



西部水泥

中國西部水泥有限公司
WEST CHINA CEMENT LIMITED

(Incorporated in Jersey with limited liability with registered number 94796)
Stock code: 2233

2025

INTERIM REPORT

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CORPORATE INFORMATION

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

REGISTERED OFFICE

13 Castle Street
St Helier
Jersey JE1 1ES
Channel Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3705, 37/F, Tower 6, The Gateway
Harbour City, 9 Canton Road
Tsim Sha Tsui
Hong Kong

COMPANY WEBSITE

www.westchinacement.com

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

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

Independent Non-Executive Directors

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

COMPANY SECRETARY

Chan King Sau *HKICPA*

AUTHORIZED REPRESENTATIVES

Cao Jianshun
Chan King Sau *HKICPA*

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

INDEPENDENT AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F One Pacific Place
88 Queensway
Hong Kong

JERSEY PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China

FINANCIAL HIGHLIGHTS

<i>RMB' Million (unless otherwise specified)</i>	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	% Change
Total Cement and Clinker Sales Volume (million tons)	10.82	8.75	23.7%
Aggregates Sales Volume (million tons)	2.23	1.60	39.4%
Commercial Concrete Sales Volume (million cubic meters)	0.63	0.66	(4.6%)
Revenue	5,418.3	3,701.8	46.4%
Gross Profit	1,627.0	973.2	67.2%
EBITDA ⁽¹⁾	1,846.7	1,283.9	43.8%
Profit Attributable to Owners of the Company	748.3	386.9	93.4%
Basic Earnings Per Share	13.7 cents	7.1 cents	93.0%
Gross Profit Margin	30.0%	26.3%	3.7 ppt
EBITDA Margin	34.1%	34.7%	(0.6 ppt)
	30 June 2025 (Unaudited)	31 December 2024 (Audited)	% Change
Total Assets	35,786.0	36,289.9	(1.4%)
Net Debt ⁽²⁾	9,883.6	9,017.9	9.6%
Net Gearing ⁽³⁾	69.0%	65.3%	3.7 ppt
Net Assets Per Share	262 cents	253 cents	3.6%

Notes:

- (1) EBITDA equals to profit before tax plus finance costs, depreciation and amortisation and net foreign exchange losses less impairment losses reversals, net fair value gains, interest income, gain on acquisition of a subsidiary and gain on modification of other long-term payables.
- (2) Net debt equals to borrowings and senior notes less bank balances and cash and restricted/pledged bank deposits.
- (3) Net gearing is measured as net debt to equity.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The first half of 2025 has seen some significant changes in the Group's operations in what is proving to be a pivotal year in its development. On the operational side, the Group has seen an improvement in fortunes for its core China operations as a result of increased supply side discipline. Overseas, the Group has begun to see the rewards of its investments into sub-Saharan Africa and Central Asia as these 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 January and May 2025, the Group announced 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. In June 2025, the Group announced 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. The Group expects to complete its DRC acquisition in the second half of 2025 and the Xinjiang Province disposal was completed on 15 August 2025.

The main rationale for these transactions is to continue its 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 sale to partially repay the Group's US\$600 million 4.95% senior notes due in July 2026.

As of 30 June 2025, the Group had a total annual cement production capacity in China of 28.5 million tons, comprising 17 cement production lines, with 21.7 million tons in Shaanxi Province, 1.8 million tons in Guizhou Province, 1.5 million tons in Sichuan Province and the 3.5 million tons in Xinjiang, the disposal of which was completed 15 August 2025. In its overseas markets, the Group had a total cement production capacity of 13.6 million tons, comprising 7 production lines, with 6.3 million tons in Ethiopia, 2.5 million tons in Uzbekistan, 2.0 million tons in Mozambique and 1.5 million tons in the DRC, as well as 1.0 million tons of cement grinding capacity in Rwanda and another 300,000 tons of grinding capacity in Tanzania. Following the completion of the acquisition of the 1.2-million-ton CILU plant in the DRC, the Group's total cement production capacity outside of China is expected to rise to 14.8 million tons.

Group Operational Performance

Improved operations in the Group's home China markets as a result of supply side discipline and lower costs, as well as increasing contributions from the overseas business, have led to a significant improvement in the Group's financial performance in the first half of 2025.

Cement and clinker sales volumes in the reporting period have risen by 23.7% to 10.82 million tons (30 June 2024: 8.75 million tons). While sales volumes in China fell by 8.3% to 6.65 million tons (30 June 2024: 7.25 million tons), overseas volumes have risen by 178% to 4.17 million tons (30 June 2024: 1.50 million tons).

In China, cement and clinker Average Selling Prices (ASPs) have benefited from supply side discipline and lower costs, rising by 4.1% to RMB280 per ton (30 June 2024: RMB269 per ton) resulting in Gross Profits per Ton (GP/T) of RMB64 (30 June 2024: RMB38). Overseas, the large rises in sales volumes have resulted in much more sustainable ASPs of RMB486 per ton (30 June 2024: RMB739) leading to an average GP/T of RMB181 (30 June 2024: RMB326).

MANAGEMENT DISCUSSION AND ANALYSIS

This has resulted in revenues for the Group of RMB5.42 billion for the first half of 2025 (first half of 2024: RMB3.7 billion), with RMB3.07 billion (first half of 2024: RMB2.38 billion) coming from its core China markets and RMB2.35 billion (first half of 2024: RMB1.32 billion) from overseas markets. Total Group gross profits have come in at RMB1.63 billion (first half of 2024: RMB973 million). As overseas ASPs and GP/Ts were higher than those in domestic markets, the Group recorded RMB680 million in gross profits from China (first half of 2024: RMB360 million) and RMB950 million from overseas (first half of 2024: RMB610 million). Total Group EBITDA in the first half of 2025 was RMB1.85 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 the first half of 2025, while cement and clinker sales volumes overseas amounted to 38.5% of total Group sales, income from these overseas markets made up approximately 43% of the Group's total revenue and 58% 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 5.6% compared with 2.8% for the PRC as a whole and Real Estate Development Investment (RDI) growth at 0.9% versus -11.2% for the whole country, but activity has remained lacklustre.

However, in the face of this subdued demand the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest improvements in the Group's ASPs in China. In addition, unit costs have remained stable or fallen, especially in Shaanxi Province, due to lower coal costs. Together, these have resulted in lower volumes but improved gross margins which have had a positive effect on Group profitability.

In Shaanxi Province as a whole, the Group's capacity utilisation fell from 56% in the first half of 2024 to 51% in the first half of 2025, with sales of 5,532,000 tons of cement and clinker, 9.3% lower than the same period in 2024. ASPs, however, rose from RMB243 per ton to RMB261 per ton over the same period and costs per ton fell from RMB213 to RMB198. This has led to GP/T increasing from RMB30 to RMB64 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 36% in the first half of 2025 (down from 42% in the first half of 2024) with sales of 2,339,000 tons of cement and clinker, 15.2% lower year-on-year. But ASPs have improved from RMB243 to RMB267 per ton over the same period which, with lower unit costs, has led to GP/T rising from RMB15 to RMB61. Infrastructure projects that have contributed to cement demand in this area include the Xi'an-Shiyan High-Speed Railway, which consumed 350,000 tons in the first half of 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 RMB257 per ton versus RMB250 in the first half of 2024, capacity utilisation rates have remained stable at above 70%. Sales volumes in southern Shaanxi in the first half of 2025 were 3,193,000 tons, only 4.3% lower year-on-year, and lower unit costs have resulted in GP/T improving from RMB43 to RMB66. Demand in the south has been supported by the Xi'an-Ankang-Chongqing High-Speed Railway, which consumed 465,000 tons of cement in the first half of 2025, and a number of reservoir construction projects amongst others.

MANAGEMENT DISCUSSION AND ANALYSIS

Outside of Shaanxi, the Group's Xinjiang plants have been operating at approximately 40% of capacity in the first half of 2025, compared with 45% in the same period last year, and have achieved sales of 710,903 tons, 10% lower than the same period last year. ASPs have held up reasonably well at RMB389 per ton compared with RMB409 in the first half of 2024, with GP/T margins at RMB95 (first half of 2024: GP/T at RMB116). The disposal of these Xinjiang assets was completed on 15 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 38% (first half 2024: 40%) but ASPs of RMB342 and unit costs of RMB339 have resulted in only marginal GP/T levels of RMB3 compared with RMB10 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 65,000 tons of cement sales in May and June 2025 at a GP/T of RMB29.

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 close to 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 it 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.

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 the second half of 2025.

The Group has seen a significant increase in its sales volumes in the first half of 2025 following the commissioning of the Lemi National Cement Plant in September 2024. The Group sold 1.99 million tons of cement and clinker during the reporting period, equal to approximately 63% capacity utilisation as the Lemi plant was ramped up following commissioning. This compares with 422,000 tons from the National Cement Plant only in the first half of 2024. The blended ASP from the two plants in the first half of 2025 has been RMB456 and this has resulted in a GP/T of RMB182.

MANAGEMENT DISCUSSION AND ANALYSIS

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 the second half of 2025.

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 713,000 tons of cement and 247,000 tons of clinker in the first half of 2025, totalling 960,000 tons and achieving a capacity utilisation rate of 96%. This compares with total cement and clinker sales of 721,089 in the first half of 2024. Blended ASPs for clinker and cement for the first half of 2025 were RMB613 (first half 2024: RMB626) and GP/Ts were RMB300 (first half 2024: RMB323).

Great Lakes Region

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 the first half of 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. For the first half of 2025, total blended sales were 420,000 tons, out of which 199,000 tons of cement were sold from the Rwanda Grinding Mill. This compares with total cement and clinker sales of 333,000 tons in the first half of 2024 when sales were affected by flooding. ASPs have remained high for the first half of 2025 at RMB899, with GP/T at RMB171, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 metres 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 has been running at approximately 64% capacity utilisation in the first half of 2025, selling 700,000 tons of cement and another 101,000 tons of clinker, totalling 801,000 tons. In spite of the relative oversupply, ASPs have remained reasonably stable at RMB196 compared with RMB203 in the second half of 2024, although volumes were low in 2024 as the plant had just started to ramp up production. GP/T for the first half of 2025 was RMB44.

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 13 out of 17 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 2024, these systems generated 341 million kWh of power, saving 136,300 tons of coal consumption and reducing carbon dioxide emissions by 339,800 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 use 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 close to 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 close to 200 tons. Since 2022, energy consumption per ton of clinker produced has fallen from 916kWh to 853kWh and energy consumption per unit of operating revenue has fallen from 1.53 kWh/RMB to 1.29 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Group 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 30 June 2025, the Group had 10,766 employees, of which over 5,000 are located at our overseas plants. This includes 227 senior management and 870 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 80% of employees.

The Group fully adheres to the PRC 'Work Safety Law' as well as any regulations in the countries in which it operates. During the six months ended 30 June 2025, there were zero fatalities and 381 days lost to injury compared with 705 in the first half of 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 comprising 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 six months ended 30 June 2025, charitable donations made by the Group amounted to RMB1.5 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.

Material Acquisitions and Disposal

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 is expected to complete in the second half of 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.

MANAGEMENT DISCUSSION AND ANALYSIS

CHINA

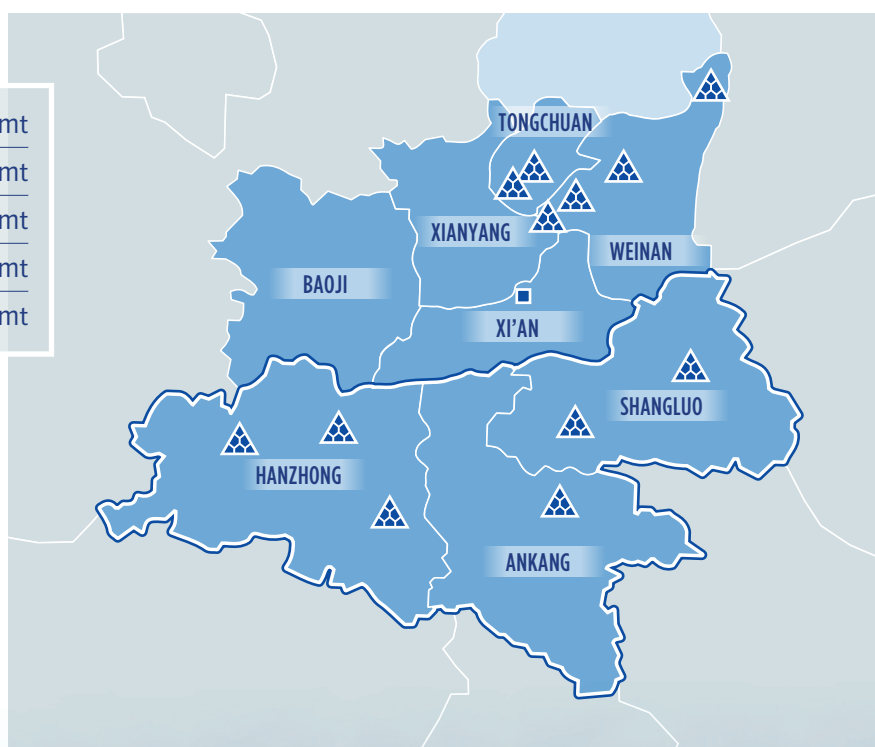


CHINA CAPACITY

Shaanxi	21.7 mt
Guizhou	1.8 mt
Sichuan	1.5 mt

SHAANXI PROVINCE

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



SUB-SAHARAN AFRICA



Lemi National Cement, Ethiopia

ETHIOPIA

National Cement:

Acquired November 2022.
3,200 tpd clinker capacity.

Lemi National Cement:

Commissioned September 2024.
10,000 tpd clinker capacity.



Great Lakes Cement Plant, DRC

GREAT LAKES REGION

Great Lakes Cement SAS:

Commissioned December 2022.
3,500 tpd clinker capacity.

Rwanda Grinding Mill:

Commissioned August 2023.
1m tpa cement capacity.

Cimenterie de Lukala (CILU)*:

2025 acquisition.
2,500 tpd clinker capacity.

WIH Tanzania Grinding Mill:

Commissioned July 2025.
300k cement capacity.



Dugongo Cement, Mozambique

MOZAMBIQUE

Dugongo Cement:

Commissioned December 2020.
5,000 tpd clinker capacity.

Dugongo Cement Nampulo:

4Q2026 expected commissioning.
3,500 tpd clinker capacity.

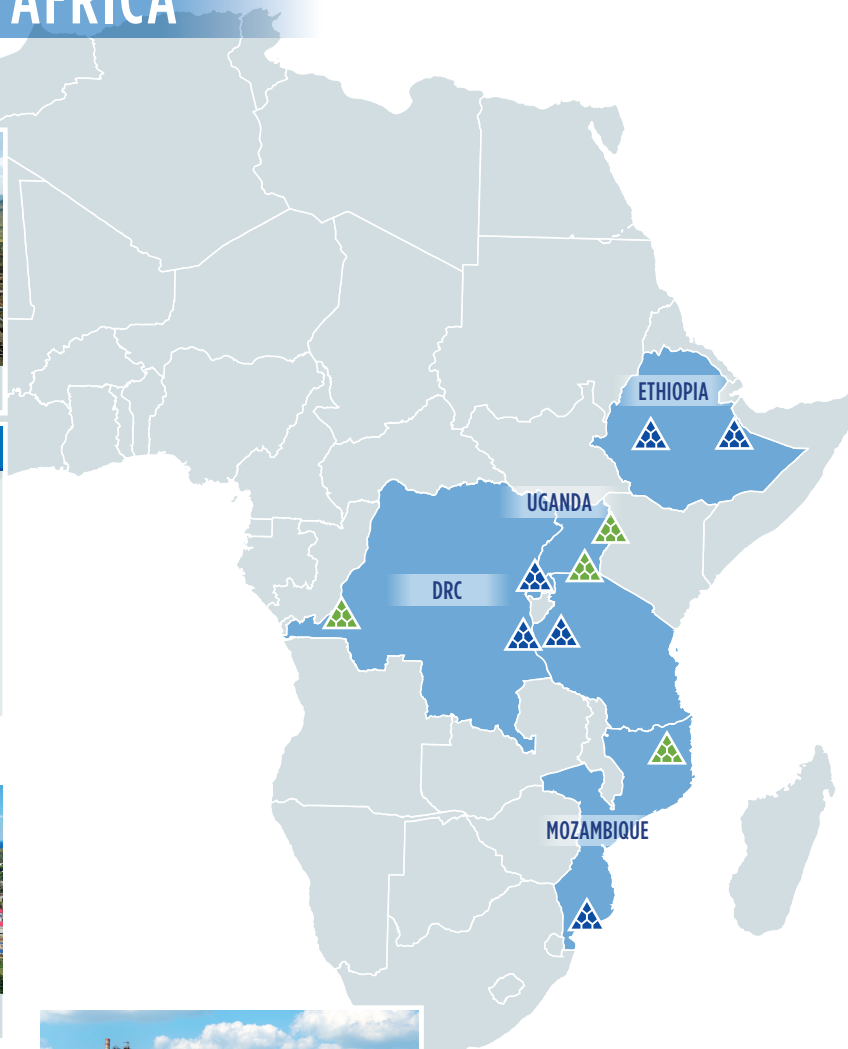
UGANDA

Cimenterie de Lukala (CILU):

1Q2026 expected commissioning.
6,000 tpd clinker capacity.

WIH Uganda-Jinja Grinding Mill:

Expected commissioning 2026.
1.5m tpa cement capacity.



* Expected completion 2H2025

CENTRAL ASIA



Andijan WCC Cement, Uzbekistan

UZBEKISTAN

Andijan WCC Cement:
Commissioned May 2024.
6,000 tpd clinker capacity.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

Other than the completion of the major disposal of the Group's cement assets in Xinjiang Province which took place on 15 August 2025, there was no other important event affecting the Group from 30 June 2025 to the date of this report.

PROSPECTS

Overview

Following the progress that has been made in the first half of 2025 on both the operational and M&A side, the Group has a number of priorities as it heads into the second half of 2025. These are focused on strengthening the Group's financial position, continuing to benefit from the improving performance in its home China markets and strengthening its position in its overseas markets, where much progress has already been made.

Firstly, the Group completed the disposal of its Xinjiang plants to members of the Anhui Conch Cement Company Limited group on 15 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. The Group's focus has already shifted to these notes and it is currently looking at market conditions and considering the best liability management exercise that will benefit its long-term finances and the interests of its long-term bond holders.

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 the second half of the year, there is some reasonable demand coming from infrastructure projects in Shaanxi; if supply discipline, construction activity and pricing levels from the first half of 2025 continue into the second half of the year, the Group is likely to achieve a strong set of financial returns for its China operations in the second half of 2025.

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 is expected to complete the acquisition of the Cimenterie de Lukala (CILU) plant, located in the DRC's capital city of Kinshasa, in the second half of 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Operations — China

The Group's operations in China, and Shaanxi in particular, have been characterised by supply side discipline in the first half of 2025. The Group's capacity utilisation in the oversupplied central Shaanxi region was just 36%, 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 rise 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 improved levels of profitability into the second half of 2025.

On the demand side, while property development is likely to remain slow into the second half of the year, 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, which contributed 65,000 tons of sale in the second quarter of 2025 and is likely to contribute an incremental amount of sales in the second half of 2025.

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 will be 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 RMB170. The smaller National Cement Plant has been operating at well over 70% capacity utilisation, achieving GP/T levels close to RMB140, and these levels are likely to be sustained into the second half of the year.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 into the second quarter of 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 the first half of 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 end of 2026 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.

Sales in the first half of 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 400,000 tons of cement and clinker in the region, and although ASPs have been high, at around RMB1,000 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 is expected to be completed in the second half of 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 1.5-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 will be its first year of full operation. In the first half of 2025, the plant ran at 65% capacity but was operating at nearly full capacity by the second quarter of the year, with ASPs reaching over RMB200 and GP/T at over RMB60 for that quarter. These increased 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 Dugongo Nampula Plant in Mozambique and the Moroto Plant and Jinja Grinding Mill in Uganda, all of which are due to be completed in 2026. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 46.4% from RMB3,701.8 million for the first half of 2024 to RMB5,418.3 million for the first half of 2025. Cement sales volume increased by 25.3%, from approximately 8.3 million tons for the first half of 2024 to approximately 10.4 million tons during the six months ended 30 June 2025. Including clinker sales, total sales volume for the first half of 2025 amounted to approximately 10.9 million tons, compared to the 8.8 million tons sold in the first half of 2024.

Overall cement prices in the first half of 2025 were higher than those in the first half of 2024. Cement ASP for the first half of 2025 was RMB359 per ton as compared with RMB344 per ton in the first half of 2024. The reasons for these fluctuations in ASPs and sales volume are discussed in the paragraphs headed "Management Discussion and Analysis — Business Review — Operating Environment — China/Overseas" above.

Other than the above cement sales revenue, the revenues arising from the sales of aggregates for the first half of 2025 increased by 38.1% to RMB71.4 million (six months ended 30 June 2024: RMB51.7 million) as a result of the net effect of the increase in sales volume by 45.6% and the decrease in prices by 13.5%. Moreover, the revenues arising from the sales of commercial concrete decreased by 14.2% to RMB192.1 million (six months ended 30 June 2024: RMB224.0 million), which is primarily due to the effect of the decreases in prices and sales volumes by 9.7% and 4.6%, respectively.

Cost of Sales

Cost of sales increased by 38.9% from RMB2,728.6 million for the first half of 2024 to RMB3,791.3 million for the first half of 2025.

Coal costs were decreasing in the PRC during the Period because the local coal supply become more stable under the guaranteed supply policy implemented by the PRC government. With the decrease in the demand of coal under the slowing down recovery of economic activities, the average cost per ton of coal for the first half of 2025 decreased by approximately 13.2% to approximately RMB660 per ton from approximately RMB760 per ton in the first half of 2024. These have resulted in a cost decrease of approximately RMB8.6 per ton of cement produced. With the effect of the increase in sales volume, total coal costs for the first half of 2025 increased by approximately 13.0% as compared with that of the first half of 2024.

The average cost of limestone decreased by 6.1% to approximately RMB18.5 per ton during the Period (six months ended 30 June 2024: RMB19.7 per ton). These have resulted in a cost decrease of approximately RMB2.9 per ton of cement produced. With the effect of the increase in sales volume, total raw materials costs increased by approximately 21.8% as compared with that of the first half of 2024.

The average cost of electricity was decreasing over the first half of 2025 as a result of the decrease in electricity price under the decreasing coal costs and the decrease in the demand of electricity under the slowing down recovery of economic activities. The electricity costs decreased by approximately RMB3.3 per ton of cement produced. With the effect of the increase in sales volume, total electricity costs for the first half of 2025 increased by approximately 12.0% as compared with that of the first half of 2024.

The total depreciation cost for the first half of 2025 increased by approximately 36.9% as compared with that of the first half of 2024, which was an increase of approximately RMB3.0 per ton of cement produced, as a result of the increase in production capacities and the technology upgrading of the existing production capacities during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

The total staff cost for the first half of 2025 increased by approximately 6.2% as compared with that of the first half of 2024, as a result of the increase in production capacities during the Period. However, the staff cost decreased by approximately RMB2.3 per ton of cement produced, as a result of the strengthened cost control during the Period.

As to other items in the costs balance, the balance mainly represented certain environmental related expenses, i.e. sewage fee and environmental protection fee charged by the government, and safety fee as well as overhaul expense. Other costs in total increased by approximately 43.8% as compared with that of the first half of 2024, which was approximately an increase of RMB2.3 per ton of cement produced, as a result of the increase in production capacities during the Period.

Moreover, as mentioned in the revenue analysis above, as a result of the increase in the sales volumes of aggregates by 38.1% and the decrease in sales volumes of commercial concrete by 4.6%, the costs arising from the production of aggregates also increased by 41.4% to RMB46.8 million (six months ended 30 June 2024: RMB33.1 million) and the costs arising from the production of commercial concrete decreased by 6.4% to RMB193.4 million (six months ended 30 June 2024: RMB206.7 million), for the first half of 2025, respectively.

Gross Profit and Gross Profit Margin

Gross profit increased by RMB653.8 million, or 67.2%, from RMB973.2 million for the first half of 2024 to RMB1,627.0 million for the first half of 2025. The increase in gross profit was mainly due to the effect of the increase in ASPs and sales volume as described above. Gross profit margin increased from 26.3% for the first half of 2024 to 30.0% for the first half of 2025.

Other Income

Other income mainly comprised VAT refunds, which is a form of government incentive for the recycling of industrial waste as production input, and other government subsidies. Other income decreased by approximately 13.9% from RMB61.7 million for the first half of 2024 to RMB53.1 million for the first half of 2025. The decrease in other income is mainly due to the decrease in the VAT refund as a result of decrease in the ratio of cement produced by using recycled industrial waste during the Period.

Administrative and Selling & Marketing Expenses

Administrative expenses primarily included staff costs, general administrative expenses, depreciation and amortization. The amount increased by 11.3% from RMB318.4 million for the first half of 2024 to RMB354.3 million for the first half of 2025. Selling & marketing expenses increased by 87.2% from RMB86.6 million to RMB162.1 million for the first half of 2025 as compared with that of 2024. The increase in administrative and selling and marketing expenses were mainly due to the increase in selling and marketing expenses in relation to the sale of properties under development and the increase in respective administrative and selling expenses related to the new capacities in Africa.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Gains and Losses, net

Other gains decreased by RMB42.5 million from RMB183.1 million for the first half of 2024 to RMB140.6 million for the first half of 2025. The decrease was mainly due to the net effect of the following factors. Firstly, there were net foreign exchange losses mainly relating to the translation of the Group's USD receivables from the subsidiaries of RMB19.8 million for the first half of 2025 (six months ended 30 June 2024: exchange gains of RMB71.2 million). Secondly, there was a gain on acquisition of a subsidiary of RMB66.3 million for the first half of 2025 (six months ended 30 June 2024: Nil). During the Period, the Court terminated the liquidation process of Kangding Paomashan Cement Co., Ltd. (康定跑馬山水泥有限責任公司) ("Paomashan") and approved the Group's investment agreement with the liquidator to acquire 100% equity interest of Paomashan. Thirdly, there was a gain on modification of other long-term payables of RMB83.2 million (six months ended 30 June 2024: Nil) as a result of the modifications of the interest rate and repayment periods of the long term payables to the non-controlling shareholder of a subsidiary. Finally, there was a hyperinflation restatement regarding the subsidiaries in Ethiopia of RMB101.3 million recorded for the first half of 2024, as Ethiopia is no longer identified as a hyperinflationary economy during the Period, therefore, no such restatement was recorded during the Period.

Impairment loss under expected credit loss model, net of reversal

Impairment loss under expected credit loss model, net of reversal decreased by RMB108.8 million from RMB51.8 million for the first half of 2024 to a reversal of RMB57.0 million for the first half of 2025. The decrease was mainly due to the increase in the reversal of the impairment loss of RMB57.0 million as a result of the recovery the loan receivables and trade receivables during the Period.

Finance Costs

Finance costs increased by RMB169.6 million, or 165.1%, from RMB102.7 million for the first half of 2024 to RMB272.3 million for the first half of 2025. The increase was mainly due to the decrease in the capitalized interest in the construction in progress during the Period.

Income Tax Expense

Income tax expenses increased by RMB15.3 million from RMB153.4 million for the first half of 2024 to RMB168.7 million for the first half of 2025. Current income tax expense plus under provision increased by RMB34.3 million to RMB173.9 million for the first half of 2025 (six months ended 30 June 2024: RMB139.6 million), whereas deferred tax expenses increased by RMB19.0 million to a credit of RMB5.2 million for the first half of 2025 (six months ended 30 June 2024: RMB13.8 million).

The increase in the current income tax expense was mainly attributable to the net effect of the increase in profit tax attributable to the subsidiaries in PRC and Africa. The increase in deferred tax expense was mainly due to the increase in withholding tax on undistributed profits.

The detailed income tax expenses for the Group are outlined in note 8 of this report.

Profit Attributable to the Owners of the Company

Profit attributable to the owners of the Company increased from RMB386.9 million for the first half of 2024 to RMB748.3 million for the first half of 2025. This increase is primarily due to the increase in gross profit as mentioned above.

Basic earnings per share increased from RMB7.1 cents for the first half of 2024 to RMB13.7 cents for the first half of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND LIQUIDITY POSITION

As at 30 June 2025, the Group's total assets decreased by 1.4% to RMB35,786.0 million (31 December 2024: RMB36,289.9 million) while total equity increased by 3.7% to RMB14,331.4 million (31 December 2024: RMB13,816.5 million).

As at 30 June 2025, the Group had bank balances and cash as well as restricted/pledged bank deposits amounting to RMB1,820.8 million (31 December 2024: RMB2,541.5 million). After deducting borrowings and senior notes of RMB11,704.4 million (31 December 2024: RMB11,559.3 million), the Group had net debt of RMB9,883.6 million (31 December 2024: RMB9,017.9 million). 80.8% (31 December 2024: 87.4%) of borrowings and senior notes are at a fixed interest rate. Moreover, the Group also held loan receivables of RMB311.3 million (31 December 2024: RMB408.4 million) at fixed interest rates. Please refer to notes 13, 17, 19 and 26 of this report for the details of the loan receivables, borrowings, senior notes and the respective pledge of assets.

As at 30 June 2025, the Group's net gearing ratio, measured as net debt to equity was 69.0% (31 December 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 30 June 2025, the Group has net current liabilities position of approximately RMB1,694.6 million (31 December 2024: RMB3,560.4 million). As at 30 June 2025, the Group has unused banking facilities of approximately RMB2,031.0 million (31 December 2024: RMB1,092.5 million), which is available for drawdown and utilisation in the course of ordinary business. On 25 June 2025, the Group entered into a series of agreements to dispose of the Xinjiang Companies with a total consideration of RMB1,650.0 million, subject to adjustment. The transactions completed on 15 August 2025 and the Group expects to receive RMB1,551.0 million, representing the first three instalments of the consideration as agreed under the respective agreements, within the next 12 months. The Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future. In view of the above circumstances, the directors of the Company expect that the Group will have sufficient liquidity to finance its operations for the next twelve months from the date of approval of these condensed consolidated financial statements. Therefore, the condensed consolidated financial statements have been prepared on going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.

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

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure, measured as the additions of property, plant and equipment, right-of-use assets, mining rights and construction in progress, for the first half of 2025 amounted to RMB2,294.5 million (six months ended 30 June 2024: RMB1,635.7 million). Capital commitments as at 30 June 2025 amounted to RMB3,149.0 million (31 December 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.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 10,458 (31 December 2024: 9,504) full time employees. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2025, staff costs (including directors' remuneration) were RMB421.6 million (six months ended 30 June 2024: RMB374.0 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.

FOREIGN EXCHANGE RISK MANAGEMENT

During the six months ended 30 June 2025, the Group's sales, purchases, loans receivables, restricted/pledged deposit, bank balances and cash and borrowings were mainly denominated in Renminbi. Moreover, the Group's other long term payables and senior notes were denominated in United States Dollars and several intercompany balances between the subsidiaries were denominated in different functional currencies, i.e. Meticaïs, Ethiopian Birr. Renminbi, Meticaïs and Ethiopian Birr are not a freely convertible currency. Future exchange rates of the Renminbi, Meticaïs 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, Meticaïs and Ethiopian Birr. The appreciation or depreciation of Renminbi, Meticaïs 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 recognised 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 and entrusted 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 provide for credit loss, if any. The maximum exposure to credit risk arising from its financial leasing business equals to the carrying amount of the loan receivables.

DISCLOSURE OF INTEREST

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set forth in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Interests in shares of the Company

Name of Director	Capacity	Number of ordinary shares held as at 30 June 2025	Approximate % of issued share capital of the Company as at 30 June 2025
		(Note 1)	(Note 4)
Zhang Jimin	Beneficial owner	6,175,000 (L)	0.11%
Zhang Jimin	Interest in a controlled corporation	1,756,469,900 (L) (Note 2)	32.15%
Ma Zhaoyang	Interest in controlled corporations	221,587,950 (L) (Note 3)	4.06%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) These shares are held by Asia Gain Investments Limited ("Asia Gain") which is beneficially and wholly-owned by Zhang Jimin.
- (3) These shares are held by Techno Faith Investments Limited and Red Day Limited which are beneficially and wholly-owned by Ma Zhaoyang.
- (4) Calculated based on 5,454,332,820 issued shares of the Company as at 30 June 2025.

DISCLOSURE OF INTEREST

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2025, the persons other than a Director or chief executive of the Company who had an interest or short position in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of ordinary shares of £0.002 each held as at 30 June 2025 (Note 1)	Approximate % of issued share capital of the Company as at 30 June 2025 (Note 4)
Asia Gain (Note 2)	Beneficial owner	1,756,469,900 (L)	32.15%
Conch International Holdings (HK) Limited ("Conch") (Note 3)	Beneficial owner	1,584,849,970 (L)	29.01%
Anhui Conch Cement Co., Ltd. ("Anhui Conch") (Note 3)	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
安徽海螺集團有限責任公司 (Note 3)	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
China Conch Venture Holdings Limited ("China Conch") (Note 3)	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
蕪湖海創實業有限責任公司 Wuhu Conch Venture Enterprise Limited ("Wuhu Conch") (Note 3)	Interest in a controlled corporation	1,584,849,970 (L)	29.01%

Notes:

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

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

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

(4) Calculated based on 5,462,532,820 issued shares of the Company as at 30 June 2025.

Save as disclosed above, the Company has not been notified by any person other than a Director or chief executive of the Company who had interests or short position in the shares or underlying shares of the Company as at 30 June 2025 which were required to be notified to the Company pursuant to Part XV of the SFO or which are recorded in the register required to be kept by the Company under the section 336 of the SFO.

DISCLOSURE OF INTEREST

SHARE OPTION SCHEME

The Company adopted a post-IPO share option scheme (the “Post-IPO Share Option Scheme”) on 31 March 2010 and it has expired on 30 March 2020. Subsequent to its expiration, all outstanding share options granted under the Post-IPO Share Option Scheme remain valid and exercisable in accordance with its terms.

Post-IPO Share Option Scheme

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

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

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

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

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

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

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisors, consultants, suppliers, customers, agents and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

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

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

At the beginning of the Period (i.e. 1 January 2025), 6,900,000 share options granted under the Post-IPO Share Option Scheme remained outstanding. As the Post-IPO Share Option Scheme expired on 30 March 2020, no further options can be granted subsequent to its expiration and, since all outstanding share options lapsed during the Period, no further shares were available for issue pursuant to the exercise of any options granted under the Post-IPO Share Option Scheme as at the date of this interim report.

DISCLOSURE OF INTEREST

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

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

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her associates (as defined in the Listing Rules) abstaining from voting.

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

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

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

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

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

Options granted must be taken up within 21 days of the date of offer, upon payment of HK\$1 per grant.

8. The basis of determining the exercise price:

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

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

The Post-IPO Share Option Scheme had a life of 10 years from the date of its adoption and it has expired on 30 March 2020. No further share options may be granted under the Post-IPO Share Option Scheme subsequent to its expiration but outstanding share options granted under the scheme remain valid in accordance with its terms.

DISCLOSURE OF INTEREST

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

During the six months ended 30 June 2025:

Category and name of participant	Date of grant of share options (Note 1)	Vesting period (Note 2)	Exercise price (HKD)	Exercise period	Number of ordinary shares subject to share options granted under the Post-IPO Share Option Scheme			
					Outstanding as at 1 January 2025	Granted during the period ended 30 June 2025	Lapsed during the six months ended 30 June 2025	Outstanding as at 30 June 2025
Directors								
Chu Yufeng	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	2,000,000	–	2,000,000	–
Wang Rui	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	1,200,000	–	1,200,000	–
Other employees	13 April 2015	13 April 2015 to 12 April 2016	1.45	13 April 2016 to 12 April 2025	3,700,000	–	3,700,000	–
Total					6,900,000	–	6,900,000	–

Notes:

- The closing price of the shares of the Company on 10 April 2015, being the date immediately before the date on which the share options were granted was HK\$1.37 per share.
- The vesting of Share Options granted under the Share Option Scheme on 13 April 2015 is conditional upon the achievement of certain performance targets as set out in the respective offer letters, including among others, achievement of strategic goals and financial and operational performance targets, during the vesting period and the exercise period of the Share Options.

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

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

CORPORATE GOVERNANCE PRACTICE

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 optimise returns for the shareholders of the Company.

The Board is of the view that the Company has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules (in effect for the Period) throughout the six months ended 30 June 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 term of reference in compliance with the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management systems of the Group and to provide advice and comments to the Board, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The Audit Committee 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 unaudited consolidated interim results for the six months ended 30 June 2025.

AUDITORS

The Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the auditors of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “Remuneration Committee”) with written terms of reference in compliance with paragraph E.1.2 of part 2 of the Corporate Governance Code. The Remuneration Committee currently consists of three independent non-executive Directors, being Mr. Tam King Ching Kenny, Mr. Lee Kong Wai Conway and Mr. Zhu Dong, and one executive Director, being Mr. Zhang Jimin, with Mr. Tam King Ching Kenny serving as the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration packages for the Directors and senior management.

NOMINATION COMMITTEE

The Company has established a nomination committee (the “Nomination Committee”) with written terms of reference as recommended under paragraph B.3.1 of part 2 of the Corporate Governance Code (in effect for the Period). The Nomination Committee currently consists of two independent non-executive Directors, being Mr. Lee Kong Wai Conway and Mr. Tam King Ching Kenny, and two executive Directors, being Ms. Wang Rui and Mr. Zhang Jimin, with Mr. Zhang Jimin serving as the chairman of the Nomination Committee.

The primary functions of the Nomination Committee are to make recommendations to the Board regarding the appointment of members of the Board. The Nomination Committee is responsible for identifying the individuals suitably qualified to become board members and select or make recommendations to the board on the selection of individuals nominated for directorships.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors. Specific enquiries have been made with all the Directors, all the Directors confirmed and declared that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2025.

On behalf of the Board of Directors

Zhang Jimin

Chairman

25 August 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF WEST CHINA CEMENT LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of West China Cement Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 29 to 64, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	3	5,418,323	3,701,812
Cost of sales		(3,791,314)	(2,728,580)
Gross profit		1,627,009	973,232
Other income	4	53,088	61,677
Selling and marketing expenses		(162,132)	(86,583)
Administrative expenses		(354,315)	(318,435)
Other expenses		(49,178)	(36,223)
Other gains and losses, net	5	140,636	183,140
Impairment loss under expected credit loss model, net of reversal	9	57,047	(51,759)
Share of results of an associate		(56)	1,550
Interest income	6	24,010	24,631
Finance costs	7	(272,266)	(102,713)
Profit before tax		1,063,843	648,517
Income tax expense	8	(168,701)	(153,382)
Profit for the period	9	895,142	495,135
Other comprehensive (expense) income for the period			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(204,842)	25,649
Total comprehensive income for the period		690,300	520,784
Profit for the period attributable to:			
— Owners of the Company		748,262	386,882
— Non-controlling interests		146,880	108,253
		895,142	495,135
Total comprehensive income attributable to:			
— Owners of the Company		637,677	404,999
— Non-controlling interests		52,623	115,785
		690,300	520,784
Earnings per share			
— Basic (RMB)	11	0.137	0.071
— Diluted (RMB)	11	0.137	0.071

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	22,396,789	23,183,932
Investment properties		94,358	94,358
Right-of-use assets	12	731,966	758,758
Mining rights	12	1,539,844	1,734,848
Other intangible assets		299,925	358,579
Interest in an associate		10,081	10,137
Equity investments at fair value through profit or loss ("FVTPL")	27	46,099	36,217
Loan receivables	13	172,908	134,687
Deferred tax assets		125,332	131,498
Prepayments for right-of-use assets		33,379	34,087
Prepayments for mining rights		9,500	9,500
Deposits paid for acquisition of property, plant and equipment and mining rights		269,257	329,048
Other deposits	14	120,583	134,147
Pledged/restricted bank deposits		131,628	107,801
		25,981,649	27,057,597
Current assets			
Inventories		1,686,136	1,860,157
Properties under development		574,273	1,276,265
Properties for sale		150,673	–
Trade and other receivables and prepayments	14	3,876,644	3,388,534
Loan receivables	13	138,364	273,713
Pledged/restricted bank deposits		834,704	1,276,519
Cash and cash equivalents		854,479	1,157,136
		8,115,273	9,232,324
Assets classified as held for sale	16	1,689,062	–
		9,804,335	9,232,324

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade and other payables	18	6,546,686	7,501,250
Borrowings	17	3,939,498	3,917,111
Dividend payable		236,052	60,370
Contract liabilities		518,123	1,249,554
Deferred income	20	5,491	5,491
Income tax payable		92,164	58,911
		11,338,014	12,792,687
Liabilities directly associated with assets classified as held for sale	16	160,903	–
		11,498,917	12,792,687
Net current liabilities		(1,694,582)	(3,560,363)
Total assets less current liabilities		24,287,067	23,497,234
Non-current liabilities			
Borrowings	17	3,367,459	3,172,381
Asset retirement obligations		393,799	390,795
Deferred tax liabilities		503,322	511,040
Deferred income	20	12,202	15,437
Senior notes	19	4,397,466	4,469,815
Other long-term payables	21	1,281,464	1,121,281
		9,955,712	9,680,749
Net assets		14,331,355	13,816,485
Capital and reserves			
Share capital	22	142,261	142,261
Share premium and reserves		12,578,245	12,125,916
		12,720,506	12,268,177
Equity attributable to owners of the Company		1,610,849	1,548,308
Non-controlling interests			
Total equity		14,331,355	13,816,485

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Equity reserve RMB'000 (Note b)	Translation reserve RMB'000	Share option reserve RMB'000	Statutory reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	142,261	896,574	157,705	(725,287)	3,059	2,031,946	9,761,919	12,268,177	1,548,308	13,816,485
Profit for the period	-	-	-	-	-	-	748,262	748,262	146,880	895,142
Exchange differences on translation of foreign operations	-	-	-	(110,585)	-	-	-	(110,585)	(94,257)	(204,842)
Total comprehensive (expense) income for the period	-	-	-	(110,585)	-	-	748,262	637,677	52,623	690,300
Appropriation of maintenance and production funds (Note a)	-	-	-	-	-	40,748	(40,748)	-	-	-
Utilisation of maintenance and production funds (Note a)	-	-	-	-	-	(11,908)	11,908	-	-	-
Dividend recognised as distribution (Note 10)	-	-	-	-	-	-	(185,348)	(185,348)	-	(185,348)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	9,918	9,918
Exercise/lapse of share options	-	-	-	-	(3,059)	-	3,059	-	-	-
At 30 June 2025 (unaudited)	142,261	896,574	157,705	(835,872)	-	2,060,786	10,299,052	12,720,506	1,610,849	14,331,355

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Equity reserve	Translation reserve	Share option reserve	Statutory reserves	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note b)									
At 1 January 2024 (audited)	141,837	989,621	(3,431)	(23,936)	17,981	1,881,181	9,280,192	12,283,445	1,884,505	14,167,950
Profit for the period	-	-	-	-	-	-	386,882	386,882	108,253	495,135
Exchange differences on translation of foreign operations	-	-	-	18,117	-	-	-	18,117	7,532	25,649
Total comprehensive income for the period	-	-	-	18,117	-	-	386,882	404,999	115,785	520,784
Appropriation of maintenance and production funds (Note a)	-	-	-	-	-	38,240	(38,240)	-	-	-
Utilisation of maintenance and production funds (Note a)	-	-	-	-	-	(6,723)	6,723	-	-	-
Dividend recognised as distribution (Note 10)	-	(125,094)	-	-	-	-	-	(125,094)	-	(125,094)
Exercise/lapse of share options	274	17,554	-	-	(10,680)	-	5,619	12,767	-	12,767
Disposal of a subsidiary	-	-	-	-	-	(1,381)	1,381	-	-	-
Hyperinflation restatement	-	-	139,632	-	-	-	-	139,632	76,414	216,046
At 30 June 2024 (unaudited)	142,111	882,081	136,201	(5,819)	7,301	1,911,317	9,642,557	12,715,749	2,076,704	14,792,453

Notes:

- a. Pursuant to the relevant People's Republic of China ("PRC") regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases, such as production volume, to a specific reserve account. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.
 - b. For the composition of the equity reserve other than hyperinflation restatement, please refer to Note 39 of annual report for the year ended 31 December 2024.
- * The English name is for identification purpose.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES		602,102	1,356,481
INVESTING ACTIVITIES			
Interest received		16,130	24,631
Purchase of property, plant and equipment		(1,348,116)	(1,369,870)
Purchase of mining rights		(7,627)	(16,742)
Purchase of other intangible assets		(475)	(7,301)
Purchase of right-of-use assets		(1,539)	(3,684)
Proceeds from disposal of property, plant and equipment		10,000	9,084
Loans to third parties		(136,837)	–
Repayments received from loans to third parties		120,100	12,996
Net cash outflow on acquisition of a subsidiary	28	(77,752)	–
Net cash inflow on disposal of a subsidiary		–	18,879
Withdrawal of pledged/restricted bank deposits		1,455,529	1,061,939
Placement of pledged/restricted bank deposits		(1,037,541)	(1,710,793)
Net cash used in investing activities		(1,008,128)	(1,980,861)
FINANCING ACTIVITIES			
New borrowings raised		3,321,737	3,239,148
Repayments of borrowings		(2,948,331)	(2,310,941)
Advances from third parties		74,663	–
Repayments of advances from third parties		(91,937)	–
Dividend paid to non-controlling shareholders of subsidiaries		(10,044)	–
Capital injection by non-controlling interests		9,918	–
Interest paid		(240,325)	(234,381)
Proceeds from exercise of share options		–	12,767
Net cash from financing activities		115,681	706,593
Net (decrease) increase in cash and cash equivalents		(290,345)	82,213
Cash and cash equivalents at 1 January		1,157,136	922,662
Cash and cash equivalents of disposal group transferred to assets classified as held for sale	16	(2,185)	–
Effect of foreign exchange rate changes		(10,127)	8,985
Cash and cash equivalents at 30 June, represented by cash and cash equivalents		854,479	1,013,860

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

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

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

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”).

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

1.1 Significant transaction in the current interim period

Acquisition of Paomashan

On 27 December 2024, 康定市新綠川環保有限公司 Kangding New Lvchuan Environmental Protection Co., Ltd.* (“New Lvchuan”), a subsidiary of the Group, entered into an investment agreement (“Investment Agreement”) with the liquidator to acquire 100% equity interest of 康定跑馬山水泥有限責任公司 Kangding Paomashan Cement Co., Ltd.* (“Paomashan”). On 21 April 2025, the acquisition was completed and the Group obtained control over production and operation of Paomashan. Further details are set out in Note 28.

* The English name is for identification purpose

Disposal of companies and assets in Xinjiang

On 25 June 2025, the Group entered into a series of agreements to dispose of companies and assets in Xinjiang with a total consideration of RMB1,650,000,000.

Further details are set out in Note 16.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. ACCOUNTING POLICIES (Cont'd)

2.1 Application of certain accounting policies which became relevant to the Group

Business combinations

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. ACCOUNTING POLICIES (Cont'd)

2.1 Application of certain accounting policies which became relevant to the Group (Cont'd)

Hyperinflationary economy in Ethiopia

Ethiopia (one of the foreign operations of the Group) is no longer identified as a hyperinflationary economy for reporting periods ending on or after 30 June 2025. As a result, the Group has ceased to prepare and present its financial statements prepared in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*. The Group treats the amounts expressed in the current measuring units at the end of 31 December 2024 as the basis for the carrying amounts in the Group's subsequent financial statements.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Financial instruments

Modification of financial liabilities

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. ACCOUNTING POLICIES (Cont'd)

2.2 Application of amendments to an IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by 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 Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

2.3 Basis for preparation of condensed consolidated financial statements

As at 30 June 2025, the Group has net current liabilities position of approximately RMB1,694,582,000. The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering the followings:

- as at 30 June 2025, the Group has unused banking facilities of approximately RMB2,031,026,000, which is available for drawdown and utilisation in the course of ordinary business;
- On 25 June 2025, the Group entered into a series of agreements to dispose of the Disposal Group (as defined in Note 16) with a total consideration of RMB1,650,000,000. The transaction has been completed on 15 August 2025 and the Group expects to receive consideration of RMB1,551,000,000 within the next 12 months; and
- the Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of products and services		
Sales of cement and related products	4,269,293	3,462,906
Sales of properties	797,169	–
Provision of construction and installation service	137,872	2,520
Sales of plastics bags	30,857	33,110
Trading of cement-related raw materials	20,330	57,573
Sales of gypsum	29,478	20,422
Others	133,324	125,281
	5,418,323	3,701,812

Performance obligation for contracts with customers

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

The performance obligation is satisfied at a point in time. Revenue is recognised at the point in time when the property is accepted by the customer, or deemed as accepted according to the contract.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Operating Segments (Cont'd)

(1) Segment revenue and results

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

For the six months ended 30 June 2025

	The PRC markets RMB'000 (Unaudited)	Overseas markets RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Adjustments and eliminations RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
SEGMENT REVENUE					
External sales	3,069,960	2,348,363	5,418,323	–	5,418,323
Inter-segment sales	63,844	–	63,844	(63,844)	–
Total	3,133,804	2,348,363	5,482,167	(63,844)	5,418,323
SEGMENT PROFIT	365,415	456,721	822,136	–	822,136
Share of result of an associate					(56)
Fair value change on equity investments at FVTPL					9,882
Dividend income from equity investments at FVTPL					1,427
Impairment loss reversed in respect of other non-current assets					94,292
Loss on disposal of property, plant and equipment					(919)
Gain on acquisition of a subsidiary					66,300
Gain on modification of other long-term payables					83,211
Unallocated directors' emoluments					(5,516)
Unallocated central administrative costs					(5,589)
Unallocated legal and professional expenses					(1,325)
Profit before tax					1,063,843

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Operating Segments (Cont'd)

(1) Segment revenue and results (Cont'd)

For the six months ended 30 June 2024

	The PRC markets RMB'000 (Unaudited)	Overseas markets RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Adjustments and eliminations RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
SEGMENT REVENUE					
External sales	2,379,787	1,322,025	3,701,812	–	3,701,812
Inter-segment sales	17,438	–	17,438	(17,438)	–
Total	2,397,225	1,322,025	3,719,250	(17,438)	3,701,812
SEGMENT PROFIT	82,611	587,130	669,741	–	669,741
Share of result of an associate					1,550
Fair value change on equity investments at FVTPL					2,360
Dividend income from equity investments at FVTPL					1,087
Impairment loss recognised on goodwill					(7,644)
Impairment loss recognised on other non-current assets					(11,913)
Gain on disposal of property, plant and equipment					2,521
Gain on disposal of a subsidiary					2,880
Unallocated directors' emoluments					(5,700)
Unallocated central administrative costs					(5,010)
Unallocated legal and professional expenses					(1,355)
Profit before tax					648,517

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Operating Segments (Cont'd)

(2) Segment assets and liabilities

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.

Geographical Information

Information about the Group's revenue from external customers is presented based on the geographical location of the markets.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
The PRC	3,069,960	2,379,787
Africa		
— Ethiopia	902,621	374,599
— Mozambique	656,528	497,696
— Democratic Republic of Congo	314,225	253,460
— Other African countries	304,352	185,577
Others	170,637	10,693
	5,418,323	3,701,812

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
The PRC	8,624,223	10,301,787
Africa		
— Democratic Republic of Congo	5,283,716	4,952,675
— Ethiopia	4,294,930	4,398,045
— Mozambique	3,157,330	3,238,624
— Other African countries	2,394,863	1,962,305
Others	1,630,037	1,659,811
	25,385,099	26,513,247

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical Information (Cont'd)

No single customer contributed 10% or more to the Group's revenue for both periods ended 30 June 2025 and 2024.

4. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Tax refund (Note)	27,515	45,366
Government grant, including release from deferred income	24,146	15,224
Dividend income from equity investments at FVTPL	1,427	1,087
	53,088	61,677

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

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fair value gain on equity investments at FVTPL	9,882	2,360
Net foreign exchange (loss) gain	(19,794)	71,214
Impairment loss recognised on goodwill (Note 12)	–	(7,644)
(Loss) gain on disposal of property, plant and equipment	(919)	2,521
Gain on acquisition of a subsidiary (Note 28)	66,300	–
Gain on disposal of a subsidiary	–	2,880
Gain on modification of other long-term payables (Note 21)	83,211	–
Hyperinflationary restatement (note i)	–	101,292
Others	1,956	10,517
	140,636	183,140

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

5. OTHER GAINS AND LOSSES, NET (Cont'd)

Note:

- (i) As at 30 June 2024, Ethiopia (in which certain subsidiaries of the Company operates) has been widely considered as a hyperinflation economy, as defined in IAS 29. The non-monetary items carried at historical cost, statement of profit or loss and other comprehensive income and equity of the subsidiaries operating in hyperinflationary economies have been restated for the effect of inflation based on general price index at the end of the reporting period provided by Ethiopian government. Monetary items are not restated as those items already reflect the purchasing power at the reporting date. The inflation rate was estimated to be 34.1%, representing an increase of 7.3% for the six months ended 30 June 2024 and accordingly, the Group recognised hyperinflationary restatement amounted to RMB101,292,000 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 RMB99,480,000. As Ethiopia is no longer identified as a hyperinflationary economy for reporting periods ending on or after 30 June 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 six months ended 30 June 2025.

* The English name is for identification purpose

6. INTEREST INCOME

Interest income mainly represents interest received and receivable from bank deposits and loan receivables.

7. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on:		
Bank loans	159,732	148,026
Other long-term payables	26,259	23,726
Senior notes	113,051	112,500
	299,042	284,252
Less: amount capitalised in construction in progress	(35,553)	(190,058)
	263,489	94,194
Unwinding of discount of asset retirement obligations	8,777	8,519
	272,266	102,713

Borrowing cost capitalised on general borrowing pool are calculated by applying a weighted average capitalisation rate on funds borrowed of 5.00% (six months ended 30 June 2024: 5.34%) per annum to expenditure on qualifying assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
PRC enterprise income tax	45,130	33,061
Mozambique profits tax	66,125	53,258
Ethiopia profits tax	6,718	33,718
Other jurisdictions	39,361	3,084
Withholding tax	8,500	12,645
	165,834	135,766
Under provision in prior years:		
Other jurisdictions	8,031	3,834
Deferred tax:		
Current period	(5,164)	13,782
Income tax expense	168,701	153,382

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation and amortisation:		
Depreciation of property, plant and equipment	803,470	627,797
Depreciation of right-of-use assets	12,302	10,524
Amortisation of mining rights	6,589	22,479
Amortisation of other intangible assets	3,171	2,945
Total depreciation and amortisation	825,532	663,745
Recognised in cost of sales	(152,097)	(134,056)
Capitalised in inventories	(592,040)	(457,476)
	81,395	72,213
Staff costs (including directors' emoluments)		
Salaries and allowances	391,366	343,985
Retirement benefits	30,189	30,002
Total staff costs	421,555	373,987
Recognised in cost of sales	(40,631)	(25,990)
Capitalised in inventories	(200,198)	(179,606)
	180,726	168,391
Net allowance for credit losses (reversed) recognised in respect of:		
Loan receivables	(22,972)	8,359
Trade receivables	(34,075)	9,647
Other receivables	–	33,753
	(57,047)	51,759
Donations (included in other expenses)	3,921	3,095

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. DIVIDENDS

During the six months ended 30 June 2025, the Group declared a final dividend of HK3.7 cents (equivalent to RMB3.4 cents) per ordinary share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK2.5 cents (equivalent to RMB2.3 cents)) per ordinary share in respect of the year ended 31 December 2023) in total of approximately RMB185,348,000 (six months ended 30 June 2024: RMB125,094,000).

The directors of the Company have determined that no dividend will be paid in respect of current and prior interim period.

11. 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:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	748,262	386,882

	Six months ended 30 June	
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,462,533	5,447,429
Effect of dilutive potential ordinary shares from share options issued by the Company	338	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,462,871	5,447,429

The computation of diluted earnings per share for the six months ended 30 June 2024 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 period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS/ MINING RIGHTS

During the current interim period, the Group purchased property, plant and equipment, right-of-use assets (land use rights) and mining rights of RMB1,308,561,000 (six months ended 30 June 2024: RMB106,078,000), RMB2,247,000 (six months ended 30 June 2024: RMB3,684,000) and RMB1,297,000 (six months ended 30 June 2024: RMB16,742,000), respectively, from third parties and incurred RMB982,389,000 on construction in progress (six months ended 30 June 2024: RMB1,509,168,000).

In addition, Ethiopia is no longer identified as a hyperinflationary economy for reporting periods ending on or after 30 June 2025, so there is no hyperinflation restatement during the six months ended 30 June 2025. During the six months ended 30 June 2024, addition of property, plant and equipment and mining rights of RMB258,151,000 and RMB36,024,000, respectively, was resulted from hyperinflation restatement.

The amounts of construction in progress transferred to other classes of property, plant and equipment during the six months ended 30 June 2025 are RMB2,221,167,000 (six months ended 30 June 2024: RMB80,568,000).

In addition, during the current interim period, the Group disposed of certain property, plant and equipment with carrying amounts of RMB43,606,000 (six months ended 30 June 2024: RMB6,563,000), resulting in a loss on disposal of RMB919,000 (six months ended 30 June 2024: gain on disposal of RMB2,521,000).

Impairment assessment

Due to downturn of the business environment in the cement industry in the PRC, certain of the Group's subsidiaries were experiencing operating losses for both periods. However, during the current interim period, in the face of this subdued demand the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply. This has led to some modest improvements in the Group's average selling prices in China. In addition, unit costs have remained stable or fallen, especially in Shaanxi province due to lower coal costs. As a result, the management concluded there was indication for impairment or reversal of impairment loss and conducted impairment assessment on carrying amounts of certain cash-generating units ("CGUs").

Based on the result of the impairment assessment, the Group reversed an impairment loss of RMB94,292,000 (included in the cost of sales) related to property, plant and equipment and mining rights during the current interim period.

During the six months ended 30 June 2024, based on the result of the impairment assessment, the Group recognised impairment loss of RMB7,644,000 (Note 5) and RMB11,913,000 (included in the cost of sales) against the carrying amounts of goodwill and certain non-current assets, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. LOAN RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Loans collateralised by property, plant and equipment (<i>note a</i>)	376,400	376,500
Loans collateralised by receivables (<i>note b</i>)	150,000	270,000
Small loans (<i>note c</i>)	4,800	4,800
	531,200	651,300
Less: Allowance for credit losses	(219,928)	(242,900)
	311,272	408,400
Analysed as:		
Current	138,364	273,713
Non-current	172,908	134,687
	311,272	408,400

Notes:

(a) As at 30 June 2025, the Group has entered into certain arrangements (the "Arrangements") with third parties for periods ranging from one to three years (31 December 2024: one to two years) under which:

- (i) The third parties transferred the ownership titles of certain of their assets to the Group and leased back those assets;
- (ii) The shareholders of the third parties provided guarantees for the due performance of the obligations of the third parties under the Arrangements; and
- (iii) Upon discharging all the obligations by the third parties under the Arrangements, the Group will return the ownership title of the assets to the lessees automatically.

Despite the Arrangements involving a legal form of a lease, the Group accounted for the Arrangements as collateralised loans in accordance with IFRS 9 as the transfer does not satisfy the requirement of IFRS 15 as a sale. All interest rates inherent in the Arrangements are fixed at the contract dates over the contract terms.

- (b) The loans collateralised by receivables with fixed interest rates at the contract dates over the contract terms. The interests are receivable periodically based on the contractual terms. All principal amounts are receivable on their respective maturity dates.
- (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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13. LOAN RECEIVABLES (Cont'd)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	138,364	273,713
In more than one year but not more than two years	150,408	134,687
In more than two years but not more than five years	22,500	–
	311,272	408,400

The ranges of effective rates on the Group's loan receivables were 8% to 15% per annum as at 30 June 2025 (31 December 2024: 8% to 15% per annum).

All of the Group's loan receivables are dominated in RMB. Details of the impairment assessment are set on in Note 15.

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	1,708,822	1,523,948
Trade receivables backed by bills	377,741	269,214
	2,086,563	1,793,162
Less: Allowance for credit losses	(191,974)	(229,080)
	1,894,589	1,564,082
Other receivables	1,532,362	1,325,078
Less: Allowance for credit losses	(605)	(32,995)
	1,531,757	1,292,083
VAT recoverables	310,623	359,043
VAT refund receivables	17,574	5,661
Dividend receivable from equity investments at FVTPL	1,427	–
Prepayments to suppliers	241,257	301,812
	3,997,227	3,522,681
Less: Non-current portion of other deposits (included in "Other receivables" above)	(120,583)	(134,147)
	3,876,644	3,388,534

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Cont'd)

All bills received by the Group are due within one 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.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 90 days	421,136	524,520
91 to 180 days	420,451	330,671
181 to 360 days	325,404	491,404
361 to 720 days	477,846	154,682
Over 720 days	63,985	22,671
	1,708,822	1,523,948

As at 30 June 2025, included in trade receivables backed by bills represents total bills received amounting to RMB170,676,000 (31 December 2024: RMB146,901,000) that were endorsed to suppliers on a full recourse basis. As the Group has not transferred substantially all the risks and rewards relating to these receivables, it continues to recognise the full carrying amounts of the receivables and the corresponding trade payables.

Details of the impairment assessment are set on in Note 15.

15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

Impairment assessment on loan receivables

During the current interim period, the Group reversed the impairment allowance of RMB22,972,000 as a result of the repayment of the principal amount of RMB120,100,000.

During the six months ended 30 June 2024, the Group provided an additional impairment allowance of RMB8,359,000 due to an increase in credit risk.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS (Cont'd)

Impairment assessment on trade receivables arising from contracts with customers

During the current interim period, the Group reversed the impairment allowance of RMB34,075,000 on trade receivables, in particular, a specific reversal of RMB60,093,000 has been made in respect of two individual debtors, as the Group expected to recover the trade receivables by offsetting the trade payables to these two individuals, which the relevant subsidiaries of the Company have agreed with the two individuals.

During the six months ended 30 June 2024, the Group provided an additional impairment allowance of RMB9,647,000 on trade receivables due to an increase in credit risk.

During the current interim period, the Group wrote off an impairment allowance of RMB1,376,000 for Paomashan on trade receivables, following finalisation of Property Distribution Plan (as defined in Note 28) and terminated the liquidation process of Paomashan.

The Group's trade receivables backed by bills amounted to approximately RMB170,676,000 (31 December 2024: RMB146,901,000) as at 30 June 2025. The directors of the Company consider the ECL for these trade receivables is insignificant because the bills are issued by banks and trust company with high credit ratings assigned by either international or PRC credit rating agencies.

Impairment assessment on other receivables

During the current interim period, the Group wrote off an impairment allowance of RMB32,378,000 for Paomashan, following finalisation of Property Distribution Plan (as defined in Note 28) and terminated the liquidation process of Paomashan.

During the six months ended 30 June 2024, the Group provided an impairment loss, net of reversal of RMB33,753,000 on other receivables due to an increase in credit risk.

Impairment assessment on cash equivalents and pledged/restricted bank deposits

The credit risks on cash equivalents and pledged/restricted bank deposits are limited because the counterparties are reputational banks/financial institutions with high credit ratings internationally/locally.

Allowance for impairment

Allowance for credit losses recognised in respect of the financial assets for both periods are set out in Note 9 to the condensed consolidated financial statements.

16. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 25 June 2025, the Group entered into an equity transfer agreement and three asset transfer agreements with a substantial shareholder of the Company ("Purchaser A") and a direct wholly-owned subsidiary of Purchaser A (Purchaser B, together with Purchaser A are referred as "Purchasers"), pursuant to which the Group has conditionally agreed to sell, and Purchasers has conditionally agreed to purchase the entire equity interest in certain subsidiaries of the Group (the "Xinjiang Companies"), and purchase certain assets the Group in Xinjiang Province, the PRC (the "Disposed Assets", the Xinjiang Companies and Disposed Assets are collectively referred as "Disposal Group"). The total consideration of the disposal of the Disposal Group was RMB1,650,000,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. NON-CURRENT ASSETS/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Cont'd)

The disposal is still underway as at 30 June 2025 as certain conditions precedent have not yet been met. Completion of the sale of the Disposal Group took place on 15 August 2025.

The assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position. The Disposal Group are included in the Group's PRC markets for segment reporting purposes.

The net proceeds of disposal are expected to exceed the net carrying amount of the Disposal Group and accordingly, no impairment loss has been recognised.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are as follows:

	As at 30 June 2025 RMB'000
Property, plant and equipment	1,404,030
Right-of-use assets	24,733
Mining rights	131,139
Other intangible assets	55,450
Deferred tax assets	147
Deposits paid for acquisition of property, plant and equipment and mining rights	6,057
Inventories	29,981
Trade and other receivables and prepayments	35,340
Cash and cash equivalents	2,185
Total assets classified as held for sale	1,689,062
Trade and other payables	41,093
Borrowings	99,745
Contract liabilities	10,405
Income tax payable	2,098
Asset retirement obligations	2,187
Deferred tax liabilities	5,033
Deferred income	342
Total liabilities classified as held for sale	160,903

No other comprehensive income and equity recognised relating to the disposal group classified as held for sale.

Subsequent to the end of the reporting period, the transaction has completed on 15 August 2025. Upon completion of the transaction, the Xinjiang Companies cease to be subsidiaries of the Company and the legal title of Disposed Assets have been transferred to the Purchasers, and financial information of the Xinjiang Companies and Disposed Assets will no longer be consolidated to the accounts of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. BORROWINGS

During the current interim period, the Group obtained new loans amounting to RMB3,321,737,000 (six months ended 30 June 2024: RMB3,239,148,000) and made repayments amounting to RMB2,948,331,000 (six months ended 30 June 2024: RMB2,310,941,000). The borrowings carry annual interest rates ranging from 1.12% to 22.25% per annum as at 30 June 2025 (31 December 2024: 1.07% to 22.25% per annum) and are repayable between 2025 and 2041 (31 December 2024: repayable between 2024 and 2041).

18. TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	2,107,316	2,409,928
Bill payables	–	214,550
	2,107,316	2,624,478
Payables for constructions and equipment purchase	3,556,293	3,902,791
Other tax liabilities	132,736	127,350
Payroll and welfare payable	52,433	85,023
Interest payables	77,597	61,112
Consideration payable (Note 28)	40,829	–
Other payables	475,053	346,670
Deposits payables	68,848	63,734
Other long-term payable — current portion (Note 21)	35,581	290,092
	6,546,686	7,501,250

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.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 90 days	860,125	996,754
91 to 180 days	443,303	384,635
181 to 360 days	482,215	519,676
361 to 720 days	254,064	394,310
Over 720 days	67,609	114,553
	2,107,316	2,409,928

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. SENIOR NOTES

On 9 July 2021, the Company issued 4.95%, five-year senior notes with an aggregated principal amount of United States Dollar ("USD") 600,000,000 due in 2026 (the "Senior Notes") at 100% of the face value. The effective interest rate was approximately 5.18% per annum after adjusting for transaction costs. The Senior Notes were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

According to the terms and conditions of the Senior Notes, at any time or from time to time prior to 8 July 2024, the Company may at its option redeem the notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the notes 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 notes at a redemption price of 104.95% of the principal amount of the notes, 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 notes, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

20. DEFERRED INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Government grants relating to acquisition of property, plant and equipment (<i>note</i>)	17,693	20,928
Less: amounts expected to be recognised within one year	(5,491)	(5,491)
	12,202	15,437

Note: The amount represents unconditional government grants received by the Group's subsidiaries for acquisition of property, plant and equipment. The balance will be amortised based on the useful lives of respective property, plant and equipment from 3 to 12 years. RMB2,893,000 (six months ended 30 June 2024: RMB2,548,000) was released to profit or loss and recorded in other income in the current reporting period.

21. OTHER LONG-TERM PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Payable related to Dugongo (defined below) (<i>note a</i>)	837,209	927,142
Payable for mining rights (<i>note b</i>)	323,708	329,403
Provision for administrative penalty (<i>note c</i>)	156,128	154,828
	1,317,045	1,411,373
Less: current portion (<i>note 18</i>)	(35,581)	(290,092)
	1,281,464	1,121,281

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

21. OTHER LONG-TERM PAYABLES (Cont'd)

Notes:

- (a) In 2020, the Group recorded USD174,788,000 (equivalent to approximately RMB1,138,506,000) payables to the non-controlling shareholder of Moçambique Dugongo Cimentos, S.A. ("Dugongo"). During the year ended 31 December 2021, Dugongo signed a three-party debt transferring agreement with an independent third party and the non-controlling shareholder of Dugongo to transfer the full amount due to the non-controlling shareholder of Dugongo to the independent third party. The payable, originally unsecured with a repayment period from 2022 to 2026 with an interest rate of 4.62% per annum, was first extended to a new repayment period from 2025 to 2029 as at 31 December 2024 and bears new interest rate of 1.93% per annum. It was then further extended to a new repayment period from 2026 to 2035 as at 30 June 2025 and bears new interest rate of 1.06% per annum. Based on the assessment of the management, the Group considered that the revised terms did not result in a substantial modification from original terms, and the original payables would not be derecognised. Accordingly, the Group adjusted the carrying amount of the payable related to Dugongo and recognised a gain of USD11,582,000 (equivalent to approximately RMB83,211,000) based on the difference between the carrying amount of the original payable related to Dugongo and the present value of the modified contractual cash flows discounted at the original effective interest rate at the date of modification.
- (b) According to the announcement on Collection and Management of the Revenue from the Transfer of Mining Rights in Shaanxi Province* "陝西省礦業權出讓收益徵收管理實施辦法" (the "Announcement"), an entity is required to pay a premium when acquiring the relevant exploration right or mining right. The balance represented the amount to be paid to the government in respect of such Announcement with repayment up to 2041 using a discount rate of 4.20% to 4.65% per annum.
- (c) During the year ended 31 December 2022, the Group received an administrative penalty order made by Shaanxi Administration for Market Regulation ("SXAMR") for an accusation of price monopoly in the Central Shaanxi market in the PRC from July 2017 to March 2019 together with other 12 cement entities in the region. The Group was ordered to pay a penalty that was measured based on a percentage of the total sales in the region during such period. The directors of the Company determined that the penalty order made by SXAMR was unjustified and the Group had filed an objection to the State Administration for Market Regulation ("SAMR") against the original order during the same year. In October 2022, the proceeding of the objection to SAMR was temporary suspended and the Group and SXAMR was undergone arbitration on the penalty order. In March 2023, the Group and SXAMR could not reach to a settlement and the proceeding of objection was resumed. On 21 March 2023, SAMR upheld the original judgement made by SXAMR. In April 2023, the Group commenced an administrative litigation to Beijing Intellectual Property Court ("BJIPC") against the order from SXAMR and the result of objection from SAMR. In December 2023, BJIPC upheld the original judgement made by SXAMR and SAMR. On 5 January 2024, the Group filed an appeal to The Supreme People's Court of the People's Republic of China (The "Supreme People's Court"). The Intellectual Property Court of the Supreme People's Court has held a hearing on this case on 22 October 2024, up to the date these condensed consolidated financial statements are authorised for issue, the Group has yet to receive any judgment from the Supreme People's Court and no official result has been released yet.

The Group had made further provision of RMB1,300,000 in relation to the administrative penalty for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB2,693,000) which represented the management's best estimate that an outflow of resources embodying economic benefits will be required to settle the obligation as at 30 June 2025 using discount rates of 3.00% (31 December 2024: 3.45% to 3.95% per annum). As at 30 June 2025, the Group had provided RMB156,128,000 (2024: RMB154,828,000 (included in other payables) in respect of administrative penalty.

* The English name is for identification purpose

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

22. SHARE CAPITAL

	Number of share	Share capital	
		Shown in the condensed consolidated financial statements	
	'000	GBP'000	RMB'000
<i>Ordinary shares of 0.002 Great Britain Pound ("GBP") each</i>			
Authorised:			
As at 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	10,000,000	20,000	
Issued and fully paid:			
At 1 January 2024(audited), 31 December 2024 (audited) and 30 June 2025 (unaudited)	5,462,533	10,923	142,261

23. SHARE-BASED PAYMENTS

The Company's current share option scheme was adopted pursuant to a resolution of board of directors passed on 31 March 2010 for the primary purpose of providing incentives to directors and eligible employees through the subscription of the Company's shares.

On 23 March 2011, 22 March 2013, 24 March 2014 and 13 April 2015, the Company granted a total of 18,400,000, 34,000,000, 52,100,000 and 29,100,000 options, respectively, to directors, senior management and staffs, and the estimated fair value of the four option issuances using the Black-Scholes option pricing model was approximately Hong Kong Dollars ("HK\$") 1.04, HK\$0.58, HK\$0.41 and HK\$0.56 at the respective grant date.

The share options granted are exercisable within a period of 10 years after the corresponding vesting periods (4 years) succeeding the specific grant date of each individual tranche under a particular issuance, subject to the fulfilment of certain non-market performance condition, for example, the share options of a specific tranche would vest if the growth in profit after tax of Group during the year ending on the vesting date (Year 1) equal or exceed 15% as compared to the previous financial year (Year 0). In the event when the growth is less than 15%, the share options will not be immediately forfeited and the vesting will delay until the compound growth in profit after tax of the Group in the following financial year (Year 2) equal or exceed 15% as compared to that of Year 0. Where profit after tax of the Group does not meet the growth requirements in both circumstances above, the share options of the said tranche will not vest.

No share options were exercised during the six months ended 30 June 2025. During the six months ended 30 June 2024, 15,450,000 share options were exercised at an average exercise price of HK\$0.91.

During the six months ended 30 June 2025, 6,900,000 share options (six months ended 30 June 2024: 5,700,000 share options) were lapsed. There are no outstanding share options as at 30 June 2025 (31 December 2024: 6,900,000 share options).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

24. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	3,148,971	3,680,909

25. RELATED PARTY DISCLOSURES

The Group has following transactions and balances with related parties:

Companies	Nature of balances	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Anda International Logistics (DRC), Limited*	Trade and other receivables	122,339	89,327
Anda International Logistics (DRC), Limited*	Trade and other payables	78,944	–

Companies	Nature of transactions	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Anda International Logistics (DRC), Limited*	Rental income	22,706	3,130
Anda International Logistics (DRC), Limited*	Transportation services provided to the Group	19,614	1,410

* The Group holds a 49% equity stake in the Anda International Logistics (DRC), Limited, which is insignificant to the Group.

The Group has paid or payable to the key management personnel for employee services. The key management includes directors (executive and non-executive) of the Company and senior management of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

25. RELATED PARTY DISCLOSURES (Cont'd)

Key management compensation

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries and allowances	5,433	5,623
Retirement benefits	83	77
	5,516	5,700

26. ASSETS PLEDGED FOR SECURITY

At the end of the reporting period, certain assets of the Group were pledged to secure trade facilities and banking facilities granted to the Group. The aggregate carrying amount of the pledged assets at the end of the reporting period is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	6,934,236	6,848,303
Properties under development	332,516	516,000
Trade receivables	28,100	2,550
Right-of-use assets	237,780	213,840
Pledged bank deposits	966,332	1,375,966
	8,498,964	8,956,659

Note:

As of June 30, 2025, the Group has pledged its equity interests in 貴州麟山水泥有限責任公司 Guizhou Linshan Cement Co., Ltd*, 漢中勉縣堯柏水泥有限公司 Hanzhong Mianxian Yaobai Cement Co., Ltd*, and 商洛堯柏秀山水泥有限公司 Shangluo Yaobai Xiushan Cement Co., Ltd*, subsidiaries of the Group, to bank to provide guarantees for any future facilities from China Minsheng Bank Xi'an Branch.

* The English name is for identification purpose

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except for equity investments at FVTPL, the Group does not hold any other financial instruments measured at fair value.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair value.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis:

Name	Fair value as at		Fair value hierarchy	Valuation techniques and key input(s)
	30/06/2025 RMB'000 (Unaudited)	31/12/2024 RMB'000 (Audited)		
Equity investments at FVTPL	46,099	36,217	Level 1	Quoted bid price in an active market

28. ACQUISITION OF A SUBSIDIARY

On 27 December 2024, New Lvchuan entered into an Investment Agreement with the liquidator to acquire 100% equity interest of Paomashan at a consideration of RMB138,829,000. In January 2025, the People's Court of Kangding City, the PRC (the "Kangding People's Court") approved the Investment Agreement and terminated the liquidation process of Paomashan. On 21 April 2025, the acquisition was completed and the Group obtained control over production and operation of Paomashan. Paomashan is principally engaged in cement production and sales, which its products are widely used in different industries.

The acquisition has been accounted for as acquisition of subsidiary using the acquisition method.

Consideration transferred

	RMB'000 (Unaudited)
Consideration	138,829

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

28. ACQUISITION OF A SUBSIDIARY (Cont'd)

Fair value of assets and liabilities recognised determined on a provisional basis at the date of acquisition:

	RMB'000 (Unaudited)
<hr/>	
<i>Assets</i>	
Trade and other receivables (note)	11,474
Amount due from the Group	85,337
Inventories	29,430
Property, plant and equipment	318,106
Other intangible assets	225
Bank balances and cash	248
<i>Liabilities</i>	
Trade and other payables	(21,175)
Amount due to the Group	(93,394)
Bank borrowings	(591)
Contract liabilities	(381)
Net assets	329,279
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Note:

The fair value of trade and other receivables and amounts due from the Group at the date of acquisition amounted to RMB11,474,000 and RMB85,337,000, respectively, which were also the gross contractual amounts of trade and other receivables and amounts due from the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

28. ACQUISITION OF A SUBSIDIARY (Cont'd)

Bargain purchase arose in the acquisition of Paomashan

	RMB'000 (Unaudited)
Consideration transferred	138,829
Plus: expected unrecovered receivables (note i)	124,150
Less: fair value of net assets acquired	(329,279)
Bargain purchase gain on acquisition	(66,300)

Note:

- (i) During the acquisition of Paomashan and based on the Investment Agreement, the Group attended the creditors' meeting to negotiate and agree the property distribution plan and the first distribution details of Paomashan ("Property Distribution Plan") with other present creditors and liquidator. Based on the assessment of all court-confirmed claims and available working capital of Paomashan, the liquidator announced the Property Distribution Plan as result of the bankruptcy reorganisation of Paomashan, which is approved by the Kangding People's Court. At the date of acquisition, pursuant to the Property Distribution Plan, the Group estimated the recoverable amounts of court-confirmed claims of the Group would be RMB32,260,000, and recognised the remaining expected unrecoverable amounts of approximately RMB124,150,000 as an adjustment item in calculating the bargain purchase gain. As at 30 June 2025, the carrying amounts of receivables amounted to RMB32,260,000 were to be collected from liquidator and included in the "Trade and other receivables and prepayments" line item.

Bargain purchase gain amounting to RMB66,300,000 on acquisition of Paomashan, after reassessment, is recognised in profit or loss within the other gains and losses, net in the condensed consolidated statement of profit or loss and other comprehensive income. The bargain purchase gain is caused by the lower court-approved acquisition consideration, which reflected the distressed nature of the transaction following the termination of Paomashan's liquidation process.

Net cash outflows arising on acquisition of Paomashan

	RMB'000 (Unaudited)
Cash Consideration	138,829
Less: consideration payable (Note 18)	(40,829)
Less: cash consideration paid during the year ended 31 December 2024	(20,000)
Less: cash and cash equivalents acquired	(248)
	77,752

29. EVENT AFTER THE REPORTING PERIOD

Other than the matters set out in Note 16, the Group had no material event after the end of the reporting period.

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in these condensed consolidated financial statements to conform with the current interim period's presentation. Such reclassifications have no material effect on previously reported profit and equity.