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**西部水泥**

**WEST CHINA CEMENT LIMITED**

**中國西部水泥有限公司**

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

**(Stock Code: 2233)**

## **2025 ANNUAL RESULTS ANNOUNCEMENT**

### **Financial highlights:**

<i>RMB' Million (unless otherwise specified)</i>	<b>Year ended 31 December 2025 (million)</b>	<b>Year ended 31 December 2024 (million)</b>	<b>% Change</b>
Total Cement and Clinker Sales Volume (million tons)	<b>21.8</b>	20.0	9.0%
Cement Sales Volume (million tons)	<b>20.5</b>	19.2	6.8%
Aggregates Sales Volume (million tons)	<b>4.5</b>	3.5	28.6%
Commercial Concrete sales volume (million cubic meters)	<b>1.3</b>	1.4	(7.1%)
Revenue	<b>9,621.2</b>	8,344.9	15.3%
Gross Profit	<b>2,458.5</b>	1,973.8	24.6%
EBITDA <sup>(1)</sup>	<b>3,015.2</b>	2,630.0	14.6%
Profit Attributable to Owners of the Company	<b>879.6</b>	626.2	40.5%
Basic Earnings Per Share	<b>16.1 cents</b>	11.5 cents	40.0%
Proposed Final Dividend	<b>4.8 cents</b>	3.4 cents	41.1%
Gross Profit Margin	<b>25.6%</b>	23.7%	1.9 ppt
EBITDA Margin	<b>31.3%</b>	31.7%	(0.4 ppt)

	<b>31 December 2025</b>	31 December 2024	% Change
Total Assets	<b>35,236.0</b>	36,289.9	(2.9%)
Net Debt <sup>(2)</sup>	<b>9,964.6</b>	9,017.9	10.5%
Net Gearing <sup>(3)</sup>	<b>71.6%</b>	65.3%	6.3 ppt
Net Assets Per Share	<b>255 cents</b>	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.

The board (“Board”) of directors (“Directors”) of West China Cement Limited (the “Company”) is pleased to announce its annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025 together with the comparative figures for the corresponding year of 2024 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2025*

	<i>NOTES</i>	<b>2025</b> <b>RMB’000</b>	2024 RMB’000
Revenue	2	<b>9,621,185</b>	8,344,946
Cost of sales		<b>(7,162,664)</b>	(6,371,161)
Gross profit		<b>2,458,521</b>	1,973,785
Other income	3	<b>114,065</b>	148,065
Selling and marketing expenses		<b>(150,218)</b>	(131,782)
Administrative expenses		<b>(753,094)</b>	(702,267)
Other expenses		<b>(98,966)</b>	(101,700)
Other gains and losses, net	4	<b>280,987</b>	182,484
Impairment losses under expected credit loss (“ECL”) model, net of reversal	5	<b>79,708</b>	(54,903)
Share of result of an associate		<b>8</b>	2,137
Interest income	6	<b>73,594</b>	69,046
Finance costs	7	<b>(627,385)</b>	(294,683)
Profit before tax	8	<b>1,377,220</b>	1,090,182
Income tax expense	9	<b>(289,962)</b>	(262,327)
<b>Profit for the year</b>		<b><u>1,087,258</u></b>	<u>827,855</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME** — *Continued*

*For the year ended 31 December 2025*

	<i>NOTES</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Other comprehensive expense for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(336,298)</u>	<u>(1,147,913)</u>
<b>Total comprehensive income (expense) for the year</b>		<u><b>750,960</b></u>	<u>(320,058)</u>
Profit for the year attributable to :			
— Owners of the Company		<u>879,578</u>	626,181
— Non-controlling interests		<u>207,680</u>	<u>201,674</u>
		<u><b>1,087,258</b></u>	<u>827,855</u>
Total comprehensive (income) expense attributable to:			
— Owners of the Company		<u>668,058</u>	(75,170)
— Non-controlling interests		<u>82,902</u>	<u>(244,888)</u>
		<u><b>750,960</b></u>	<u>(320,058)</u>
Earnings per share			
— Basic (RMB)	<i>10</i>	<u><b>0.161</b></u>	<u>0.115</u>
— Diluted (RMB)	<i>10</i>	<u><b>0.161</b></u>	<u>0.115</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2025*

	<i>NOTES</i>	<b>2025</b>	2024
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>22,720,761</b>	23,183,932
Investment properties		<b>94,358</b>	94,358
Right-of-use assets		<b>729,798</b>	758,758
Mining rights		<b>2,127,733</b>	1,734,848
Other intangible assets		<b>299,691</b>	358,579
Interest in an associate		<b>11,531</b>	10,137
Equity investment at fair value through profit or loss (“FVTPL”)		<b>46,634</b>	36,217
Loan receivables	<i>11</i>	<b>106,935</b>	134,687
Deferred tax assets		<b>171,604</b>	131,498
Prepayments for right-of-use assets		<b>31,738</b>	34,087
Prepayments for mining rights		<b>9,500</b>	9,500
Deposits paid for acquisition of property, plant and equipment		<b>373,757</b>	329,048
Deposits and other receivables		<b>216,460</b>	134,147
Pledged/restricted bank deposits		<b>78,007</b>	107,801
		<b><u>27,018,507</u></b>	<u>27,057,597</u>
<b>Current assets</b>			
Inventories		<b>1,736,880</b>	1,860,157
Properties under development		<b>677,865</b>	1,276,265
Properties for sale		<b>139,297</b>	–
Trade and other receivables and prepayments	<i>12</i>	<b>3,984,658</b>	3,388,534
Loan receivables	<i>11</i>	<b>195,049</b>	273,713
Pledged/restricted bank deposits		<b>717,443</b>	1,276,519
Cash and cash equivalents		<b>766,298</b>	1,157,136
		<b><u>8,217,490</u></b>	<u>9,232,324</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION — Continued**  
*At 31 December 2025*

	<i>NOTES</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Current liabilities</b>			
Borrowings	<i>13</i>	<b>3,447,833</b>	3,917,111
Trade and other payables	<i>14</i>	<b>6,875,595</b>	7,501,250
Dividend payables		<b>168,881</b>	60,370
Senior notes	<i>15</i>	<b>1,432,574</b>	—
Contract liabilities		<b>629,928</b>	1,249,554
Deferred income		<b>7,664</b>	5,491
Income tax payable		<b>253,590</b>	58,911
		<u><b>12,816,065</b></u>	<u>12,792,687</u>
<b>Net current liabilities</b>		<u><b>(4,598,575)</b></u>	<u>(3,560,363)</u>
<b>Total assets less current liabilities</b>		<u><b>22,419,932</b></u>	<u>23,497,234</u>
<b>Non-current liabilities</b>			
Borrowings	<i>13</i>	<b>3,923,843</b>	3,172,381
Asset retirement obligation		<b>340,898</b>	390,795
Deferred tax liabilities		<b>484,719</b>	511,040
Deferred income		<b>65,430</b>	15,437
Senior notes	<i>15</i>	<b>2,722,079</b>	4,469,815
Other long-term payables		<b>965,768</b>	1,121,281
		<u><b>8,502,737</b></u>	<u>9,680,749</u>
<b>Net assets</b>		<u><b>13,917,195</b></u>	<u>13,816,485</u>
<b>Capital and reserves</b>			
Share capital		<b>142,261</b>	142,261
Share premium and reserves		<b>12,515,282</b>	12,125,916
		<u><b>12,657,543</b></u>	<u>12,268,177</u>
Equity attributable to owners of the Company		<b>12,657,543</b>	12,268,177
Non-controlling interests		<b>1,259,652</b>	1,548,308
		<u><b>13,917,195</b></u>	<u>13,816,485</u>
<b>Total equity</b>		<u><b>13,917,195</b></u>	<u>13,816,485</u>

## NOTES:

(All amounts in RMB thousands unless otherwise stated)

### 1. 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
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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.

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> 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.

## 1. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

— Continued

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

#### *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.

## 2. REVENUE AND SEGMENT INFORMATION

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

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### **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

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### Operating Segments — *Continued*

#### (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 <i>RMB'000</i>	Overseas markets <i>RMB'000</i>	Total <i>RMB'000</i>	Adjustments and eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>SEGMENT REVENUE</b>					
External sales	4,920,603	4,700,582	9,621,185	–	9,621,185
Inter-segment sales	152,405	–	152,405	(152,405)	–
Total	<u>5,073,008</u>	<u>4,700,582</u>	<u>9,773,590</u>	<u>(152,405)</u>	<u>9,621,185</u>
<b>SEGMENT PROFIT</b>					
	<u>260,210</u>	<u>584,368</u>	<u>844,578</u>	<u>–</u>	<u>844,578</u>
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					<u>1,377,220</u>

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### Operating Segments — *Continued*

#### (i) Segment revenue and results — *Continued*

For the year ended 31 December 2024

	The PRC markets <i>RMB'000</i>	Overseas markets <i>RMB'000</i>	Total <i>RMB'000</i>	Adjustments and eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>SEGMENT REVENUE</b>					
External sales	5,184,775	3,160,171	8,344,946	–	8,344,946
Inter-segment sales	53,713	–	53,713	(53,713)	–
Total	<u>5,238,488</u>	<u>3,160,171</u>	<u>8,398,659</u>	<u>(53,713)</u>	<u>8,344,946</u>
<b>SEGMENT PROFIT</b>					
	<u>340,179</u>	<u>892,752</u>	<u>1,232,931</u>	<u>–</u>	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					<u>(1,704)</u>
Profit before tax					<u>1,090,182</u>

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.

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### Operating Segments — *Continued*

#### (ii) *Other segment information*

#### For the year ended 31 December 2025

	The PRC markets <i>RMB'000</i>	Overseas markets <i>RMB'000</i>	Consolidated <i>RMB'000</i>
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)

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### Operating Segments — *Continued*

#### (ii) *Other segment information — Continued*

For the year ended 31 December 2024

	The PRC markets <i>RMB'000</i>	Overseas markets <i>RMB'000</i>	Consolidated <i>RMB'000</i>
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			
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
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

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### 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 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<u>9,621,185</u>	<u>8,344,946</u>

\* Pan Great Lake Region mainly include sales make 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 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<u>26,387,336</u>	<u>26,503,110</u>

## 2. REVENUE AND SEGMENT INFORMATION — *Continued*

### Geographical Information — *Continued*

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

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

*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.

## 3. OTHER INCOME

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

*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.

#### 4. OTHER GAINS AND LOSSES, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fair value change on equity instrument at FVTPL	10,417	(911)
Impairment loss recognised in respect of goodwill	–	(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	253,605	–
Gain on disposal of subsidiaries	160,303	2,880
Gain on modification of other long term payables	87,761	–
Hyperinflation restatement ( <i>Note</i> )	–	122,402
Others	12,672	3,024
	<u>280,987</u>	<u>182,484</u>

*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.

#### 5. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

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

## 6. INTEREST INCOME

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

## 7. FINANCE COSTS

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

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

## 8. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<u>1,513,090</u>	<u>1,324,176</u>
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)
	<u>145,378</u>	<u>160,403</u>
Staff costs (including directors' emoluments):		
— Salaries and allowances	809,784	805,095
— Retirement benefits	62,514	63,966
	<u>872,298</u>	<u>869,061</u>
Total staff costs	872,298	869,061
Recognised in cost of sales	(87,278)	(61,356)
Capitalised in inventories	(361,385)	(446,360)
	<u>423,635</u>	<u>361,345</u>
Impairment loss recognised (reversed) in profit or loss in respect of:		
— Property, plant and equipment	(55,817)	104,419
— Right-of-use assets	(9,693)	10,119
— Other intangible assets	233	27
— Goodwill	–	7,644
	<u>(65,277)</u>	<u>122,209</u>
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.

## 9. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<u>355,134</u>	<u>253,575</u>
Under provision in prior years:		
PRC EIT	8,031	9,525
Hong Kong Profits Tax	–	3,945
	<u>8,031</u>	<u>13,470</u>
Deferred tax:	<u>(73,203)</u>	<u>(4,718)</u>
Income tax expense	<u><u>289,962</u></u>	<u><u>262,327</u></u>

## 10. 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 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Profit for the year</b>		
Profit for the year attributable to the owners of the Company for the purposes of basic and diluted earnings per share	<u><u>879,578</u></u>	<u><u>626,181</u></u>
	2025 <i>'000</i>	2024 <i>'000</i>
<b>Number of shares</b>		
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	<u>338</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>5,462,871</u></u>	<u><u>5,451,417</u></u>

## 10. EARNINGS PER SHARE — *Continued*

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.

## 11. LOAN RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loans collateralised by property, plant and equipment ( <i>Note a</i> )	366,077	376,500
Loans collateralised by receivables ( <i>Note b</i> )	150,000	270,000
Small loans ( <i>Note c</i> )	4,800	4,800
	<u>520,877</u>	<u>651,300</u>
Less: Allowance for credit losses	<u>(218,893)</u>	<u>(242,900)</u>
	<u><u>301,984</u></u>	<u><u>408,400</u></u>
Analysed as:		
Current	195,049	273,713
Non-current	106,935	134,687
	<u><u>301,984</u></u>	<u><u>408,400</u></u>

### *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.

## 11. LOAN RECEIVABLES — *Continued*

*Notes: — Continued*

- (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.

The contractual maturity dates of the Group's fixed-rate loan receivables are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within one year	<b>195,049</b>	273,713
In more than one year but not more than two years	<b>106,935</b>	134,687
	<b><u>301,984</u></b>	<u>408,400</u>

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.

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,422,734	1,523,948
Trade receivables backed by bills	<u>318,370</u>	<u>269,214</u>
	1,741,104	1,793,162
Less: Allowance for credit losses	<u>(161,636)</u>	<u>(229,080)</u>
	<u>1,579,468</u>	<u>1,564,082</u>
Other receivables ( <i>Note</i> )	1,161,728	1,243,808
Less: Allowance for credit losses	<u>(5,127)</u>	<u>(32,995)</u>
	<u>1,156,601</u>	<u>1,210,813</u>
Consideration receivables	491,392	81,270
VAT recoverable	374,347	359,043
VAT refund receivable	5,302	5,661
Prepayments to suppliers	<u>594,008</u>	<u>301,812</u>
	4,201,118	3,522,681
Less:		
Non-current portion of deposits and other receivables	<u>(216,460)</u>	<u>(134,147)</u>
	<u><u>3,984,658</u></u>	<u><u>3,388,534</u></u>

*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 nontrade 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.

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS — *Continued*

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.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
0 to 90 days	<b>627,134</b>	524,520
91 to 180 days	<b>276,445</b>	330,671
181 to 360 days	<b>370,425</b>	491,404
361 to 720 days	<b>111,444</b>	154,682
Over 720 days	<b>37,286</b>	22,671
	<b><u>1,422,734</u></b>	<u>1,523,948</u>

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.

### 13. BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans		
— Secured	5,911,446	4,818,893
— Unsecured	<u>1,460,230</u>	<u>2,270,599</u>
	<u><u>7,371,676</u></u>	<u><u>7,089,492</u></u>
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	<u>431,777</u>	<u>405,064</u>
	7,371,676	7,089,492
Less: Amount due for settlement within one year and shown under current liabilities	<u>(3,447,833)</u>	<u>(3,917,111)</u>
Amounts shown under non-current liabilities	<u><u>3,923,843</u></u>	<u><u>3,172,381</u></u>
The analysis of the terms of the bank loans were as follows:		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
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	<u>431,777</u>	<u>347,064</u>
	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	<u>—</u>	<u>58,000</u>
	<u><u>2,073,949</u></u>	<u><u>1,451,372</u></u>
	<u><u>7,371,676</u></u>	<u><u>7,089,492</u></u>

### 13. BORROWINGS — *Continued*

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	<u>3.00% to 25.00%</u>	<u>6.33% to 22.25%</u>
Variable rate borrowings		
— The PRC	3.00% to 6.65%	3.10% to 6.75%
— Africa	<u>3-month SOFR* +3% to 5.5%</u>	<u>3-month SOFR* +4.2%</u>

\* 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 a bank loan 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).

### 13. BORROWINGS — *Continued*

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, the executive director or Mr. Zhang Jimin and his spouse.

### 14. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	2,297,134	2,409,928
Bill payables	<u>61,379</u>	<u>214,550</u>
	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	210,006	–
Other payables	331,986	289,019
Loan payables ( <i>Note</i> )	364,613	57,652
Payable for administrative penalty	156,128	–
Deposits payables	54,536	63,734
Other long-term payable — current portion	<u>69,726</u>	<u>290,092</u>
	<u><u>6,875,595</u></u>	<u><u>7,501,250</u></u>

*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.

#### 14. TRADE AND OTHER PAYABLES — *Continued*

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	2024
	<i>RMB'000</i>	<i>RMB'000</i>
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
	<u>2,297,134</u>	<u>2,409,928</u>

#### 15. 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.

## 15. SENIOR NOTES — *Continued*

### (1) Senior notes issued on 9 July 2021 — *Continued*

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 9.9%, 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.

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.

## 15. SENIOR NOTES — *Continued*

### (2) Senior notes issued on 5 December 2025 — *Continued*

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 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	4,469,815	4,324,193
Proceeds from issuance of Senior Notes 2	2,726,083	–
Interest expenses ( <i>Note 10</i> )	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)	–
	<u>4,154,653</u>	<u>4,469,815</u>
Less: current portion	(1,432,574)	–
Amounts shown under non-current liabilities	<u><u>2,722,079</u></u>	<u><u>4,469,815</u></u>

## 16. 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 <i>RMB'000</i>	2024 <i>RMB'000</i>
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
	<u><u>4,245,809</u></u>	<u><u>4,485,716</u></u>

## 17. DIVIDENDS

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
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)	<b><u>185,348</u></b>	<u>125,094</u>

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.

## 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 Heidelberg 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: RMB5.13 billion) coming from its core China markets and RMB4.70 billion (2024: RMB3.21 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 Kalemie, 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 Heidelberg 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.

## **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 8.7% to RMB137.3 million (2024: RMB125.3 million) and decreased by 22.5%, 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 4.9% to RMB73.2 million (2024: RMB69.6 million) and decreased by 15.1% to RMB327.6 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 RMB5.7 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 RMB264.2 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 11, 13, 15, and 16 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.

## **DIVIDEND**

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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (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).

## **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 during the year ended 31 December 2025.

## **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.

## **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.

## **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.

## **SCOPE OF WORKS OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 23 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The annual results announcement is published on the websites of the Company ([www.westchinacement.com](http://www.westchinacement.com)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). An annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and will be made available on the abovementioned websites in due course.

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

Hong Kong, 23 March 2026

*As at the date of this announcement, the executive Directors are Mr. Zhang Jimin, Mr. Cao Jianshun, Mr. Chu Yufeng and Ms. Wang Rui, the non-executive Directors are Mr. Ma Zhaoyang, Mr. Wang Zhixin and Mr. Wang Manbo, and the independent non-executive Directors are Mr. Lee Kong Wai, Conway, Mr. Tam King Ching, Kenny, Mr. Zhu Dong, Mr. Feng Tao and Mr. Lau Ka Keung.*

\* *For identification purposes only*