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西部水泥

WEST CHINA CEMENT LIMITED
中國西部水泥有限公司

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

(Stock Code: 2233)

2026 Interim Results Announcement

FINANCIAL HIGHLIGHTS

RMB' Million (unless otherwise specified)	**Six months ended 30 June 2026 (Unaudited)**	Six months ended 30 June 2025 (Unaudited)	% Change
Total Cement and Clinker Sales Volume (million tons)	**10.54**	10.82	(2.6%)
Cement Sales Volume (million tons)	**9.30**	10.40	(10.6%)
Aggregates Sales Volume (million tons)	**2.39**	2.23	7.2%
Commercial Concrete Sales Volume (million cubic meters)	**0.57**	0.63	(9.5%)
Revenue	**4,526.9**	5,418.3	(16.5%)
Gross Profit	**1,404.2**	1,552.0	(9.5%)
EBITDA(1)	**1,518.4**	1,846.7	(17.8%)
Profit Attributable to Owners of the Company	**378.8**	748.3	(49.4%)
Basic Earnings Per Share	**6.9 cents**	13.7 cents	(49.6%)
Gross Profit Margin	**31.0%**	28.6%	2.4 ppt
EBITDA Margin	**33.5%**	34.1%	(0.6 ppt)

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	% Change
Total Assets	**36,203**	35,236.0	2.7%
Net Debt[(2)]	**9,508.1**	9,964.6	(4.6%)
Net Gearing[(3)]	**67.9%**	71.6%	(3.7 ppt)
Net Assets Per Share	**257 cents**	255 cents	0.8%

Notes:

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

(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.

The board (the "Board") of directors (the "Directors") of West China Cement Limited (the "Company" together with its subsidiaries, the "Group") is pleased to announce the Group's interim results for the six months ended 30 June 2026 (the "Period") together with the comparative figures for the corresponding period of 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*2*	**4,526,885**	5,418,323
Cost of sales		**(3,122,683)**	(3,866,354)
Gross profit		**1,404,202**	1,551,969
Other income		**32,134**	53,088
Selling and marketing expenses		**(98,423)**	(87,092)
Administrative expenses		**(434,518)**	(354,315)
Other expenses		**(66,572)**	(49,178)
Other gains and losses, net		**124,106**	140,636
Impairment losses under expected credit loss ("ECL") model, net of reversal	*4*	**(36,754)**	57,047
Share of results of associates		**3**	(56)
Interest income		**27,527**	24,010
Finance costs		**(317,647)**	(272,266)
Profit before tax		**634,058**	1,063,843
Income tax expense	*3*	**(77,467)**	(168,701)
Profit for the period	*4*	**556,591**	895,142

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Other comprehensive expense for the period			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(332,863)**	(204,842)
Total comprehensive income for the period		**223,728**	690,300
Profit for the period attributable to:			
— Owners of the Company		**378,770**	748,262
— Non-controlling interests		**177,821**	146,880
		556,591	895,142
Total comprehensive income attributable to:			
— Owners of the Company		**67,284**	637,677
— Non-controlling interests		**156,444**	52,623
		223,728	690,300
Earnings per share			
— Basic (RMB)	*5*	**0.069**	0.137
— Diluted (RMB)	*5*	**0.069**	0.137

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**22,559,723**	22,720,761
Investment properties		**94,358**	94,358
Right-of-use assets		**737,577**	729,798
Mining rights		**2,213,285**	2,127,733
Other intangible assets		**293,296**	299,691
Interest in an associate		**11,494**	11,531
Equity investments at fair value through profit or loss ("FVTPL")		**14,587**	46,634
Loan receivables	*6*	**215,412**	106,935
Deferred tax assets		**198,130**	171,604
Prepayments for right-of-use assets		**30,361**	31,738
Prepayments for mining rights		**35,593**	9,500
Deposits paid for acquisition of property, plant and equipment and mining rights		**283,969**	373,757
Deposits and other receivables		**100,950**	216,460
Pledged/restricted bank deposits		**97,084**	78,007
		26,885,819	27,018,507
Current assets			
Inventories		**1,647,489**	1,736,880
Properties under development		**791,469**	677,865
Properties for sale		**136,221**	139,297
Trade and other receivables and prepayments	*7*	**4,086,508**	3,984,658
Loan receivables	*6*	**70,300**	195,049
Pledged/restricted bank deposits		**1,240,967**	717,443
Cash and cash equivalents		**1,344,192**	766,298
		9,317,146	8,217,490

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current liabilities			
Trade and other payables	*9*	**6,470,417**	6,875,595
Borrowings	*8*	**4,381,245**	3,447,833
Dividend payable		**382,435**	168,881
Senior notes		**–**	1,432,574
Contract liabilities		**978,352**	629,928
Deferred income		**7,703**	7,664
Income tax payable		**320,050**	253,590
		12,540,202	12,816,065
Net current liabilities		**(3,223,056)**	(4,598,575)
Total assets less current liabilities		**23,662,763**	22,419,932
Non-current liabilities			
Borrowings	*8*	**3,089,990**	3,923,843
Asset retirement obligations		**343,295**	340,898
Deferred tax liabilities		**473,171**	484,719
Deferred income		**77,144**	65,430
Senior notes	*10*	**4,719,078**	2,722,079
Other long-term payables		**948,562**	965,768
		9,651,240	8,502,737
Net assets		**14,011,523**	13,917,195
Capital and reserves			
Share capital		**142,261**	142,261
Share premium and reserves		**12,322,305**	12,515,282
Equity attributable to owners of the Company		**12,474,566**	12,657,543
Non-controlling interests		**1,536,957**	1,259,652
Total equity		**14,011,523**	13,917,195

NOTES:

1. 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 additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-Dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards 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.

1.1 Basis for preparation of condensed consolidated financial statements

As at 30 June 2026, the Group has net current liabilities position of approximately RMB3,223,056,000. 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 2026, the Group has unused banking facilities of approximately RMB2,351,919,000, which is available for drawdown and utilisation in the course of ordinary business;

- subsequent to 30 June 2026 until the date of these condensed consolidated financial statements are authorised for issue, the Group has obtained additional banking facilities of approximately RMB600,000,000, which is made available for the Group to utilise at the date of granting such facilities;

- subsequent to 30 June 2026 and up to the date of these the condensed consolidated financial statements are authorised for issue, the Group had been in negotiation with certain financial institutions that have expressed an intention to offer to the Group new banking facilities. The Group has received banking facility proposals and/or letter of intent amounting to RMB592,145,000 from those financial institutions;

- the Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future.

In view of the above circumstances, the directors of the Company expect that the Group will have sufficient liquidity to finance its operations for the next twelve months from the date of approval of these 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.

2. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of products and services		
Sales of cement and related products	**4,195,044**	4,269,293
Sales of properties	**7,807**	797,169
Provision of construction and installation service	**62,611**	137,872
Sales of plastics bags	**47,655**	30,857
Trading of cement-related raw materials	**59,511**	20,330
Sales of gypsum	**34,092**	29,478
Others	**120,165**	133,324
	4,526,885	5,418,323

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

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

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

(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 2026

	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	**1,497,651**	**3,029,234**	**4,526,885**	**–**	**4,526,885**
Inter-segment sales	**51,784**	**–**	**51,784**	**(51,784)**	**–**
Total	**1,549,435**	**3,029,234**	**4,578,669**	**(51,784)**	**4,526,885**
SEGMENT (LOSS) PROFIT	**(204,016)**	**739,400**	**535,384**	**–**	**535,384**
Share of results of associates					**3**
Fair value change on equity investments at FVTPL					**3,250**
Dividend income from equity investments at FVTPL					**2,855**
Impairment loss recognised in respect of other non-current assets					**(8,884)**
Loss on disposal of property, plant and equipment					**2,063**
Gain on acquisition of a subsidiary					**27,341**
Gain on disposal of subsidiaries					**91,387**
Unallocated directors' emoluments					**(6,719)**
Unallocated central administrative costs					**(11,371)**
Unallocated legal and professional expenses					**(1,251)**
Profit before tax					**634,058**

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 results of associates					(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

Geographical Information

The Group's operations are mainly located in the PRC and Overseas for both years.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC	**1,497,651**	3,069,960
The Republic of Mozambique ("Mozambique")	**544,980**	656,528
The Federal Democratic Republic of Ethiopia ("Ethiopia")	**870,189**	902,621
The Republic of Uganda ("Uganda")	**382,661**	–
The Democratic Republic of the Congo ("DRC")	**460,917**	314,225
The Republic of Rwanda ("Rwanda")	**188,618**	159,085
The Republic of Uzbekistan ("Uzbekistan")	**320,528**	170,202
Others	**261,341**	145,711
	4,526,885	5,418,323

As the Group's operating scale and geographical footprint have continued to expand, management and stakeholders have placed increasing attention on the resources deployed in each operating segment. To better reflect the resources and asset allocation of each operating segment and enhance transparency, the Group has added a disclosure of each operating segment's total assets in the current interim period. The Group's total assets by geographical location of the assets is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The PRC	**14,789,250**	14,376,335
Mozambique	**3,378,399**	3,467,746
Ethiopia	**4,492,639**	4,530,173
Uganda	**2,290,699**	1,127,806
DRC	**6,236,594**	7,399,421
Rwanda	**456,480**	405,236
Uzbekistan	**1,814,192**	1,783,458
Others	**2,744,712**	2,145,822
	36,202,965	35,235,997

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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The PRC	**9,065,246**	8,567,037
Mozambique	**2,653,393**	3,098,718
Ethiopia	**4,016,230**	3,989,491
Uganda	**2,077,377**	1,037,686
Democratic Republic of Congo	**5,126,673**	5,996,828
Rwanda	**361,265**	388,471
Uzbekistan	**1,462,291**	1,574,358
Others	**1,485,687**	1,734,747
	26,248,162	26,387,336

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A *(Note i)*	**869,035**	717,760

Note:

i. Revenue from sales of cement and related products.

3. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC enterprise income tax	**9,576**	45,130
Mozambique profits tax	**36,127**	66,125
Ethiopia profits tax	**16,480**	6,718
Other jurisdictions	**6,594**	27,956
Income taxes under Pillar Two Rules	**27,651**	11,405
Withholding tax	**7,500**	8,500
	103,928	165,834
Under provision in prior years:		
Other jurisdictions	**7,230**	8,031
Deferred tax:		
Current period	**(33,691)**	(5,164)
Income tax expense	**77,467**	168,701

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hong Kong, United Arab Emirates ("UAE"), Mauritius, Kenya, Malaysia, Singapore, Zimbabwe and South Africa in which the multiple subsidiaries are incorporated. The top-up tax relates to the Group's operation in Mauritius, UAE, Uganda, Ethiopia, where the statutory tax rate is below 10% and the annual effective income tax rate is also estimated to be below 15%. Therefore, a top-up tax is accrued in the current interim period using the tax rate based on the estimated adjusted covered taxes and net Global Anti-Base Erosion income for the year. The Group has recognised a current tax expense of RMB27,651,000 related to the top-up tax for the six months ended 30 June 2026 (six months ended 30 June 2025: 11,405,000) which is expected to be levied on the Company/subsidiaries.

4. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation and amortisation:		
Depreciation of property, plant and equipment	**649,384**	704,562
Depreciation of right-of-use assets	**10,997**	12,302
Amortisation of mining rights	**7,823**	6,589
Amortisation of other intangible assets	**4,513**	3,171
Total depreciation and amortisation	**672,717**	726,624
Recognised in cost of sales	**(149,490)**	(152,097)
Capitalised in inventories	**(431,687)**	(493,132)
	91,540	81,395
Staff costs (including directors' emoluments)		
Salaries and allowances	**453,260**	391,366
Retirement benefits	**31,432**	30,189
Total staff costs	**484,692**	421,555
Recognised in cost of sales	**(44,137)**	(40,631)
Capitalised in inventories	**(232,375)**	(200,198)
	208,180	180,726
Net allowance for credit losses recognised (reversed) in respect of:		
Loan receivables	**15,972**	(22,972)
Trade receivables	**11,266**	(34,075)
Other receivables	**9,516**	–
	36,754	(57,047)
Donations (included in other expenses)	**1,987**	3,921

5. 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	**378,770**	748,262

	Six months ended 30 June	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,462,533**	5,462,533
Effect of dilutive potential ordinary shares from share options issued by the Company	**N/A**	338
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,462,533**	5,462,871

The computation of diluted earnings per share for the six months ended 30 June 2025 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. There is no put option in issued during the six months ended 30 June 2026.

6. LOAN RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Loans collateralised by property, plant and equipment *(note a)*	**365,777**	366,077
Loans collateralised by receivables *(note b)*	**150,000**	150,000
Small loans *(note c)*	**4,800**	4,800
	520,577	520,877
Less: Allowance for credit losses	**(234,865)**	(218,893)
	285,712	301,984
Analysed as:		
Current	**70,300**	195,049
Non-current	**215,412**	106,935
	285,712	301,984

Notes:

(a) As at 30 June 2026 and 31 December 2025, the Group has entered into certain arrangements (the "Arrangements") with third parties for periods ranging from 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. The principal amounts under such Arrangements of RMB165,777,000 (31 December 2025: RMB366,077,000), of which all interest rates inherent in the Arrangements are fixed at the contract dates over the contract terms.

Pursuant to the agreement entered into in June 2026 by the Group, the terms of loan receivables under such Arrangements with principal amounts of RMB200,000,000 have been modified. The interest rate was revised from 9% per annum to 5.4% per annum and from secured by certain property, plant and equipment to unsecured. The maturity date was revised from June 2026 to January 2028 and therefore are reclassified to non-current loan receivables.

(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.

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within one year	**70,300**	195,049
In more than one year but not more than two years	**215,412**	106,935
	285,712	301,984

The ranges of effective rates on the Group's loan receivables were 5.4% to 15% per annum as at 30 June 2026 (31 December 2025: 8% to 15% per annum).

All of the Group's loan receivables are dominated in RMB.

7. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**1,460,168**	1,422,734
Trade receivables from Hong Xing Glass *(Note)*	**59,129**	–
Trade receivables backed by bills	**66,805**	318,370
	1,586,102	1,741,104
Less: Allowance for credit losses	**(169,105)**	(161,636)
	1,416,997	1,579,468
Other receivables	**1,423,254**	1,161,728
Other receivables from Hong Xing Glass *(Note)*	**419,569**	–
Less: Allowance for credit losses	**(14,643)**	(5,127)
	1,828,180	1,156,601
Consideration receivables	**180,326**	491,392
VAT recoverables	**404,851**	374,347
VAT refund receivables	**9,948**	5,302
Dividend receivable from an associate	**1,353**	–
Prepayments to suppliers	**345,803**	594,008
	4,187,458	4,201,118
Less: Non-current portion of other deposits (included in "Other receivables" above)	**(100,950)**	(216,460)
	4,086,508	3,984,658

Note: These amount represents trade and other receivables from Hong Xing Glass Congo (hereinafter referred to as "Hong Xing Glass"), with a carrying balance of RMB59,129,000 and RMB419,569,000 respectively, which are repayable within one year. Certain trade and other receivables, totalling RMB474,130,000, is secured by mortgages over buildings and production equipment owned by Forspak International Congo-Sarlu (hereinafter referred to as "Forspark"). The repayment schedule of these secured receivables is set out below: RMB101,940,000 due on 30 September 2026; RMB101,940,000 due on 31 December 2026; RMB101,940,000 due on 31 March 2027; Final instalment of RMB168,310,000 due on 30 June 2027.

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 carrying amount 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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 90 days	**574,200**	627,134
91 to 180 days	**159,007**	276,445
181 to 360 days	**321,615**	370,425
361 to 720 days	**373,091**	111,444
Over 720 days	**91,384**	37,286
	1,519,297	1,422,734

As at 30 June 2026, included in trade receivables are receivables from related parties RMB134,713,000, of which RMB98,160,000 were aged within one year and RMB36,553,000 were aged over one year.

As at 30 June 2026, included in trade receivables backed by bills represents total bills received amounting to RMB43,356,000 (31 December 2025: RMB240,897,000) 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.

8. BORROWINGS

During the current interim period, the Group obtained new loans amounting to RMB4,012,314,000 (six months ended 30 June 2025: RMB3,321,737,000) and made repayments amounting to RMB2,830,906,000 (six months ended 30 June 2025: RMB2,310,941,000). The borrowings carry annual interest rates ranging from 2.11% to 25.00% per annum as at 30 June 2026 (31 December 2025: 2.11% to 22.25% per annum) and are repayable between 2026 and 2041 (31 December 2025: repayable between 2025 and 2041).

9. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**2,147,624**	2,297,134
Bill payables	**19,936**	61,379
	2,167,560	2,358,513
Payables for constructions and equipment purchase	**3,152,671**	2,957,760
Other tax liabilities	**129,115**	254,337
Payroll and welfare payable	**173,893**	103,508
Interest payables	**26,751**	14,482
Consideration payable	**–**	210,006
Other payables	**403,067**	331,986
Loan payables *(Note i)*	**176,993**	364,613
Payable for administrative penalty *(Note ii)*	**157,134**	156,128
Deposits payables	**66,343**	54,536
Other long-term payable — current portion	**16,890**	69,726
	6,470,417	6,875,595

Notes:

i. Loan payables represent short-term borrowings from third parties, of which RMB173,570,000 (31 December 2025: RMB192,771,000) are non-trade in nature, unsecured, carry fixed interest rate ranging from 6.00% to 13.90% (2025: 9.00% to 13.90%) per annum and repayable within one year and RMB3,423,000 (31 December 2025: RMB171,842,000) are non-trade in nature, unsecured, interest-free and repayable within one year.

ii. 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 have 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 in Beijing Intellectual Property Court ("BJIPC") against the order from SXAMR and the result of objection from SAMR. In December 2023, BJIPC upheld the original judgement made by SXAMR and SAMR.

On 5 January 2024, the Group filed an appeal to The Supreme People's Court of the People's Republic of China (The "Supreme People's Court"). The Intellectual Property Court of the Supreme People's Court has held a hearing on this case on 22 October 2024. On 19 September 2025, the Supreme People's Court issued a second-instance administrative judgment dismissing the appeal and upholding the original ruling. Accordingly, the Group had made further provision of RMB1,007,000 in other expenses in relation to the administrative penalty for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB1,300,000) and as at 30 June 2026, total payable for administrative penalty of RMB157,134,000 (31 December 2025: RMB156,128,000) was accrued.

* *The English name is for identification purpose*

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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 90 days	**762,793**	970,736
91 to 180 days	**382,448**	429,150
181 to 360 days	**452,232**	396,813
361 to 720 days	**154,984**	372,531
Over 720 days	**395,167**	127,904
	2,147,624	2,297,134

10. SENIOR NOTES

(1) Senior notes issued on 9 July 2021

On 9 July 2021, the Company issued 4.95%, five-year senior notes with an aggregated principal amount of USD600,000,000 due in 2026 (the "Senior Notes 1") at 100% of the face value. The effective interest rate was approximately 5.18% per annum after adjusting for transaction costs. The Senior Notes 1 were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

According to the terms and conditions of the Senior Notes 1, at any time or from time to time prior to 8 July 2024, the Company may at its option redeem the Senior Notes 1, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 1 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The applicable premium is the greater of (1) 1.00% of the principal amount of such note and (2) the excess of (A) the present value at such redemption date of the redemption price of such note at 8 July 2024, plus all required remaining scheduled interest payments due on such note (but excluding accrued and unpaid interest to the redemption date) through 8 July 2024, computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of such note on such redemption date.

At any time and from time to time prior to 8 July 2024, the Company may at its option redeem up to 35% of the aggregate principal amount of the Senior Notes 1 at a redemption price of 104.95% of the principal amount of the Senior Notes 1, plus accrued and unpaid interest, if any.

On or after 8 July 2024, the Company may on any one or more occasions redeem all or any part of the Senior Notes 1, at the redemption prices of 102.475% (if redeemed prior to 8 July 2025) or 101.238% (if redeemed on or after 8 July 2025), plus accrued and unpaid interest, if any, on the notes redeemed, to (but not including) the applicable date of redemption.

The early redemption options were regarded as embedded derivatives not closely related to the host contract. The directors of the Company considered the fair value of the Company's early redemption options at the initial recognition and at the end of the reporting period was insignificant.

On 5 December 2025, the Company exercised its option to redeem and repay an aggregate principal amount of USD400,000,000 of the Senior Notes 1 (equivalent to approximately RMB2,829,780,000), plus the applicable redemption premium of USD4,952,000 (equivalent to approximately RMB35,033,000) and accrued and unpaid interest of USD3,540,000 (equivalent to approximately RMB25,043,000).

As at 31 December 2025, the aggregate outstanding principal amount of the Senior Notes 1 is USD204,647,000 (equivalent to approximately RMB1,432,574,000, including unpaid interest). All outstanding Senior Notes 1 were redeemed in full on 6 March 2026 in accordance with the terms and conditions of the Senior Notes 1.

(2) Senior notes issued on 5 December 2025

On 5 December 2025, the Company issued 9.9%, three-year senior notes with an aggregated principal amount of USD400,000,000 due in 2028 (the "Senior Notes 2") at 99.115% of the face value. The effective interest rate was approximately 11.12% per annum after adjusting for transaction costs. The Senior Notes 2 were listed on the SEHK and guaranteed by certain subsidiaries of the Company.

According to the terms and conditions of the Senior Notes 2, the Company may at its option at any time on or after 4 December 2027 may redeem the Senior Notes 2, in whole or in part, at a redemption price of 104.95% of the principal amount of the Senior Notes 2 plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 4 December 2027, the Company may at its option redeem the Senior Notes 2, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 2 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth herein. The applicable premium is the greater of (1) 1.00% of the principal amount of the Senior Notes 2 and (2) the excess of (A) the present value at such redemption date of the redemption price of the Senior Notes 2 at 4 December 2027, plus all required remaining scheduled interest payments due on the Senior Notes 2 (but excluding accrued and unpaid interest to the redemption date) through 4 December 2027, computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of the Senior Notes 2 on such redemption date.

At any time and from time to time prior to 4 December 2027, the Company may at its option redeem up to 35% of the aggregate principal amount of the Senior Notes 2 at a redemption price of 109.90% of the principal amount of the Senior Notes 2, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time on or after the date when no more than 10% of the aggregate principal amount of the Senior Notes 2 originally issued on 5 December 2025 remains outstanding, the Company may at its option redeem the Senior Notes 2, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 2 plus accrued and unpaid interest, if any, to (but not including) the redemption date.

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.

(3) Senior notes issued on 11 February 2026

On 11 February 2026, the Company issued 10.5%, three-year-and-nine-month senior notes with an aggregated principal amount of USD300,000,000 due in November 2029 (the "Senior Notes 3") at 100.00% of the face value. The effective interest rate was approximately 11.47% per annum after adjusting for transaction costs. The Senior Notes 3 have been listed on the SEHK and guaranteed by certain subsidiaries of the Company.

According to the terms and conditions of the Senior Notes 3, the Company may at its option at any time on or after 11 February 2028 may redeem the Senior Notes 3, in whole or in part, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to (but not including) the applicable date of redemption, if redeemed during the specified period indicated below, subject to the rights of holders of The Senior Notes 3 at the close of business on January 27 or July 27 immediately to receive interest on the relevant interest payment date:

Year	Redemption Price
From February 11, 2028 to February 10, 2029	105.250%
From February 11, 2029 to November 10, 2029	102.625%

At any time prior to 11 February 2028, the Company may at its option redeem the Senior Notes 3, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 3 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth herein. The applicable premium is the greater of (1) 1.00% of the principal amount of the Senior Notes 3 and (2) the excess of (A) the present value at such redemption date of the redemption price of the Senior Notes 3 at 11 February 2028, plus all required remaining scheduled interest payments due on the Senior Notes 3 (but excluding accrued and unpaid interest to the redemption date) through 11 February 2028, computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of the Senior Notes 3 on such redemption date.

At any time and from time to time prior to 11 February 2028, the Company may at its option redeem up to 35% of the aggregate principal amount of the Senior Notes 3 at a redemption price of 110.50% of the principal amount of the Senior Notes 3, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time on or after the date when no more than 10% of the aggregate principal amount of the Senior Notes 3 originally issued on 11 February 2026 remains outstanding, the Company may at its option redeem the Senior Notes 3, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes 3 plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The early redemption options are regarded as embedded derivatives that are not closely related to the host contract. The directors of the Company have determined that the fair value of these early redemption options was not material at initial recognition or at the end of the reporting period.

11. DIVIDENDS

During the six months ended 30 June 2026, the Group declared a final dividend of HK5.4 cents (equivalent to RMB4.8 cents) per ordinary share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: HK3.7 cents (equivalent to RMB3.4 cents) per ordinary share in respect of the year ended 31 December 2024) in the total amount of approximately RMB262,202,000 (six months ended 30 June 2025: RMB185,348,000).

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

12. 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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**7,219,393**	2,773,074
Properties under development	**332,516**	209,375
Properties for sale	**29,101**	139,297
Trade receivables	**200,000**	21,318
Right-of-use assets	**363,118**	385,302
Pledged bank deposits	**1,240,967**	717,443
	9,385,095	4,245,809

Note:

As of June 30, 2026, the Group has pledged its equity interests in Guizhou Linshan Cement Co., Ltd*, Hanzhong Mianxian Yaobai Cement Co., Ltd*, and 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*

13. EVENT AFTER THE REPORTING PERIOD

The Group had no material event after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The first half of 2026 has proved to be a challenging period for the Group. On the operational side, the Group has seen material deteriorations for its core China operations as a result of the declining national cement demand which led to the decrease in both ASP and gross profit. Internationally, investments in sub-Saharan Africa and Central Asia began to pay off, with those operations continuing to make a significant contribution to the Group's profitability.

In addition, the Group has continued to pursue growth in its newer, overseas markets. In March 2026, the Group completed construction of the 3.0-million-ton Moroto plant located in Moroto in northwest Uganda, along with a 3-million-ton grinding station in Jinja in the south on the shore of Lake Victoria, 80 km from Uganda's capital city Kampala. These developments have positioned the Group as the largest cement company in Uganda, extending the Group's footprint to the north of the Great Lakes region, establishing it as a major force in the East African cement market.

As of 30 June 2026, the Group had a total annual cement production capacity in China of 25.0 million tons, comprising 15 cement production lines, with 21.7 million tons in Shaanxi Province, 1.8 million tons in Guizhou Province and 1.5 million tons in Sichuan Province. In its overseas markets, the Group had a total cement production capacity of 16.5 million tons, comprising 6 production lines, with 6.3 million tons in Ethiopia, 2.5 million tons in Uzbekistan, 2.0 million tons in Mozambique, 2.7 million tons in the Democratic Republic of Congo and 3.0 million tons in Uganda.

Group Operational Performance

Deteriorations in the Group's China operations as a result of the declining national cement demand, offset by increasing contributions from the overseas business, have led to moderate deteriorations in the Group's financial performance in the first half of 2026.

Cement and clinker sales volumes in the reporting period have decreased by 2.6% to 10.54 million tons (first half of 2025: 10.82 million tons). While sales volumes in China fell by 22.6% to 5.15 million tons (first half of 2025: 6.65 million tons), overseas volumes have risen by 29.3% to 5.39 million tons (first half of 2025: 4.17 million tons).

In China, cement and clinker Average Selling Prices (ASPs) decreased by 20.0% to RMB224 per ton (first half of 2025: RMB280 per ton) resulting in Gross Profits per Ton (GP/T) of RMB12 (first half of 2025: RMB64). In the overseas, ASPs increased by 8.2% to RMB526 per ton (first half of 2025: RMB486), leading to a rising GP/T of RMB222 (first half of 2025: RMB181) during the reporting period.

This has resulted in revenues for the Group of RMB4.53 billion for the first half of 2026 (first half of 2025: RMB5.42 billion), with RMB1.50 billion (first half of 2025: RMB3.07 billion) coming from its core China markets and RMB3.03 billion (first half of 2025: RMB2.35 billion) from overseas markets. Total Group gross profits have come in at RMB1.40 billion (first half of 2025: RMB1.55 billion). As overseas ASPs and GP/Ts were higher than those in domestic markets, the Group recorded RMB114 million in gross profits from China (first half of 2025: RMB680 million) and RMB1,290 million from overseas (first half of 2025: RMB950 million). Total Group EBITDA in the first half of 2026 was RMB1.52 billion (first half of 2025: 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 2026, while cement and clinker sales volumes overseas amounted to 51% of the Group's total sales, income from these overseas markets made up approximately 67% of the Group's total revenue and 92% 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. The decrease in demand in Shaanxi Province has outpaced the rest of the PRC market, with Fixed Asset Investment (FDI) growth of -10.4% compared with -5.7% for the PRC as a whole and Real Estate Development Investment (RDI) growth at -20.7% versus -18.0% for the whole country, activity has remained lacklustre in Shaanxi Province.

Even though the supply side has been relatively disciplined, with peak-shifting production halts and increased environmental controls limiting excessive oversupply, however, in the face of this strictly subdued demand, the Group's ASPs were deteriorated in China. Unit costs have remained stable or fallen, especially in Shaanxi Province, due to lower coal costs. However, these have still resulted in lower volumes and gross margins which have had a negative effect on the Group's profitability.

In Shaanxi Province as a whole, the Group's capacity utilisation fell from 51% in the first half of 2025 to 43% in the first half of 2026, with sales of 4,696,000 tons of cement and clinker, 15.1% lower than the same period in 2025. ASPs, fell from RMB261 per ton to RMB209 per ton over the same period and costs per ton fell from RMB197 to RMB193. This has led to GP/T decreasing from RMB64 to RMB16 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 31% in the first half of 2026 (down from 36% in the first half of 2025) with sales of 2,032,000 tons of cement and clinker, 13.1% lower year-on-year. ASPs have decreased from RMB267 to RMB206 per ton over the same period which, with lower unit costs, has led to GP/T falling from RMB61 to RMB7. Infrastructure projects that have contributed to cement demand in this area include the Xi'an-Shiyan High-Speed Railway, which consumed 40,000 tons in the first half of 2026, as well as 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 RMB212 per ton versus RMB257 per ton in the first half of 2025, capacity utilisation rates have dropped to approximately 62% (down from 72% in the first half of 2025). Sales volumes in southern Shaanxi in the first half of 2026 were 2,663,000 tons, 16.6% lower year-on-year, and lower unit costs have resulted in GP/T deteriorating from RMB66 to RMB22. Demand in the south has been supported by the Xi'an- Ankang-Chongqing High-Speed Railway, which consumed 270,000 tons of cement in the first half of 2025, and a number of reservoir construction projects amongst others.

Outside of Shaanxi, 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 33% (first half 2025: 38%) but ASPs of RMB414 and unit costs of RMB457 have resulted in a loss per ton of RMB43 compared with GP/T of RMB3 in the same period in 2025. In Sichuan, the Group's Paomashan Plant located in Kangding contributed approximately 155,000 tons of cement sales at a GP/T of RMB5.

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 2025. 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 61.99% 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 2026 and supply, which is estimated at approximately 10 million tons per annum, has been constrained by old, inefficient capacity and raw material and clinker bottlenecks. Foreign currency restrictions have been gradually eased since July 2024 as part of economic reforms and an IMF financing package, and outward remittances of dividends are expected in 2026 and onwards.

The Group has recorded stable sales volumes in the first half of 2026. The Group sold 1.99 million tons of cement and clinker (first half 2025: 1.99 million tons) during the reporting period, equal to approximately 63% capacity utilisation. The blended ASPs for clinker and cement for the first half of 2026 were RMB437 (first half 2025: RMB456) and GP/Ts were RMB189 (first half 2025: RMB182).

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 2026 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.

The Group has registered sales of 716,000 tons of cement and 150,000 tons of clinker in the first half of 2026, totalling 866,000 tons and achieving a capacity utilisation rate of 87%. This compares with total cement and clinker sales of 960,000 tons in the first half of 2025. Blended ASPs for clinker and cement for the first half of 2026 were RMB568 (first half 2025: RMB613) and GP/Ts were RMB238 (first half 2025: RMB300).

DRC

The Group's Great Lakes capacity comprises a 1.5-million-ton-per-annum clinker and cement plant in Kalemi, in the east of the DRC on the shore of Lake Tanganyika, a 1.0-million-ton grinding mill in Rwanda and a 300,000-ton grinding mill in western Tanzania on the other side of Lake Tanganyika. All of this capacity is 100% owned by the Group. The Great Lakes Cement Plant in the DRC was commissioned in December 2022 and includes coal mines, a power station and a wharf for transhipment 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 Group has also acquired the 1.2-million-ton Cimenterie de Lukala (CILU) plant in the DRC's capital city Kinshasa from the Heidelburg Materials AG group in December 2025. The Cimenterie de Lukala SA is the oldest cement company in the DRC with a history dating back to its establishment in 1920 and has a very strong brand recognition in the DRC market. The CILU plant is an integrated clinker and cement facility with considerable limestone reserves and its kiln was upgraded in 2019. This acquisition allowed 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.

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. 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.

In the Great Lakes Region, as a result of the sales recovery after the settlement of the armed conflict between DRC and Rwanda, the Group recorded an increased sales volumes of approximately 584,000 tons of cement and clinker, equal to approximately 39% capacity utilization, for the first half of 2026. This compares with total cement and clinker sales of 420,000 tons in the first half of 2025. ASPs have remained high for the first half of 2026 at RMB948 (first half 2025: RMB899), with GP/T at RMB298 (first half 2025: RMB171). For the CILU plant, the Group recorded the sales volume of 279,000 tons of cement and clinker, equal to approximately 47% capacity utilization, with ASPs at approximately RMB1,100 and GP/T at RMB585 during the reporting period.

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 commissioned in March 2026. Having managed to secure the only plentiful limestone supply in the country, the Group built its 6,000-ton-per-day clinker plant in Moroto in northwest Uganda as well as an accompanying 3-million-ton grinding station in Jinja in the south on the shore of Lake Victoria, 80 km from Uganda's capital city Kampala. This new capacity amounted to approximately 3 million tons of cement capacity and resulted 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.

The Group sold 531,000 tons of cement and clinker (first half 2025: Nil) during the reporting period. The blended ASPs for clinker and cement for the first half of 2026 were RMB639 (first half 2025: Nil) and GP/Ts were RMB340 (first half 2025: Nil).

Central Asia — Uzbekistan

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

Uzbekistan, with a population of over 37 million people, has projected GDP growth of circa 5% per annum until 2030. The country has planned a number of large-scale infrastructure projects, including the China-Kyrgyzstan-Uzbekistan Railway, extensive road construction and over 3,000 mini hydro power stations, leading to projected cement demand growth rates of 15%. In addition, housing is a big demand driver, with over 12 million square metres commissioned since 2024. Cement demand is forecast at over 20 million tons in 2026 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 91% capacity utilisation in the first half of 2026, selling 701,000 tons of cement and another 442,000 tons of clinker, totalling 1.14 million tons (first half 2025: 801,000 tons). As a result of the increased cement demand from the infrastructure and residential constructions during the reporting period, both ASPs and GP/T increased to RMB248 (first half 205: RMB196) and RMB87 (first half 2025: RMB44), respectively.

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 15 of the Group's production lines in China. These systems reduce the electricity consumption at each line by approximately 30% and reduce carbon dioxide emissions by approximately 22,000 tons per million tons of cement production. In 2025, these systems generated 323 million kWh of power, saving 98,600 tons of coal consumption and reducing carbon dioxide emissions by 268,000 tons.

Proprietary technology cement kiln flue gas denitrification equipment is fitted at all of the Group's plants in China, and these reduce nitrous oxide ("NOx") emissions by approximately 60% per ton of clinker produced. Further NOx reduction modifications, including the recent installation of de-nitration spray-guns, and particulate matter (PM) reduction measures, with the installation of kiln-end dust collectors and other modifications, have been completed at a number of the Group's plants. Although this de-NOx technology has not yet been installed in the Group's African plants due to the supply chain constraints of transporting the hazardous ammonia-based reagents required, all of the Group's plants in Africa are equipped with dust collection systems that significantly outperform local PM emission standards. All of the Group's plants in Africa 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 3,000 tons, its sulphur dioxide emissions from 600 tons to under 300 tons and its PM emissions from 600 tons to close to 260 tons. Since 2022, energy consumption per ton of clinker produced has fallen from 916kWh to 788kWh and energy consumption per unit of operating revenue has fallen from 1.53 kWh/RMB to 1.05 kWh/RMB.

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

The Group continues to monitor and improve its environmental and emission standards in the following ways. Firstly, the Group's 'Benchmarking Checklist of Environmental Protection Regulations and Standards' has been implemented to carry out in depth monitoring of emissions and training of 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. 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 2026, the Group had 9,756 employees, of which over 5,900 are located at our overseas plants. This includes 384 senior management and 1,072 middle management personnel. The Group complies fully with the labour laws of the PRC and those of the countries in which it operates and carries out strict pre-recruitment vetting processes. The Group operates training courses that cover over 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 2026, there were zero fatalities and 349 days lost to injury compared with 381 days in the first half of 2025. 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 2,000 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 2026, charitable donations made by the Group amounted to RMB2.0 million. Some of the projects that the Group has contributed to include the constructions of schools and infrastructures for the villages in Africa; 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 2 April 2026, the Group announced the acquisition of 100% equity interest in AfriSam Holdings Proprietary Limited ("AfriSam") in South Africa, for a total consideration of R2,500,000,000, subject to customary purchase price adjustments in connection with the working capital of AfriSam and certain deductions. The transaction is expected to complete in the second half of 2026. For further information, please refer to the announcements of the Company dated 2 April 2026 and 30 April 2026.

EVENT AFTER THE REPORTING PERIOD

There was no other important event affecting the Group from 30 June 2026 to the date of this interim results announcement.

PROSPECTS

Overview

Following the progress that has been made in the first half of 2026 on both the operational and M&A side, the Group has set a number of priorities for the second half of 2026. These are focused on strengthening its financial position, continuing to benefit from the improving performance in the overseas markets and strengthening its position abroad, where much progress has already been made.

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 and Uganda.

Two further developments will continue to strengthen the Group's operations overseas. Firstly, the Group is expected to complete the acquisition of AfriSam Holdings Proprietary Limited, located in the South Africa, in the second half of 2026. This will extend the Group's market strength into South Africa. Secondly, the Group aims to complete the construction of its Dugongo Nampula Plant in Mozambique, in the first quarter of 2027. 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.

Operations — China

The Group's operations in China, and Shaanxi in particular, have been characterised by supply side discipline in the first half of 2026. The Group's capacity utilisation in the oversupplied central Shaanxi region was 31%, although it was higher at over 60% 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 Group believes that if these supply side measures continue, then it will be able to maintain better levels of profitability into the second half of 2026.

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's 1.5-million-ton Kangding Paomashan Plant in Sichuan Province, which contributed 155,000 tons of sale in the first half of 2026 and is likely to contribute an incremental amount of sales in the second half of 2026.

Operations — Overseas

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

Ethiopia

In Ethiopia, the Group has been operating the 1.3-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. 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 67% capacity utilisation in the first half of 2026. Both ASPs and costs per ton have kept at stable levels, leading to GP/T levels in excess of RMB180. The smaller National Cement Plant has been operating at well over 40% capacity utilisation, achieving GP/T levels close to RMB210, 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.

Mozambique

The Group's 2.0-million-ton Dugongo plant had a stable first half of 2026. The plant operated at close to 90% capacity, with stable ASPs in excess of RMB560 and GP/T closed to RMB240. 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 2026 and this is expected to continue until more capacity is constructed in the country.

LNG development in the Rovuma basin off the northern coast 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, Exon 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.

DRC

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 300,000-ton capacity Tanzania Grinding Mill.

Sales of the Great Lakes plant in the first half of 2026 have been improved due to the settlement of the conflict around Goma. The transportation of clinkers between the DRC and Rwanda has been become smoothly. The Group sold around 584,000 tons of cement and clinker in the region, and ASPs have been high, at around RMB948 per ton with GP/T at around RMB298.

The DRC 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 Great Lakes plant is the only one in the region and the Group expects operations to perform very well with a stable political situation in the second half of the year.

The Group has also acquired the 1.2-million-ton Cimenterie de Lukala (CILU) plant in the DRC's capital city Kinshasa from the Heidelburg Materials AG group in December 2025. CILU is the oldest cement company in DRC with a very strong brand recognition in the DRC market. This acquisition allows 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. The CILU plant operated at approximately 47% capacity utilisation in the first half of 2026, and ASPs have been high, at around RMB1,100 per ton with GP/T at around RMB585. The Group expects that these ASPs and GP/T levels are likely to be sustained into the second half of the year with better volumes.

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 2026, with oil production and pipeline construction as key economic drivers.

The Group built its 6,000-ton-per-day clinker plant in Moroto in northwest Uganda as well as an accompanying 3-million-ton grinding station in Jinja in the south on the shore of Lake Victoria, 80 km from Uganda's capital city Kampala, which are commissioned in March 2026. This new capacity amounted to approximately 3 million tons of cement capacity, extending the Group's footprint to the north of the Great Lakes region to become a major force in the East African cement market.

The Moroto plant operated at approximately 53% capacity utilisation in the first half of 2026 as its production was ramped up following commissioning. ASPs and GP/T were kept at a competitive level to enter the market. The Group therefore expects to see improved volumes, ASPs and GP/Ts in the second half of 2026.

Uzbekistan

In Central Asia, the Group's 2.5-million-ton Uzbekistan Andijan Plant has been in operation since May 2024. In the first half of 2026, the plant ran at 91% capacity utilisation, with ASPs reaching over RMB240 and GP/T at over RMB80. These increased sales have come about due to the buoyant infrastructure and residential construction activities.

Whilst the Uzbekistan market is currently relatively oversupplied, with 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 Andijan plant, with sustainable ASPs and GP/Ts, but are not as high as some of its capacities in Africa.

Capital Expenditure

The Group has now completed the construction of the Moroto Plant and Jinja Grinding Mill in Uganda. Its current construction projects are the 1.5-million-ton cement plant in Zimbabwe which is due to be completed in the second quarter of 2027 and the second grinding line in Tanzania which is due to be completed in the third quarter of 2027. In addition, the Group carries out upgrade work on its existing facilities. The Group has funded and expects to continue to fund these commitments from operating cash flow and available banking facilities.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 16.5% from RMB5,418.3 million for the first half of 2025 to RMB4,526.9 million for the first half of 2026. Cement sales volume decreased by 10.6%, from approximately 10.4 million tons for the first half of 2025 to approximately 9.3 million tons during the six months ended 30 June 2026. Including clinker sales, total sales volume for the first half of 2026 amounted to approximately 10.54 million tons, compared to the 10.82 million tons sold in the first half of 2025.

Overall cement prices in the first half of 2026 were higher than those in the first half of 2025. ASPs for the first half of 2026 was RMB378 per ton as compared with RMB359 per ton in the first half of 2025. 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 2026 decreased by 10.5% to RMB63.9 million (six months ended 30 June 2025: RMB71.4 million) as a result of the net effect of the increase in sales volume by 7.1% and the decrease in prices by 15.6%. Moreover, the revenues arising from the sales of commercial concrete decreased by 28.3% to RMB137.8 million (six months ended 30 June 2025: RMB192.1 million), which is primarily due to the effect of the decreases in prices and sales volumes by 9.0% and 21.2%, respectively.

Cost of Sales

Cost of sales decreased by 19.2% from RMB3,866.4 million for the first half of 2025 to RMB3,122.7 million for the first half of 2026.

The average cost per ton of coal increased by approximately 3.8% to approximately RMB685 per ton for the first half of 2026 from approximately RMB660 per ton for the first half of 2025. These have resulted in a cost increase of approximately RMB6.8 per ton of cement produced. With the effect of the decrease in sales volume, total coal costs for the first half of 2026 decreased by approximately 2.3% as compared with that of the first half of 2025.

The average cost of limestone increased by 0.5% to approximately RMB18.6 per ton during the reporting period (six months ended 30 June 2025: RMB18.5 per ton). Moreover, the average prices of other raw materials were also increasing over the reporting period. These have resulted in a cost increase of approximately RMB3.0 per ton of cement produced. With the effect of the decrease in sales volume, total raw materials costs increased by approximately 7.8% as compared with that of the first half of 2025.

The electricity costs increased slightly by approximately RMB0.6 per ton of cement produced. With the effect of the decrease in sales volume, total electricity costs for the first half of 2026 decreased by approximately 8.6% as compared with that of the first half of 2025.

The total depreciation cost for the first half of 2026 decreased by approximately 17.4% as compared with that of the first half of 2025, representing a decrease in cost of approximately RMB3.0 per ton of cement produced, as a result of the disposal of the Xinjiang plants in August 2025.

The total staff cost for the first half of 2026 increased by approximately 14.1% as compared with that of the first half of 2025, which was an increase in cost of approximately RMB3.4 per ton of cement produced, as a result of the increase in production capacities during the reporting 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 decreased by approximately 5.9% as compared with that of the first half of 2025, representing an increase of approximately RMB1.0 per ton of cement produced, as a result of the strengthened cost control during the reporting period.

Moreover, as mentioned in the revenue analysis above, as a result of the increase in the sales volumes of aggregates by 7.1% and the decrease in sales volumes of commercial concrete by 9.0%, the costs arising from the production of aggregates also increased by 13.5% to RMB53.1 million (six months ended 30 June 2025: RMB46.8 million) and the costs arising from the production of commercial concrete decreased by 28.0% to RMB139.2 million (six months ended 30 June 2025: RMB193.4 million), for the first half of 2026, respectively.

Gross Profit and Gross Profit Margin

Gross profit decreased by RMB147.8 million, or 9.5%, from RMB1,552.0 million for the first half of 2025 to RMB1,404.2 million for the first half of 2026. The decrease in gross profit was mainly due to the net effect of the increase in ASPs and decrease in sales volume as described above. Gross profit margin increased from 28.6% for the first half of 2025 to 31.0% for the first half of 2026.

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 39.5% from RMB53.1 million for the first half of 2025 to RMB32.1 million for the first half of 2026. 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 as well as the decrease in other government subsidiaries during the reporting period.

Administrative and Selling & Marketing Expenses

Administrative expenses primarily included staff costs, general administrative expenses, depreciation and amortization. The amount increased by 22.6% from RMB354.3 million for the first half of 2025 to RMB434.5 million for the first half of 2026. The increase in administrative expenses were mainly attributable to the increase in capacities and the consultancy fees and the legal and professional fees in relation to the business activities in Africa as well as the release of the staff performance bonus during the reporting period.

Selling & marketing expenses increased by 13.0% from RMB87.1 million to RMB98.4 million for the first half of 2026 as compared with that of 2025. The increase in selling and marketing expenses is mainly due to the increase in capacities during the reporting period.

Other Gains and Losses, net

Other gains decreased by RMB16.5 million from RMB140.6 million for the first half of 2025 to RMB124.1 million for the first half of 2026. The decrease was mainly due to the net effect of the following factors. Firstly, there was a gain on acquisition of a subsidiary of RMB27.3 million for the first half of 2026 (six months ended 30 June 2025: RMB66.3 million) regarding the acquisition of CILU. Secondly, there was a gain on modification of other long-term payables of RMB83.2 million recorded for the first half 2025 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. No such gain was recorded during the reporting period. Finally, there was a gain on disposal of a subsidiary of RMB91.4 million for the first half of 2026 (six months ended 30 June 2025: Nil) regarding the disposal of Hong Xing Glass Congo and its subsidiaries.

Impairment loss under expected credit loss model, net of reversal

Impairment loss under expected credit loss model, net of reversal increased by RMB93.8 million from reversal of RMB57.0 million for the first half of 2025 to losses of RMB36.8 million for the first half of 2026. There was reversal of the impairment loss of RMB57.0 million recorded for the first half of 2025, resulting from the recovery of the loan receivables and trade receivables. No such reversal was recorded during the reporting period.

Finance Costs

Finance costs increased by RMB45.3 million, or 16.6%, from RMB272.3 million for the first half of 2025 to RMB317.6 million for the first half of 2026. The increase was mainly due to the net effect of the increase in the capitalized interest in the construction in progress and the increase in interest expense of the senior notes newly issued in November 2025 and February 2026 during the reporting period.

Income Tax Expense

Income tax expenses decreased by RMB91.2 million from RMB168.7 million for the first half of 2025 to RMB77.5 million for the first half of 2026. Current income tax expense plus under provision decreased by RMB62.7 million to RMB111.2 million for the first half of 2026 (six months ended 30 June 2025: RMB173.9 million), whereas deferred tax credit increased by RMB28.5 million to a credit of RMB33.7 million for the first half of 2026 (six months ended 30 June 2025: RMB5.2 million).

The decrease in the current income tax expense was mainly attributable to the net effect of the decrease in profit tax attributable to the subsidiaries in Africa and PRC. The increase in deferred tax credit was mainly due to the increase in tax losses utilised.

The detailed income tax expenses for the Group are outlined in note 3 of this announcement.

Profit Attributable to the Owners of the Company

Profit attributable to the owners of the Company decreased from RMB748.3 million for the first half of 2025 to RMB378.8 million for the first half of 2026. This decrease is primarily due to the net effect of (i) the decrease in profit in the PRC resulting from the decrease in the ASP and sales volume of the Group's cement products in the PRC; and (ii) the increase in overseas profit due to the increase in the overseas cement sales volume and revenue during the first half of 2026.

Basic earnings per share increased from RMB13.7 cents for the first half of 2025 to RMB6.9 cents for the first half of 2026.

FINANCIAL AND LIQUIDITY POSITION

As at 30 June 2026, the Group's total assets increased by 2.7% to RMB36,203.0 million (31 December 2025: RMB35,236.0 million) while total equity increased by 0.7% to RMB14,011.5 million (31 December 2025: RMB13,917.2 million).

As at 30 June 2026, the Group had bank balances and cash as well as restricted/pledged bank deposits amounting to RMB2,682.2 million (31 December 2025: RMB1,561.7 million). After deducting borrowings and senior notes of RMB12,190.3 million (31 December 2025: RMB11,526.3 million), the Group had net debt of RMB9,508.1 million (31 December 2025: RMB9,964.6 million). 80.9% (31 December 2025: 71.9%) of borrowings and senior notes are at a fixed interest rate. Moreover, the Group also held loan receivables of RMB285.7 million (31 December 2025: RMB302.0 million) at fixed interest rates. Please refer to notes 6, 8, 10 and 12 of this announcement for the details of the loan receivables, borrowings, senior notes and the respective pledge of assets.

As at 30 June 2026, the Group's net gearing ratio, measured as net debt to equity was 67.9% (31 December 2025: 71.6%). 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.

In February 2026, the Group successfully issued a US$300 million 3-year senior note at 10.500% p.a. interest rate (the "2029 Notes"). As at the date of this announcement, the Group has repurchased part of its 2029 Notes in an aggregate principal amount of US$10 million, representing approximately 3.3% of the initial aggregate principal amount of the 2029 Notes, on the open market on 14 August 2026. The Group intends to hold the repurchased 2029 Notes until maturity. The Company will continue to explore opportunities to reduce the finance cost of the Company and optimize its capital structure.

As at 30 June 2026, the Group has net current liabilities position of approximately RMB3,223.1 million. As at 30 June 2026, the Group has unused banking facilities of approximately RMB2,351.9 million, which is available for drawdown and utilisation in the course of ordinary business. Subsequent to 30 June 2026 and until the date of these condensed consolidated financial statements are authorised for issue, the Group has obtained additional banking facilities of approximately RMB600 million, which is made available for the Group to utilise at the date of granting such facilities. Subsequent to 30 June 2026 and up to the date of these the condensed consolidated financial statements are authorised for issue, the Group had been in negotiation with certain financial institutions that have expressed an intention to offer to the Group new banking facilities. The Group has received banking facility proposals and/or letter of intent amounting to RMB592.1 million from those financial institutions. The Group expects to generate sufficient operating cash flow which enable the Group to meet its obligation when it falls due in the foreseeable future.

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

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure, measured as the purchases of property, plant and equipment, right-of-use assets and mining rights for the first half of 2025 amounted to RMB745.3 million (six months ended 30 June 2025: RMB1,357.8 million). Capital commitments as at 30 June 2026 amounted to RMB1,610.1 million (31 December 2025: RMB2,619.0 million). Both capital expenditure and capital commitments were mainly related to the upgrading of existing production facilities as well as the construction of new production facilities in Zimbabwe and Tanzania. The Group has funded these commitments from operating cash flow and available banking facilities.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 9,756 (31 December 2025: 9,422) full time employees. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2026, staff costs (including directors' remuneration) were RMB484.7 million (six months ended 30 June 2025: RMB421.6 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 2026, 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. Meticais, Ethiopian Birr. Renminbi, Meticais and Ethiopian Birr are not a freely convertible currency. Future exchange rates of the Renminbi, Meticais and Ethiopian Birr could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government, Mozambique government and Ethiopia government. The exchange rates may also be affected by economic developments and political changes on a domestic and/or international level, and the demand and supply of Renminbi, Meticais and Ethiopian Birr. The appreciation or depreciation of Renminbi, Meticais and Ethiopian Birr against foreign currencies may have an impact on the operating results of the Group. The Group currently does not maintain a foreign currency hedging policy. However, the management team of the Company will continue to monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

CREDIT RISK MANAGEMENT

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

The Group has made various efforts to control credit risks. In accordance with the policy of the Group, it will only enter into transactions with 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2026.

AUDIT COMMITTEE

The audit committee of the Board (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 2026.

AUDITORS

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026 have been reviewed by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the auditors of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities (including sale of treasury shares). The Company did not hold any treasury shares as of 30 June 2026.

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 2026.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.westchinacement.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). An interim report of the Company for the six months ended 30 June 2026 containing all the information required by Appendix D2 to the Listing Rules will be made available to shareholders of the Company and available on the aforementioned websites in due course.

By the order of the Board
West China Cement Limited
Zhang Jimin
Chairman

Hong Kong, 24 August 2026

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