (appointed with effect from 27 May 2025)	2/4	0/1
Fan Zhan (resigned with effect from 27 May 2025)	1/4	1/1
Lee Kong Wai Conway *(Lead Independent Non-Executive Director)*	4/4	1/1
Zhu Dong	4/4	1/1
Tam King Ching Kenny	4/4	1/1
Feng Tao	4/4	1/1
Lau Ka Keung (appointed with effect from 24 March 2025)	4/4	1/1

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has been established in compliance with Rules 3.21 and Rules 3.22 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 of the Listing Rules. The primary duties of the Audit Committee are to review and monitor the financial reporting and internal control principles of the Company and to assist the Board to fulfill its responsibilities over audit. The Audit Committee currently consists of five independent non-executive Directors, namely Mr. Lee Kong Wai Conway, Mr. Zhu Dong, Mr. Tam King Ching Kenny, Mr. Feng Tao and Mr. Lau Ka Keung. Mr. Lee Kong Wai Conway is the chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025.

The major duties performed by the Audit Committee for the purpose of discharging its responsibilities are as follows:

— making recommendations to the Board on the appointment, reappointment and removal of the external auditors, as well as approving the remuneration and terms of engagement of the external auditors, and any questions regarding resignations and dismissals;

— reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

— developing and implementing policy on engagement of an external auditor to supply non-audit services;

— identifying and making recommendations on any matters where action or improvement is needed and reporting to the Board on the same;

— monitoring integrity of the Group's financial statements, annual reports and accounts, interim reports and reviewing significant financial reporting judgements contained in them;

— considering any significant or unusual items that are, or may need to be, reflected in the reports or accounts, and give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

— reviewing the Group's financial controls, internal control and risk management systems;

— discussing with the management the internal control system and ensuring that management has performed its duty to have an effective internal control system including the adequacy of resources, staff qualifications and experiences, training programs and budget of the Group's accounting and financial reporting function;

— considering any major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

— ensuring coordination between the internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;

— reviewing and monitoring the effectiveness of the internal audit function;

— reviewing the Group's financial and accounting policies and practices;

— reviewing the external auditors' management letter, any material queries raised by the auditors to the management about accounting records, financial accounts, or systems of control and management's response;

— ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;

— acting as key representative body for overseeing the Company's relations with the external auditors;

— reviewing arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters;

— reporting to the Board on the matters in the Code;

— establishing a whistle blowing policy and system for employees and those who deal with the Company to raise concerns, in confidence;

— performing the Company's corporate governance functions, including (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and (v) reviewing the Company's compliance with the code and disclosures in the Corporate Governance Report;

— considering any other topics as defined by the Board.

The table below sets out the details of Audit Committee meeting attendance of each Director during the year ended 31 December 2025.

Directors	Number of Audit Committee meetings attended
Mr. Lee Kong Wai Conway	2/2
Mr. Tam King Ching Kenny	2/2
Mr. Zhu Dong	2/2
Mr. Feng Tao	2/2
Mr. Lau Ka Keung (appointed with effect from 24 March 2025)	1/2

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") has been established in compliance with paragraph B1 of the Code and currently consists of three independent non-executive Directors, namely Mr. Tam King Ching Kenny, Mr. Lee Kong Wai Conway and Mr. Zhu Dong and one executive Director, namely Mr. Zhang Jimin, with Mr. Tam King Ching Kenny serving as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration packages for the Directors and senior management.

The Company's remuneration policy is to provide remuneration packages, in terms of basic salaries, short term bonuses and long term rewards such as options, so as to attract and retain top quality staff. The Company's executive Directors, who are also its employees, receive compensation in the form of salaries, bonuses and other allowances. The remuneration of the Directors and senior management are determined by taking into account their individual performance and also the market standards.

The major duties performed by the Remuneration Committee for the purpose of discharging its responsibilities are as follows:

— assessing performance of executive Directors and approving the terms of service contracts of executive Directors;

— reviewing and making recommendations to the Board about the Group's policy and structure for all remuneration of Directors and senior management;

— reviewing and approving the management's remuneration proposals with reference to the Board's corporate goal and objectives;

— determining, with delegated responsibility, on the remuneration packages of individual executive directors and senior management, and making recommendation to the Board on the remuneration of non-executive directors;

— reviewing and approving compensation payable to executive directors and senior management for any loss or termination of office or appointment or relating to dismissal or removal of directors for misconduct; and

— ensuring that no director or any of his associates is involved in deciding his own remuneration.

The table below sets out the details of Remuneration Committee meeting attendance of each Director during the year ended 31 December 2025.

Directors	Number of Remuneration Committee meetings attended
Mr. Zhang Jimin	1/1
Mr. Tam King Ching Kenny	1/1
Mr. Lee Kong Wai Conway	1/1
Mr. Zhu Dong	1/1

REMUNERATION OF DIRECTORS

The Company has adopted full disclosure of remunerations of Directors with disclosure by name, amount and type in Note 15 to the consolidated financial statements.

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") has been established in compliance with paragraph A.5 of the Code and currently consists of two independent non-executive Directors, namely Mr. Lee Kong Wai Conway and Mr. Tam King Ching Kenny, and two executive Directors, namely Mr. Zhang Jimin and Ms. Wang Rui, with Mr. Zhang Jimin serving as Chairman of the committee.

The primary functions of the Nomination Committee are to make recommendations to the Board regarding the appointment or re-appointment of members of the Board and succession planning for Directors. The Nomination Committee is also responsible for (i) identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (ii) assessing the independence of independent non-executive Directors.

The Company recognises and embraces the benefits of diversity of Board members and has adopted a board diversity policy (the "Board Diversity Policy") in August 2013. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge.

Ms. Wang Rui was appointed as Director with effect from 16 April 2024 and was appointed as a member of the Nomination Committee with effect from 24 March 2025. As at 31 December 2025, our workforce (including senior management) consisted of 8,135 male employees and 1,287 female employees, representing approximately 86.3% and 13.7% of the total workforce, respectively, which is regarded by the Board as satisfactory and in line with the industry which the Group operates its businesses in. Further details of gender ratio and labour force, please refer to the Environmental, Social and Governance Report of the Company.

The nomination committee will give consideration to the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board, and will review the Board Diversity Policy, so as to develop and review measurable objectives for the implementing the Board Diversity Policy and to monitor the progress on achieving these objectives.

The following measurable objectives have been set for implementing the Board Diversity Policy:

1. ensuring that there is no limitation on gender on selection of Directors and there shall be at least one female member on the Board;

2. inclusion of candidates for Board members with working experience in other industries; and

3. inclusion of candidates for Board members with knowledge and skills in different aspects.

As at the date of this annual report, the above objectives have been achieved.

In terms of gender diversity, the Board is a mixed-gender board with female representation brought by Ms. Wang Rui, an executive Director. The Board recognises the importance and benefits of gender diversity at Board level and shall continue to take initiatives to identify suitable female candidates for board succession planning and enhancement of gender diversity in the Board.

At present, the Nomination Committee considers that an appropriate balance of gender diversity of the Board is maintained. The Nomination Committee will monitor the Group's business needs and consider further appointment of female directors as appropriate.

The Company will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time, such that there is a pipeline of female senior management and potential successors to the Board in the future.

No separate meeting of the Nomination Committee was held during the year ended 31 December 2025 and the members of the Nomination Committee discussed (among others) composition of the board in board meeting during the year.

INTERNAL CONTROL

During the year under review, the Board, through the Audit Committee, conducted a review of the effectiveness of the risk management and internal control system of the Company on an annual basis, including the adequacy of resources, qualifications and experience of the staff of the Company's internal accounting and financial reporting function, their training programmes and budget and the Company's ESG performance and reporting. The Board considers that the risk management and internal control system of the Company is effective and adequate.

The Board is responsible for maintaining an adequate risk management and internal control system to safeguard shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

The risk management and internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor and senior management review and evaluate the control process, monitor any risk factors on a regular basis, and report to the Audit Committee on any findings and measures to address the variances and identified risks.

The Company established a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence and with anonymity, where desired, about actual or suspected cases of impropriety in any matter related to the Group. For details, please refer to the Environment, Social and Governance Report of the Company.

To strengthen the Company's system for handling and disseminating inside information, the Company has adopted an internal policy and procedures on the management of inside information. This policy sets out certain measures to identify potential inside information, maintain confidentiality, and prevent any breach of disclosure requirements.

The Company also established the Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy which sets out the Company's policy and systems that promote and support compliance with applicable anti-fraud, antibribery and corruption laws and regulations. For details, please refer to the Environment, Social and Governance Report of the Company.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors understand and acknowledge their responsibility for making sure that the consolidated financial statements for each financial year are prepared to reflect the true and fair view of the state of affairs, results and cash flow of the Group and in compliance with relevant laws and disclosure provisions of the Listing Rules. In preparing the consolidated financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently, made judgement and estimates that are prudent and reasonable, and have prepared the consolidated financial statements on a going concern basis. The Directors also ensure that the consolidated financial statements of the Group are published in a timely manner.

The statement by the external auditor of the Company regarding their reporting responsibilities of the financial statements of the Group is set forth in the Independent Auditor's Report on pages 55 to 59 of this annual report.

EXTERNAL AUDITORS

Deloitte Touche Tohmatsu was appointed as auditors of the Company. The acknowledgement of their responsibilities on the financial statements is set forth in the Independent Auditor's Report on pages 55 to 59 of this annual report.

The remuneration paid and payable to Deloitte Touche Tohmatsu and its network firms for services rendered in respect of the year ended 31 December 2025 is as follows:

	2025 RMB'000
Audit services	7,026
Non-audit services[Note]	2,526
Total	9,552

Note: Non-audit services mainly represent financial consulting services, tax planning services and due diligence services.

INVESTOR RELATIONS

The Company's investor relations department (the "IR Department") focuses on providing information and updates to investors and market participants in order to enhance our transparency and corporate governance.

The IR Department comprises two representatives responsible for communication with investors and market participants and is supported by a team of three representatives responsible for database management and maintenance. Databases containing full information on both publicly available information regarding our operating environment and detailed records of contacts with investors and market participants are maintained. The Company also maintains regular investor relations reports to Senior Management.

The Board established a shareholders' communication policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring the Shareholders are provided with timely access to comprehensive, equal and understandable information about the Company.

During the year, the executive Directors and investor relations representatives have participated in two full scale Non Deal Roadshows, covering investors in Asia, Europe and the United States, following the release of our 2024 Annual Results and our 2025 Interim Results. In addition, the Company has participated in a number of major investor conferences as well as other communications with investors and market participants.

The Company maintains its open communication policy and deliver information to Shareholders through various channels. The Company's website (www.westchinacement.com) is maintained with comprehensive information regarding our operations, financial information, announcements, annual and interim reports and shareholder circulars. The Company also has a dedicated Investor Relations email address (ir@westchinacement.com) allowing investors direct communication with our IR representatives.

The Company has reviewed the implementation of the shareholders' communication policy in 2025 and based on the information set out the paragraphs above, considers the shareholders' communication policy effective.

During the year, there is no significant change to the Company's constitutional documents.

SHAREHOLDER RIGHTS

Convening an extraordinary general meeting by shareholders

Procedures for shareholders to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting)

- Eligible Shareholders (as defined below) may submit a written requisition (the "Requisition") to the Directors or the Company Secretary of the Company, to require an extraordinary general meeting to be called by the Directors for the transaction of any business specified in the Requisition. For this purpose, "Eligible Shareholder(s)" means any one or more Shareholders holding at the date of deposit of the Requisition not less than five (5) percent of the paid up capital of the Company carrying the right of voting at general meetings of the Company.

- Eligible Shareholders who wish to convene an extraordinary general meeting must deposit the Requisition signed by the Eligible Shareholder(s) concerned at the registered office of the Company at 13 Castle Street, St. Helier, Jersey JE1 1ES, Channel Islands for the attention of the Company Secretary of the Company.

- The Requisition must state clearly the name(s), the contact information of the Eligible Shareholder(s) concerned, the reason(s) to convene an extraordinary general meeting, the agenda proposed to be included, the details of the business(es) proposed to be transacted in the extraordinary general meeting, signed by the Eligible Shareholder(s) concerned. The Eligible Shareholder(s) concerned must prove his/her/their shareholding in the Company to the satisfaction of the Company.

- The Company will check the Requisition, and the identity and the shareholding of the Shareholder will be verified with the Share Registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to consider convening an extraordinary general meeting within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an extraordinary general meeting.

- If within 21 days from the date of deposit of the Requisition the Directors fails to proceed to convene such extraordinary general meeting within 2 months of such date, the Eligible Shareholders(s) concerned, or any of them representing more than one half of the voting rights of all of them, may themselves call for an extraordinary general meeting in accordance with the relevant provisions of the Companies (Jersey) Law 1991 and the memorandum and articles of association of the Company, but such extraordinary general meeting so called shall not be held after 3 months from that date, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the board shall be reimbursed by the Company to the Eligible Shareholder(s) concerned.

- At any extraordinary general meeting called pursuant to the Requisition, unless such meeting is called by the Directors, no business other than that stated in the Requisition as the objects of the meeting shall be transacted.

Making enquiry to the Board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post or email to ir@westchinacement.com.

DIVIDEND POLICY

1. Introduction

The Dividend Policy (the "Policy") was approved and adopted on 18 March 2019 pursuant to a resolution passed on the same day by the board of directors of the Company.

2. Purpose

The Policy is to ensure that the Board maintains an appropriate procedure of declaring and recommending the dividend payment of the Company. Accordingly, the policy aims to allow shareholders of the Company (the "Shareholders") to participate in the Company's profits whilst preserving the Company's liquidity to capture future growth opportunities.

3. Considerations

3.1 The declaration and recommendation of dividends is subject to the decision of the Board after considering the Company's ability to pay dividends, which will depend upon, among other things:

- the actual and expected financial results of the Group;
- cashflow of the Group;
- financial conditions of the Group;
- Shareholders' interests;
- general business conditions and strategies;
- the current and future operations of the Group;
- future business plans of the Group;
- liquidity and capital requirements of the Group;
- taxation considerations;
- amount of distributable profits;
- contractual restrictions;

- statutory and regulatory restrictions under Singapore laws, any applicable laws, rules and regulations (the "Laws") and the Company's articles of association (the "Articles"); and

- any other factors the Board may deem relevant.

3.2 The Board has complete discretion on whether to recommend and/or pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, the Laws and the Articles, and other factors of and affecting the Group.

4. Review

4.1 This Policy reflects the Company's views on the financial and cash-flow position of the Group prevailing at the time of its adoption and shall in no way constitute a legally binding commitment by the Company of its future dividend.

4.2 The Board shall review and reassess the Policy and its effectiveness in its sole and absolute discretion on a regular basis or as required.

5. Reporting

5.1 The Company shall disclose the decision on whether or not to declare, recommend or pay any dividend, including the rate and amount of the dividend and the expected payment date immediately after the decision from the Board and in its financial statements in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

5.2 The Company shall disclose the dividend policy in its Corporate Governance Report incorporated in the annual report as required under Appendix 14 to the Listing Rules.

Directors and Senior Management

DIRECTORS

At the date of this report, the Company has four executive Directors, three non-executive Directors and five independent non-executive Directors. Their biographical details are set out below:

Executive Directors

Mr. Zhang Jimin — Chairman

Mr. Zhang, aged 71, the founder of the Group, is currently the Chairman and executive Director. He was appointed as an executive Director on 27 October 2006. He is responsible mainly for the Group's overall strategic planning and investment decisions. Mr. Zhang is also a director of a number of the Group's subsidiaries including West China BVI, Shaanxi Yaobai, Lantian Yaobai, Ankang Yaobai, Xiushan Yaobai, Xian Yaobai and Longqiao Yaobai.

Mr. Zhang has more than 28 years of experience in the cement industry. He was the factory manager of the Shaanxi Province Pucheng County Hanjing Town Second Cement Factory (one of the predecessors of our production facility in Pucheng) from 1985 to December 1990 and the manager of the Pucheng County Hanjing Town Cement Factory (another predecessor of our production facility in Pucheng) thereafter. These two small cement facilities represent the origins of West China Cement, demonstrating the growth of the Group under the management of Mr. Zhang.

Mr. Zhang has actively participated in various cement technology development projects and from 1992 to 1994 , he led the development of low heat slag cement and moderate-heat Portland cement, winning the Second Grade Science and Technology Progress Prize issued by the Government of Shaanxi Province.

Mr. Zhang also holds several industry associations and political positions. He is the Chairman of the Shaanxi Province Cement Association, an industry association jointly established by The Raw Materials Division of The Industry and Information Technology Department of Shaanxi Province and various cement production enterprises in Shaanxi, holding this position since December 2009. As the Chairman of the Shaanxi Province Cement Association, Mr. Zhang promotes information exchange between cement enterprises in Shaanxi, leading the association to formulate a self-regulatory regime, maintaining fair market competition, providing technology and human resources and assisting the Shaanxi Government in regulating the cement industry in Shaanxi Province. Mr. Zhang was also a Xi'an City representative of the 11th Standing Committee of the Shaanxi Provincial People's Congress and participated in the plenary sessions of the 11th Standing Committee of the Shaanxi Provincial People's Congress for discussion and approval of various matters in relation to the political and economical development of Shaanxi Province. Mr. Zhang was also the Vice President of the China Cement Association.

Through these social positions, Mr. Zhang is able to maintain close contact with industry partners and local government so as to keep abreast of the latest development of the cement industry and government policies. Mr. Zhang received professional training in economic management from Peking University in July 2001.

Mr. Cao Jianshun — Chief Executive Officer

Mr. Cao, aged 53, was appointed as an executive Director and chief executive officer on 2 February 2023. Mr. Cao graduated with a bachelor's degree in economics management from Party School of Shaanxi Provincial Committee of the C.P.C (中共陝西省委黨校) and a master's degree in business administration from Northwest University in China. Mr. Cao has extensive management and technical experience in the building materials industry in China. He joined Yaobai Special Cement Group Co., Ltd. (the "Yaobai Group"), a wholly-owned subsidiary of the Company, in March 1994 and has held various key positions successively, including (i) director of Cement Machinery Factory of Yaobai Group from January 1997 to August 2005; (ii) director of No. 1 Cement Factory of Pucheng Yaobai Special Cement Co., Ltd. (蒲城堯柏特種水泥有限公司) (the "Pucheng Yaobai") from August 2005 to June 2008; (iii) manager of Ankang Yaobai Cement Co., Ltd. (安康市堯柏水泥有限公司) from June 2008 to December 2012; and (iv) general manager in the Ankang Region of Yaobai Group from January 2013 to December 2015. Besides, Mr. Cao served as general manager of Chzhungtsai Mohir Cement LLC (中材國際莫伊爾水泥有限責任公司) from January 2016 to December 2018 and vice president of International Cement Investment Management Company (國際水泥投資管理公司) from January 2019 to January 2023. He has been the chairman and president of Yaobai Group since January 2023. With extensive experience in the building materials industry, Mr. Cao won the "Shaanxi Provincial Building Materials Industry Advanced Individual" award.

Mr. Chu Yufeng — Chief Financial Officer

Mr. Chu, aged 48, was appointed as an executive Director on 2 February 2023. Mr. Chu graduated with a bachelor's degree in international accounting from Xi'an JiaoTong University in June 1999 and a master's degree in business administration from an international business program jointly organised by Maastricht School of Management of Netherlands and Independent University of Bangladesh in June 2005. Mr. Chu has extensive experience in financial management. He joined the Group in July 2012 and has held various key positions successively, including (i) deputy director of finance department of Yaobai Group from July 2012 to July 2013; (ii) supervisor of internal audit department of Yaobai Group from August 2013 to July 2014; (iii) director of finance department of Yaobai Group from August 2014 to December 2016; (iv) general manager of finance department of Yaobai Group from January 2017 to December 2019; (v) chairman of Xi'an Guangxin Microfinance Co., Ltd. (西安光信小額貸款有限公司) from January 2019 to December 2021; and (vi) vice president of Yaobai Group from January 2020 to December 2021. He has been the chief financial officer of the Company and the vice president of West Holding since January 2020 and October 2023, respectively. Prior to joining the Group, Mr. Chu served as accountant of Shaanxi Import and Export Corporation (陝西省進出口公司) from October 1999 to July 2002; chief financial officer of Sino-Bangladesh Ceramic Industry Co., Ltd. (中孟陶瓷工業有限公司) from November 2002 to October 2007; finance manager of Cooper Xi'an Fusegear Limited Company (庫柏西安熔斷器有限公司) from November 2007 to August 2008; finance manager of Xi'an Branch of IBM China Investment Co., Ltd (國際商業機器(中國)投資有限公司) from September 2008 to October 2010; and deputy finance director of Fuping Branch of Italcementi Group (義大利水泥集團) from October 2010 to June 2012. Mr. Chu is a member of the Association of Chartered Certified Accountants.

Ms. Wang Rui — Deputy General Manager and Party Secretary (Yaobai Group)

Ms. Wang, aged 47, was appointed as executive Director on 16 April 2024. She is the deputy general manager and Party secretary of the general branch of Yaobai Special Cement Group Co., Ltd. (the "Yaobai Group"), a wholly-owned subsidiary of the Company. She has held the position since January 2023 and is primarily responsible for overseeing the market management, procurement, logistics, and other operations of the Yaobai Group. Ms. Wang obtained a master's degree in business administration from the University of Management and Technology in June 2018. She joined the Group in December 1998 and held several positions, including: (i) manager of general administration of Pucheng Yaobai Special Cement Co., Ltd (蒲城堯柏特種水泥公司) from December 1998 to December 2006; (ii) assistant general manager of Xi'an Lantian Yaobai Cement Co., Ltd. (西安藍田堯柏水泥有限公司) from January 2007 to August 2008; (iii) assistant general manager of Xi'an Yaobai Material Co., Ltd. (西安市堯柏物資有限公司) (the "Yaobai Material") from January 2007 to August 2008; (iv) chief administration officer of Yaobai Group from July 2009 to June 2010; (v) deputy general manager of sales department of Yaobai Group from July 2010 to September 2010; (vi) general manager of Yaobai Material from October 2010 to January 2015; (vii) vice president of Yaobai Group from January 2018 to December 2019; and (viii) the chief executive officer of the Yaobai Group from January 2020 to December 2022. She has won several rewards, such as being recognized as a Highlevel Talent in Xi'an (西安市高層次人才), Outstanding Communist Party Member of the Ministry of Industry and Information of Shaanxi Province (陝西省工信廳中共優秀共產黨員), and Outstanding Entrepreneur of National Building Material Industry (全國建材行業優秀企業家).

Non-executive Directors

Mr. Ma Zhaoyang

Mr. Ma, aged 57, was appointed as a non-executive Director on 29 July 2010. Mr. Ma received a master's degree in management from Northwestern Polytechnic University in May 1998. Mr. Ma has been a professor of management at Northwestern Polytechnic University in Shaanxi, China since 1996. In view of his academic knowledge and extensive experience in strategic planning, Mr. Ma was appointed a non-executive Director of the Company and assumes an advisory role with the Company in respect of the overall strategic planning and operation of its business. Mr. Ma has been the chairman and director of International Cement Group Ltd., a company listed on the main board of the Singapore Exchange since November 2015.

Mr. Wang Manbo

Mr. Wang, aged 44, was appointed as a non-executive Director on 27 May 2025. He graduated with a bachelor's degree in accounting from Anhui University of Finance and Economics (安徽財經大學) (formerly known as Anhui Institute of Finance and Trade (安徽財貿學院)) in the PRC. Mr. Wang is a senior accountant with extensive experience in financial management and corporate governance. Mr. Wang has obtained legal advice on 25 May 2025, prior to his appointment becoming effective, as referred to in Listing Rules 3.09D. He has confirmed his understanding of his obligations as a director of the Company.

Mr. Wang has held various key financial and management positions at subsidiaries of Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), including: (i) from assistant director, deputy director and to the last position as director of the finance department of Anhui Huaining Conch Cement Co., Ltd. (安徽懷寧海螺水泥有限公司) from July 2003 to July 2008, (ii) director of the finance department of Dazhou Conch Cement Co., Ltd. (達州海螺水泥有限責任公司) from August 2008 to May 2010, (iii) director of Guangyuan Conch Cement Co., Ltd. (廣元海螺水泥有限責任公司) from June 2010 to July 2010; (iv) from director of the finance department to his last position as the deputy chief accountant of Chongqing Conch Cement Co., Ltd. (重慶海螺水泥有限責任公司) from August 2010 to April 2017; (v) chief accountant of Hunan Conch Cement Co., Ltd. (湖南海螺水泥有限公司) from May 2017 to June 2022; and (vi) deputy general manager of Hunan Haizhong Trading Co., Ltd. (湖南海中貿易有限責任公司) from May 2019 to June 2022. Mr. Wang currently serves as the executive deputy director of the board secretary office and securities affairs representative of Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司) (a dual listed company with shares traded on the Stock Exchange (stock code: 00914) and the Shanghai Stock Exchange (stock code 600585).

Mr. Wang Zhixin

Mr. Wang, aged 52, was appointed as a non-executive Director on 10 January 2024. Mr. Wang has obtained legal advice on 10 January 2024, prior to his appointment becoming effective, as referred to in Rule 3.09D of the Listing Rules. He has confirmed his understanding of his obligations as a director of the Company. Mr. Wang graduated with a bachelor's degree in inorganic non-metallic materials from Wuhan University of Technology (武漢理工大學) in June 2014. Mr. Wang has extensive experience in cement production management and external communication. From June 2004 to July 2014, he held various key positions at Anhui Huaining Conch Cement Co., Ltd. (安徽懷寧海螺水泥有限公司), including (i) assistant to the factory director of the manufacturing branch from June 2004 to January 2006; (ii) deputy factory director of the manufacturing branch from February 2006 to March 2008; (iii) factory director of the manufacturing branch from March 2008 to June 2009; (iv) assistant to general manager from June 2009 to February 2011; and (v) deputy general manager from February 2011 to July 2014. From July 2014 to August 2020, Mr. Wang held two positions in Baoji Zhongxi Jinlinghe Cement Co., Ltd. (寶雞市眾喜金陵河水泥有限公司), including (i) executive deputy general manager from July 2014 to December 2015; and (ii) general manager from December 2015 to August 2020. From August 2020 to April 2023, Mr. Wang served as deputy director of the Shaanxi-Gansu Regional Committee of Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司) (the "Conch Cement"), general manager of Pingliang Conch Cement Co., Ltd. (平涼海螺水泥有限責任公司) and Secretary of the Party Committee and general manager of Hami Hongyi Building Materials Co., Ltd. (哈密弘毅建材有限責任公司). Mr. Wang has been the executive president of Shaanxi-Gansu Region of Conch Cement since October 2021.

Independent non-executive Directors

Mr. Lee Kong Wai Conway

Mr. Lee, aged 71, was appointed as an independent non-executive Director on 29 July 2010. Mr. Lee serves as Chairman of the audit committee of the Company, member of the remuneration committee of the Company, and also member of the nomination committee of the Company. He was also designated as the lead independent non-executive Director on 24 March 2025. He is mainly responsible for reviewing and advising the financial reporting process, audit process, internal control and risk management systems of the Group and providing independent advice to the Board on various financial and corporate governance matters.

Mr. Lee received a bachelor's degree in arts from Kingston University (formerly known as Kingston Polytechnic) in London in July 1980 and further obtained his postgraduate diploma in business from Curtin University of Technology in Australia in February 1988. Mr. Lee served as a partner of Ernst & Young over the past 29 years and held key leadership positions in the development of such firm in China. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Registered Accountants. Mr. Lee currently also serves as an independent non-executive director of Chaowei Power Holdings Limited, China Modern Dairy Holdings Ltd., and NVC International Holdings Limited (formerly known as NVC Lighting Holding Limited),

companies listed on the main board of the HKSE and Intchains Group Limited, a company listed on the NASDAQ, since June 2010, late October 2010, late November 2012, July 2023 and November 2023, respectively. He was also an independent non-executive director of WH Group Limited, GOME Retail Holdings Limited (formerly known as Gome Electrical Appliances Holding Limited), Guotai Haitong Securities Co., Ltd., Yashili International Holdings Ltd and GCL New Energy Holdings Limited, companies which are listed on the main board of the HKSE, from August 2014 to June 2022, from March 2011 to September 2023, from October 2016 to November 2023, from November 2013 to July 2023 and from May 2014 to November 2025, respectively, and Sino Vanadium Inc., which was listed on TSX Venture Exchange in Canada, between October 2009 and December 2011. Mr. Lee was appointed as a member of the Chinese People's Political Consultative Conference of Hunan Province in China from 2007 to December 2017.

Mr. Zhu Dong

Mr. Zhu, aged 64, was appointed as an independent non-executive Director of the Company on 15 July 2019. Mr. Zhu graduated in 1982 from Guangxi University with a bachelor degree in mechanical engineering and he finished a program of Master of Business Administration held by Tsinghua University in 1996. Mr. Zhu has approximately 30 years of experience in capital markets and corporate financing involving securities origination, underwriting and placing of equities and equity-linked products, mergers and acquisitions, corporate restructuring and reorganizations and other general corporate advisory activities. From August 1982 to November 1992, Mr. Zhu worked at various departments in the PRC government. He served as a senior manager at the Peregrine Investment Group form May 1994 to May 1998. He was the managing director at the BMP Paribas Capital (Asia Pacific) Limited form May 1998 to July 2011. Form September 2011 to May 2016, he was the managing director of Nomura International (Hong Kong) Limited. Mr. Zhu has been an independent non-executive director of HPC Holdings Limited, a company listed on the Stock Exchange, from January 2017 to April 2024.

Mr. Tam King Ching Kenny

Mr. Tam, aged 76, was appointed as an independent non-executive Director on 29 July 2010. Mr. Tam serves as chairman of remuneration committee of the Company and also the members of the audit committee and nomination committee of the Company. He is mainly responsible for overseeing the policy and structure of the remuneration for Directors and senior management of the Company. He is also responsible for monitoring the Company's performance in achieving agreed corporate goals and objectives, and taking the lead where potential conflicts of interest arise.

Mr. Tam received a bachelor's degree in commerce from the Concordia University in November 1975. He is a practising Certified Public Accountant in Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Professional Accountants of Ontario, Canada. Mr. Tam was a past member of the Restructuring and Insolvency Faculty Executive Committee in the Hong Kong Institute of Certified Public Accountants. He was also a past president of The Society of Chinese Accountants and Auditors. Mr. Tam has also served as an independent non-executive director of two other listed companies on the main board of the HKSE, namely, Capital Industrial Financial Services Group Limited and Starlite Holdings Limited, since February 1996 and July 2004, respectively. He was also an independent non-executive director of CCT Fortis Holdings Limited, GBA Holdings Limited (formerly known as Greater Bay Area Investments Group Holdings Limited), Hong Kong Shanghai Alliance Holdings Limited, Kingmaker Footwear Holdings Limited, BeijingWest Industries International Limited and Wisdom Education International Holdings Company Limited, from December 1999 to June 2022, from February 2016 to September 2022, from September 2004 to August 2023, from May 1994 to August 2024, from January 2014 to July 2024 and from January 2017 to May 2024, respectively.

Mr. Feng Tao

Mr. Feng, aged 69, was appointed as an independent non-executive Director on 28 February 2023. Mr. Feng graduated with a bachelor's degree in geophysics from Chang'an University (長安大學) (formerly known as Xi'an Institute of Technology 西安工程學院) in June 1982 and a doctorate degree in economics from Xi'an Jiaotong University (西安交通大學) (formerly known as Shaanxi Institute of Finance & Economics 陝西財經學院) in June 1997.

Mr. Feng has extensive teaching and research experience in the field of economics. He worked at Shaanxi Institute of Finance & Economic (陝西財經學院) and held various key positions between July 1986 to July 2000, including (i) head of teaching-research department from December 1986 to June 1990; (ii) deputy head of economics department from September 1990 to June 1992; (iii) head of economics department from September 1992 to July 2000; (iv) associate professor from October 1992 to June 1997; and (v) professor from June 1997 to July 2000. In 2000, Xi'an Jiaotong University (西安交通大學), Xi'an Medical University (西安醫科大學) and Shaanxi Institute of Finance and Economics (陝西財經學院) merged and established the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院). Mr. Feng worked at the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院) and held various key positions successively from July 2000 to March 2022, including (i) deputy dean from July 2000 to June 2004; and (ii) doctoral supervisor in the field of international economics and investment from September 2000 to March 2022. Mr. Feng retired from the School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院) in March 2022. Currently Mr. Feng is a member of fiscal and finance team of Shaanxi Provincial Government Decision-making Consultation Committee and the team leader of fiscal and finance team of Xi'an City Decision-Making Consultation Committee.

In recent years, Mr. Feng has presided over various projects of the National Social Science Fund of China (國家社會科學基金), key projects of the Ministry of Education, and other provincial and ministerial-level projects. Besides, he has published eight monographs and textbooks, and published more than 120 papers in journals such as Economics Quarterly, The Economist, and Financial Research.

Mr. Lau Ka Keung

Mr. Lau Ka Keung (樓家強), *BBS, MH, JP*, aged 50, was appointed as an independent non-executive Director on 24 March 2025. He received his bachelor's degree in information technology from Manchester Metropolitan University, the United Kingdom in July 1997 and obtained his master's degree in business administration from University of Leicester, the United Kingdom in July 2008. Mr. Lau has obtained legal advice on 22 March 2025, prior to his appointment becoming effective, as referred to in Listing Rules 3.09D. He has confirmed his understanding of his obligations as a director of the Company.

Mr. Lau possesses more than 20 years of experience in business management. From August 2016 to December 2025, Mr. Lau has been an executive director and the chief executive officer of Million Cities Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2892). In addition, he has been serving as independent non-executive director of two other companies listed on the Main Board of the Stock Exchange, namely OrbusNeich Medical Group Holdings Limited (stock code: 6929) since late September 2021 and Tianjin Development Holdings Limited (stock code: 882) since March 2023.

In public service, Mr. Lau is currently a delegate of the Hong Kong Special Administrative Region to the 14th National People's Congress of the People's Republic of China (中華人民共和國香港特別行政區第十四屆全國人民代表大會), a member of the 13th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十三屆全國委員會), the Chairman of the 28th Hong Kong United Youth Association (香港青年聯會) and the Vice Chairman of Joint Committee for the Promotion of the Basic Law of Hong Kong (香港基本法推介聯席會議).

SENIOR MANAGEMENT

West China Cement Limited

Mr. Chan King Sau — Financial Controller and Company Secretary

Mr. Chan, aged 48, joined the Company on 1 June 2010. Mr. Chan was an assistant financial controller of the Company before being appointed as chief financial officer of the Company. He was also appointed as the company secretary of the Company in June 2012. In January 2020, Mr. Chan was designated as the financial controller of the Company. From September 2000 to August 2008, Mr. Chan worked for Ernst & Young, in a range of positions including staff accountant, senior accountant and manager. From September 2008 to October 2009, Mr. Chan worked for Nineyou International Limited, an online game operator as chief financial officer and company secretary. He graduated from University of Hong Kong with a bachelor's degree in finance in November 2000. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants.

Directors' Report

The Directors are pleased to present the annual report of the Company, including the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group's principal business activities are the manufacture and sales of cement and cement products. The activities of the principal subsidiaries are set out on pages 161 to 171 of this annual report. In addition to the principal cement business, one of the subsidiaries of the Company, Guangxin International, was approved by the Ministry of Commerce of the PRC as a licenced lessor and commenced financial leasing business.

BUSINESS REVIEW

The business review of the Group as at 31 December 2025 is set out under the section headed "Management Discussion and Analysis" of this annual report on pages 15 to 27.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has formulated some policies in accordance with environmental regulations, including, conducting environmental impact assessment for various types of materials or machines prior to making any purchasing decision; enhancing awareness of environmental protection among all employees by organizing environmental protection activities, training programmes and promotions. Top management of the Group plays a leading role in establishing a well-defined structure and system for environmental management by outlining corresponding responsibility, scope and policy.

The Group continues to work towards the best of industry standards in regards to energy conservation, emission controls and further development of environmental protection solutions. All of the Group's production facilities employ New Suspension Preheater ("NSP") technology. The plants are situated in close proximity to their respective limestone quarries and, at many of the plants, limestone conveyor belt systems are used in order to minimize emissions from transportation. The Group has also been the first cement producer in Shaanxi Province to use desulfurized gypsum and construction waste as raw material inputs into some of its cement products, and regularly recycles fly ash from power plants as well as slag from iron & steel plants as inputs into some of its cement products.

The Group has residual heat recovery systems installed at most of its production facilities. As at 31 December 2025, these systems were operational at 11 out of 15 production lines in China. These systems reduce the Group's production lines' electricity consumption by approximately 30% and reduce Carbon dioxide ("CO2") emissions by approximately 22,000 tons per million tons of cement production.

The Group completed the installation of De-nitration ("De-NOx") equipment at all of the Group's plants in Shaanxi, Xinjiang and Guizhou Provinces. This equipment reduces nitrous oxide ("NOx") emissions by approximately 60% per ton of clinker produced, bringing NOx emissions to within the new standards stipulated by the Cement Industrial Air Pollution Emissions Standards. Modifications of production lines to meet PM emission standards have been completed, resulting in all of the Group's plants having been upgraded to meet new PM emission standards as well. Moreover, the Group has effectively reduced the emission of dust through the technical renovation of the kiln-head and kiln-end dust collectors and also further reduced the emission of NOx and the consumption of ammonia water through the implementation of de-nitration spray guns and automated technological innovation in five plants. During the year, eighteen plants were already re-greened as garden like plants in the preliminary stage and the Group will further develop the garden like plants to meet the environmental policy requirements. Moreover, green limestone mine projects, including soil reclamation and mine re-greening, already commenced construction to comply with the environmental policy. The Group will continue to implement the green mine projects to reduce the pollution to the soil and mines during mining in order to comply with the government policy of "managing while mining" in the future.

MAIN RISKS AND UNCERTAINTIES

The main activities of the Group include production and sales of cement. It is exposed to a variety of risks including interest rate risk, foreign currency risk, credit risk and liquidity risk. Details of the above main risks and measures for risk reduction are set out in the section headed "Management Discussion and Analysis" and Note 47 of the consolidated financial statements below.

During the year under review, the Group's business and profitability growth were affected by the fluctuations and uncertainties of macroeconomic situations of China. Discrepancies of the monetary policies among major developed economies are expected to cause uncertainties in the PRC economy, which could materially and adversely affect the building and infrastructure industry in China and in turn, the demand of cement. The long-term business and profitability growth of the Group are expected to be impacted by variables of the Chinese macro-economy continuously (including but not limited to credit demand, FAI and total output value growth) and qualitative factors (such as the development of political and economic policies of various countries in the world).

RELATIONSHIPS WITH MAJOR STAKEHOLDERS

The Group's success also relies on the support of major stakeholders including employees, customers, suppliers, regulators and shareholders.

Employees

Employees are considered to be the most important and valuable assets of the Group. The purpose of human resources management of the Group is to reward and praise the staff with excellent performances through the provision of generous remuneration package, the implementation of the comprehensive performance evaluation plan and the share option scheme. In addition, the Group also formulates an appropriate training plan based on various positions and duties and titles and provides certain opportunities and platforms to assist its employees to develop and get promoted within the Group.

Customers

The major customers of the Group are railway construction companies, real estate developers and concrete manufacturers etc. The Group is committed to provide its customers with quality products and services so as to strive for sustained growth in respect of revenue and profitability. The Group has adopted various means to strengthen communication with its customers to provide excellent and quality products and services so as to increase market penetration.

Suppliers

Maintaining good relationships with the suppliers is essential to the Group in respect of the supply chain and when facing business challenges and regulatory requirements. It can achieve cost efficiency and promote long term commercial benefits. Major suppliers include raw material suppliers, system and equipment suppliers, external consultants providing professional services, suppliers of office supplies or commodities and other business partners providing the Group with value added services.

Regulators

As a company listed in Hong Kong, the Company is subject to the regulations of the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange. Moreover, various PRC government authorities, including the Ministry of Land and Resources, the State Environmental Protection Administration, the General Administration of Quality Supervision Inspection and Quarantine, the Ministry of Commerce of the PRC, the Ministry of Construction of the PRC and other relevant regulators, have the authority to issue and implement regulations governing various aspects of cement production. The Group expects to constantly update and ensure compliance with new rules and regulations issued by these regulators.

During the year ended 31 December 2025, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

Shareholders

One of the corporate objectives of the Group is to enhance the corporate value for its shareholders. The Group distributes dividends to its shareholders in order to reward them for their support while boosting its business development to achieve sustainable profit growth and taking into account the capital adequacy level, liquidity and its business expansion needs.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 60 of this annual report.

At the Board meeting held on 23 March 2026, the Directors proposed to recommend the payment of a final dividend of RMB0.048 per ordinary share for the year ended 31 December 2025.

The final dividend of RMB0.048 per ordinary share is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 29 May 2026 (Friday), and will be paid to the shareholders whose names appear on the register of members of the Company at the close of business on 9 June 2026 (Tuesday).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 29 May 2026 (Friday). A notice convening the annual general meeting will be despatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine shareholders' eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held at 29 May 2026 (Friday), all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 May 2026 (Friday). The register of members of the Company will be closed from 26 May 2026 (Tuesday) to 29 May 2026 (Friday), both days inclusive, during which period no transfer of shares will be registered.

In addition, for the purpose of determining shareholders who qualify for the final dividend, the register of members will be closed from 5 June 2026 (Friday) to 9 June 2026 (Tuesday), both dates inclusive. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 4 June 2026 (Thursday). Subject to shareholders' approval of the proposed final dividend at the annual general meeting to be held on 29 May 2026 (Friday), the final dividend will be paid on or around 31 July 2026 (Friday) to shareholders whose names appear on the register of members of the Company at the close of business on 9 June 2026 (Tuesday).

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set forth in the movements in reserves on page 173 and the consolidated statement of changes in equity on pages 63 to 64, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves, including the share premium account, available for distribution, calculated in accordance with the Companies (Jersey) Law 1991 as amended (the "Law"), amounted to approximately RMB6,791.4 million.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2025 amounted to RMB5.8 million (2024: RMB6.6 million).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group, during the year ended 31 December 2025 are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company during the year under review are set forth in Notes 38 and 43 to the consolidated financial statements, respectively.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities (including sale of treasury shares). The Company did not hold any treasury shares as of 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Articles and the laws of Jersey, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme", as at the end of and during the year ended 31 December 2025, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, in so far as the Companies (Jersey) Law 1991 allows, the Directors shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been a Director.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, total sales attributable to the largest customer of the Group was approximately 17.3% of total sales of the Group and total sales attributable to the top five customers of the Group were approximately 30.6% of total sales of the Group.

For the financial year ended 31 December 2025, total purchase attributable to the largest supplier accounted for approximately 6.8% of the total purchase of the Group and total purchases attributable to the top five suppliers of the Group were approximately 21.4% of total purchases of the Group.

At no time during the year did any Director, their close associates, or any shareholder of the Company who owns more than 5% of the number of issued Shares of the Company (excluding treasury shares) have an interest in any of the Group's five largest suppliers or customers.

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Zhang Jimin *(Chairman)*
Cao Jianshun *(Chief Executive Officer)*
Chu Yufeng *(Chief Financial Officer)*
Wang Rui

Non-Executive Directors

Ma Zhaoyang
Wang Zhixin
Wang Manbo (appointed with effect from 27 May 2025)
Fan Zhan (resigned with effect from 27 May 2025)

Independent Non-Executive Directors

Lee Kong Wai Conway *(Lead Independent Non-Executive Director)*
Zhu Dong
Tam King Ching Kenny
Feng Tao
Lau Ka Keung (appointed with effect from 24 March 2025)

According to Article 23 of the Articles, any Director so appointed shall hold office until the next Annual General Meeting of the Company and shall then be eligible for re-election at such meeting. A circular containing the explanatory statement on repurchase by the Company of its shares, the biographical details of the director candidates and the notice of Annual General Meeting will be sent to shareholders of the Company.

None of the Directors nor the senior management of the Company has any financial, business, family or other material/relevant relationships with one another.

DIRECTORS' AND SENIOR MANAGEMENTS BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set forth on pages 38 to 42 of this annual report.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in Directors' biographical details for the year ended 31 December 2025 and up to the date of this annual report, which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules are set out below:

1. Mr. Lau Ka Keung has been appointed as an independent non-executive Director and a member of the Audit Committee with effect from 24 March 2025.

2. Mr. Lee Kong Wai Conway has been designated as the lead independent non-executive Director with effect from 24 March 2025 and has resigned as an independent non-executive director of GCL New Energy Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 451), in November 2025.

3. Ms. Wang Rui has been appointed as a member of the Nomination Committee with effect from 24 March 2025.

4. Mr. Wang Manbo has been appointed as an non-executive Director with effect from 27 May 2025.

5. Mr. Fan Zhan has resigned as an non-executive Director with effect from 27 May 2025.

6. Mr. Lau Ka Keung has resigned as an independent non-executive director of Million Cities Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 2892), in December 2025.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS OF THE COMPANY

Details of the emoluments of the Directors and the five highest paid individuals of the Company during the year ended 31 December 2025 are set in Note 15 and Note 16 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEMES

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contribution to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident fund legislation, subject to a cap of HKD1,500 per month. There are no forfeited contributions under such scheme which may be used by the Group as employer to reduce its existing level of contributions for the year ended 31 December 2025.

Particular of the Group's retirement benefit schemes for its employees in Mainland China are set out in Note 44 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS

No contract of significance in relation to the Group's business, to which the Company, its holding company, its controlling shareholder, fellow subsidiaries or subsidiaries was a party and in which a Director or entity connected with a Director had a material interest, whether directly or indirectly, and subsisted at the end of the financial year under review or at any time during the year under review.

DIRECTORS' SERVICE CONTRACTS

The executive Directors and non-executive Directors have entered into a service contract with the Company for terms of one year and three years, respectively, which may only be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing.

The Company has entered into an appointment letter with each of the independent non-executive Directors for a term of one year, and appointment of which will only be terminated by either party giving to the other not less than three months prior notice in writing.

No Director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation.

MANAGEMENT CONTRACTS

Except for service contracts entered into with the Directors or any person engaged in full-time employment of the Company, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guideline set forth in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the "Directors' and Chief Executive's Interests and Short Positions" and the "Share Option Scheme" below, at no time during the year ended 31 December 2025 was the Company, or any of its holding company or subsidiaries, a party to any arrangements to enable the Directors or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTION

The related party transactions set out in Note 45 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions under chapter 14A of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV 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 to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Interests in shares of the Company

Name of Directors	Capacities	Number of ordinary shares held as at 31 December 2025 Total *(Note 1)*	Approximate % of issued share capital of the Company as at 31 December 2025
Zhang Jimin	Beneficial owner	6,175,000 (L)	0.11%
Zhang Jimin	Interest in a controlled corporation	1,756,469,900 (L) *(Note 2)*	32.15%
Ma Zhaoyang	Interest in a controlled corporation	221,587,950 (L) *(Note 3)*	4.06%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) These shares are held by Asia Gain Investments Limited ("Asia Gain") which is beneficially and wholly-owned by Zhang Jimin.

(3) These shares are held by Techno Faith Investments Limited and Red Day Limited which are beneficially and wholly-owned by Ma Zhaoyang.

(4) Calculated based on 5,462,532,820 issued shares of the Company as at 31 December 2025.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During the year ended 31 December 2025, the Directors were not aware of any business or interest of the Directors or any controlling shareholder of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interest which any such person had or might have with the Group.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, the persons other than a Director or chief executive of the Company who had an interest or short position in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under section 336 of SFO were as follows:

		As at 31 December 2025	
Name of shareholders	**Capacities**	**Number of ordinary shares of held** *(Note 1)*	**Approximate % of issued share capital of the Company** *(Note 4)*
Asia Gain *(Note 2)*	Beneficial owner	1,756,469,900 (L)	32.15%
Conch International Holdings (HK) Limited ("Conch") *(Note 3)*	Beneficial owner	1,584,849,970 (L)	29.01%
Anhui Conch Cement Co., Ltd. ("Anhui Conch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
安徽海螺集團有限責任公司 *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
China Conch Venture Holdings Limited ("China Conch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
蕪湖海創實業有限責任公司 Wuhu Couch Venture Enterprise Limited ("Wuhu Couch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) Asia Gain is beneficially and wholly-owned by Zhang Jimin.

(3) Conch is beneficially and wholly-owned by Anhui Conch, which is owned as to 36.40% by 安徽海螺集團有限責任公司. 安徽海螺 集團有限責任公司 is owned as to 49.00% by Wuhu Conch. Wuhu Conch is wholly-owned by Anhui Conch Venture New Energy saving Building Material Co., Ltd. (安徽海創新型節能建築材料有限責任公司), which is in turn wholly-owned by China Conch Venture Holdings (HK) Limited. China Conch Venture Holdings (HK) Limited is ultimately wholly-owned by China Conch.

(4) Calculated based on 5,462,532,820 issued shares of the Company as at 31 December 2025.

Save as disclosed above, the Company has not been notified by any person who had interests or short position in the shares or underlying shares of the Company as at 31 December 2025 which were required to be notified to the Company pursuant to part XV of the Securities and Futures Ordinance or which are recorded in the register required to be kept by the Company under the section 336 of the Securities and Futures Ordinance.

ENFORCEMENT OF THE DEED OF NON-COMPETITION

Each of Mr. Zhang Jimin, Asia Gain, Ms. Zhang Lili and Central Glory Holdings Limited has undertaken to the Company, subject to the exceptions mentioned in the Company's prospectus dated 10 August 2010 (the "Prospectus") that each of them will not engage in any cement production business and details of such deed of non-competition dated 29 July 2010 are set out in the Prospectus.

The Company has received from each of Mr. Zhang Jimin, Asia Gain, Ms. Zhang Lili and Central Glory Holdings Limited an annual confirmation that it/he/she has complied with its/his/her obligations under the deed of non-competition during the year ended 31 December 2025.

Furthermore, no contract of significance for the provision of services to the Group by a controlling shareholder or any of its subsidiaries subsisted at the end of the financial year under review or was made during the year under review.

SHARE OPTION SCHEME

The Company has adopted a post-IPO share option scheme (the "Post-IPO Share Option Scheme") on 31 March 2010 and it has ended on 30 March 2020. Outstanding share options granted under the post-IPO Share Option Scheme remain valid in accordance with its terms.

The following is a summary of the principal terms of the Post-IPO Share Option Scheme:

1. Purpose of the Post-IPO Share Option Scheme:

The Post-IPO Share Option Scheme is established to recognize and acknowledge the contributions the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Post-IPO Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Post-IPO Share Option Scheme:

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "Eligible Participants") to subscribe for such number of new shares as the Board may determine:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and

(iii) any advisors, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

3. Total number of shares available for issue under the Post-IPO Share Option Scheme and percentage of issued share capital as at 23 August 2010 and as at the date of this annual report:

The maximum number of shares which maybe issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme shall not in aggregate exceed 411,553,185 shares (representing 10% of the issued share capital of the Company (excluding treasury shares) as at 23 August 2010).

As the Post-IPO Share Option Scheme expired on 30 March 2020, except for 37,850,000 shares which may be issued upon exercise of the outstanding options granted under the Post-IPO Share Option Scheme, (representing about 0.70% of the issued share capital of the Company (excluding treasury shares) as at the date of this annual report), no further shares were available for issue as at 1 January 2025, 31 December 2025 and the date of this annual report.

4. Maximum entitlement of each participant under the Post-IPO Share Option Scheme:

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue (excluding treasury shares) as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and

(ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her associates (as defined in the Listing Rules) abstaining from voting.

5. The period within which the shares must be exercised under the Post-IPO Share Option Scheme:

An option may be exercised at any time during a period to be determined and notified by the directors to each grantee, but shall not be more than 10 years from the date of grant of options subject to the provisions for early termination set out in the Post-IPO Share Option Scheme.

6. The minimum period for which an option must be held before it can be exercised:

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the directors.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be paid:

Options granted must be taken up within 21 days of the date of offer, upon payment of HKD1 per grant.

8. The basis of determining the exercise price:

Determined by the Board but shall not be less than the highest of (i) the closing price of the ordinary shares as stated in the HKSE daily quotation sheets on the date of grant of options, which must be a trading day; (ii) the average closing price of the ordinary shares as stated in the HKSE daily quotation sheets for the five business days immediately preceding the date of grant of options; and (iii) the nominal value of an ordinary share.

9. The remaining life of the Post-IPO Share Option scheme:

The Post-IPO Share Option Scheme had a life of 10 years from the date of its adoption and it has ended on 30 March 2020. Outstanding share options granted under the scheme remain valid in accordance with its terms.

Movements of the share options granted under the Post-IPO Share Option Scheme

During the year ended 31 December 2025:

Category and name of participant	Date of grant of share options *(Note 1)*	Vesting period *(Note 2)*	Exercise price (HKD)	Exercise period	Number of ordinary shares subject to share options granted under the Post-IPO Share Option Scheme			
					Outstanding as at 1 January 2025	Granted during the year ended 31 December 2025	Lapsed during the year ended 31 December 2025	Outstanding as at 31 December 2025
Directors								
Chu Yufeng	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	2,000,000	–	2,000,000	–
Wang Rui	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	1,200,000	–	1,200,000	–
Other employees	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	3,700,000	–	3,700,000	–
Total					6,900,000	–	6,900,000	–

Notes:

1. The closing price of the shares of the Company on 10 April 2015, being the date immediately before the date on which the share options were granted was HK$1.37 per share.

2. The vesting of Share Options granted under the Post-IPO Share Option Scheme on 13 April 2015 is conditional upon the achievement of certain performance targets as set out in the respective offer letters, including among others, achievement of strategic goals and financial and operational performance targets, during the vesting period and the exercise period of the Share Options.

   Subject to the abovementioned vesting or performance conditions, the Share Options with respect to a grantee will be exercisable in the following manner:

   (i) 25% of the Share Options will be exercisable at any time on and after the end of first anniversary (or the end of third anniversary for some of the other employees of the Group) of the grant of the Share Options;

   (ii) up to 25% of the Share Options and any Share Options that have not been exercised as referred in paragraph (i) above will be exercisable at any time commencing from end of the second anniversary (or the end of fourth anniversary for some of the other employees of the Group) of the grant of the Share Options;

   (iii) up to 25% of the Share Options and any Share Options that have not been exercised as referred in paragraphs (i) and (ii) above will be exercisable at any time commencing from the end of third anniversary (or the end of fifth anniversary for some of the other employees of the Group) of the grant of the Share Options; and

   (iv) up to 25% of the Share Options and any Share Options that have not been exercised as referred in paragraphs (i) to (iii) above will be exercisable at any time commencing from the end of fourth anniversary (or the end of sixth anniversary for some of the other employees of the Group) of the grant of the Share Options.

   No Share Options will be exercisable after the expiry of its exercise period.

During the year ended 31 December 2025, no share option was granted, exercised or cancelled pursuant to the Post-IPO Share Option Scheme.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public throughout the year ended 31 December 2025 and as at the date of this annual report.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Issuance of US$300,000,000 10.500% senior notes due 2029

On 11 February 2026, the Company issued 10.500%, three-year senior notes with an aggregated principal amount of USD300 million due in 2029 at 100.000% of the face value. The senior notes due 2029 were listed on the Stock Exchange and guaranteed by certain subsidiaries of the Company. For further details, please refer to the announcements of the Company on 2 February 2026, 11 February 2026 and 12 February 2026.

Completion of full redemption of the outstanding 4.95% senior notes due 2026

On 6 March 2026, the Company redeemed all outstanding 4.95% senior notes due 2026 ("2026 Notes") in full in accordance with the terms and conditions of the 2026 Notes. The Company applied to the Stock Exchange to withdraw the listing of the 2026 Notes. Such withdrawal of listing became effective upon the close of business on 17 March 2026. For further details, please refer to the announcements of the Company on 2 February 2026, 9 February 2026 and 9 March 2026.

AUDITORS

Deloitte Touche Tohmatsu will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board of Directors
Zhang Jimin
Chairman

23 March 2026

Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF WEST CHINA CEMENT LIMITED
(incorporated in Jersey with limited liability)

OPINION

We have audited the consolidated financial statements of West China Cement Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 55 to 173, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by International Auditing and Assurance Standard Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of financial statements of public interest entities. we have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter

Impairment assessments of cash-generating units ("CGUs") with goodwill and CGUs without goodwill

As disclosed in Note 21 to the consolidated financial statements, the total carrying amount of goodwill and property, plant and equipment, right-of-use assets and mining rights which belong to CGUs that are subject to impairment assessment as at 31 December 2025 were RMB6,566,669,000 (before impairment). The Group reversed impairment loss approximately RMB65,277,000 in respect of the impairment assessments for the current year.

CGUs where goodwill is not allocated are tested for impairment when there is an indication for impairment, while CGUs with goodwill allocated are tested for impairment annually or more frequently when there is an indication for impairment. As further detailed in Note 4 to the consolidated financial statements, the Group exercised judgement and made estimation, particularly in assessing: (1) whether the carrying amount of CGUs can be supported by the recoverable amounts; and (2) the appropriate key inputs to be applied in estimating the recoverable amounts included in the cash flow projections, including growth rates and discount rates.

We identified the impairment assessments of CGUs where goodwill is allocated and CGUs where goodwill is not allocated with impairment indicator(s) as a key audit matter as the financial significance of these assets to the Group, as well as the recoverable amount calculations involves significant management estimations with respect to the key assumptions adopted in the underlying cash flow forecasts of the CGUs.

Our procedures in relation to the impairment assessment of CGUs with goodwill and CGUs without goodwill included:

- Understanding the management's consideration and process for the identification of impairment indicator(s) of the CGUs;
- Obtaining an understanding of the Group's key controls on how the management assesses the impairment of CGUs which the relevant property, plant and equipment, right-of-use assets and mining rights belong to, and/or the goodwill is allocated to, and how the management prepares the cash flow forecasts, including the key assumptions and inputs;
- Obtaining the cash flow forecasts of relevant CGUs prepared by the management, and selecting cash flow forecasts on a sampling basis.

For the cashflow forecasts selected:

- obtaining an understanding on the assumptions pertaining to key inputs adopted and checking the mathematical accuracy;
- Assessing the reasonableness of the growth rates applied based on historical results and market trends, and
- With the support of our internal specialist, evaluating the appropriateness of the impairment model used and the reasonableness of discount rates adopted by the Group.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chan, Benjie Pak Kin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	**9,621,185**	8,344,946
Cost of sales		**(7,162,664)**	(6,371,161)
Gross profit		**2,458,521**	1,973,785
Other income	6	**114,065**	148,065
Selling and marketing expenses		**(150,218)**	(131,782)
Administrative expenses		**(753,094)**	(702,267)
Other expenses	11	**(98,966)**	(101,700)
Other gains and losses, net	7	**280,987**	182,484
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	**79,708**	(54,903)
Share of result of an associate	22	**8**	2,137
Interest income	9	**73,594**	69,046
Finance costs	10	**(627,385)**	(294,683)
Profit before tax	11	**1,377,220**	1,090,182
Income tax expense	12	**(289,962)**	(262,327)
Profit for the year		**1,087,258**	827,855
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(336,298)**	(1,147,913)
Total comprehensive income (expense) for the year		**750,960**	(320,058)
Profit for the year attributable to：			
— Owners of the Company		**879,578**	626,181
— Non-controlling interests		**207,680**	201,674
		1,087,258	827,855
Total comprehensive income (expense) attributable to:			
— Owners of the Company		**668,058**	(75,170)
— Non-controlling interests		**82,902**	(244,888)
		750,960	(320,058)
Earnings per share	14		
— Basic (RMB)		**0.161**	0.115
— Diluted (RMB)		**0.161**	0.115

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	17	**22,720,761**	23,183,932
Investment properties		**94,358**	94,358
Right-of-use assets	18	**729,798**	758,758
Mining rights	19	**2,127,733**	1,734,848
Other intangible assets	20	**299,691**	358,579
Interest in an associate	22	**11,531**	10,137
Equity investment at fair value through profit or loss ("FVTPL")	23	**46,634**	36,217
Loan receivables	24	**106,935**	134,687
Deferred tax assets	25	**171,604**	131,498
Prepayments for right-of-use assets		**31,738**	34,087
Prepayments for mining rights		**9,500**	9,500
Deposits paid for acquisition of property, plant and equipment		**373,757**	329,048
Deposits and other receivables	28	**216,460**	134,147
Pledged/restricted bank deposits	30	**78,007**	107,801
		27,018,507	27,057,597
Current assets			
Inventories	26	**1,736,880**	1,860,157
Properties under development	27	**677,865**	1,276,265
Properties for sale	27	**139,297**	–
Trade and other receivables and prepayments	28	**3,984,658**	3,388,534
Loan receivables	24	**195,049**	273,713
Pledged/restricted bank deposits	30	**717,443**	1,276,519
Cash and cash equivalents	30	**766,298**	1,157,136
		8,217,490	9,232,324
Current liabilities			
Borrowings	31	**3,447,833**	3,917,111
Trade and other payables	32	**6,875,595**	7,501,250
Dividend payables		**168,881**	60,370
Senior notes	33	**1,432,574**	–
Contract liabilities	34	**629,928**	1,249,554
Deferred income	36	**7,664**	5,491
Income tax payable		**253,590**	58,911
		12,816,065	12,792,687
Net current liabilities		**(4,598,575)**	(3,560,363)
Total assets less current liabilities		**22,419,932**	23,497,234

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Borrowings	31	**3,923,843**	3,172,381
Asset retirement obligation	35	**340,898**	390,795
Deferred tax liabilities	25	**484,719**	511,040
Deferred income	36	**65,430**	15,437
Senior notes	33	**2,722,079**	4,469,815
Other long-term payables	37	**965,768**	1,121,281
		8,502,737	9,680,749
Net assets		**13,917,195**	13,816,485
Capital and reserves			
Share capital	38	**142,261**	142,261
Share premium and reserves	39	**12,515,282**	12,125,916
Equity attributable to owners of the Company		**12,657,543**	12,268,177
Non-controlling interests		**1,259,652**	1,548,308
Total equity		**13,917,195**	13,816,485

The consolidated financial statements on pages 55 to 173 were approved and authorised for issue by the Board of Directors on 23 March 2026 and are signed on its behalf by:

Zhang Jimin
DIRECTOR

Cao Jianshun
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Equity reserve RMB'000 (Note 39)	Translation reserve RMB'000	Share option reserve RMB'000	Statutory reserve RMB'000 (Note 39)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	141,837	989,621	(3,431)	(23,936)	17,981	1,881,181	9,280,192	12,283,445	1,884,505	14,167,950
Profit for the year	–	–	–	–	–	–	626,181	626,181	201,674	827,855
Exchange differences on translation of foreign operations	–	–	–	(701,351)	–	–	–	(701,351)	(446,562)	(1,147,913)
Profit and total comprehensive (expense) income for the year	–	–	–	(701,351)	–	–	626,181	(75,170)	(244,888)	(320,058)
Exercise/lapse of share-based payments	424	32,047	–	–	(14,922)	–	6,311	23,860	–	23,860
Transfer to statutory reserve	–	–	–	–	–	102,030	(102,030)	–	–	–
Appropriation of maintenance and production funds *(Note a)*	–	–	–	–	–	76,290	(76,290)	–	–	–
Utilisation of maintenance and production funds *(Note a)*	–	–	–	–	–	(26,174)	26,174	–	–	–
Dividends recognised as distribution *(Note 13)*	–	(125,094)	–	–	–	–	–	(125,094)	(113,204)	(238,298)
Capital injection by non-controlling shareholders	–	–	–	–	–	–	–	–	34	34
Derecognition of a subsidiary	–	–	–	–	–	(1,381)	1,381	–	–	–
Hyperinflation restatement	–	–	161,136	–	–	–	–	161,136	21,861	182,997
At 31 December 2024	142,261	896,574	157,705	(725,287)	3,059	2,031,946	9,761,919	12,268,177	1,548,308	13,816,485
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**879,578**	**879,578**	**207,680**	**1,087,258**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(211,520)**	**–**	**–**	**–**	**(211,520)**	**(124,778)**	**(336,298)**
Profit and total comprehensive (expense) income for the year	**–**	**–**	**–**	**(211,520)**	**–**	**–**	**879,578**	**668,058**	**82,902**	**750,960**
Lapse of share-based payments	**–**	**–**	**–**	**–**	**(3,059)**	**–**	**3,059**	**–**	**–**	**–**
Acquisition of a subsidiary *(Note 40)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**34,338**	**34,338**
Transfer to statutory reserve	**–**	**–**	**–**	**–**	**–**	**43,358**	**(43,358)**	**–**	**–**	**–**
Appropriation of maintenance and production funds *(Note a)*	**–**	**–**	**–**	**–**	**–**	**55,162**	**(55,162)**	**–**	**–**	**–**
Utilisation of maintenance and production funds *(Note a)*	**–**	**–**	**–**	**–**	**–**	**(35,594)**	**35,594**	**–**	**–**	**–**
Dividends recognised as distribution *(Note 13)*	**–**	**(185,348)**	**–**	**–**	**–**	**–**	**–**	**(185,348)**	**(415,814)**	**(601,162)**
Capital injection by non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9,918**	**9,918**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**(37,274)**	**(16,698)**	**(53,972)**	**–**	**(53,972)**
Modification on receivables from non-controlling shareholders *(Note 28)*	**–**	**–**	**(39,372)**	**–**	**–**	**–**	**–**	**(39,372)**	**–**	**(39,372)**
At 31 December 2025	**142,261**	**711,226**	**118,333**	**(936,807)**	**–**	**2,057,598**	**10,564,932**	**12,657,543**	**1,259,652**	**13,917,195**

Note:

a. Pursuant to the relevant People's Republic of China ("PRC") regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases, such as production volume, to a specific reserve account. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

* The English name is for identification purpose.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Profit before tax		**1,377,220**	1,090,182
Adjustments for:			
Finance costs		**627,385**	294,683
Interest income		**(73,594)**	(69,046)
Net foreign exchange difference		**310,236**	(54,885)
Depreciation of property, plant and equipment		**1,461,126**	1,254,051
Depreciation of right-of-use assets		**23,763**	20,101
Amortisation of mining rights		**21,213**	44,234
Amortisation of other intangible assets		**6,988**	5,790
Loss (gain) on disposal of property, plant and equipment		**42,918**	(3,761)
Loss on disposal of right-of-use assets		**2,328**	–
Overdue payment of mining rights		**15,591**	–
Gain on disposal of mining rights		**(7,782)**	(4,087)
(Gain) loss on fair value changes of equity investment at FVTPL		**(10,417)**	911
Gain on disposal/derecognition of a subsidiary	41	**(160,303)**	(2,880)
Gain on acquisition of subsidiaries	40	**(253,605)**	–
Gain on modification of other long-term payables		**(87,761)**	–
Dividends from equity investments		**(21,703)**	(1,590)
Impairment loss, net of reversal, under ECL model	8	**(79,708)**	54,903
Impairment loss on goodwill		**–**	7,644
Impairment loss (reversed) recognised on property, plant and equipment		**(55,817)**	104,418
Impairment loss (reversed) recognised on right-of-use assets		**(9,693)**	10,119
Impairment loss on intangible assets		**233**	28
Provision for administrative penalty		**1,300**	–
Reversal of inventories		**(846)**	(2,807)
Share of result of an associate		**(8)**	(2,137)
Government grants released to profit or loss		**–**	(4,726)
Non-cash items related to hyperinflation		**–**	(147,960)
Operating cash flows before movements in working capital		**3,129,064**	2,593,185
Decrease (increase) in inventories		**194,578**	(453,072)
Increase in properties for sale		**(304,300)**	–
Decrease (increase) in properties under development		**598,400**	(332,183)
Decrease (increase) in trade and other receivables and prepayments		**534,464**	(258,446)
(Decrease) increase in trade and other payables		**(1,426,280)**	362,137
(Decrease) increase in contract liabilities		**(603,675)**	527,845
Cash generated from operations		**2,122,251**	2,439,466
Income tax paid		**(275,411)**	(396,727)
Net cash from operating activities		**1,846,840**	2,042,739

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Interest received		**73,594**	55,184
Dividends received from equity investments		**21,703**	1,590
Purchase of property, plant and equipment		**(2,946,026)**	(2,053,187)
Purchase of mining rights		**(61,444)**	(153,873)
Purchase of right-of-use assets		**(46,069)**	(7,823)
Purchase of other intangible assets		**(4,680)**	(9,737)
Government grants received for acquisition of property, plant and equipment		**52,558**	–
Proceeds from disposal of property, plant and equipment		**35,993**	280,609
Proceeds from disposal of right-of-use assets		**36,607**	48,190
Proceeds from disposal of mining rights		**1,010**	7,493
Receivables from the non-controlling shareholders of subsidiaries		**15,062**	–
Loans to third parties		**–**	(40,000)
Repayments received from loans to third parties		**130,423**	228,197
Net cash outflow on acquisitions of subsidiaries	40	**(730,381)**	–
Net cash outflow on disposal of subsidiaries	41	**1,058,181**	29,969
Deposits paid for acquisition of a subsidiary		**–**	(78,252)
Withdrawal of restricted/pledged bank deposits		**3,320,634**	2,264,670
Placement of restricted/pledged bank deposits		**(2,731,764)**	(2,451,321)
Net cash used in investing activities		**(1,774,599)**	(1,878,291)
FINANCING ACTIVITIES			
New borrowings raised		**2,589,843**	4,667,553
Repayments of borrowings		**(1,971,711)**	(3,787,320)
Proceeds from issue of shares		**–**	23,860
Dividends paid to non-controlling shareholders of a subsidiary		**(309,407)**	(183,998)
Dividends paid		**(185,348)**	(125,450)
Capital injection by non-controlling interests		**9,918**	34
Interest paid		**(819,510)**	(509,216)
Loans advances from third parties		**306,961**	–
Redemption of senior notes		**(103,697)**	–
Net cash (used in) from financing activities		**(482,951)**	85,463
Net (decrease) increase in cash and cash equivalents		**(410,710)**	249,911
Cash and cash equivalents at 1 January		**1,157,136**	922,662
Effect of foreign exchange rate changes		**19,872**	(15,437)
Total cash and cash equivalents at 31 December represented by bank balances and cash		**766,298**	1,157,136

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

West China Cement Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the production and sale of cement in western China, Africa, and Central Asia.

The Company was incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is 47 Esplanade, St Helier, Jersey JE1 0BD, Channel Islands and the principal place of business is Yaobai R&D Training Center, No. 336 4th Shenzhou Road, Aerospace Industrial Base, Chang'an District, Xi'an, Shaanxi Province, the PRC.

The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK").

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and most of its principal subsidiaries in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements.

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(Cont'd)*

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* ("IAS 1"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures.* Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on SEHK ("Listing Rules") and by the Hong Kong Companies Ordinance.

As at 31 December 2025, the Group has net current liabilities position of approximately RMB4,598,575,000. The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering the followings:

- as at 31 December 2025, the Group has unused banking facility of approximately RMB894,782,000, which is available for drawdown and utilisation in the course of ordinary business;
- subsequent to 31 December 2025 until the date of these consolidated financial statements are authorised for issue, the Group has obtained additional Senior Notes of approximately USD291,666,000 (RMB2,016,343,000), which is made available for the Group to utilise;
- subsequent to 31 December 2025 until the date of these consolidated financial statements are authorised for issue, the Group has obtained additional banking facilities of approximately RMB1,380,000,000, which is made available for the Group to utilise at the date of granting such facilities;
- subsequent to 31 December 2025 and up to the date of these the consolidated financial statements are authorised for issue, the Group had been in negotiation with certain financial institutions that have expressed an intention to offer to the Group new banking facilities. The Group has received banking facility proposals and/or letter of intent amounting to RMB2,256,335,000 from those financial institutions;
- the Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future.

In view of the above circumstances, the directors of the Company expect that the Group will have sufficient liquidity to finance its operations for the next twelve months from the date of approval of these consolidated financial statements. Therefore, the consolidated financial statements have been prepared on going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") or IFRIC-Int 21 *Levies* ("IFRIC-Int 21"), in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Business combinations or asset acquisitions *(Cont'd)*

Business combinations *(Cont'd)*

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU(s)") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purpose and is not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Revenue from contracts with customers *(Cont'd)*

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Foreign currencies and operations (including foreign hyperinflationary operation)

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations, except when the functional currency is the currency of a hyperinflationary economy, are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items, except when the functional currency is the currency of a hyperinflationary economy, are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

If an entity's functional currency is the currency of a hyperinflationary economy, when translating into the presentation currency of the Group that of a non-hyperinflationary economy, the result and financial position of that entity in a hyperinflationary economy are translated to the presentation currency of the Group at the exchange rates prevailing at the end of the reporting period, comparative amounts are not adjusted for changes in the price level or subsequent changes in exchange rates in current period.

Differences between these comparative amounts and the hyperinflation adjusted equity opening balances are recognised directly in equity for the restatement effects for the equity opening balances and in translation reserve for the translation effects for the equity opening balances through other comprehensive income.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Foreign currencies and operations (including foreign hyperinflationary operation) *(Cont'd)*

Prior to translating the financial statements of foreign operation in a hyperinflationary economy to the presentation currency of the Group, such foreign operation's financial statements for the current year are restated to account for changes in the general purchasing power of the local currencies. The restatement is based on relevant price indices at the end of the reporting period, as discussed below:

Hyperinflationary economy in Ethiopia

As at 31 December 2024, Ethiopia (one of the foreign operations of the Group) has been widely considered as a hyperinflationary economy, as defined in IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29"). As such, non-monetary items, which were carried at historical cost, including mainly goodwill, mining rights, property, plant and equipment, inventories and deferred tax liabilities have been restated for the effect of inflation based on changes in the price index for the period from initial recognition to end of the reporting period or to the date of disposal, where relevant.

Profit or loss transactions in the current period have been restated to reflect changes in the price index from the time of transaction to the end of the reporting period, with the exception of depreciation and amortisation. Depreciation and amortisation have been recalculated based on the inflation-adjusted costs of plant, property and equipment. The recalculation has been based on the useful lives of the relevant assets based on the Group's accounting policy.

The restating gain or loss relating to the change in the price index for the reporting period has been recognised in profit or loss under "other gains and losses, net". Monetary items are not subject to restatement for the effects of inflation as these items already reflect the purchasing power at the reporting date. Restatement for hyperinflation of the financial statements of the Ethiopian operation was based on the inflation rate which was the end of period consumer prices provided by the World Economic Outlook prepared by International Monetary Fund. For the year ended 31 December 2024, the inflation rate in Ethiopia was estimated to be 17%.

Ethiopia is no longer identified as a hyperinflationary economy for the year ended 31 December 2025. As a result, the Group has ceased to prepare and present its financial statements prepared in accordance with IAS 29. The Group treats the amounts expressed in the current measuring units at the end of 31 December 2024 as the basis for the carrying amounts in the Group's subsequent financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to the defined contribution retirement plans, including state-managed retirement schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Employee benefits *(Cont'd)*

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and an associate except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Taxation *(Cont'd)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2 *Inventories* ("IAS 2"). Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Except for mining assets (see Notes (a) and (b) below) and construction in progress, depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Property, plant and equipment *(Cont'd)*

Mining assets include primarily the following:

(a) Stripping costs

Stripping costs incurred during the production phase which provide improved access to ore is capitalised into property, plant and equipment as "mining assets" (before production begins) when certain criteria are met, whereas the costs of normal ongoing operational stripping activities are accounted for in accordance with IAS 2. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as mining assets of which it forms part. Capitalised stripping costs are depleted on a unit of production basis, using estimated reserves of mine as the depletion base.

(b) Asset retirement obligation

The Group recognises provision for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mining properties and mining assets under property, plant and equipment when those obligations result from the acquisition, construction, or normal operation of the assets. Initially, a provision for an asset retirement obligation is recognised as its present value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the mining assets and the cost is depreciated as an expense over the economic life of the asset using the unit of production method. Following initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. The adjusted cost of the asset is depreciated prospectively over the economic life of the assets to which they relate, using the units of production method. The unwinding of the discount is shown as finance costs in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Mining rights

The cost of acquiring rights for the Group to extract a mine over a certain period is capitalised and subsequently stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of mining rights is calculated to write off the cost less accumulated impairment losses over the useful lives of the mines in accordance with the production plans and reserves of the mines estimated on the unit of production method.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation(including properties under construction for such purposes).

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

Impairment on property, plant and equipment, investment properties, right-of-use assets, mining rights and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets, mining rights and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, investment properties, right-of-use assets, mining rights and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Bank balances for which use by the Group is subject to third party contractual restrictions are included in pledged/restricted bank deposits. Contractual restrictions affecting use of bank balances are disclosed in Note 30. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Properties under development/properties for sale

Properties under development, representing leasehold land and buildings located in the PRC under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Properties under development for sale are transferred to properties for sale upon completion.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets *(Cont'd)*

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income
Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, loan receivables, other deposits, bank balances and restricted/pledged bank deposits) which are subject to impairment assessment under IFRS 9 *Financial Instruments* ("IFRS 9").

Trade receivables with significant and credit-impaired balances are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using provision matrix. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets *(Cont'd)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Cont'd)

The Group always recognises lifetime ECL for trade receivables.

For all other financial assets, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets *(Cont'd)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Cont'd)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets *(Cont'd)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Cont'd)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables that are not assessed individually using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial assets *(Cont'd)*

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "other gains and losses, net" line item as part of the net foreign exchange gains (Note 7);

- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the "other gain and losses, net" line item as part of the fair value change on equity instrument at FVTPL (Note 7).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities including borrowings, trade and other payables, senior notes, dividend payables and other long-term payables are subsequently measured at amortised cost using the effective interest method.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Cont'd)*

3.2 Material accounting policy information *(Cont'd)*

Financial instruments *(Cont'd)*

Financial liabilities and equity instruments *(Cont'd)*

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other gains and losses, net" line item in profit or loss (note 7).

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of goodwill, property, plant and equipment, right-of-use assets and mining rights

In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether the carrying amount of goodwill, property, plant and equipment, right-of-use-assets and mining rights can be supported by the recoverable amount; and (2) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Details of the impairment assessment is disclosed in Note 21.

Impairment of financial assets

The measurement of impairment losses under IFRS 9 across financial assets measured at amortised costs requires judgement, in particular, the estimation of the amount, timing of future cash flows and forward-looking information when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors (including but not limited to, the creditability of the counterparty, historical default, etc.), changes in which can result in different levels of allowances.

Trade receivables

Trade receivables with significant and credit-impaired balances are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using provision matrix. The provision rates are based on debtors' aging as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in Notes 28 and 47, respectively.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Cont'd)*

Impairment of financial assets *(Cont'd)*

Loan receivables

The Group makes allowance for loan receivables based on the ECL model on an individual basis which requires significant judgement and management estimates. Elements of significant management judgement includes: (i) the selection of appropriate models and key inputs used in the ECL model, including the probability of default and loss given default ("LGD"), and (ii) the selection and use of reasonable and supportable forward-looking information without undue cost or effort in the ECL model.

In respect of LGD, the Group considers the nature and quality of any collateral held, including its valuation, enforceability, and market liquidity, where applicable. The assessment of collateral is an integral part of the credit risk evaluation and may significantly affect the estimated LGD. Where collateral is present, its impact on reducing potential credit losses is quantitatively or qualitatively reflected in the ECL calculation, as appropriate.

The information about the Group's loan receivables and the ECL are disclosed in Notes 24 and 47, respectively.

Other receivables

Other receivables that are measured at amortised cost were considered low credit risk and thus the impairment provision recognised during the year was based on 12m ECL, except for the amount due from 康定跑馬山水泥有限責任公司 Kangding Paomashan Cement Co., Ltd.* ("Paomashan") which was considered of high credit risk and assessed based on lifetime ECL.

For other receivables, the management make periodic individual assessment on the recoverability of the balances based on historical settlement records, past experience, quantitative and qualitative information that is reasonable and supportive forward-looking information.

The information about the Group's other receivables and the ECL are disclosed in Notes 28 and 47, respectively.

Assets retirement obligation

The estimation of the liabilities for assets retirement obligation involves the estimates of the amount and timing for the future cash spending as well as the discount rate used for reflecting current market assessments of the time value of money and the risks specific to the liability. The Group considers the factors including development plan of the mines, the geological structure of the mining regions and reserve volume to determine the scope, amount and timing of retirement obligation to be performed. Determination of the effect of these factors involves judgements from the Group and the estimated liabilities may turn out to be different from the actual expenditure to be incurred. The discount rate used by the Group may also be altered to reflect the changes in the market assessments of the time value of money and the risks specific to the liability, such as change of the borrowing rate and inflation rate in the market. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of retirement activities), the revisions to the obligation will be recognised at the appropriate discount rate. The carrying amounts of the assets retirement obligations is RMB340,898,000 (2024: RMB390,795,000) as disclosed in Note 35.

5. REVENUE AND SEGMENT INFORMATION

	2025 RMB'000	2024 RMB'000
Types of products and services		
Sales of cement and related products	**7,953,495**	7,645,607
Sales of properties	**812,722**	–
Provision of construction and installation service	**280,346**	227,530
Sales of plastics bags	**67,142**	68,655
Trading of cement-related raw materials	**173,144**	128,992
Sales of gypsum	**91,086**	46,943
Others	**243,250**	227,219
	9,621,185	8,344,946

Performance obligation for contracts with customers and revenue recognition policies

Revenue except sales of properties

Revenue is recognised at a point in time when control of the goods has been transferred to the customer, being at the point the goods are delivered to the customer, except that revenue from provision of construction and installation service is recognised over time by reference to the progress towards complete satisfaction for construction and installation service.

All contracts related to cement and related products are for periods of one year or less, as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Sales of properties

For contracts entered into with customers on sales of properties, taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, or deemed as accepted according to the contract, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives RMB20,000 per unit as deposits from customers when they sign the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price.

The transaction price related to sales of properties allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 is RMB256,769,000 (2024: RMB727,378,000) and the expected timing of recognising revenue are more than one year but no more than two years (2024: within one year).

Operating Segments

The Group is principally engaged in the production and sale of cement and related products, both in the PRC and overseas, and property development in the PRC. Information reported to the Chief Executive Officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on different regions.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

1. The PRC markets

2. Overseas markets

5. REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Operating Segments *(Cont'd)*

(i) Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	The PRC markets RMB'000	Overseas markets RMB'000	Total RMB'000	Adjustments and eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE					
External sales	4,920,603	4,700,582	9,621,185	–	9,621,185
Inter-segment sales	152,405	–	152,405	(152,405)	–
Total	5,073,008	4,700,582	9,773,590	(152,405)	9,621,185
SEGMENT PROFIT	260,210	584,368	844,578	–	844,578
Share of result of an associate					8
Fair value change on equity instrument at FVTPL					10,417
Dividend income from equity investment at FVTPL					21,703
Impairment loss reversed in respect of other non-current assets					65,277
Gain on modification of other long-term payables					87,761
Loss on disposal of property, plant and equipment, right-of-use assets and mining rights					(37,464)
Gain on acquisition of subsidiaries					253,605
Gain on disposal of subsidiaries					160,303
Overdue payment of mining rights					(15,591)
Unallocated directors' emoluments					(9,583)
Unallocated central administrative expenses					(479)
Unallocated legal and professional expenses					(3,315)
Profit before tax					1,377,220

5. REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Operating Segments *(Cont'd)*

(i) Segment revenue and results *(Cont'd)*

For the year ended 31 December 2024

	The PRC markets RMB'000	Overseas markets RMB'000	Total RMB'000	Adjustments and eliminations RMB'000	Consolidated RMB'000
SEGMENT REVENUE					
External sales	5,184,775	3,160,171	8,344,946	–	8,344,946
Inter-segment sales	53,713	–	53,713	(53,713)	–
Total	5,238,488	3,160,171	8,398,659	(53,713)	8,344,946
SEGMENT PROFIT	340,179	892,752	1,232,931	–	1,232,931
Share of result of an associate					2,137
Fair value change on equity instrument at FVTPL					(911)
Dividend income from equity investment at FVTPL					1,590
Gain on disposal of property, plant and equipment and mining rights					7,848
Impairment loss recognised in respect of goodwill and other non-current assets					(122,209)
Gain on disposal of a subsidiary					2,880
Unallocated directors' emoluments					(10,531)
Unallocated central administrative expenses					(21,849)
Unallocated legal and professional expenses					(1,704)
Profit before tax					1,090,182

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of share of result of an associate, fair value change/dividend income on equity investment at FVTPL, impairment loss recognised in respect of goodwill and other non-current assets, gain on modification of other long-term payables, gain/loss on disposal of property, plant and equipment, mining rights and right-of-use assets, gain on disposal of subsidiaries and gain on acquisition of subsidiaries, central administrative costs, legal and professional expenses, directors' emoluments and overdue payment of mining rights. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decision according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Operating Segments *(Cont'd)*

(ii) Other segment information

For the year ended 31 December 2025

	The PRC markets RMB'000	Overseas markets RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profit or loss			
Depreciation and amortisation			
— property, plant and equipment	947,391	513,735	1,461,126
— right-of-use assets	18,007	5,756	23,763
— mining rights	11,370	9,843	21,213
— other intangible assets	5,950	1,038	6,988
Impairment loss, net of reversal, under ECL model in respect of:			
— loan receivables	(24,007)	–	(24,007)
— trade and other receivables	(45,748)	(9,953)	(55,701)
Interest income	42,399	31,195	73,594
Finance costs	160,440	466,945	627,385
Write-down (reversal) of inventories	710	(1,556)	(846)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss			
Impairment loss (reversed) recognised in profit or loss in respect of:			
— property, plant and equipment	(55,817)	–	(55,817)
— right-of-use assets	(9,693)	–	(9,693)
— other intangible assets	233	–	233
Loss on disposal of property, plant and equipment, right-of-use assets and mining rights	(37,379)	(85)	(37,464)
Gain on acquisition of subsidiaries	90,133	163,472	253,605
Gain on disposal of subsidiaries	160,303	–	160,303
Gain on modification of other long-term payables	–	87,761	87,761
Overdue payment of mining rights	(15,591)	–	(15,591)

5. REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Operating Segments *(Cont'd)*

(ii) Other segment information *(Cont'd)*

For the year ended 31 December 2024

	The PRC markets RMB'000	Overseas markets RMB'000	Consolidated RMB'000
Amounts included in the measure of segment profit or loss			
Depreciation and amortisation			
— property, plant and equipment	974,667	279,384	1,254,051
— right-of-use assets	18,409	1,692	20,101
— mining rights	13,667	30,567	44,234
— other intangible assets	4,827	963	5,790
Impairment loss recognised in profit or loss in respect of:			
— property, plant and equipment	104,418	–	104,418
— goodwill	7,644	–	7,644
— right-of-use assets	10,119	–	10,119
— other intangible assets	28	–	28
Impairment loss, net of reversal, under expected credit loss model in respect of:			
— loan receivables	(6,119)	–	(6,119)
— trade and other receivables	(26,776)	87,798	61,022
Interest income	66,298	2,748	69,046
Finance costs	168,847	125,836	294,683
Write-down (reversal) of inventories	175	(2,982)	(2,807)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss			
Gain (loss) on disposal of property, plant and equipment	3,953	(192)	3,761
Gain on disposal of a subsidiary	2,880	–	2,880
Gain on disposal of mining rights	4,087	–	4,087

5. REVENUE AND SEGMENT INFORMATION *(Cont'd)*

Geographical Information

The Group's operations are mainly located in the PRC and Africa for both years. Information about the Group's revenue from external customers is presented based on the location of the markets.

	2025 RMB'000	2024 RMB'000
The PRC	**4,920,603**	5,184,775
Africa		
— Mozambique	**1,317,007**	1,039,180
— Ethiopia	**1,658,827**	892,902
— Pan Great Lake Region*	**791,460**	642,080
— Other African countries	**429,922**	400,491
Central Asia	**433,532**	100,286
Others	**69,834**	85,232
	9,621,185	8,344,946

* Pan Great Lake Region mainly include sales made to countries such as Democratic Republic of Congo, Tanzania and Rwanda.

The proportion of the Group's non-current assets (excluding financial instruments and deferred tax assets) by locations is as follows:

	2025 RMB'000	2024 RMB'000
The PRC	**8,567,037**	10,291,650
Africa		
— Mozambique	**3,098,718**	3,238,624
— Ethiopia	**3,989,491**	4,398,045
— Pan Great Lake Region	**6,360,312**	5,501,239
— Other African countries	**2,608,715**	1,413,741
Central Asia	**1,604,804**	1,604,239
Others	**158,259**	55,572
	26,387,336	26,503,110

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Customer A *(Note i)*	**1,658,284**	N/A *(Note ii)*

Notes:

i. Revenue from sales of cement and related products.

ii. The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Tax refund *(Note)*	**44,616**	90,918
Government grant, including release from deferred income	**47,746**	55,557
Dividend income from equity investment at FVTPL	**21,703**	1,590
	114,065	148,065

Note:

The tax refund mainly represents incentives in the form of value added tax ("VAT") refund approved by the relevant government authorities as a result of utilising industrial waste as part of the production materials.

7. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Fair value change on equity instrument at FVTPL	**10,417**	(911)
Impairment loss recognised in respect of goodwill *(Note 21)*	**–**	(7,644)
(Loss) gain on disposal of property, plant and equipment	**(42,918)**	3,761
Overdue payment of mining rights	**(15,591)**	–
Gain on disposal of mining rights	**7,782**	4,087
Loss on disposal of right-of-use assets	**(2,328)**	–
Net foreign exchange (loss) gain	**(190,716)**	54,885
Gain on acquisition of subsidiaries *(Note 40)*	**253,605**	–
Gain on disposal of subsidiaries *(Note 41)*	**160,303**	2,880
Gain on modification of other long term payables *(Note 37)*	**87,761**	–
Hyperinflation restatement *(Note)*	**–**	122,402
Others	**12,672**	3,024
	280,987	182,484

Note:

As at 31 December 2024, the Group recognised hyperinflationary restatement amounted to RMB122,402,000 which represented the net effect on the restatement of non-monetary items. As a result of the application of IAS 29, the overall net impact to profit or loss for the prior period amounted to RMB101,034,000. As Ethiopia is no longer identified as a hyperinflationary economy for the year ended 31 December 2025, therefore, the Group ceased to prepare its financial statements in accordance with IAS 29 since 1 January 2025, no hyperinflationary restatement was recognised during the year ended 31 December 2025.

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	2025 RMB'000	2024 RMB'000
Impairment losses (reversed) recognised on:		
— trade receivables	**(60,211)**	29,217
— loan receivables *(Note 24)*	**(24,007)**	(6,119)
— other receivables	**4,510**	31,805
	(79,708)	54,903

Details of impairment assessment are set out in Note 47.

9. INTEREST INCOME

	2025 RMB'000	2024 RMB'000
Interest income from:		
— loan receivables	**29,860**	55,184
— bank deposits	**43,734**	13,862
	73,594	69,046

10. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on:		
— bank loans	**453,443**	368,424
— other long-term payables	**47,795**	22,322
— senior notes *(Note 33)*	**240,998**	224,486
	742,236	615,232
Less: amount capitalised	**(146,918)**	(337,621)
	595,318	277,611
Unwinding of discount *(Note 35)*	**32,067**	17,072
	627,385	294,683

Borrowing costs capitalised during the year arose on general borrowings by applying capitalisation rates at 5.48% (2024: 5.38%) per annum to expenditure on qualifying assets.

11. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	2025 RMB'000	2024 RMB'000
Depreciation and amortisation:		
— Depreciation of property, plant and equipment	**1,461,126**	1,254,051
— Depreciation of right-of-use assets	**23,763**	20,101
— Amortisation of mining rights	**21,213**	44,234
— Amortisation of other intangible assets	**6,988**	5,790
Total depreciation and amortisation	**1,513,090**	1,324,176
Recognised in cost of sales	**(264,956)**	(261,532)
Capitalised in inventories	**(1,102,756)**	(902,241)
	145,378	160,403
Staff costs (including directors' emoluments):		
— Salaries and allowances	**809,784**	805,095
— Retirement benefits	**62,514**	63,966
Total staff costs	**872,298**	869,061
Recognised in cost of sales	**(87,278)**	(61,356)
Capitalised in inventories	**(361,385)**	(446,360)
	423,635	361,345
Impairment loss (reversed) recognised in profit or loss in respect of:		
— Property, plant and equipment	**(55,817)**	104,418
— Right-of-use assets	**(9,693)**	10,119
— Other intangible assets	**233**	28
— Goodwill	**–**	7,644
	(65,277)	122,209
Research and development costs recognised as an expense (included in cost of sales)	**200,139**	284,517
Auditors' remuneration	**9,552**	7,079
Cost of inventories recognised as expenses (excluded reversal of inventories)	**6,676,414**	5,651,998
Reversal of inventories (included in cost of sales)	**(846)**	(2,807)
Donations (included in other expenses)	**5,779**	6,578
Legal and professional fees (included in other expenses)	**93,187**	95,122

In addition, the proceeds generated and the associated cost incurred from samples produced before intended use of property, plant and equipment of nil (2024: RMB621,258,000) and nil (2024: RMB289,594,000) are recognised and included in the "revenue" and "cost of sales" line items respectively during the year.

12. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax:		
PRC enterprise income tax ("EIT")	**82,663**	42,500
Ethiopia Profits Tax	**38,368**	63,369
Mozambique Profits Tax	**125,997**	117,404
Withholding tax	**43,500**	25,183
Income taxes under Pillar Two Rules	**36,880**	–
Other jurisdictions	**27,726**	5,119
	355,134	253,575
Under provision in prior years:		
PRC EIT	**8,031**	9,525
Hong Kong Profits Tax	**–**	3,945
	8,031	13,470
Deferred tax *(Note 25)*:	**(73,203)**	(4,718)
Income tax expense	**289,962**	262,327

Pursuant to the rules and regulations of Jersey and the British Virgin Islands, the Company and the subsidiary of the Company, WC Cement Limited ("West China BVI") did not have any assessable income for tax purpose in those jurisdictions for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first 2 million Hong Kong Dollars ("HKD") of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, unless the group entities entitle to other preferential tax treatment granted by the relevant PRC tax authority.

Ethiopia Profits Tax (except for Lemi National Cement PLC ("Lemi National Cement")) is calculated at 30% for both years.

Democratic Republic of Congo Profit Tax is calculated at 30% for both years.

Mozambique Profit Tax is calculated at 32% for both years.

Uzbekistan Profit Tax is calculated at 15% for both years.

12. INCOME TAX EXPENSE *(Cont'd)*

Taxation arising in other jurisdictions, mainly arising from various countries in Africa, is calculated at the rates prevailing in the relevant jurisdictions.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong , United Arab Emirates ("UAE"), Mauritius, Kenya, Malaysia, Singapore, Zimbabwe and South Africa in which the multiple subsidiaries are incorporated. The top-up tax relates to the Group's operation in Hong Kong, Mauritius, UAE, Ethiopia, where the statutory tax rate is below 10% and the annual effective income tax rate is also estimated to be below 15%. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognised a current tax expense of RMB36,880,000 related to the top-up tax for the year ended 31 December 2025 which is expected to be levied on the Company/subsidiaries.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

Income tax expense for the year can be reconciled from the profit before tax as follows:

	2025 **RMB'000**	2024 RMB'000
Profit before tax	**1,377,220**	1,090,182
Tax at domestic income tax rate of 25% (2024: 25%)	**344,305**	272,546
Tax effects on:		
Expenses not deductible for tax purpose	**11,027**	8,519
Income not taxable for tax purpose	**–**	(615)
Additional tax benefit applicable to the Group *(Note a)*	**(50,035)**	(71,129)
Tax holidays and concession rates of group entities *(Note b)*	**(31,870)**	(66,785)
Tax effect of share of result of an associate	**(2)**	(534)
Tax on interest income on intra-group loans *(Note c)*	**–**	172
Tax effect of deductible temporary differences not recognised	**9,995**	81,202
Withholding tax on undistributed profits of PRC subsidiaries *(Note d)*	**46,232**	24,000
Tax losses not recognised as deferred tax assets	**30,709**	54,607
Utilisation of tax losses previously not recognised as deferred tax assets	**(32,094)**	(8,590)
Recognition of deferred tax assets on tax losses generated in previous years	**–**	(2,787)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(83,216)**	(41,749)
Under provision in respect of prior years	**8,031**	13,470
Top-up tax under Pillar Two Rules	**36,880**	–
Tax expense for the year	**289,962**	262,327

Notes:

a. Pursuant to the relevant tax rules and regulation in the PRC, certain expenses in research nature are deductible at 100% (2024: 100%) of such expenses incurred additionally. The related tax benefit amounted to RMB50,035,000 (2024: RMB71,129,000) for the year ended 31 December 2025.

12. INCOME TAX EXPENSE *(Cont'd)*

Notes: (Cont'd)

b. Certain of the Company's subsidiaries are established in areas where preferential tax rates were granted by the local tax authorities:

Entities	Place of establishment	Tax rate for the year ended 31 December 2025	2024	Tax benefit
和田堯柏水泥有限公司 Hetian Yaobai Cement Co., Ltd.* ("Hetian Yaobai")	Xinjiang	**15%**	15%	(i)
和田魯新建材有限公司 Luxin Building Materials Co., Ltd.* ("Luxin")	Xinjiang	**15%**	15%	(i)
西安藍田堯柏水泥有限公司 Xi'an Lantian Yaobai Cement Co., Ltd.* ("Lantian Yaobai")	Shaanxi	**15%**	15%	(i)
陝西富平水泥有限公司 Fuping Cement Co., Ltd.* ("Fuping")	Shaanxi	**15%**	15%	(i)
陝西實豐水泥股份有限公司 Shifeng Cement Co., Ltd.* ("Shifeng")	Shaanxi	**15%**	15%	(i)
商洛堯柏龍橋水泥有限公司 Longqiao Yaobai Cement Co., Ltd.* ("Longqiao Yaobai")	Shaanxi	**15%**	15%	(i)
蒲城堯柏特種水泥有限公司 Pucheng Yaobai Special Cement Co., Ltd.* ("Pucheng Yaobai")	Shaanxi	**15%**	15%	(i)
西安中港智慧物流有限公司 Xi'an Zhonggang Intelligent Logistics Co., Ltd.* ("Zhonggang Logistics")	Shaanxi	**15%**	15%	(i)
貴州麟山水泥有限責任公司 Guizhou Linshan Cement Co., Ltd.* ("Guizhou Linshan")	Guizhou	**15%**	15%	(i)
韓城堯柏陽山莊水泥有限公司 Hancheng Yangshanzhuang Cement Co., Ltd.* ("Hancheng")	Shaanxi	**15%**	15%	(i)
安康市堯柏水泥有限公司 Ankang Yaobai Cement Co., Ltd.*	Shaanxi	**15%**	15%	(i)
漢中堯柏水泥有限公司 Hanzhong Yaobai Cement Co., Ltd.*	Shaanxi	**15%**	15%	(i)
漢中勉縣堯柏水泥有限公司 Hanzhong Mianxian Yaobai Cement Co., Ltd.* ("Mianxian")	Shaanxi	**15%**	15%	(i)
漢中西鄉堯柏水泥有限公司 Hanzhong Xixiang Yaobai Cement Co., Ltd.* ("Xixiang")	Shaanxi	**15%**	15%	(i)

* *The English name is for identification purpose only*

12. INCOME TAX EXPENSE *(Cont'd)*

Notes: (Cont'd)

b. Certain of the Company's subsidiaries are established in areas where preferential tax rates were granted by the local tax authorities: (Cont'd)

Entities	Place of establishment	Tax rate for the year ended 31 December 2025	2024	Tax benefit
銅川藥王山生態水泥有限公司 Tongchuan Yaowangshan Ecological Cement Co., Ltd.* ("Yaowangshan")	Shaanxi	**15%**	15%	(i)
陝西新意達建材產業發展有限公司 Shaanxi Xinyida Building Materials Industry Development Co., Ltd.* ("Xinyida Jiancai")	Shaanxi	**15%**	15%	(i)
陝西新意達恒眾混凝土有限公司 Xinyida Hengzhong	Shaanxi	**15%**	15%	(i)
銅川堯柏節能環保建材有限公司 Tongchuan Yaobai Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**15%**	15%	(i)
韓城市堯柏節能環保建材有限公司 Hancheng Yaobai Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**5%**	15%	(iii)&(i)
安康堯柏節能環保建材有限公司 Ankang Yaobai Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**15%**	15%	(i)
陝西堯柏新材料科技有限公司 Shaanxi Yaobai New Material Technology Co., Ltd.*	Shaanxi	**15%**	15%	(i)
銅川中港智慧物流有限公司 Tongchuan Zhonggang Intelligent Logistics Co., Ltd.*	Shaanxi	**15%**	15%	(i)
融信(新疆)融資租賃有限公司 Rongxin (Xinjiang) Financial Leasing Co., Ltd.*	Xinjiang	**0%**	0%	(ii)
光信(伊犁)融資租賃有限公司 Guangxin (Yili) Financial Leasing Co., Ltd.* ("Guangxin Yili")	Xinjiang	**15%**	15%	(vi)
漢中堯柏節能環保建材有限公司 Hanzhong Yaobai Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**15%**	15%	(i)
銅川柏雲智能數據技術有限公司 Tongchuan Baiyun Intelligent data technology Co., Ltd.*	Shaanxi	**15%**	20%	(i)
墨玉堯柏建材有限公司 Moyu Yaobai Building Materials Co., Ltd.* ("Moyu Jiancai")	Xinjiang	**7.5%**	7.5%	(iv)

* *The English name is for identification purpose only*

12. INCOME TAX EXPENSE *(Cont'd)*

Notes: (Cont'd)

b. Certain of the Company's subsidiaries are established in areas where preferential tax rates were granted by the local tax authorities: (Cont'd)

Entities	Place of establishment	Tax rate for the year ended 31 December 2025	2024	Tax benefit
和田堯柏建材有限公司 Hetian Yaobai Building Materials Co., Ltd.* ("Hetian Jiancai")	Xinjiang	**7.5%**	7.5%	(iv)
陝西豐盛德遠實業有限公司 Shaanxi Fengsheng	Shaanxi	**15%**	15%	(v)
西安柏雲智能數據技術有限公司 Baiyun Intelligent Data Technology Co., Ltd.*	Shaanxi	**15%**	15%	(v)
商洛堯柏秀山水泥有限公司 Shangluo Yaobai Xiushan Cement Co., Ltd.* ("Xiushan Yaobai")	Shaanxi	**15%**	15%	(v)
銅川堯柏特種水泥有限公司 Tongchuan Yaobai Cement Co., Ltd.*	Shaanxi	**15%**	15%	(i)
安康堯柏江華水泥有限公司 Ankang Yaobai Jianghua Cement Co. Ltd.* ("Jianghua")	Shaanxi	**15%**	15%	(i)
陝西柏安外加劑有限公司 Shaanxi Baian Admixture Co., Ltd.*	Shaanxi	**15%**	15%	(i)
墨玉堯柏水泥有限公司 Moyu Yaobai Cement Co., Ltd.* ("Moyu Yaobai")	Shaanxi	**7.5%**	7.5%	(i)/(iv)
陝西建達信工程檢測有限公司 Shaanxi Jiandaxin Engineering Testing Co., Ltd.* ("Jiandaxin Engineering")	Shaanxi	**20%**	20%	(iii)
堯柏特種水泥技術研發有限公司 Yaobai Special Cement Technology R&D Co., Ltd.*	Shaanxi	**15%**	15%	(v)
漢中堯柏磊金節能環保建材有限公司 Hanzhong Yaobaileijin Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**15%**	15%	(v)
陝西柏能工業技術有限公司 Shaanxi Baineng Industrial Technology Co., Ltd.*	Shaanxi	**15%**	15%	(i)
新疆絲路智運物流有限公司 Xinjiang Silu Zhiyun Logistics Co., Ltd.*	Xinjiang	**15%**	15%	(i)

* *The English name is for identification purpose only*

12. INCOME TAX EXPENSE *(Cont'd)*

Notes: (Cont'd)

b. Certain of the Company's subsidiaries are established in areas where preferential tax rates were granted by the local tax authorities: (Cont'd)

Entities	Place of establishment	Tax rate for the year ended 31 December 2025	2024	Tax benefit
商洛堯柏節能環保建材有限公司 Shangluo Yaobai Energy Conservation and Environmental Protection Building Materials Co., Ltd.*	Shaanxi	**20%**	20%	(iii)
和田堯柏節能環保建材有限公司 Hetian Yaobo Energy Conservation and Environmental Protection Building Materials Co., Ltd.* ("Hetian Jieneng")	Xinjiang	**7.5%**	7.5%	(iv)
伊犁堯柏水泥有限公司 Yili Yaobai Cement Co., Ltd.* ("Yili Yaobai")	Xinjiang	**15%**	15%	(i)
陝西堯柏恒基混凝土有限公司 Shaanxi Yaobo Hengji Concrete Co., Ltd.*	Shaanxi	**15%**	15%	(i)
渭南堯柏聚信建築材料有限公司 Weinan Yaobo Juxin Building Materials Co., Ltd.* ("Juxin Building")	Shaanxi	**15%**	15%	(i)
Great Lake Cement SAS ("Great Lake Cement")	Republic of Congo	**0%**	0%	(vii)
Lemi National Cement	Ethiopia	**0%**	0%	(viii)
West International Supply Chain Co., Ltd.	Mauritius	**5%**	N/A	(ix)

(i) Concession rate of 15% is granted by the local tax authorities in western region expiring in 2030. According to the Notice of the Continuation of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (Notice of the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission No. 23 [2020]) issued on 23 April 2020, companies located in the western region of the PRC and engaged in the business encouraged by the PRC government are entitled to the preferential EIT rate of 15% from 1 January 2021 to 31 December 2030 if the operating revenue of the encouraged business in a year accounted for more than 60% of the total income in that year. The above group entities, which are located in western region and are engaged in the encouraged business, are entitled to enjoy the preferential EIT rate of 15% in the respective years.

(ii) Five-year tax holidays with 0% tax rate starting from the year beginning on 1 January 2023.

(iii) Concession rate of 20% were granted to the small and micro enterprises, The portion of taxable income not exceeding RMB3 million is subject to an effective tax rate of 5%.

(iv) Tax incentive of "兩免三減半" was granted to these subsidiaries. The Group's subsidiaries, Moyu Jiancai, Hetian Jiancai, Moyu Yaobai and Hetian Jieneng are entitled to the tax incentive starting from year 2020, 2021, 2022, 2023 and 2024 respectively.

(v) Three-year tax holidays with 15% tax rate granted to high-tech enterprises in both years.

(vi) Tax incentive of "五免五減" was granted to Guangxin Yili, which entitled to the tax incentive starting from year 2018 to 2027.

(vii) Tax holidays with 0% tax rate is entitled till the year ending by 31 December 2028.

(viii) Tax holidays with 0% tax rate is entitled till the year ending by 31 October 2028

(ix) Provided that substantive requirements (CIGA and minimum local employment/expenditure) are met, 80% of certain qualifying income is exempt from income tax, while taking into account a 2% local climate responsibility tax, resulting in a combined tax rate of 5% in 2025.

* *The English name is for identification purpose only*

12. INCOME TAX EXPENSE *(Cont'd)*

Notes: (Cont'd)

c. Interest income in respect of intra-group loans within the Group is subject to a tax rate of 7% based on the double taxation arrangement between Hong Kong and the PRC.

d. Withholding tax is imposed on dividends declared to foreign investors in respect of profit earned by PRC subsidiaries from 1 January 2008 onward at a tax rate of 5% under the PRC Enterprise Income Tax Law.

13. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Final Dividend: HK3.6 cents, equivalent to RMB3.4 cents, per ordinary share (2023 Final Dividend: HK2.5 cents, equivalent to RMB2.3 cents, per ordinary share)	**185,348**	125,094

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB4.8 cents (equivalent to HK5.4 cents) (2024: RMB3.4 cents (equivalent to HK3.6 cents)) per ordinary share, in an aggregate amount of approximately RMB262,202,000 (2024: RMB185,348,000) per ordinary share have been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Profit for the year		
Profit for the year attributable to the owners of the Company for the purposes of basic and diluted earnings per share	**879,578**	626,181

	2025 '000	2024 '000
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**5,462,533**	5,451,417
Effect of dilutive potential ordinary shares from share options issued by the Company	**338**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,462,871**	5,451,417

The computation of diluted earnings per share does not assume the exercise of all share options because the adjusted exercise price of those options was higher than the average market price for shares for the year ended 31 December 2024.

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

2025	Fees RMB'000	Salaries and allowances RMB'000	Performance related bonus RMB'000	Retirement benefits RMB'000	Total RMB'000
Executive directors					
Zhang Jimin	–	1,500	–	–	1,500
Cao Jianshun *(Chief Executive Officer)*	–	2,330	–	44	2,374
Wang Rui	–	1,441	–	44	1,485
Chu Yufeng	–	1,336	–	44	1,380
Non-executive directors					
Ma Zhaoyang	366	–	–	–	366
Fan Zhan (resigned on 27 May 2025)	148	–	–	–	148
Wang Zhixin	366	–	–	–	366
Wang Manbo (appointed on 27 May 2025)	218	–	–	–	218
Independent non-executive directors					
Lee Kong Wai Conway	366	–	–	–	366
Zhu Dong	366	–	–	–	366
Tam King Ching Kenny	366	–	–	–	366
Feng Tao	366	–	–	–	366
Lau Ka Keung (appointed on 24 March 2025)	282	–	–	–	282
	2,844	6,607	–	132	9,583

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Cont'd)*

2024	Fees RMB'000	Salaries and allowances RMB'000	Performance related bonus RMB'000	Retirement benefits RMB'000	Total RMB'000
Executive directors					
Zhang Jimin	–	1,500	–	–	1,500
Cao Jianshun *(Chief Executive Officer)*	–	2,013	–	41	2,054
Wang Fayin (resigned on 16 April 2024)	–	1,848	–	35	1,883
Wang Rui (appointed on 16 April 2024)	–	1,087	–	31	1,118
Chu Yufeng	–	1,370	–	41	1,411
Non-executive directors					
Ma Zhaoyang	367	–	–	–	367
Fan Changhong (resigned on 10 January 2024)	9	–	–	–	9
Fan Zhan	367	–	–	–	367
Wang Zhixin (appointed on 10 January 2024)	358	–	–	–	358
Independent non-executive directors					
Lee Kong Wai Conway	366	–	–	–	366
Zhu Dong	366	–	–	–	366
Tam King Ching Kenny	366	–	–	–	366
Feng Tao	366	–	–	–	366
	2,565	7,818	–	148	10,531

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Cont'd)*

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The emoluments disclosed for Ms. Wang Rui during the years ended 31 December 2024 in the abovementioned table excluded the salaries and allowances she received for her involvement in the management of the affairs of the Company and the Group prior to her appointment as an executive director.

The non-executive directors' and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the year, no emolument was paid by the Group to the directors of the Company as an inducement to join or as compensation for loss of office (2024: nil).

Performance related bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: nil).

16. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four (2024: five) directors, details of whose remuneration are set out in note 15 above. Details of the remuneration for the year of the remaining one (2024: nil) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Salaries and allowances	**1,229**	N/A*
Retirement benefits	**15**	N/A*
	1,244	N/A*

* The number of the highest paid employees who are not the directors of the Company is not the five highest paid employees of the Group during the year ended 31 December 2024.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
HK$1,000,001 to HK$1,500,000	**1**	–
	1	–

During the year, no emolument was paid by the Group to these individuals as an inducement to join or as compensation for loss of office (2024: nil).

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic and other equipment	Machinery	Mining assets	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2024	8,592,066	924,957	764,961	11,853,621	1,754,664	6,459,005	30,349,274
Exchange realignment	(10,285)	(19,579)	(3,133)	(30,965)	(459)	(679,237)	(743,658)
Additions	300,169	225,258	548,549	296,235	24,567	3,081,685	4,476,463
Transfers	2,191,488	318,026	499,702	1,675,587	115,124	(4,836,017)	(36,090)
Hyperinflation restatement	64,321	36,047	8,197	160,053	–	–	268,618
Disposals/written off	(99,878)	(70,114)	(17,663)	(201,850)	(642)	–	(390,147)
At 31 December 2024	11,037,881	1,414,595	1,800,613	13,752,681	1,893,254	4,025,436	33,924,460
Exchange realignment	(264,445)	(31,648)	(43,197)	(346,865)	(45,394)	(711,823)	(1,443,372)
Additions	267,919	3,027	59,610	1,759,840	2,368	672,997	2,765,761
Acquired on acquisition of subsidiaries	428,088	3,251	2,032	502,375	–	25,626	961,372
Transfers	781,556	–	83,416	240,518	13,927	(1,242,621)	(123,204)
Disposals/written off	(11,697)	(47,866)	(41,933)	(45,584)	(60,339)	–	(207,419)
Impact of reassessment of asset retirement obligations	–	–	–	–	(51,580)	–	(51,580)
Derecognised on disposal of subsidiaries	(1,269,281)	(18,754)	(142,419)	(1,108,938)	(81,782)	(6,151)	(2,627,325)
At 31 December 2025	**10,970,021**	**1,322,605**	**1,718,122**	**14,754,027**	**1,670,454**	**2,763,464**	**33,198,693**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2024	2,513,901	257,556	372,283	5,760,462	635,606	–	9,539,808
Depreciation charge	431,509	129,629	47,843	599,473	45,597	–	1,254,051
Hyperinflation restatement	2,118	1,282	384	8,802	–	–	12,586
Eliminated on disposals/written off	(15,057)	(34,273)	(1,662)	(62,302)	(5)	–	(113,299)
Exchange realignment	(6,733)	(18,195)	(2,634)	(29,437)	(37)	–	(57,036)
Impairment loss recognised in profit or loss	59,210	344	1,572	41,368	1,633	291	104,418
At 31 December 2024	2,984,948	336,343	417,786	6,318,366	682,794	291	10,740,528
Depreciation charge	562,562	157,915	74,185	618,640	47,824	–	1,461,126
Eliminated on disposals/written off	(2,643)	(35,667)	(31,958)	(17,716)	(38,504)	–	(126,488)
Eliminated on disposal of subsidiaries	(511,010)	(13,140)	(130,505)	(694,333)	(15,253)	–	(1,364,241)
Exchange realignment	(49,456)	(5,539)	(6,880)	(104,056)	(11,245)	–	(177,176)
Impairment reversed (loss) recognised in profit or loss	(42,118)	(227)	(300)	(22,116)	3,001	5,943	(55,817)
At 31 December 2025	**2,942,283**	**439,685**	**322,328**	**6,098,785**	**668,617**	**6,234**	**10,477,932**
CARRYING AMOUNT							
At 31 December 2025	**8,027,738**	**882,920**	**1,395,794**	**8,655,242**	**1,001,837**	**2,757,230**	**22,720,761**
At 31 December 2024	8,052,933	1,078,252	1,382,827	7,434,315	1,210,460	4,025,145	23,183,932

17. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Details of property, plant and equipment pledged are set out in Note 46.

The annual rates of depreciation for above items of property, plant and equipment, other than construction in progress and mining assets, are as follows:

Category of property, plant and equipment	Useful life
Buildings	20 to 50 years
Motor vehicles	4 to 8 years
Electronic and other equipment	5 to 12 years
Machinery	12 to 20 years

Mining assets are depleted on a unit of production basis, using estimated reserves of mine as the depletion base.

18. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000
As at 31 December 2025	
Carrying amount	729,798
As at 31 December 2024	
Carrying amount	758,758

	2025 RMB'000	2024 RMB'000
Depreciation charge	**23,763**	20,101
Impairment loss (reversed) recognised in profit or loss *(Note 21)*	**(9,693)**	10,119
Total cash outflow for leases	**6,471**	7,823
Additions to right-of-use assets	**43,318**	336

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of RMB52,954,000 (2024: RMB56,863,000) in which the Group is in the process of obtaining. The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these land use rights. Details of right-of-use assets pledged are set out in Note 46.

Right-of-use assets are depreciated on a straight-line basis over the shorter of 50 years and the lease term.

19. MINING RIGHTS

	RMB'000
COST	
At 1 January 2024	1,929,306
Addition	129,798
Transfer from construction in progress	36,090
Hyperinflation restatement	37,797
Disposal	(3,502)
Exchange realignment	(150,953)
At 31 December 2024	1,978,536
Addition	109,522
Transfer from construction in progress	123,204
Acquisition of a subsidiaries	360,564
Disposal	(82,447)
Derecognised on disposal of subsidiaries	(103,816)
Exchange realignment	(27,652)
At 31 December 2025	**2,357,911**
AMORTISATION AND IMPAIRMENT	
At 1 January 2024	200,872
Charge for the year	44,234
Eliminated on disposal	(96)
Exchange realignment	(1,322)
At 31 December 2024	243,688
Charge for the year	21,213
Eliminated on disposal	(15,354)
Eliminated on disposal of subsidiaries	(16,278)
Exchange realignment	(3,091)
At 31 December 2025	**230,178**
CARRYING AMOUNT	
At 31 December 2025	**2,127,733**
At 31 December 2024	1,734,848

Mining rights are granted from the respective governmental department in the PRC, Mozambique, the Republic of Angola, Democratic of Congo, Uzbekistan, Uganda, Ethiopia and Zimbabwe.

Mining rights are depreciated on a unit of production basis, using estimated reserves of mine as the depletion base.

20. OTHER INTANGIBLE ASSETS

	Goodwill RMB'000	Customer relationships RMB'000	Computer software RMB'000	Emission rights RMB'000	Total RMB'000
COST					
At 1 January 2024	437,828	20,610	75,453	4,400	538,291
Exchange adjustments	(73,889)	–	216	–	(73,673)
Addition	–	–	9,737	–	9,737
Hyperinflation	–	–	–	–	–
Restatement	5,326	–	–	–	5,326
At 31 December 2024	369,265	20,610	85,406	4,400	479,681
Addition	–	–	5,656	–	5,656
Acquired on acquisition of subsidiaries	–	–	165	–	165
Derecognised on disposal of subsidiaries	(49,133)	–	(7,200)	–	(56,333)
Exchange adjustments	(2,409)	–	(489)	–	(2,898)
At 31 December 2025	**317,723**	**20,610**	**83,538**	**4,400**	**426,271**
AMORTISATION AND IMPAIRMENT					
At 1 January 2024	69,587	20,610	17,111	278	107,586
Exchange adjustments	–	–	54	–	54
Charge for the year	–	–	5,581	209	5,790
Impairment losses recognised in the year *(Note 21)*	7,644	–	28	–	7,672
At 31 December 2024	77,231	20,610	22,774	487	121,102
Charge for the year	–	–	6,779	209	6,988
Impairment losses recognised in the year *(Note 21)*	–	–	233	–	233
Derecognised on disposal of subsidiaries	–	–	(1,727)	–	(1,727)
Exchange adjustments	–	–	(16)	–	(16)
At 31 December 2025	**77,231**	**20,610**	**28,043**	**696**	**126,580**
CARRYING AMOUNT					
At 31 December 2025	**240,492**	**–**	**55,495**	**3,704**	**299,691**
At 31 December 2024	292,034	–	62,632	3,913	358,579

The following useful lives are used in the calculation of amortisation:

Computer software	5 to 20 years
Emission rights	20 years

21. IMPAIRMENT ASSESSMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND MINING RIGHTS

Management considers each cement plant as a separate CGU and goodwill is test for the lowest level of identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets is the cash inflows generated by each cement plant.

Goodwill is tested for impairment annually or more frequently when circumstances indicate the carrying value may be impaired. Goodwill balances at end of the reporting period were attributable specifically to the six individual CGUs in 2025 (2024: seven individual CGUs).

In addition, at the end of each reporting period, the management carries out the review of its non-current assets to identify if there are any impairment indicators that these assets have suffered an impairment loss.

Due to downturn of the business environment in the cement industry in the PRC, certain of the Group's subsidiaries were experiencing operating losses for the years ended 31 December 2025 and 2024. However, during the current year, in the face of this subdued demand the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest improvements in the Group's average selling prices in China. In addition, unit costs have remained stable or fallen, especially in Shaanxi province due to lower coal costs. As a result, the management concluded there was indication for impairment or reversal of impairment loss and conducted impairment assessment on carrying amounts of certain CGUs. As it is not possible to estimate the recoverable amount of these individual non-current assets, the Group conducted impairment assessment on 18 CGUs (2024: 22 CGUs) where these goodwill, property, plant and equipment, right-of-use assets and mining rights belong to.

The total carrying amount of goodwill and property, plant and equipment, right-of-use assets and mining rights which belong to CGUs that are subject to impairment assessment as at 31 December 2025 were RMB6,566,669,000 (2024: RMB6,000,673,000) (before impairment).

The recoverable amounts of above CGUs have been determined based on the value in use calculation. The calculation uses cash flow projections based on a five-year financial budgets approved by the management. The following table sets out the key assumptions for the value in use calculation of the CGUs that were subject to impairment review.

	China	Africa
Pre-tax discount rate		
31 December 2025	9.5%–11.0%	12.0%–20.4%
31 December 2024	10.5%–13.6%	14.0%–26.5%
Revenue growth rate		
31 December 2025	-11.0%–25.0%	15.0%–30.0%
31 December 2024	-23.0%–42.0%	0.0%–11.0%

The cash flows beyond the five-year period are extrapolated using 0.0% to 5.0% growth rates (2024: 0% to 5.7%) with reference to the gross domestic price index of the respective country. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, which is determined based on the unit's past performance and management's expectations for the market development.

According to the result of the impairment review, the management concluded that the recoverable amounts of three CGUs were lower than their carrying amounts. Accordingly, an impairment loss of approximately RMB29,015,000 (included in cost of sales) was recognised in profit or loss for the year ended 31 December 2025. The entire impairment loss was allocated to property, plant and equipment and other intangible assets (excluding goodwill).

21. IMPAIRMENT ASSESSMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND MINING RIGHTS *(Cont'd)*

In addition, during the year ended 31 December 2025, the management concluded there was indication for impairment recovery due to improvement on the financial performance of one CGU with the effective implementation of operating strategies and cost control measures, and reversed an impairment loss of RMB94,292,000 (2024: nil) (included in the cost of sales) as a result of a reassessment of the recoverable amounts of that CGU. The impairment losses are reversed to the extent of the carrying amount that would have been determined had no impairment loss been recognised for the CGU and allocated to reversal of impairment loss to property, plant and equipment and right-of-use assets.

An impairment loss of approximately RMB122,209,000 has been recognised for six CGUs in profit or loss for the year ended 31 December 2024, of which RMB7,644,000 has been recognised against the carrying amounts of goodwill (Note 7) and the remaining RMB114,565,000 has been recognised (included in the cost of sales) and allocated to property, plant and equipment, right-of-use assets and other intangible assets other than goodwill.

For the year ended 31 December 2025

	Valuation methodology	**Gross carrying amount RMB'000**	**Recoverable amount RMB'000**	**Amount of impairment (recognised) reversal RMB'000**
CGUs				
Cement plant — Pucheng	**VIU**	**312,307**	**307,024**	**(5,283)**
Cement plant — Yaowangshan	**VIU**	**197,132**	**441,880**	**94,292**
Cement plant — Xinyida Building	**VIU**	**24,358**	**7,529**	**(16,829)**
Cement plant — Hancheng Building	**VIU**	**17,350**	**10,447**	**(6,903)**
		551,147	**766,880**	**65,277**

For the year ended 31 December 2024

	Valuation methodology	Gross carrying amount RMB'000	Recoverable amount RMB'000	Amount of impairment recognised RMB'000
CGUs (including goodwill)				
Cement plant — Pucheng	VIU	323,334	311,422	(11,912)
Cement plant — Yaowangshan	VIU	354,774	260,482	(94,292)
Cement plant — Pucheng Building	VIU	20,379	14,246	(6,133)
Cement plant — Shangluo Building	VIU	20,185	19,451	(734)
Cement plant — Juxin Building	VIU	20,431	12,786	(7,645)
Cement plant — Hanzhong Building	VIU	10,005	8,512	(1,493)
		749,108	626,899	(122,209)

21. IMPAIRMENT ASSESSMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND MINING RIGHTS *(Cont'd)*

Below are the key parameters adopted for the four CGUs (2024: six CGUs) with impairment loss:

For the year ended 31 December 2025

	Pucheng	Xinyida Building	Hancheng Building	Yaowangshan
Pre-tax discount rate	**10.0%**	**10.0%**	**9.5%**	**10.0%**
Revenue growth rate	**7.0%**	**(0.5%)**	**10.0%**	**0.4%**

For the year ended 31 December 2024

	Juxin Building	Pucheng	Pucheng Building	Shangluo Building	Hanzhong Building	Yaowangshan
Pre-tax discount rate	10.6%	10.5%	10.6%	10.6%	10.6%	10.5%
Revenue growth rate	5.0%	12.0%	10.0%	0.0%	42.0%	-23.0%

The management of the Group conduct sensitivity analysis of the parameters applied in the base version of the impairment testing to confirm whether a reasonably possible change in key parameters (i.e. the pre-tax discount rate and the revenue growth rate) would cause the carrying amount of the CGUs to exceed the recoverable amount and a further impairment would be recognised.

The result of sensitivity analysis for the CGUs is summarised as below:

For the year ended 31 December 2025

	Pucheng RMB'000	Xinyida Building RMB'000	Hancheng Building RMB'000	Yaowangshan RMB'000
Decrease in recoverable amount				
— if pre-tax discount rate increased by 1%	**(13,640)**	**(625)**	**(1,890)**	**(79,559)**
— if revenue growth rate decreased by 1%	**(13,661)**	**(1,251)**	**(754)**	**(15,978)**

For the year ended 31 December 2024

	Juxin Building RMB'000	Pucheng RMB'000	Pucheng Building RMB'000	Shangluo Building RMB'000	Hanzhong Building RMB'000	Yaowangshan RMB'000
Decrease in recoverable amount						
— if pre-tax discount rate increased by 1%	(2,227)	(1,760)	(5,657)	(145)	(1,217)	(82,759)
— if revenue growth rate decreased by 1%	(12,927)	(45,652)	(10,324)	(2,734)	(5,179)	(130,447)

21. IMPAIRMENT ASSESSMENT OF GOODWILL, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND MINING RIGHTS *(Cont'd)*

Except for the CGUs with impairment of goodwill and other non-current assets already recognised or reversed, the management of the Group has not identified that a reasonable possible change in the key parameters could cause the carrying amount of the CGUs to exceed the recoverable amounts as of 31 December 2025 and 2024 for all other CGUs.

The carrying amounts of goodwill balances at end of each reporting period were attributable specifically to the individual CGU as below.

	2025 **RMB'000**	2024 RMB'000
Cement plant — Xiushan Yaobai	**45,274**	45,274
Cement plant — Luxin	**–**	49,133
Cement plant — Shifeng	**55,872**	55,872
Cement plant — National Cement Share Company ("NCSC")	**76,732**	79,141
Commercial mixed station — Shaanxi Fengsheng	**6,207**	6,207
Concrete plant — Shaanxi Hengji Concrete Co., Ltd.* ("Hengji Concrete") 陝西恒基混凝土有限公司	**50,594**	50,594
Concrete plant — Juxin Building	**5,813**	5,813
	240,492	292,034

* *The English name is for identification purpose only*

22. INTEREST IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Unlisted equity investment, at cost *(Note)*	**9,386**	8,000
Share of post-acquisition profits and other comprehensive income	**2,145**	2,137
Carrying amount of the Group's interest	**11,531**	10,137

Note: RMB5,559,000 of the of the investment cost were contributed by the land use right in prior year, approximately.

Details of the Group's principal associate at the end of reporting period are as follows:

Name of Entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activity
			2025	2024	2025	2024	
Tongchuan Haichuang Yaobai Environmental Co., Ltd.* 銅川海創堯柏環保有限責任公司	The PRC	Shaanxi	**40%**	40%	**40%**	40%	Treatment of dangerous and hazardous waste

* *The English name is for identification purpose only*

No summary of financial information is disclosed as the financial results of the associate is not material to the Group as a whole.

23. EQUITY INSTRUMENT AT FVTPL

	2025 RMB'000	2024 RMB'000
Listed securities:		
— Equity securities listed in the SEHK	**46,634**	36,217

24. LOAN RECEIVABLES

	2025 RMB'000	2024 RMB'000
Loans collateralised by property, plant and equipment *(Note a)*	**366,077**	376,500
Loans collateralised by receivables *(Note b)*	**150,000**	270,000
Small loans *(Note c)*	**4,800**	4,800
	520,877	651,300
Less: Allowance for credit losses	**(218,893)**	(242,900)
	301,984	408,400
Analysed as:		
Current	**195,049**	273,713
Non-current	**106,935**	134,687
	301,984	408,400

Notes:

(a) As at 31 December 2025 and 2024, the Group has entered into certain arrangements (the "Arrangements") with the third parties for periods ranging from one to two years under which:

(i) The third parties transferred the ownership titles of their certain assets to the Group and leased back those assets;

(ii) The shareholders of the third parties provided guarantees for the due performance of the obligations of the third parties under the Arrangements; and

(iii) Upon discharging all the obligations by the third parties under the Arrangements, the Group will return the ownership title of the assets to the lessees automatically.

Despite the Arrangements involving a legal form of a lease, the Group accounted for the Arrangements as collateralised loans in accordance with IFRS 9 as the transfer does not satisfy the requirement of IFRS 15 as a sale. All interest rates inherent in the Arrangements are fixed at the contract dates over the contract terms.

(b) The loans collateralised by receivables are with fixed interest rates at the contract dates over the contract terms. The interests are receivable periodically based on contractual terms. All principals are receivable upon maturity dates. During the year ended 31 December 2025, loan receivables of RMB120,000,000 were recovered, and impairment losses of RMB18,681,000 were reversed.

(c) Balance represents the small loans provided to small and medium sized enterprises. The interests are receivable periodically according to the contractual terms with fixed interest rate with principal to be collected on maturity dates or by instalments.

The Group periodically carries out inspection on the collateralised assets of the borrowers. During the years ended 31 December 2025 and 2024, the Group did not identify any significant deterioration of the quality of the collateralised assets.

24. LOAN RECEIVABLES *(Cont'd)*

The contractual maturity dates of the Group's fixed-rate loan receivables are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**195,049**	273,713
In more than one year but not more than two years	**106,935**	134,687
	301,984	408,400

The ranges of effective rates on the Group's loan receivables were 8% to 15% (2024: 8% to 15%) per annum as at 31 December 2025.

All of the Group's loan receivables are denominated in RMB.

During the years ended 31 December 2025 and 2024, the Group had agreed to extend the loan maturity date with certain borrowers and the corresponding borrowings had been reclassified and presented as non-current. As at 31 December 2025, carrying amount of loan receivables of RMB264,625,000 (net of allowance of RMB171,360,000) (2024: RMB277,862,000 (net of allowance of RMB233,438,000)) were considered past due despite the extension of repayment due date. Details of impairment assessment are set out in Note 47.

25. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	**171,604**	131,498
Deferred tax liabilities	**(484,719)**	(511,040)
	(313,115)	(379,542)

25. DEFERRED TAX *(Cont'd)*

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Impairment, allowance for doubtful debts and accruals	Other long-term payables other payable, asset retirement obligation and deferred income	Tax losses	Assets booked at fair value on acquisition	Withholding tax on undistributed profits of PRC subsidiaries	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	67,330	(12,678)	105,787	(400,122)	(3,915)	(243,598)
(Charged) credited to profit or loss	(16,715)	7,480	(34,624)	47,394	1,183	4,718
Hyperinflation Adjustment	–	–	–	(140,662)	–	(140,662)
At 31 December 2024	50,615	(5,198)	71,163	(493,390)	(2,732)	(379,542)
Credited (charged) to profit or loss	7,360	(2,737)	22,678	44,540	1,362	73,203
Acquisition of subsidiaries	–	–	13,858	(25,425)	–	(11,567)
Disposal of subsidiaries	(202)	–	–	4,993	–	4,791
At 31 December 2025	**57,773**	**(7,935)**	**107,699**	**(469,282)**	**(1,370)**	**(313,115)**

At the end of the reporting period, the Group had unused tax losses of RMB1,187,888,000 (2024: RMB1,047,284,000) available for offsetting against future profits. A deferred tax asset has been recognised in respect of RMB430,796,000 (2024: RMB284,652,000) of such losses.

No deferred tax has been recognised in respect of the tax losses of RMB757,092,000 (2024: RMB762,632,000) due to unpredictability of future profit streams. The unused tax losses not recognised will expire in the following year ending 31 December:

	2025 RMB'000	2024 RMB'000
2028	**–**	544,204
2029	**634,258**	218,428
2030	**122,834**	–
	757,092	762,632

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. As at 31 December 2025, the Group recognised deferred taxation in respect of withholding tax of RMB1,370,000 (2024: RMB2,732,000) for undistributed earnings of certain PRC subsidiaries.

As at 31 December 2025, the Group has deductible temporary differences of RMB1,083,755,000 (2024: RMB1,015,047,000). A deferred tax asset has been recognised in respect of RMB231,092,000 (2024: RMB202,460,000) in relation to such deductible temporary difference.

25. DEFERRED TAX *(Cont'd)*

As at 31 December 2025, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB6,658,139,000 (2024: RMB6,052,415,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the non-PRC subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB3,555,584,000 (2024: RMB2,073,758,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

26. INVENTORIES

	2025	2024
	RMB'000	RMB'000
Raw materials and consumables	**1,029,902**	1,096,912
Work in progress	**446,609**	498,882
Finished goods	**260,369**	264,363
	1,736,880	1,860,157

27. PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

	2025	2024
	RMB'000	RMB'000
Properties under development	**677,865**	1,276,265
Properties for sale	**139,297**	–
	817,162	1,276,265

	RMB'000
Analysis of leasehold land:	
As at 31 December 2025	
Carrying amount	**355,256**
As at 31 December 2024	
Carrying amount	556,903

The carrying amount of leasehold lands is measured at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge is made on the leasehold lands taking into account the estimated residual values as at 31 December 2025 (2024: nil).

Details of properties under development and properties for sale pledged are set out in Note 46.

28. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Trade receivables	**1,422,734**	1,523,948
Trade receivables backed by bills	**318,370**	269,214
	1,741,104	1,793,162
Less: Allowance for credit losses	**(161,636)**	(229,080)
	1,579,468	1,564,082
Other receivables *(Note)*	**1,161,728**	1,243,808
Less: Allowance for credit losses	**(5,127)**	(32,995)
	1,156,601	1,210,813
Consideration receivables *(Note 41)*	**491,392**	81,270
VAT recoverable	**374,347**	359,043
VAT refund receivable	**5,302**	5,661
Prepayments to suppliers	**594,008**	301,812
	4,201,118	3,522,681
Less:		
Non-current portion of deposits and other receivables	**(216,460)**	(134,147)
	3,984,658	3,388,534

Details of trade receivables pledged are set out in Note 46, and details of amount due from joint venture are set out in Note 45.

Note: As at 31 December 2024, included in other receivables are receivables from the non-controlling shareholders of subsidiaries amounted to RMB377,758,000, which are non-trade nature, unsecured, interest-free, and have no fixed repayment terms and recorded as current assets.

During the year ended 31 December 2025, the Group entered into supplementary agreements with two non-controlling shareholders of subsidiaries, respectively, of which the Group agreed to extend repayment due date of receivable from a non-controlling shareholder of RMB25,353,000 to a six-year period from 2026 to 2031, and repayment due date of receivable from the other non-controlling shareholder of RMB110,101,000 to a five-year period from 2026 to 2029, with all other terms are not changed. Based on the assessment of the management, the Group considered that the revised terms result in a substantial modification from original receivables, and therefore, the Group derecognised the original receivables of RMB135,454,000 and recognised new receivables from two non-controlling shareholders of subsidiaries of RMB96,082,000. The difference of RMB39,372,000 between the original receivables and new receivables from two non-controlling shareholders of subsidiaries is recognised in equity reserve.

28. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Cont'd)*

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB1,333,019,000.

All bills received by the Group are due within 1 year from the issuance date of the bills.

The following is an aged analysis of trade receivables, excluding bills held by the Group, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised.

	2025	2024
	RMB'000	RMB'000
0 to 90 days	**627,134**	524,520
91 to 180 days	**276,445**	330,671
181 to 360 days	**370,425**	491,404
361 to 720 days	**111,444**	154,682
Over 720 days	**37,286**	22,671
	1,422,734	1,523,948

As at 31 December 2025, included in trade receivables backed by bills represents total bills received amounting to RMB240,897,000 (2024: RMB146,901,000) are held by the Group, which were further endorsed by the Group. As the Group has not transferred substantially all the risks and rewards relating to these receivables, it continues to recognise their full carrying amounts and the corresponding trade payables.

The Group allows a credit period of 90 to 180 days to its certain trade customers. Before accepting any new customer, the Group uses a credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB644,226,000 (2024: RMB779,444,000) which are past due as at the reporting date. Out of the past due balances, RMB371,623,000 (2024: RMB456,356,000) has been past due longer than 90 days and is not considered as in default taking into account these debtors' high credit ranking attributable under the credit scoring system used by the Group. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 47.

29. TRANSFER OF FINANCIAL ASSETS

The following was the Group's financial assets as at 31 December 2025 and 2024 that were transferred to suppliers by endorsing the bills receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to the bills receivables, it continues to recognise the full carrying amount of the receivables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

	2025	2024
	RMB'000	RMB'000
Carrying amount of transferred assets	**240,897**	146,901
Carrying amount of associated liabilities	**240,897**	146,901
Net position	**–**	–

30. CASH AND CASH EQUIVALENTS/PLEDGED/RESTRICTED BANK DEPOSITS

	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents		
— denominated in RMB	**240,967**	336,282
— denominated in United States Dollar ("USD")	**131,259**	622,217
— denominated in Mozambican Metical ("MZN")	**312,467**	78,862
— denominated in other currencies	**81,605**	119,775
	766,298	1,157,136
Pledged/restricted bank deposits		
— denominated in RMB	**759,022**	1,106,083
— denominated in other currencies	**36,428**	278,237
	795,450	1,384,320

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.05% to 3.30% (2024: 0.10% to 3.20%) per annum.

Restricted/pledged bank deposits represent advances from purchaser for the pre-sale of the relevant development properties that are subject to regulatory restrictions and deposits pledged to banks to secure for bill payables and borrowings. Deposits amounting to RMB78,007,000 (2024: RMB107,801,000) have been pledged to secure long-term borrowings and are therefore classified as non-current assets.

31. BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank loans		
— Secured	**5,911,446**	4,818,893
— Unsecured	**1,460,230**	2,270,599
	7,371,676	7,089,492
Carrying amount repayable as follows:		
— within one year	**3,447,833**	3,917,111
— more than one year but not more than two years	**866,872**	720,022
— more than two years but not more than five years	**2,625,194**	2,047,295
— within a period of more than five years	**431,777**	405,064
	7,371,676	7,089,492
Less: Amount due for settlement within one year and shown under current liabilities	**(3,447,833)**	(3,917,111)
Amounts shown under non-current liabilities	**3,923,843**	3,172,381

The analysis of the terms of the bank loans were as follows:

	2025 RMB'000	2024 RMB'000
Fixed rate borrowings:		
— repayable within one year	**3,002,213**	3,383,293
— repayable more than one year but not more than two years	**740,611**	404,423
— repayable more than two years but not more than five years	**1,123,126**	1,503,340
— repayable within a period of more than five years	**431,777**	347,064
	5,297,727	5,638,120
Variable rate borrowings		
— repayable within one year	**445,620**	533,818
— repayable more than one year but not more than two years	**126,261**	315,599
— repayable more than two years but not more than five years	**1,502,068**	543,955
— repayable within a period of more than five years	**–**	58,000
	2,073,949	1,451,372
	7,371,676	7,089,492

31. BORROWINGS *(Cont'd)*

The ranges of effective interest rates on the Group's bank loans are as follows:

	2025	2024
Effective interest rate per annum:		
Fixed rate borrowings		
— The PRC	**2.11% to 6.55%**	1.07% to 5.40%
— Africa	**3.00% to 25.00%**	6.33% to 22.25%
Variable rate borrowings		
— The PRC	**3.00% to 6.65%**	3.10% to 6.75%
— Africa	**3-month SOFR* +3% to 5.5%**	3-month SOFR* +4.2%

* *SOFR refers to Secured Overnight Financing Rate*

The Group's variable rate borrowings carry interest that reference to SOFR or loan prime rate in the PRC as at 31 December 2025 and 2024.

In respect of bank loans with carrying amount of RMB1,988,944,925 as at 31 December 2025 (2024: RMB1,425,856,000) raised by 堯柏特種水泥集團有限公司 Yaobai Special Cement Group Co., Ltd.* ("Shaanxi Yaobai"), 陝西柏宏歐利塑業有限公司 Shaanxi Baihong Ouli Suye Company Limited* ("Baihong Ouli") and Great Lake Cement, subsidiaries of the Company, these subsidiaries are required to comply with the following financial covenants throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

Shaanxi Yaobai

- the ratio of debts to total assets shall not be more than 0.7:1;
- the ratio of contingent debts to equity shall not be more than 0.5:1; and
- the operating cashflow shall not be negative for two consecutive years.

Baihong Ouli

- the ratio of debts to total assets shall not be more than 0.75:1;
- no addition of contingent liabilities without the permission from the respective bank.

Great Lake Cement

- Debtor Service Cover Ratio ("DSCR") shall not be less than 1.5:1 starting from the 2nd anniversary of the date of the borrowing to the final maturity date (i.e. 11 July 2029).

  DSCR means, (1) the aggregate of the earnings before interest, tax, depreciation and amortisation (EBITDA) minus capital expenditure minus charge in working capital and the current cash balance; to (2) the mounts of repayment, interests and any related costs fall due during the period.

The above entities have complied with these covenants throughout the reporting period.

Included in borrowing represents carrying amount of RMB1,784,100,000 (2024: RMB1,988,000,000) jointly guaranteed by either Mr. Zhang Jimin, an executive Director, or Mr. Zhang Jimin and his spouse.

Details of pledge of assets for the Group's secured bank loans are set out in Note 46.

* *The English name is for identification purpose only*

32. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**2,297,134**	2,409,928
Bill payables	**61,379**	214,550
	2,358,513	2,624,478
Payables for constructions and equipment purchase	**2,957,760**	3,902,791
Other tax liabilities	**254,337**	127,350
Payroll and welfare payable	**103,508**	85,023
Interest payables	**14,482**	61,111
Consideration payable *(Note 40)*	**210,006**	–
Other payables	**331,986**	289,019
Loan payables *(Note)*	**364,613**	57,652
Payable for administrative penalty *(Note 37)*	**156,128**	–
Deposits payables	**54,536**	63,734
Other long-term payable — current portion *(Note 37)*	**69,726**	290,092
	6,875,595	7,501,250

Note: Loan payables represent short-term borrowings from third parties, of which RMB192,771,000 (2024: RMB56,323,000) are non-trade in nature, unsecured, carry fixed interest rate range from 6.00% to 15.00% (2024: 9.00% to 13.90%) per annum and repayable within one year and RMB171,842,000 (2024: RMB1,329,000) are non-trade in nature, unsecured, interest-free and repayable within one year.

The following is an aged analysis of trade payables (excluding those bills issued by the Group for settlement which are due within six months to one year based on the issuance date) presented based on the date of delivering of goods at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
0 to 90 days	**970,736**	996,754
91 to 180 days	**429,150**	384,635
181 to 360 days	**396,813**	519,676
361 to 720 days	**372,531**	394,310
Over 720 days	**127,904**	114,553
	2,297,134	2,409,928

33. SENIOR NOTES

(1) Senior notes issued on 9 July 2021

On 9 July 2021, the Company issued 4.95%, five-year senior notes with an aggregated principal amount of USD600,000,000 due in 2026 (the "Senior Notes 1") at 100% of the face value. The effective interest rate was approximately 5.18% per annum after adjusting for transaction costs. The Senior Notes 1 were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

According to the terms and conditions of the Senior Notes 1, at any time or from time to time prior to 8 July 2024, the Company may at its option redeem the Senior Notes 1, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 1 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The applicable premium is the greater of (1) 1.00% of the principal amount of such note and (2) the excess of (A) the present value at such redemption date of the redemption price of such note at 8 July 2024, plus all required remaining scheduled interest payments due on such note (but excluding accrued and unpaid interest to the redemption date) through 8 July 2024, computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of such note on such redemption date.

At any time and from time to time prior to 8 July 2024, the Company may at its option redeem up to 35% of the aggregate principal amount of the Senior Notes 1 at a redemption price of 104.95% of the principal amount of the Senior Notes 1, plus accrued and unpaid interest, if any.

On or after 8 July 2024, the Company may on any one or more occasions redeem all or any part of the Senior Notes 1, at the redemption prices of 102.475% (if redeemed prior to 8 July 2025) or 101.238% (if redeemed on or after 8 July 2025), plus accrued and unpaid interest, if any, on the notes redeemed, to (but not including) the applicable date of redemption.

The early redemption options were regarded as embedded derivatives not closely related to the host contract. The directors of the Company considered the fair value of the Company's early redemption options at the initial recognition and at the end of the reporting period was insignificant.

On 5 December 2025, the Company exercised its option to redeem and repay an aggregate principal amount of USD400,000,000 of the Senior Notes 1 (equivalent to RMB2,829,780,000), plus the applicable redemption premium of USD4,952,000 (equivalent to RMB35,033,000) and accrued and unpaid interest of USD3,540,000 (equivalent to RMB25,043,000).

As at 31 December 2025, the aggregate outstanding principal amount of the Senior Notes 1 is USD204,647,000(equivalent to approximately RMB1,432,574,000, including unpaid interest). All outstanding Senior Notes 1 were redeemed in full on 6 March 2026 in accordance with the terms and conditions of the Senior Notes 1.

(2) Senior notes issued on 5 December 2025

On 5 December 2025, the Company issued 9.90%, three-year senior notes with an aggregated principal amount of USD400,000,000 due in 2028 (the "Senior Notes 2") at 99.115% of the face value. The effective interest rate was approximately 11.12% per annum after adjusting for transaction costs. The Senior Notes 2 were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

33. SENIOR NOTES *(Cont'd)*

(2) Senior notes issued on 5 December 2025 *(Cont'd)*

According to the terms and conditions of the Senior Notes 2, the Company may at its option at any time on or after 4 December 2027 may redeem the Senior Notes 2, in whole or in part, at a redemption price of 104.95% of the principal amount of the Senior Notes 2 plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 4 December 2027, the Company may at its option redeem the Senior Notes 2, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 2 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth herein. The applicable premium is the greater of (1) 1.00% of the principal amount of the Senior Notes 2 and (2) the excess of (A) the present value at such redemption date of the redemption price of the Senior Notes 2 at 4 December 2027, plus all required remaining scheduled interest payments due on the Senior Notes 2 (but excluding accrued and unpaid interest to the redemption date) through 4 December 2027, computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of the Senior Notes 2 on such redemption date.

At any time and from time to time prior to 4 December 2027, the Company may at its option redeem up to 35% of the aggregate principal amount of the Senior Notes 2 at a redemption price of 109.90% of the principal amount of the Senior Notes 2, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time on or after the date when no more than 10% of the aggregate principal amount of the Senior Notes 2 originally issued on 5 December 2025 remains outstanding, the Company may at its option redeem the Senior Notes 2, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 2 plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The early redemption options were regarded as embedded derivatives not closely related to the host contract. The directors of the Company considered the fair value of the Company's early redemption options at the initial recognition and at the end of the reporting period was insignificant.

Movement of carrying amounts of Senior Notes 1 and Senior Notes 2 is as below:

	2025 **RMB'000**	2024 RMB'000
Carrying amount at 1 January	**4,469,815**	4,324,193
Proceeds from issuance of Senior Notes 2	**2,726,083**	–
Interest expenses *(Note 10)*	**240,998**	224,486
Interest paid	**(271,643)**	(213,037)
Exchange adjustment	**(180,820)**	134,173
Partial redemption of Senior Notes 1	**(2,829,780)**	–
	4,154,653	4,469,815
Less: current portion	**(1,432,574)**	–
Amounts shown under non-current liabilities	**2,722,079**	4,469,815

34. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Real estate sales contract	**256,769**	727,378
Cement sales contracts	**373,159**	522,176
	629,928	1,249,554

As at 1 January 2024, contract liabilities amounted to RMB721,709,000.

Approximately RMB1,193,564,000 of contract liabilities brought forward from prior year had been recognised during the year ended 31 December 2025 (2024: RMB395,446,000).

The significant decrease in contract liabilities as at 31 December 2025 in the current year was mainly due to the delivery of developed properties.

35. ASSET RETIREMENT OBLIGATION

	2025 RMB'000	2024 RMB'000
At 1 January	**390,795**	358,178
Addition to site reclamation	**68,435**	24,705
Decrease to site reclamation	**(83,090)**	–
Unwinding of discount	**32,067**	17,072
Utilisation of provision	**(44,375)**	(9,160)
Derecognised on disposal of subsidiaries *(Note 41)*	**(22,032)**	–
Exchange effect	**(902)**	–
At 31 December	**340,898**	390,795

In compliance with the prevailing regulations regulatory and requirements, the Group updated the estimated future cash flows of reclamation and closure costs with decrement of RMB83,090,000 (2024: nil) and increment of RMB68,435,000 (2024: RMB24,705,000) during the year ended December 31, 2025.

36. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants relating to acquisition of property, plant and equipment *(Note)*	**73,094**	20,928
Less: amounts expected to be recognised within one year	**(7,664)**	(5,491)
	65,430	15,437

Note: The amount represents unconditional government grants received by the Group's subsidiaries for acquisition of property, plant and equipment. The balance is amortised based on the useful lives of respective property, plant and equipment from 4 to 19 years. RMB7,520,000 (2024: RMB4,726,000) was released to profit or loss and recorded in other income in the current reporting period.

37. OTHER LONG-TERM PAYABLES

	2025 RMB'000	2024 RMB'000
Payable related to Dugongo (defined below) *(Note a)*	**757,981**	927,142
Payable for mining rights *(Note b)*	**277,513**	329,403
Provision for administrative penalty *(Note c)*	**–**	154,828
	1,035,494	1,411,373
Less: current portion *(Note 32)*	**(69,726)**	(290,092)
Amounts shown under non-current liabilities	**965,768**	1,121,281

Notes:

(a) In 2020, the Group recorded USD174,788,000 (equivalent to approximately RMB1,138,506,000) payables to the non-controlling shareholder of Dugongo. During the year ended 31 December 2021, Dugongo signed a three-party debt transferring agreement with an independent third party and the non-controlling shareholder of Dugongo to transfer the full amount due to the non-controlling shareholder of Dugongo to the independent third party. The payable, originally unsecured with a repayment period from 2022 to 2026 with an interest rate of 4.62% per annum, was first extended to a new repayment period from 2025 to 2029 as at 31 December 2024 and bears new interest rate of 1.93% per annum. It was then further extended to a new repayment period from 2026 to 2035 as at 30 June 2025 and bears new interest rate of 1.06% per annum. Subsequently, on 18 September 2025, the repayment schedule was revised, adjusting the annual repayment amounts from 2026 to 2030 and bears new interest rate of 1.07% per annum. Based on the assessment of the management, the Group considered that the revised terms did not result in a substantial modification from original terms, and the original payables would not be derecognised. Accordingly, the Group adjusted the carrying amount of the payable related to Dugongo and recognised a gain on modification of USD12,360,000 (equivalent to approximately RMB87,761,000) based on the difference between the carrying amount of the original payable related to Dugongo and the present value of the modified contractual cash flows discounted at the original effective interest rate at the date of modification during the year ended 31 December 2025.

(b) According to the announcement on Collection and Management of the Revenue from the Transfer of Mining Rights in Shaanxi Province "陝西省礦業權出讓收益徵收管理實法" (the "Announcement"), an entity is required to pay a premium when acquiring the relevant exploration right or mining right. The balance represented the amount to be paid to the government in respect of such Announcement with repayments payable from 2022 to 2041 using a discount rate of 4.20% to 4.65% per annum.

(c) During the year ended 31 December 2022, the Group received an administrative penalty order made by Shaanxi Administration for Market Regulation ("SXAMR") for an accusation of price monopoly in the Central Shaanxi market in the PRC from July 2017 to March 2019 together with other 12 cement entities in the region. The Group was ordered to pay a penalty that was measured based on a percentage of the total sales in the region during such period. The directors of the Company determined that the penalty order made by SXAMR was unjustified and the Group had filed an objection to the State Administration for Market Regulation ("SAMR") against the original order during the same year.

In October 2022, the proceeding of the objection to SAMR was temporary suspended and the Group and SXAMR was undergone arbitration on the penalty order. In March 2023, the Group and SXAMR could not reach to a settlement and the proceeding of objection was resumed. On 21 March 2023, SAMR upheld the original judgement made by SXAMR. In April 2023, the Group commenced an administrative litigation to Beijing Intellectual Property Court ("BJIPC") against the order from SXAMR and the result of objection from SAMR. In December 2023, BJIPC upheld the original judgement made by SXAMR and SAMR.

On 5 January 2024, the Group filed an appeal to The Supreme People's Court of the People's Republic of China (The "Supreme People's Court"). The Intellectual Property Court of the Supreme People's Court has held a hearing on this case on 22 October 2024. On 19 September 2025, the Supreme People's Court issued a second-instance administrative judgment dismissing the appeal and upholding the original ruling. Accordingly, the Group had made further provision of RMB1,300,000 in other expenses in relation to the administrative penalty for the year ended 31 December 2025 (2024: RMB2,693,000) and as at 31 December 2025, payable for administrative penalty of RMB156,128,000 (2024: RMB154,828,000) was recognised and included in "trade and other payables" (2024: other long-term payables) .

* *The English name is for identification purpose*

38. SHARE CAPITAL

		Share capital	
	Number of shares '000		Shown in the consolidated financial statements RMB'000
		GBP'000	
Ordinary shares of 0.002 Great Britain Pound ("GBP") each			
Authorised:			
At 1 January 2024, 31 December 2024 and 2025	10,000,000	20,000	
Issued and fully paid:			
At 1 January 2024	5,438,883	10,876	141,837
Issue of shares upon exercise of share options	23,650	47	424
At 31 December 2024 and 2025	5,462,533	10,923	142,261

39. RESERVES

Equity reserve

Equity reserve comprises:

(a) The difference between the fair value and carrying amount of net assets of West China BVI arising from the business combination through a share exchange on 27 October 2006, which was accounted for as a reverse acquisition, with West China BVI treated as the accounting acquirer.

(b) The changes in net assets attributable to owners of the Company in relation to changes in ownership interest in subsidiaries without losing of control in prior years.

(c) Adjustments recognised in 2023 and 2024 resulting from the restatement of the financial statements of a subsidiary operating in Ethiopia under hyperinflationary accounting. During the year ended 31 December 2024, a debit equity reserve of RMB161,136,000 was recognised from restatement process. Ethiopia is no longer identified as a hyperinflationary economy during the year ended 31 December 2025.

(d) An amount of RMB39,372,000 recognised during the year ended 31 December 2025 arising from the modification on receivables from two non-controlling shareholders of subsidiaries. Details are set out in Note 28.

39. RESERVES *(Cont'd)*

Statutory reserve

In accordance with relevant rules and regulations in the PRC and provision of the articles of association of the group companies established in the PRC, the group companies in the PRC are required to appropriate 10% of the profit after tax determined under the accounting principles and financial regulations applicable in the PRC to the statutory reserve until the balances reach 50% of their respective registered capital. The reserve can be used to offset losses incurred or to increase their respective paid-in capital. Except for offset of losses incurred, any other usage should not result in the reserve balance falling below 25% of registered capital.

In addition, pursuant to the relevant PRC regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases, such as production volume, to a specific reserve account. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

40. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2025

(a) Acquisition of Paomashan

On 27 December 2024, 康定市新綠川環保有限公司 Kangding New Lvchuan Environmental Protection Co., Ltd*. (hereinafter referred to as "New Lvchuan"), a subsidiary of the Group, entered into an investment agreement with the liquidator to acquire 100% equity interest of Paomashan at a consideration of RMB138,829,000. In January 2025, the People's Court of Kangding City, the PRC (the "Kangding People's Court") approved the investment agreement and terminated the liquidation process of Paomashan. On 21 April 2025, the acquisition was completed and the Group obtained control over production and operation of Paomashan. Paomashan is principally engaged in cement production and sales, which its products are widely used in different industries.

* *The English name is for identification purpose only.*

The acquisition has been accounted for as acquisition of subsidiary using the acquisition method.

Consideration transferred

	RMB'000
Consideration	138,829

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(a) Acquisition of Paomashan *(Cont'd)*

Assets acquired and liabilities recognised at the date of acquisition:

	RMB'000
Assets	
Trade and other receivables *(note)*	11,474
Amount due from the Group *(note)*	85,337
Inventories	29,677
Property, plant and equipment	402,939
Other intangible assets	165
Bank balances and cash	248
Liabilities	
Trade and other payables	(21,419)
Amount due to the Group	(93,394)
Income tax payable	(61,187)
Bank borrowings	(591)
Contract liabilities	(137)
Net assets	353,112

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(a) Acquisition of Paomashan *(Cont'd)*

Assets acquired and liabilities recognised at the date of acquisition: *(Cont'd)*

Note:

The fair value of trade and other receivables and amounts due from the Group at the date of acquisition amounted to RMB11,474,000 and RMB85,337,000, respectively, which were also the gross contractual amounts of trade and other receivables and amounts due from the Group.

Bargain purchase arose in the acquisition of Paomashan

	RMB'000
Consideration transferred	138,829
Plus: expected unrecovered receivables *(note i)*	124,150
Less: fair value of net assets acquired	(353,112)
Bargain purchase gain on acquisition	(90,133)

Note:

(i) During the acquisition of Paomashan and based on the investment agreement, the Group attended the creditors' meeting to negotiate and agreed the property distribution plan and the first distribution details of Paomashan ("Property Distribution Plan") with other present creditors and liquidator. Based on the assessment of all court-confirmed claims and available working capital of Paomashan, the liquidator announced the Property Distribution Plan as result of the bankruptcy reorganisation of Paomashan, which is approved by the Kangding People's Court. The carrying amount of the Group's receivables from Paomashan included in the other receivables under "Trade and other receivables and prepayments" (Note 28) was RMB156,410,000 as 31 December 2024. At the date of acquisition, the Group pursuant to the Property Distribution Plan, the Group estimated the recoverable amounts of court-confirmed claims of the Group would be RMB32,260,000, and recognised the remaining expected unrecoverable amounts of approximately RMB124,150,000 as an adjustment item in calculating the bargain purchase gain. As at 21 April 2025, the carrying amounts of receivables amounted to RMB32,260,000 were to be collected from liquidator and included in the other receivables .

Bargain purchase gain amounting to RMB90,133,000 on acquisition of Paomashan, after reassessment, is recognised in profit or loss within other gains and losses, net in the consolidated statement of profit or loss and other comprehensive income. The bargain purchase gain is caused by the lower court-approved acquisition consideration, which reflected the distressed nature of the transaction following the termination of Paomashan's liquidation process.

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(a) Acquisition of Paomashan *(Cont'd)*

Net cash outflows arising on acquisition of Paomashan

	RMB'000
Cash Considerations	138,829
Less: cash consideration paid during the year ended 31 December 2024	(20,000)
Less: cash and cash equivalents acquired	(248)
	118,581

Impact of acquisition on the results of the Group

Included in the profit for the year is loss of RMB28,928,000 attributable to the additional business generated by Paomashan. Revenue for the year includes RMB2,446,000 generated from Paomashan.

Had the acquisition of Paomashan been completed on 1 January 2025, revenue for the year of the Group would have been RMB9,624,609,000, and profit for the year would have been RMB1,046,759,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Paomashan been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment and other intangible assets based on the recognised amounts of property, plant and equipment and other intangible assets at the date of the acquisition.

(b) Acquisition of CILU

On 27 January 2025, WIH Cement Developing Co., Limited ("WIH Cement"), a subsidiary of the Group, entered into a share purchase agreement and intra-group transfer agreement with independent sellers to acquire 91.02% equity interests in CILU at an original consideration of USD119,650,000 (equivalent to approximately RM879,577,000). CILU is principally engaged in cement production and sales and was acquired with the objective of expanding the Group's relevant business. The original consideration consisted of two elements:

1. Cash payment of USD3,700,000 (equivalent to approximately RMB25,901,000) for the share transfer from these sellers to WIH Cement over the CILU, and;

2. Assignment CILU's outstanding liabilities owed to CILU's shareholders under share purchase agreement to WIH Cement (the "Intra-Group Repayment Claims") at a consideration of USD115,950,000 (equivalent to approximately RMB811,674,000), subject to closing adjustments.

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(b) Acquisition of CILU *(Cont'd)*

Pursuant to the share purchase agreement, WIH Cement has the right to designate other buyer(s) as transferee(s) of up to 28.7665% equity interests in CILU.

On 7 May 2025, WIH Cement entered into a separate agreement with International Finance Corporation, a then minor shareholder of CILU, to acquire 7.75% equity interests in CILU and the Intra-Group Repayment Claims at a consideration of USD6,000,000 (equivalent to approximately RMB42,001,000).

On 4 December 2025, WIH Cement entered into a cooperation agreement with a third party to jointly acquire the CILU, pursuant to which the third party agreed to acquire the 28.7665% equity interests in CILU with the same proportion Intra-Group Repayment Claims amounted to USD34,520,000 (equivalent to approximately RMB241,646,000).

The aforementioned arrangements and the entire acquisition were completed on 17 December 2025 and WIH Cement ultimately acquired 70.0035% equity interests in CILU amounted to USD2,850,000 and Intra-Group Repayment Claims amounted to USD82,602,000, in which the final total consideration of USD85,452,000 (equivalent to approximately RMB598,183,000), subject to closing adjustments.

CILU is principally cement production and sales and was acquired with the objective of expanding the Group's relevant business.

The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	RMB'000
Cash paid	629,823
Consideration payable	210,006
Consideration paid on behalf of a third party *(Note)*	(241,646)
Consideration	598,183

Note: The consideration paid on behalf of a third party was settled by the Group through cash payment and offset against the Group's accounts payable with that third party. The related cash outflow is included in the consideration paid.

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(b) Acquisition of CILU *(Cont'd)*

Fair value of assets and liabilities recognised determined on a provisional basis at the date of acquisition:

	RMB'000
Assets	
Mining rights	360,564
Property, plant and equipment	558,433
Inventories	113,352
Trade and other receivables and prepayments	165,014
Deferred tax assets	13,858
Bank balances and cash	18,023
Liabilities	
Bank borrowings	(10,834)
Trade and other payables	(93,227)
Income tax payable	(11,680)
Deferred tax liabilities on assets revaluation	(25,425)
Net assets acquired	1,088,078
Net assets acquired attributable to:	
— owners of the Company	761,655

Bargain purchase arose in the acquisition of CILU

	RMB'000
Consideration transferred	598,183
Plus: non-controlling interests (30% equity interest in CILU)	326,423
Less: fair value of net assets acquired	(1,088,078)
Bargain purchase gain on acquisition	(163,472)

Bargain purchase gain amounting to RMB163,472,000 on acquisition of CILU, after reassessment, is recognised in profit or loss within other gains and losses, net in the consolidated statement of profit or loss and other comprehensive income. The bargain purchase gain is caused by the lower acquisition consideration, which reflected the original shareholders' desire to exit the market and the Group's ability to offer a quick release of capital.

40. ACQUISITION OF SUBSIDIARIES *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

(b) Acquisition of CILU *(Cont'd)*

Cash outflow paid in acquisition of CILU

	RMB'000
Cash paid	629,823
Less: cash and cash equivalents acquired	(18,023)
	611,800

Impact of acquisition on the results of the Group

Included in the profit for the year is RMB2,334,000 attributable to the additional business generated by CILU. Revenue for the year includes RMB15,472,000 generated from CILU.

Had the acquisition of CILU been completed on 1 January 2025, revenue for the year of the Group would have been RMB10,063,515,000, and profit for the year would have been RMB1,176,625,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had CILU been acquired at the beginning of the current year, the directors of the Company calculated depreciation of mining rights and property, plant and equipment based on the recognised amounts of mining rights and property, plant and equipment at the date of the acquisition.

41. DISPOSAL OF SUBSIDIARIES AND ASSETS

For the year ended 31 December 2025

On 25 June 2025, the Group entered into an equity transfer agreement and three asset transfer agreements with a substantial shareholder of the Company ("Purchaser A") and a direct wholly-owned subsidiary of Purchaser A (Purchaser B, together with Purchaser A are referred as "Purchasers"), pursuant to which the Group has conditionally agreed to sell, and Purchasers has conditionally agreed to purchase the entire equity interest in certain subsidiaries of the Group (the "Xinjiang Companies") and purchase certain assets the Group in Xinjiang Province, the PRC (the "Disposed Assets", the Xinjiang Companies and Disposed Assets are collectively referred as "Disposal Group"). The total consideration of the disposal of the Disposal Group was RMB1,650,000,000.

The transaction was completed on 15 August 2025 and the final consideration price has been adjusted to RMB1,496,463,000 based on the audited data as of 15 August 2025 pursuant to the agreements. Upon completion of the transaction, the Xinjiang Companies cease to be subsidiaries of the Company and the legal title of Disposed Assets have been transferred to the Purchasers, and financial information of the Xinjiang Companies and Disposed Assets will no longer be consolidated to the accounts of the Group.

The Disposal Group does not constitute as a discontinued operation as it is not considered as a separate major line of Group's business or geographical area of operations of the Group based on the strategy of the Group.

The net assets of Xinjiang Companies at the date of disposal were as follows:

	As at 15 August 2025 RMB'000
Analysis of assets and liabilities over which control was lost:	
Assets	
Property, plant and equipment	**1,263,084**
Right-of-use assets	**20,358**
Mining rights	**87,538**
Other intangible assets	**54,606**
Deferred tax assets	**202**
Inventories	**72,572**
Trade and other receivables and prepayments	**25,948**
Bank balances and cash	**2,154**
Liabilities	
Borrowings	**(87,965)**
Trade and other payables	**(87,567)**
Contract liabilities	**(16,088)**
Asset retirement obligation	**(22,032)**
Deferred tax liabilities	**(4,993)**
Deferred income	**(392)**
Other long-term payables	**(33,684)**
Net assets disposed of	**1,273,741**

41. DISPOSAL OF SUBSIDIARIES AND ASSETS *(Cont'd)*

For the year ended 31 December 2025 *(Cont'd)*

The net assets of Xinjiang Companies at the date of disposal were as follows: (Cont'd)

	RMB'000
Consideration received:	
Considerations received in cash	1,060,335
Consideration receivable (included in "other receivables") *(Note)*	436,128
Total consideration	1,496,463
Gain on disposal of subsidiaries and assets:	
Consideration received and receivables	1,496,463
Net assets disposed of	(1,273,741)
Cost related to disposal	(62,419)
Gain on disposal	160,303
Net cash inflow arising on disposal:	
Cash consideration	1,060,335
Less: cash and cash equivalents disposed of	(2,154)
	1,058,181

Note: The deferred consideration amounted to RMB65,780,000 will be settled in installments by the Purchasers on or before the agreed settlement dates, of which RMB46,411,000 is due on or before 15 June 2026 and the remaining RMB19,369,000 is due on or before 15 February 2027.

41. DISPOSAL OF SUBSIDIARIES AND ASSETS *(Cont'd)*

For the year ended 31 December 2024

During the current year, the Group entered into a sale agreement to dispose its 100% equity interest in 西安市新城區光信小額貸款有限公司 Xi'an Xincheng District Guangxin Small Loan Co., Ltd.* ("Guangxin Loan") for a consideration of RMB111,240,000 that carried out a small loans business to an independent third party. The disposal was completed on 31 January 2024, on which the Group lost control over Guangxin Loan.

	As at 31 January 2024 RMB'000
Analysis of assets and liabilities over which control were lost:	
Bank balances and cash	1
Amount due from the Group	108,359
Net assets disposed of	108,360
Consideration received:	
Considerations received in cash	29,970
Consideration receivable (included in "other receivables") *(Note)*	81,270
Total consideration	111,240
Gain on disposal of a subsidiary:	
Considerations received and receivable	111,240
Net assets disposed of	(108,360)
Gain on disposal	2,880
Net cash inflow arising on disposal:	
Cash consideration	29,970
Bank balances and cash disposed of	(1)
	29,969

42. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**5,812,013**	3,680,909

43. SHARE-BASED PAYMENTS

The Company's current share option scheme was adopted pursuant to a resolution of board of directors passed on 31 March 2010 for the primary purpose of providing incentives to directors and eligible employees through the subscription of the Company's shares, and will expire 10 years after the date of grant ("Post-IPO Share Option Scheme").

The total number of shares in respect of options may be granted under the Post-IPO Share Option Scheme is not permitted to exceed 10% of the issued share capital of the Company as at 23 August 2010, which aggregated at 411,533,185 shares, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 21 days of the date of offer, upon payment of HKD1 per grant. Options may be exercised at any time during a period to be determined and notified by the directors to each grantee, but shall not be more than 10 years from the date of grant of options. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

On 23 March 2011, 22 March 2013, 24 March 2014 and 13 April 2015, the Company granted a total of 18,400,000 ("First Issuance"), 34,000,000 ("Second Issuance"), 52,100,000 ("Third Issuance") and 29,100,000 options ("Forth Issuance"), respectively, to directors, senior management and staff, and the estimated fair value of the four option issuances using the Black-Scholes option pricing model was approximately HKD1.04, HKD0.58, HKD0.41 and HKD0.56 per option at the respective grant date.

The share options granted are exercisable within a period of 10 years after the corresponding vesting periods (4 years) succeeding the specific grant date of each individual tranche under a particular issuance, subject to the fulfilment of certain non-market performance condition, for example, the share options of a specific tranche would vest if the growth in profit after tax of the Group during the year ending on the vesting date (Year 1) equal or exceed 15% as compared to the previous financial year (Year 0). In the event when the growth is less than 15%, the share options will not be immediately forfeited and the vesting will delay until the compound growth in profit after tax of the Group in the following financial year (Year 2) equal or exceed 15% as compared to that of Year 0. Where profit after tax of the Group does not meet the growth requirements in both circumstances above, the share options of the said tranche will not vest.

43. SHARE-BASED PAYMENTS *(Cont'd)*

The following table disclose the details of the share options held by the employees (including the directors) and movements in such holdings during the years ended 31 December 2025 and 2024:

Year ended 31 December 2025

					Number of options ('000)				
	Date of grant	Weighted average remaining contractual life	Exercise period of tranches under the issuance	Exercise price	Outstanding at 1.1.2025	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2025
Forth Issuance	**13 April 2015**	**Expired**	**13 April 2016 to 12 April 2025**	**HKD1.45**	**6,900**	**–**	**–**	**6,900**	**–**
					6,900	**–**	**–**	**6,900**	**–**
Exercisable at the end of the year									**–**
Weighted average exercise price									**–**

Year ended 31 December 2024

					Number of options ('000)				
	Date of grant	Weighted average remaining contractual life	Exercise period of tranches under the issuance	Exercise price	Outstanding at 1.1.2024	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2024
Third Issuance	24 March 2014	Expired	24 March 2015 to 23 March 2024	HKD0.91	21,150	–	15,450	5,700	–
Forth Issuance	13 April 2015	3 months	13 April 2016 to 12 April 2025	HKD1.45	16,700	–	8,200	1,600	6,900
					37,850	–	23,650	7,300	6,900
Exercisable at the end of the year									6,900
Weighted average exercise price									HKD1.45

During the year ended 31 December 2025, no share options were exercised (2024: 23,650,000 share options were exercised at the weighted average exercise price of HKD1.10 per share or approximately RMB1.01 per share at the weighted average exchange rate of HKD1: RMB0.915) and 6,900,000 (2024: 7,300,000) share options were lapsed.

44. RETIREMENT BENEFITS PLANS

The Group participate in the Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees. The MPF Scheme now requires the Group and its employees in Hong Kong to contribute 5% of the employees' monthly salary to the MPF Scheme subject to a monthly salary cap of HKD30,000.

The employees of the Group's subsidiaries in the PRC are members of a state-managed defined contribution retirement scheme operated by the PRC government. The subsidiary is required to contribute 20% of payroll costs to the retirement scheme subject to certain cap as governed by the social fund bureau. The only obligation of the Group with respect to the retirement scheme is to make the specified contributions.

All other subsidiaries paid for retirement benefit and other social securities according to the local regulations for their own employees.

The total expense recognised in the profit or loss of RMB62,514,000 (2024: RMB63,966,000) represents contributions paid or payable under the retirement benefit scheme.

45. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

Companies	Nature of Balances/transactions	**As at/ For the year ended 31 December 2025 RMB'000**	As at/ For the year ended 31 December 2024 RMB'000
Anda International Logistics (DRC), Limited*	Trade and other receivables and prepayments	**163,060**	155,808
Anda International Logistics (DRC), Limited*	Trade and other payables	**20,630**	–
Anda International Logistics (DRC), Limited*	Rental income	**15,389**	25,755
Anda International Logistics (DRC), Limited*	Transportation services provided to the Group	**35,190**	44,466

* *The Group holds a 49% equity stake in the Anda International Logistics (DRC), Limited, which is insignificant to the Group.*

45. RELATED PARTY DISCLOSURES *(Cont'd)*

The Group has paid or payable to the key management for employee services. The key management includes directors (executive and non-executive) of the Company and senior management of the Group.

Key management compensation

	2025 RMB'000	2024 RMB'000
Salaries and allowances	**11,601**	11,614
Retirement benefits	**181**	148
	11,782	11,762

46. ASSETS PLEDGED FOR SECURITY

The carrying amounts of the assets at the end of each reporting period pledged to secure trade facilities and bank loans are analysed as follows:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	**2,773,074**	2,437,717
Trade receivables	**21,318**	2,550
Right-of-use assets	**385,302**	149,125
Properties for sale	**139,297**	–
Properties under development	**209,375**	516,000
Pledged bank deposits	**717,443**	1,380,324
	4,245,809	4,485,716

47. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (borrowings and senior notes as detailed in Notes 31 and 33, respectively, offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital and reserves as disclosed in the consolidated statement of changes in equity).

The directors of the Company review the capital structure on a semi-annual basis. In order to maintain or adjust the capital structure, the Group will balance its overall capital structure through adjusting the payment of dividends paid to shareholders, issuance of new shares or issue of new debt or the redemption of existing debt.

b. Categories of financial instruments

	2025	2024
	RMB'000	RMB'000
Financial assets		
— Loans and receivables at amortised cost (including cash and cash equivalents)	**5,073,589**	5,806,021
— Equity investment at FVTPL	**46,634**	36,217
Financial liabilities		
— Amortised cost	**19,178,728**	19,875,007

c. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, other deposits, restricted/pledged bank deposits, bank balances and cash, equity instrument at FVTPL, trade and other payables, other long-term payables, borrowings, dividend payables, and senior notes. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rate risk. There has been no change to the Group's exposure to these risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk

The Group undertakes transactions, mainly the issuance of senior notes and borrowings denominated in foreign currencies other than the functional currency of the group entities. Hence, exposures to exchange rate fluctuations arise.

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Market risks *(Cont'd)*

(i) Foreign currency risk *(Cont'd)*

The Group does not use derivative financial instruments to hedge its foreign currency risk. However, the Group monitors foreign currency exposure and will consider hedging significant exposure should the need arise. The carrying amounts of Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025 RMB'000	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
USD	**5,107,217**	6,066,375	**69,278**	621,807
Euros ("EUR")	**–**	–	**469**	2,805
	5,107,217	6,066,375	**69,747**	624,612
Other foreign currency (including HKD, MZN, ETB ("Ethiopian Birr"), and Singapore Dollar, etc.)	**8,415**	123,953	**11,334**	23,910
Total	**5,115,632**	6,190,328	**81,081**	648,522

The Group is mainly exposed to the fluctuation in USD against RMB.

The directors' assessment of the reasonably possible change in foreign exchange rate is 5% (2024: 5%) which is also the sensitivity rate used when reporting foreign currency risk internally to key management personnel. For a 5% weakening of RMB against the relevant foreign currencies, there will be a decrease in post-tax profit for the year of RMB188,923,000 (2024: RMB204,171,000) and there would be an equal but opposite impact on the profit or loss for the year for a 5% strengthen of RMB against relevant foreign currencies.

(ii) Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to loan receivables, loans payable, pledged/restricted bank deposits, fixed-rate borrowings, and senior notes (as detailed in Notes 24, 32, 30, 31 and 33, respectively).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate borrowings (as detailed in Note 31) and bank balances (as detailed in Note 30).

The Group does not have formal policies on managing interest rate risk. However, the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure for variable-rate borrowings at the end of each reporting period. For variable-rate borrowings, the analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2025 would be decreased/increased by approximately RMB7,777,000 (2024: RMB5,443,000).

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Market risks *(Cont'd)*

(iii) Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL. The Group currently do not have any policy to manage the risk as the management is of the opinion that the equity price risk is insignificant to the Group and no sensitivity analysis is presented.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to its trade and other receivables, loan receivables, other deposits, bank balances, and restricted/pledged bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except for loan receivables and trade receivables backed by bills.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has formulated a defined trade credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Normally, the Group does not obtain collateral from customers except for trade receivables backed by bills. In addition, the Group performs impairment assessment under ECL model upon application of IFRS 9 on trade balances individually for significant balances and balances with credit-impaired, and based on provision matrix for the remaining trade receivables as stated below.

The Group has no significant concentration of credit risk on trade receivables, with exposure spread over a large number of cement sales customers and independent third parties.

The Group measures ECL allowance for most of its trade receivables using a provision matrix by debtors' aging because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Trade receivables arising from contracts with customers *(Cont'd)*

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2025 and 2024 within lifetime ECL. Debtors with significant and credit-impaired balances with gross carrying amounts of RMB512,200,000 (2024: RMB594,446,000) as at 31 December 2025 were assessed individually. The Group recognised expected credit loss amounted to approximately RMB47,609,000 (2024: RMB88,875,000) in respect of these balances.

As at 31 December 2025

	Average loss rate	**Gross carrying amounts RMB'000**
Current (not past due)	**0.30%**	**391,456**
1 to 90 days past due	**1.04%**	**184,927**
91 to 360 days past due	**31.79%**	**248,947**
Over 360 days past due	**37.92%**	**85,204**
		910,534

As at 31 December 2024

	Average loss rate	Gross carrying amounts RMB'000
Current (not past due)	0.36%	389,343
1 to 90 days past due	1.09%	203,428
91 to 360 days past due	39.75%	275,833
Over 360 days past due	44.22%	60,898
		929,502

The estimated loss rates are estimated based on historically observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort, such as economic data and forecasts published by governmental bodies and industrial information published by relevant institutions. At every reporting date, the historically observed default rates are reassessed and changes in the forward-looking information are considered.

As at 31 December 2025, the Group recognises an impairment allowance of RMB114,027,000 (2024: the Group recognised an impairment allowance of RMB140,205,000) based on the provision matrix.

The Group's trade receivables backed by bills represent the bills issued by banks and trust company with high credit ratings and therefore are considered to be low credit risk. The directors of the Company consider that ECL on trade receivables backed by bills was insignificant.

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Loan receivables

Credit risk of loan receivables is monitored by the dedicated credit risk department of the Group responsible for the review and managing of credit risk for all corporate loan borrowers. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process aims to allow the Group to define the terms of the loans as well as assess the potential loss as a result of the risks to which it is exposed and take corrective action. The Group monitors credit risk of loan receivables regularly by reviewing changes in creditworthiness of the loan borrowers, past collection history, subsequent settlement of each loan borrower, and also relevant collaterals and guarantees as well as forward-looking information, in order to mitigate the risk of significant exposure from bad debts.

Credit risk is often greater when the loan borrowers are concentrated in one single industry or geographical location or have comparable economic characteristics. The loan borrowers of the Group are located in different provinces of the PRC and are from different industries. As the loan borrowers of the Group are widely dispersed and are engaged in different industries, there is no significant credit risk concentration within the Group's loan receivables.

The Group considers a loan receivable in default and therefore as "Loss" in internal credit rating for ECL calculations in all cases when there is evidence indicating the asset is credit-impaired. As part of a qualitative creditworthiness assessment of whether a loan borrower is in default, the Group also considers a variety of instances that may indicate the counterparties' unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the loan borrower as in default and therefore assessed as "Loss" for ECL calculations or whether other internal credit rating is appropriate.

As at 31 December 2025, the Group recognised an impairment allowance of RMB218,893,000 (2024: RMB242,900,000) based on credit risk assessment for loan receivables.

Cash and cash equivalents and pledged/restricted bank deposits

The credit risks on cash and cash equivalents and pledged/restricted bank deposits are limited because the counterparties are reputational banks/financial institutions with high credit ratings internationally/locally.

Other receivables

Except for the credit-impaired other receivables, other receivables that are measured at amortised cost were considered of low credit risk, and thus the impairment provision recognised during the year was limited to 12m ECL. The management make periodic individual assessment on the recoverability based historical settlement records, past experience, quantitative and qualitative information that is reasonable and supportive forward-looking information. As at 31 December 2025, the Group recognised an impairment allowance of RMB5,127,000 (2024: RMB32,995,000) based on credit risk assessment for other receivables.

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Other receivables *(Cont'd)*

In assessing the impairment under ECL model upon application of IFRS 9, the Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due date but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There has been significant increase in credit risk since initial recognition through information development internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficult and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

The tables detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount		2024 Gross carrying amount	
				RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost							
— Loan receivables	24	Low risk	12m ECL	**129,000**		140,000	
		Doubtful	Lifetime ECL — not credit-impaired	**200,000**		311,500	
		Loss	Lifetime ECL — credit-impaired	**191,877**	**520,877**	199,800	651,300
— Trade receivables backed by bills	28	*(note 2)*	12m ECL	**318,370**	**318,370**	269,214	269,214
— Trade receivables	28	*(note 3)*	Lifetime ECL (provision matrix)	**910,534**		929,502	
		Watch list	Lifetime ECL (significant balances, individually assessed)	**505,797**		588,211	
		Loss	Lifetime ECL (credit-impaired)	**6,403**	**1,422,734**	6,235	1,523,948
— Other receivables	28	*(note 1)*	12m ECL	**950,270**		1,000,845	
			Lifetime ECL	**211,458**	**1,161,728**	242,963	1,243,808
— Consideration receivables	28	*Low risk*	12m ECL	**491,392**	**491,392**	81,270	81,270
— Cash and cash equivalent (Bank balances)	30	*(note 4)*	12m ECL	**766,298**	**766,298**	1,157,136	1,157,136
— Pledged/restricted bank deposits	30	*(note 4)*	12m ECL	**795,450**	**795,450**	1,384,320	1,384,320

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Notes:

1. Apart from trade receivables, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Past due RMB'000	Not past due RMB'000	Total RMB'000
2025			
Other receivables	**211,458**	**950,270**	**1,161,728**
2024			
Other receivables	242,963	1,000,845	1,243,808

2. The Group set different categories for customers settling with bills according to the internal credit rating assessment. The Group does not accept bills from customers with lower credit ratings.

3. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, the Group determines the ECL on these items by using a provision matrix, grouped by past due status.

4. These bank balances were placed in banks with good reputational banks internationally/locally.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024	195,344	6,234	201,578
Changes due to financial instruments recognised as at 1 January 2024:			
— Impairment losses recognised	71,406	–	71,406
— Impairment losses reversed	(153,525)	–	(153,525)
New financial assets originated or purchased	111,336	–	111,336
Foreign exchange realignment	(1,715)	–	(1,715)
As at 31 December 2024	222,846	6,234	229,080
Changes due to financial instruments recognised as at 1 January 2024:			
— Transfer to credit-impaired	(169)	169	–
— Impairment losses recognised	45,950	–	45,950
— Impairment losses reversed	(178,479)	–	(178,479)
— Write-offs	(4,174)	–	(4,174)
New financial assets originated or purchased	72,318	–	72,318
Foreign exchange realignment	(3,059)	–	(3,059)
As at 31 December 2025	**155,233**	**6,403**	**161,636**

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

	2025 Increase/(decrease) in lifetime ECL (not credit-impaired) RMB'000	2025 Increase/(decrease) in lifetime ECL (credit-impaired) RMB'000	2024 Increase/(decrease) in lifetime ECL (not credit-impaired) RMB'000	2024 Increase/(decrease) in lifetime ECL (credit-impaired) RMB'000
Trade debtors with gross carrying amount of RMB148,730,000 recognised at 1 January 2025 (2024: RMB177,354,000)	**45,950**	**–**	69,691	–
One trade debtor with a gross carrying amount of RMB169,000 (2024: nil) defaulted and transferred to credit-impaired	**(169)**	**169**	–	–
Settlement in full of trade debtors with a gross carrying amount of RMB1,375,218,000 (2024: RMB1,155,665,000)	**(178,479)**	**–**	(153,525)	–
New trade receivables with gross carrying amount of RMB1,274,004,000 (2024: RMB1,346,594,000)	**72,318**	**–**	111,336	–

The following tables show reconciliation of loss allowances that have been recognised for loan receivables.

	12m ECL RMB'000	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024	5,730	70,892	172,397	249,019
Changes due to financial instruments recognised as at 1 January 2024				
— Impairment losses recognised	1,029	16,242	15,750	33,021
— Impairment losses reversed	–	(30,996)	(10,847)	(41,843)
New financial assets originated or purchased	2,703	–	–	2,703
As at 31 December 2024	9,462	56,138	177,300	242,900
Changes due to financial instruments recognised as at 1 January 2024				
— Transfer to not credit-impaired	(6,759)	6,759	–	–
— Transfer from/to credit-impaired	–	(7,250)	7,250	–
— Impairment losses recognised		8,691	–	8,691
— Impairment losses reversed	(62)	(21,927)	(10,709)	(32,698)
As at 31 December 2025	**2,641**	**42,411**	**173,841**	**218,893**

The average loss rate of loan receivables for the year is 42.0% (2024: 37.3%).

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Credit risk and impairment assessment *(Cont'd)*

Changes in the loss allowance for loan receivables are mainly due to:

	31 December 2025		
		Increase (decrease) in lifetime ECL	
	Increase (decrease) in 12m ECL RMB'000	Not credit-impaired RMB'000	Credit-impaired RMB'000
Settlement in full of loan receivables with a gross carrying amount of RMB130,423,000 (2024: RMB241,300,000)	**(62)**	**(21,927)**	**(10,709)**
Past due loan receivables with a gross carrying amount of RMB191,877,000 (2024: RMB111,300,000)	**–**	**8,691**	**–**
	(62)	**(13,236)**	**(10,709)**

	31 December 2024		
		Increase (decrease) in lifetime ECL	
	Increase (decrease) in 12m ECL RMB'000	Not credit-impaired RMB'000	Credit-impaired RMB'000
Advance of new loan receivables with a gross carrying amount of RMB40,000,000	2,703	–	–
Settlement in full of loan receivables with a gross carrying amount of RMB241,300,000	–	(30,996)	(10,847)
Past due loan receivables with a gross carrying amount of RMB111,300,000	1,029	16,242	15,750
	3,732	(14,754)	4,903

During the year ended 31 December 2025, the Group recognised an impairment loss for other receivables of RMB4,510,000 (2024: RMB31,805,000) and the Group write off other receivables of RMB32,378,000 (2024: nil). The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirement. The Group manages liquidity risk by maintaining adequate banking facilities and borrowing facilities, by continuing monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In order to mitigate the liquidity risk, the Group regularly monitors its operating cash flows to meet its liquidity requirements in short and long term. The Group also monitors the utilisation of bank borrowings and senior notes and ensures compliance with relevant agreements covenants.

As at 31 December 2025, the Group has net current liabilities position of approximately RMB4,598,575,000. The Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future. The directors of the Company have a reasonable expectation that the Group has adequate resources to continue in operational existence which set out in Note 3 for the foreseeable future.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. To the extent that interest payments are floating rate the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate %	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025							
Trade and other payables	–	6,517,750	–	–	–	6,517,750	6,517,750
Other long-term payables	2.84%	–	96,050	292,431	758,271	1,146,752	965,768
Borrowings							
— variable rates	5.20%	886,791	480,946	2,094,832	–	3,462,569	2,073,949
— fixed rates	11.52%	3,943,015	1,296,165	2,050,289	501,050	7,790,519	5,297,727
Dividend payables	–	168,881	–	–	–	168,881	168,881
Senior notes	7.43%	1,710,477	277,208	2,819,830	–	4,807,515	4,154,653
		13,226,914	2,150,369	7,257,382	1,259,321	23,893,986	19,178,728

47. FINANCIAL INSTRUMENTS *(Cont'd)*

c. Financial risk management objectives and policies *(Cont'd)*

Liquidity risk *(Cont'd)*

	Weighted average interest rate %	Less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024							
Trade and other payables	–	6,780,014	394,310	114,553	–	7,288,877	7,288,877
Other long-term payables	2.84%	–	325,307	493,261	260,824	1,079,392	966,453
Borrowings	–						
— variable rates	4.08%	578,872	351,262	583,859	59,117	1,573,110	1,451,372
— fixed rates	7.09%	3,657,632	571,936	1,777,536	391,406	6,398,510	5,638,120
Dividend payables	–	60,370	–	–	–	60,370	60,370
Senior notes	4.95%	216,774	4,492,121	–	–	4,708,895	4,469,815
		11,293,662	6,134,936	2,969,209	711,347	21,109,154	19,875,007

d. Fair values of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purpose.

In estimating the fair value, the Group used market-observable data to the extent that is available.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and key inputs used).

Name	Fair value as at		Fair value hierarchy	Valuation techniques and key input(s)
	31/12/2025 RMB'000	31/12/2024 RMB'000		
Equity investment at FVTPL	**46,634**	36,217	Level 1	Quoted bid price in an active market

Fair value of the Group's financial assets that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

The fair value of the financial assets and liabilities recorded at amortised cost are determined in accordance with the generally accepted pricing model based on discounted cash flows.

48. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings	Senior notes	Dividend Payables	Loan Payables	Interest payables	Total
	RMB'000	RMB'000 (Note 2)	RMB'000	RMB'000 (Note 1)	RMB'000 (Note 1)	RMB'000
At 1 January 2024	6,352,217	4,324,193	129,415	57,652	41,221	10,904,698
Financing cash flows	584,054	(213,037)	(309,448)	–	–	61,569
Non-cash financing activities:						
Interest expenses	296,179	224,486	–	–	19,890	540,555
Foreign exchange difference	(142,958)	134,173	2,105	–	–	(6,680)
Dividends declared	–	–	125,094	–	–	125,094
Dividend declared to a non-controlling shareholder	–	–	113,204	–	–	113,204
At 31 December 2024	7,089,492	4,469,815	60,370	57,652	61,111	11,738,440
Financing cash flows	164,689	(375,340)	(494,755)	306,961	(94,424)	(492,869)
Non-cash financing activities:						
Interest expenses	453,443	240,998	–	–	47,795	742,236
Foreign exchange difference	(259,408)	(180,820)	2,104	–	–	(438,124)
Acquisition of subsidiaries	11,425	–	–	–	–	11,425
Disposal of a subsidiary	(87,965)	–	–	–	–	(87,965)
Dividends declared	–	–	185,348	–	–	185,348
Dividend declared to a non-controlling shareholder	–	–	415,814	–	–	415,814
At 31 December 2025	**7,371,676**	**4,154,653**	**168,881**	**364,613**	**14,482**	**12,074,305**

Notes:

1. Loan payables and interest payables are included in trade and other payables (Note 32).

2. During the year ended 31 December 2025, the proceeds from the issuance of Senior Notes 2 of RMB2,726,083,000 were used for the partial redemption of the Senior Notes 1 and were accounted for as a non-cash transaction.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at the end of the reporting period are as follows:

Name of subsidiaries	Class of share held	Place of registration/ incorporation and operation	Paid up issued/ registered ordinary share capital	Proportion of ownership interest/voting power held by the Company		Principal activities
				2025	2024	
Indirectly held						
West China BVI	Ordinary	British Virgin Islands	HKD7,800	**100%**	100%	Investment holding
Faithful Alliance Limited ("Faithful Alliance") 集誠有限公司	Ordinary	Hong Kong	HKD100	**100%**	100%	Investment holding
Shaanxi Yaobai 堯柏特種水泥集團有限公司	Ordinary	Shaanxi, PRC	RMB1,890,000,000	**100%**	100%	Production and sale of cement
Lantian Yaobai 西安藍田堯柏水泥有限公司	Ordinary	Shaanxi, PRC	RMB100,000,000	**100%**	100%	Production and sale of cement
Ankang Yaobai Cement Co., Ltd.* 安康堯柏水泥有限公司	Ordinary	Shaanxi, PRC	RMB345,000,000	**100%**	100%	Production and sale of cement
Hanzhong Yaobai Cement Co., Ltd.* 漢中堯柏水泥有限公司	Ordinary	Shaanxi, PRC	RMB135,000,000	**100%**	100%	Production and sale of cement
Mianxian 漢中勉縣堯柏水泥有限公司	Ordinary	Shaanxi, PRC	RMB140,000,000	**100%**	100%	Production and sale of cement
Xi'an Yaobai Material Co., Ltd.* 西安市堯柏物資有限公司	Ordinary	Shaanxi, PRC	RMB35,000,000	**100%**	100%	Purchase and sale of raw materials
Xixiang 漢中西鄉堯柏水泥有限公司	Ordinary	Shaanxi, PRC	RMB105,000,000	**100%**	100%	Production and sale of cement
Longqiao Yaobai 商洛堯柏龍橋水泥有限公司	Ordinary	Shaanxi, PRC	RMB125,000,000	**100%**	100%	Production and sale of cement
Xiushan Yaobai 商洛堯柏秀山水泥有限公司	Ordinary	Shaanxi, PRC	RMB20,000,000	**100%**	100%	Production and sale of cement

* *The English name is for identification purpose.*

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of the Company's principal subsidiaries as at the end of the reporting period are as follows: *(Cont'd)*

Name of subsidiaries	Class of share held	Place of registration/ incorporation and operation	Paid up issued/ registered ordinary share capital	Proportion of ownership interest/voting power held by the Company		Principal activities
				2025	2024	
Jianghua 安康堯柏江華水泥有限公司	Ordinary	Shaanxi, PRC	RMB150,000,000	**100%**	100%	Production and sale of cement
Hancheng 韓城堯柏陽山莊水泥有限公司	Ordinary	Shaanxi, PRC	RMB150,000,000	**80%**	80%	Production and sale of cement
Shifeng 陝西實豐水泥有限公司	Ordinary	Shaanxi, PRC	RMB100,000,000	**100%**	100%	Production and sale of cement
Fuping 陝西富平水泥有限公司	Ordinary	Shaanxi, PRC	RMB597,000,000	**100%**	100%	Production and sale of cement
Guizhou Linshan 貴州麟山水泥有限公司	Ordinary	Guizhou, PRC	RMB233,381,000	**100%**	100%	Production and sale of cement
Yaowangshan 銅川藥王山生態水泥有限公司	Ordinary	Shaanxi, PRC	RMB50,000,000	**100%**	100%	Production and sale of cement
Guangxin International Financial Leasing Co., Ltd.* ("Guangxin International") 光信國際融資租賃有限公司	Ordinary	Shaanxi, PRC	RMB420,000,000	**100%**	100%	Finance lease business
Guangxin Yili 光信(伊犁)融資租賃有限公司	Ordinary	Xinjiang, PRC	RMB200,000,000	**100%**	100%	Finance lease business
Zhonggang Logistics 西安中港智慧物流有限公司	Ordinary	Shaanxi, PRC	RMB30,000,000	**100%**	100%	Transportation
Pucheng Yaobai 蒲城堯柏特種水泥有限公司	Ordinary	Shaanxi, PRC	RMB150,000,000	**100%**	100%	Production and sale of cement
Shaanxi Fuda Mining Engineering Co., Ltd* 陝西富達礦山工程有限公司	Ordinary	Shaanxi, PRC	RMB40,000,000	**100%**	100%	Production and sale of cement

* *The English name is for identification purpose.*

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of the Company's principal subsidiaries as at the end of the reporting period are as follows: *(Cont'd)*

Name of subsidiaries	Class of share held	Place of registration/ incorporation and operation	Paid up issued/ registered ordinary share capital	Proportion of ownership interest/voting power held by the Company		Principal activities
				2025	2024	
Shaanxi Fengsheng 陝西豐盛德遠實業有限公司	Ordinary	Shaanxi, PRC	RMB50,000,000	**100%**	100%	Production and sale of cement
Yaobai International Holding Limited (formerly known as West International Holding Limited) ("WIH Cement") 堯柏國際控股有限公司(曾用名：西部國際控股有限公司)	Ordinary	Hong Kong	HKD100	**100%**	100%	Investment holding
Xinyida Jiancai 陝西新意達建材產業發展有限公司	Ordinary	Shaanxi, PRC	RMB81,951,600	**60%**	60%	Sale of cement and related material
Xinyida Hengzhong 陝西新意達恒眾混凝土有限公司	Ordinary	Shaanxi, PRC	RMB35,000,000	**60%**	60%	Sale of cement and related material
Dugongo	Ordinary	Moçambique	MZN 100,000,000	**60%**	60%	Production and sale of cement and related material
Hong Xing Glass Congo SARL ("Hongxing Glass")	Ordinary	Republic of Congo	XAF100,000,000	**100%**	100%	Production and sale of glass
Shangnan Hucongping Mining Development Co., Ltd.* 商南葫草坪礦業開發有限公司	Ordinary	Shaanxi, PRC	RMB11,960,766	**100%**	100%	Exploitation and sales of mines
Shaanxi Jinping Mining Co., Ltd. 陝西金平礦業有限公司	Ordinary	Shaanxi, PRC	RMB5,000,000	**60%**	60%	Exploitation and sales of mines
NCSC	Ordinary	Ethiopia	ETB833,210,000	**62%**	62%	Production and sale of cement and related material

* *The English name is for identification purpose.*

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of the Company's principal subsidiaries as at the end of the reporting period are as follows: *(Cont'd)*

Name of subsidiaries	Class of share held	Place of registration/ incorporation and operation	Paid up issued/ registered ordinary share capital	Proportion of ownership interest/voting power held by the Company		Principal activities
				2025	2024	
Great Lakes Cement SAS	Ordinary	Democratic Republic of Congo	USD100	**100%**	100%	Production and sale of cement and related material
Baicheng Real Estate	Ordinary	Shaanxi, PRC	RMB10,000,000	**100%**	100%	Real estate development and operation
Andijan Western Holding Cement Co., Ltd. 安集延西部控股水泥有限公司	Ordinary	Uzbekistan	UZS425,645,600	**77%**	77%	Production and sale of cement and related material
SLN — Fabrica de Cimento e de Clinker de Benguela, S.A.("SLN") SLN本格拉公司	Ordinary	Angola	AOA659,000,000	**90%**	90%	Production, manufacturing, and wholesale sales of gypsum board
WIH Rwanda Cement Co., Ltd 西部國際控股盧旺達水泥有限公司	Ordinary	Rwanda	RWF1,000,000	**100%**	100%	Green commodity concrete, precast components, prefabricated building research and development, design, production, construction, sales
Lemi National Cement 萊米國家水泥有限公司	Ordinary	Ethiopia	ETB100,199,000	**62%**	62%	Production and sale of cement and related material

* *The English name is for identification purpose.*

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

(a) Except for West China BVI, Faithful Alliance, Dugongo, Hongxing Glass, NCSC, Great and Lake Cement, SLN, WIH Rwanda Cement CO., Ltd , Lemi National Cement, the above English names of the entities have not been registered with the authorities and are used throughout the consolidated financial statements for discussion only.

(b) Other than Shaanxi Yaobai and Fuping which are wholly-owned foreign enterprises held directly by Faithful Alliance and Guangxin Yili, which is sino-foreign owned by Faithful Alliance and Guangxin International, all other subsidiaries established in the PRC are domestic companies held directly/indirectly by Shaanxi Yaobai.

(c) None of the subsidiaries had issued any debt securities during the year.

Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of registration/ incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive (expense) income allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025 RMB'000**	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
Hancheng	Shaanxi, PRC	**20%**	20%	**(2,042)**	(11,594)	**33,883**	35,925
Dugongo	Moçambique	**40%**	40%	**63,565**	72,312	**189,881**	497,044
Xinyida Hengzhong	Shaanxi, PRC	**40%**	40%	**38**	(27,033)	**7,206**	7,168
NCSC	Ethiopia	**38%**	38%	**(414,234)**	(534,319)	**576,350**	598,163
Individually immaterial subsidiaries with non-controlling interests				**435,575**	255,746	**452,332**	410,008
Total				**82,902**	(244,888)	**1,259,652**	1,548,308

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

Hancheng

Summarised financial information of Hancheng which has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 RMB'000	2024 RMB'000
Current assets	**108,932**	149,958
Non-current assets	**107,024**	115,393
Current liabilities	**30,642**	85,724
Non-current liabilities	**15,900**	–
Equity attributable to owners of the Company	**135,531**	143,702
Non-controlling interests	**33,883**	35,925

	2025 RMB'000	2024 RMB'000
Revenue	**112,739**	128,201
Expenses	**(122,952)**	(186,171)
Loss and total comprehensive expense for the year	**(10,213)**	(57,970)
Loss and total comprehensive expense attributable to:		
— owners of the Company	**(8,171)**	(46,376)
— non-controlling interests	**(2,042)**	(11,594)
Net cash inflow from operating activities	**2,955**	56,639
Net cash inflow (outflow) from investing activities	**36,941**	(23,828)
Net cash outflow from financing activities	**(40,256)**	(51,979)
Net cash outflow	**(360)**	(19,168)

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

Dugongo

Summarised financial information of Dugongo which has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 RMB'000	2024 RMB'000
Current assets	**867,133**	826,324
Non-current assets	**2,780,617**	2,939,229
Current liabilities	**1,367,469**	617,997
Non-current liabilities	**1,805,579**	1,904,945
Equity attributable to owners of the Company	**284,821**	745,567
Non-controlling interests	**189,881**	497,044
Dividends to shareholders	**926,821**	–

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

Dugongo *(Cont'd)*

	2025 RMB'000	2024 RMB'000
Revenue	**1,273,240**	1,009,237
Expenses	**(1,022,985)**	(849,699)
Profit attributable to:		
— owners of the Company	**150,153**	95,723
— non-controlling interests	**100,102**	63,815
Profit for the year	**250,255**	159,538
Other comprehensive (expense) income attributable to:		
— owners of the Company	**(54,806)**	12,745
— non-controlling interests	**(36,537)**	8,497
Other comprehensive (expense) income for the year	**(91,343)**	21,242
Total comprehensive income attributable to:		
— owners of the Company	**95,347**	108,468
— non-controlling interests	**63,565**	72,312
Total comprehensive income for the year	**158,912**	180,780
Net cash inflow from operating activities	**472,638**	114,760
Net cash outflow from investing activities	**(175,219)**	(199,151)
Net cash (outflow) inflow from financing activities	**(89,025)**	94,999
Net cash inflow	**208,394**	10,608

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

Xinyida Hengzhong

Summarised financial information of Xinyida Hengzhong which has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 RMB'000	2024 RMB'000
Current assets	**124,319**	114,151
Non-current assets	**28,077**	23,810
Current liabilities	**134,382**	120,042
Equity attributable to owners of the Company	**10,808**	10,751
Non-controlling interests	**7,206**	7,168

	2025 RMB'000	2024 RMB'000
Revenue	**91,814**	81,620
Expenses	**(91,719)**	(149,205)
Profit (loss) and total comprehensive income (expense) for the year	**95**	(67,585)
Profit (loss) and total comprehensive income (expense) attributable to: — owners of the Company	**57**	(40,552)
— non-controlling interests	**38**	(27,033)
Dividends declared to non-controlling interests	**–**	21,582
Net cash (outflow) inflow from operating activities	**(6,342)**	8,681
Net cash (outflow) inflow from investing activities	**(1,188)**	287
Net cash outflow from financing activities	**(262)**	(251)
Net cash (outflow) inflow	**(7,792)**	8,717

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

NCSC

Summarised financial information of NCSC which has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 RMB'000	2024 RMB'000
Current assets	**1,016,014**	996,246
Non-current assets	**2,717,824**	3,258,089
Current liabilities	**1,535,742**	1,957,010
Non-current liabilities	**681,901**	723,627
Equity attributable to owners of the Company	**939,845**	975,535
Non-controlling interests	**576,350**	598,163

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Cont'd)*

Details of non-wholly-owned subsidiaries that have material non-controlling interests *(Cont'd)*

NCSC *(Cont'd)*

	2025 RMB'000	2024 RMB'000
Revenue	**1,686,175**	610,219
Expenses	**(1,483,553)**	(354,648)
Profit attributable to:		
— owners of the Company	**125,558**	158,428
— non-controlling interests	**77,064**	97,143
Profit for the year	**202,622**	255,571
Dividends declared to non-controlling interests of NCSC	**–**	9,122
Other comprehensive expense attributable to:		
— owners of the Company	**(801,337)**	(1,029,841)
— non-controlling interests	**(491,298)**	(631,462)
Other comprehensive expense for the year	**(1,292,635)**	(1,661,303)
Total comprehensive expense attributable to:		
— owners of the Company	**(675,779)**	(871,413)
— non-controlling interests	**(414,234)**	(534,319)
Total comprehensive expense for the year	**(1,090,013)**	(1,405,732)
Net cash inflow from operating activities	**322,191**	385,411
Net cash outflow from investing activities	**(26,601)**	(754,800)
Net cash (outflow) inflow from financing activities	**(663,394)**	389,308
Net cash (outflow) inflow	**(367,804)**	19,919

50. EVENTS AFTER THE REPORTING PERIOD

Other than the matters set out in Notes 3, 13 and 33 and the following issuance, the Group had no material event after the end of the reporting period.

On 11 February 2026, the Company issued 10.5%, three-year senior notes with an aggregated principal amount of USD300,000,000 due in 2029 at 100.000% of the face value. The senior notes due 2029 were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Unlisted investments in subsidiaries	**1,700,742**	1,700,742
Property, plant and equipment	**14**	36
Amounts due from subsidiaries	**9,477,263**	8,845,397
Equity investment at FVTPL	**46,634**	36,217
	11,224,653	10,582,392
Current assets		
Other receivables and prepayments	**42,623**	53,118
Cash and cash equivalents	**54,104**	128,587
	96,727	181,705
Current liabilities		
Amounts due to subsidiaries	**233,061**	241,922
Senior notes	**1,432,574**	–
Other payables	**5**	6
	1,665,640	241,928
Net current liabilities	**(1,568,913)**	(60,223)
Total assets less current liabilities	**9,655,740**	10,522,169
Non-current liability		
Senior notes	**2,722,079**	4,469,815
Net assets	**6,933,661**	6,052,354
Capital and reserves		
Share capital	**142,261**	142,261
Share premium and reserves	**6,791,400**	5,910,093
	6,933,661	6,052,354

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Cont'd)*

Movements in reserves

	Share premium RMB'000	Share option reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	989,621	17,981	4,533,557	5,541,159
Profit and total comprehensive income for the year	–	–	470,592	470,592
Exercise/lapse of share-based payments	32,047	(14,922)	6,311	23,436
Dividends recognised as distribution	(125,094)	–	–	(125,094)
At 31 December 2024	896,574	3,059	5,010,460	5,910,093
Profit and total comprehensive income for the year	–	–	1,066,655	1,066,655
Lapse of share-based payments	–	(3,059)	3,059	–
Dividends recognised as distribution	(185,348)	–	–	(185,348)
At 31 December 2025	**711,226**	**–**	**6,080,174**	**6,791,400**

Group Financial Summary

RESULTS

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**9,621,185**	8,344,946	9,020,901	8,489,135	8,002,791
Profit (loss) before tax	**1,377,220**	1,090,182	954,309	1,513,299	2,083,591
Income tax expense	**(289,962)**	(262,327)	(263,608)	(169,184)	(300,639)
Total comprehensive income (expense) for the year	**(750,960)**	(320,058)	624,332	1,308,402	1,871,582
Attributable to:					
Owners of the Company	**668,058**	(75,170)	369,701	1,190,988	1,640,021
Non-controlling interests	**82,902**	(244,888)	254,631	117,414	231,561
	750,960	(320,058)	624,332	1,308,402	1,871,582

ASSETS AND LIABILITIES

	At 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**35,235,997**	36,289,921	32,902,850	30,239,253	26,648,351
Total liabilities	**21,318,802**	(22,473,436)	(18,734,900)	(16,847,502)	(14,856,724)
	13,917,195	13,816,485	14,167,950	13,391,751	11,791,627
Equity attributable to:					
Owners of the Company	**12,657,543**	12,268,177	12,283,445	12,031,353	11,313,548
Non-controlling interests	**1,259,652**	1,548,308	1,884,505	1,360,398	478,079
	13,917,195	13,816,485	14,167,950	13,391,751	11,791,627