西部水泥

中國西部水泥有限公司
WEST CHINA CEMENT LIMITED

(Incorporated in Jersey with limited liabilty with registered number 94796)

Stock Code: 2233

Interim Report
2026

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CORPORATE INFORMATION

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

REGISTERED OFFICE

13 Castle Street
St Helier
Jersey JE1 1ES
Channel Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY WEBSITE

www.westchinacement.com

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Ma Zhaoyang
Wang Zhixin
Wang Manbo

Independent Non-Executive Directors

Lee Kong Wai Conway
(Lead Independent Non-Executive Director)
Zhu Dong
Tam King Ching Kenny
Feng Tao
Lau Ka Keung

COMPANY SECRETARY

Chan King Sau *HKICPA*

AUTHORIZED REPRESENTATIVES

Cao Jianshun
Chan King Sau *HKICPA*

AUDIT COMMITTEE

Lee Kong Wai Conway *(Chairman)*
Tam King Ching Kenny
Zhu Dong
Feng Tao
Lau Ka Keung

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

INDEPENDENT AUDITORS

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

JERSEY PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of China

FINANCIAL HIGHLIGHTS

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.

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 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 7 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).

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 900,000-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 78% 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 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 2025: RMB196) and RMB87 (first half 2025: RMB44), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

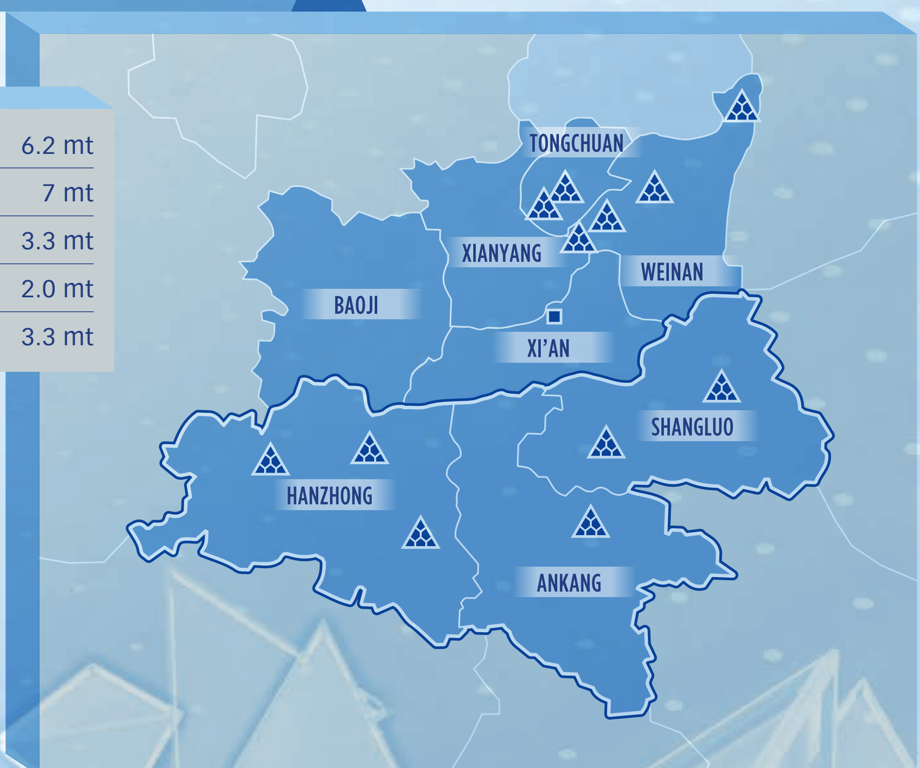
MANAGEMENT DISCUSSION AND ANALYSIS

CHINA

CHINA CAPACITY	
Shaanxi	21.7 mt
Guizhou	1.8 mt
Sichuan	1.5 mt

SHAANXI PROVINCE

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



SUB-SAHARAN AFRICA

Lemi National Cement, Ethiopia

ETHIOPIA

National Cement:
Acquired November 2022.
1.3 mt

Lemi National Cement:
Commissioned September 2024.
5 mt

Great Lakes Cement SAS, DRC

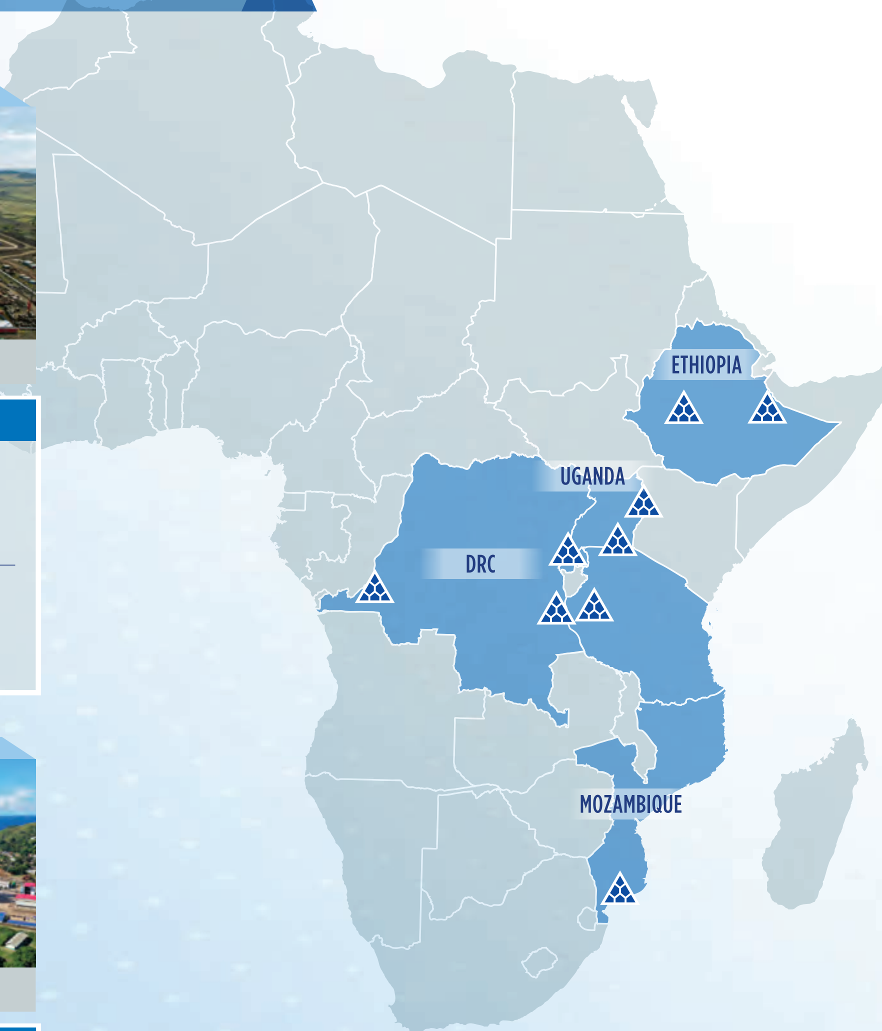
DRC

Great Lakes Cement SAS:
Commissioned December 2022.
1.5 mt

Rwanda Grinding Mill:
Commissioned August 2023.
1m

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

Tanzania Grinding Mill:
Commissioned July 2025.
900k



Dugongo Cement, Mozambique

MOZAMBIQUE

Dugongo Cement:
Commissioned December 2020.
2 mt

Moroto SMC, Uganda

UGANDA

Moroto SMC

Jinja Grinding Mill:
Commissioned March 2026.
3 mt

MANAGEMENT DISCUSSION AND ANALYSIS

CENTRAL ASIA

Andijan WCC Cement, Uzbekistan

UZBEKISTAN

Andijan WCC Cement:
Commissioned May 2024.
2.5 mt

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

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

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 900,000-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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 project is the 1.5-million-ton cement plant in Zimbabwe which is due to be completed in the second 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.

As a result of the increase in coal price and the increase in overseas sales volumes with relatively higher coal cost than that of PRC, the average cost per ton of coal increased by approximately 14.2% to approximately RMB773 per ton for the first half of 2026 from approximately RMB677 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 7 of this report.

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 12, 15, 17 and 25 of this report 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 report, 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 2026 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

DISCLOSURE OF INTEREST

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set forth in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Interests in shares of the Company

Name of Director	Capacity	Number of ordinary shares held as at 30 June 2026 *(Note 1)*	Approximate % of issued share capital of the Company as at 30 June 2026 *(Note 4)*
Zhang Jimin	Beneficial owner	6,175,000 (L)	0.11%
Zhang Jimin	Interest in a controlled corporation	1,756,469,900 (L) *(Note 2)*	32.15%
Ma Zhaoyang	Interest in controlled corporations	221,587,950 (L) *(Note 3)*	4.06%

Notes:

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

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

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

(4) Calculated based on 5,462,532,820 issued shares of the Company as at 30 June 2026.

DISCLOSURE OF INTEREST

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2026, the persons other than a Director or chief executive of the Company who had an interest or short position in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of ordinary shares of £0.002 each held as at 30 June 2026 *(Note 1)*	Approximate % of issued share capital of the Company as at 30 June 2026 *(Note 4)*
Asia Gain *(Note 2)*	Beneficial owner	1,756,469,900 (L)	32.15%
Conch International Holdings (HK) Limited ("Conch") *(Note 3)*	Beneficial owner	1,584,849,970 (L)	29.01%
Anhui Conch Cement Co., Ltd. ("Anhui Conch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
安徽海螺集團有限責任公司 *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
China Conch Venture Holdings Limited ("China Conch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%
蕪湖海創實業有限責任公司 Wuhu Conch Venture Enterprise Limited ("Wuhu Conch") *(Note 3)*	Interest in a controlled corporation	1,584,849,970 (L)	29.01%

Notes:

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

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

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

(4) Calculated based on 5,462,532,820 issued shares of the Company as at 30 June 2026.

Save as disclosed above, the Company has not been notified by any person other than a Director or chief executive of the Company who had interests or short position in the shares or underlying shares of the Company as at 30 June 2026 which were required to be notified to the Company pursuant to Part XV of the SFO or which are recorded in the register required to be kept by the Company under the section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REMUNERATION COMMITTEE

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

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

NOMINATION COMMITTEE

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 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.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Lau Ka Keung, an independent non-executive Director, resigned as a non-executive director of Million Cities Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2892), on 1 April 2026.

On behalf of the Board of Directors
Zhang Jimin
Chairman
24 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF WEST CHINA CEMENT LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of West China Cement Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 66, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue	3	**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	4	**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	5	**124,106**	140,636
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	**(36,754)**	57,047
Share of results of associates		**3**	(56)
Interest income		**27,527**	24,010
Finance costs	6	**(317,647)**	(272,266)
Profit before tax		**634,058**	1,063,843
Income tax expense	7	**(77,467)**	(168,701)
Profit for the period	8	**556,591**	895,142
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)	10	**0.069**	0.137
— Diluted (RMB)	10	**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	11	**22,559,723**	22,720,761
Investment properties		**94,358**	94,358
Right-of-use assets	11	**737,577**	729,798
Mining rights	11	**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")	26	**14,587**	46,634
Loan receivables	12	**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	13	**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	13	**4,086,508**	3,984,658
Loan receivables	12	**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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current liabilities			
Trade and other payables	16	6,470,417	6,875,595
Borrowings	15	4,381,245	3,447,833
Dividend payable		382,435	168,881
Senior notes	17	–	1,432,574
Contract liabilities		978,352	629,928
Deferred income	18	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	15	3,089,990	3,923,843
Asset retirement obligations		343,295	340,898
Deferred tax liabilities		473,171	484,719
Deferred income	18	77,144	65,430
Senior notes	17	4,719,078	2,722,079
Other long-term payables	19	948,562	965,768
		9,651,240	8,502,737
Net assets		14,011,523	13,917,195
Capital and reserves			
Share capital	20	142,261	142,261
Share premium and reserves		12,332,305	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Equity reserve RMB'000	Translation reserve RMB'000	Share option reserve RMB'000	Statutory reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	142,261	711,226	118,333	(936,807)	–	2,057,598	10,564,932	12,657,543	1,259,652	13,917,195
Profit for the period	–	–	–	–	–	–	378,770	378,770	177,821	556,591
Exchange differences on translation of foreign operations	–	–	–	(311,486)	–	–	–	(311,486)	(21,377)	(332,863)
Total comprehensive (expense) income for the period	–	–	–	(311,486)	–	–	378,770	67,284	156,444	223,728
Appropriation of maintenance and production funds *(Note a)*	–	–	–	–	–	31,613	(31,613)	–	–	–
Utilisation of maintenance and production funds *(Note a)*	–	–	–	–	–	(11,545)	11,545	–	–	–
Dividend recognised as distribution *(Note 9)*	–	(262,202)	–	–	–	–	–	(262,202)	–	(262,202)
Capital injection by non-controlling shareholders	–	–	–	–	–	–	–	–	120,861	120,861
Disposal of subsidiaries *(Note 22)*	–	–	–	11,941	–	–	–	11,941	–	11,941
At 30 June 2026 (unaudited)	142,261	449,024	118,333	(1,236,352)	–	2,077,666	10,923,634	12,474,566	1,536,957	14,011,523

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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

Note:

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES		**702,234**	664,869
INVESTING ACTIVITIES			
Interest received		**15,150**	16,130
Purchase of property, plant and equipment		**(737,366)**	(1,348,116)
Purchase of mining rights		**(7,404)**	(7,627)
Purchase of other intangible assets		**(490)**	(475)
Purchase of right-of-use assets		**–**	(1,539)
Government grants received for acquisition of property, plant and equipment		**11,753**	–
Proceeds from disposal of property, plant and equipment		**279,327**	10,000
Loans to third parties		**(194,953)**	(136,837)
Repayments received from loans to third parties		**300**	120,100
Net cash outflow on acquisition of a subsidiary	27	**(210,006)**	(77,752)
Net cash inflow on disposal of subsidiaries	22	**14,950**	–
Net cash used in investing activities		**(828,739)**	(1,426,116)
FINANCING ACTIVITIES			
New borrowings raised		**4,012,314**	3,321,737
Repayments of borrowings		**(2,830,906)**	(2,948,331)
Advances from third parties		**78,076**	74,663
Repayments of advances from third parties		**(333,657)**	(91,937)
Dividend paid to non-controlling shareholders of subsidiaries		**(48,648)**	(10,044)
Capital injection by non-controlling interests		**508**	9,918
Interest paid		**(316,007)**	(240,325)
Withdrawal of pledged/restricted bank deposits		**1,002,727**	1,196,378
Placement of pledged/restricted bank deposits		**(1,483,708)**	(841,157)
Proceeds from issue of senior notes		**993,024**	–
Redemption of senior notes		**(356,671)**	–
Net cash from financing activities		**717,052**	470,902
Net increase (decrease) in cash and cash equivalents		**590,547**	(290,345)
Cash and cash equivalents at 1 January		**766,298**	1,157,136
Cash and cash equivalents of disposal group transferred to assets classified as held for sale		**–**	(2,185)
Effect of foreign exchange rate changes		**(12,653)**	(10,127)
Cash and cash equivalents at 30 June, represented by cash and cash equivalents		**1,344,192**	854,479

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

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

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

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

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

2. ACCOUNTING POLICIES

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

Other than 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.

2. ACCOUNTING POLICIES (Cont'd)

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.

3. 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

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Operating Segments (Cont'd)

(1) Segment revenue and results

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

For the six months ended 30 June 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

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Operating Segments (Cont'd)

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

For the six months ended 30 June 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

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

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**	170,193
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

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical Information (Cont'd)

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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A *(Note i)*	**869,035**	717,760

Note:

i. Revenue from sales of cement and related products.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Tax refund *(Note)*	**15,263**	27,515
Government grant, including release from deferred income	**14,016**	24,146
Dividend income from equity investments at FVTPL	**2,855**	1,427
	32,134	53,088

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

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value gain on equity investments at FVTPL	**3,250**	9,882
Net foreign exchange loss	**(19,180)**	(19,794)
Loss on disposal of property, plant and equipment	**2,063**	(919)
Gain on acquisition of a subsidiary *(Note i)*	**27,341**	66,300
Gain on disposal of subsidiaries *(Note 22)*	**91,387**	–
Gain on modification of other long-term payables *(Note 19)*	**–**	83,211
Others	**19,245**	1,956
	124,106	140,636

Note:

i. On 27 January 2025, WIH Cement Developing Co., Limited ("WIH Cement"), a subsidiary of the Group, entered into a share purchase agreement and intra-group transfer agreement with independent sellers to acquire equity interests in Cimenterie de Lukala SA ("CILU"). The aforementioned arrangements and the entire acquisition were completed on 17 December 2025 and WIH Cement ultimately acquired 70.0035% equity interest in CILU amounted to USD2,850,000 and Intra-Group Repayment Claims amounted to USD82,602,000, in which the final total consideration of USD85,452,000 (equivalent to approximately RMB598,183,000), subject to closing adjustments. The Group recognised a bargain purchase gain of RMB163,472,000 on the acquisition of CILU in 2025, derived from CILU's unaudited financial statements as at 17 December 2025. In accordance with the completion audit report dated 15 April 2026, the Group and the seller agreed a downward adjustment of USD4,022,000 to the acquisition consideration. Accordingly, the Group recognised an additional bargain purchase gain of USD4,022,000 (equivalent to approximately RMB27,341,000). During the current period, the Group settled consideration payable of RMB210,006,000.

During the six months ended 30 June 2025, the Group recognised a gain on the acquisition of Kangding Yaobai New Materials Co., Ltd., which formerly known as Kangding Paomashan Cement Co., Ltd.* ("Paomashan") amounting to RMB66,300,000 with further details set out in Note 27.*

* *The English name is for identification purpose*

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on:		
Bank loans	**176,299**	159,732
Other long-term payables	**22,257**	26,259
Senior notes	**255,845**	113,051
	454,401	299,042
Less: amount capitalised in construction in progress	**(142,468)**	(35,553)
	311,933	263,489
Unwinding of discount of asset retirement obligations	**5,714**	8,777
	317,647	272,266

Borrowing cost capitalised on general borrowing pool are calculated by applying a weighted average capitalisation rate on funds borrowed of 11.12% (six months ended 30 June 2025: 5.00%) per annum to expenditure on qualifying assets.

7. 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: RMB11,405,000) which is expected to be levied on the Company/subsidiaries.

8. 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

9. 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.

10. EARNINGS PER SHARE

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

	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.

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

During the current interim period, the Group purchased property, plant and equipment, right-of-use assets (land use rights) and mining rights of RMB144,548,000 (six months ended 30 June 2025: RMB1,308,561,000), RMB34,223,000 (six months ended 30 June 2025: RMB2,247,000) and nil (six months ended 30 June 2025: RMB1,297,000), respectively, from third parties and incurred RMB1,453,898,000 on construction in progress (six months ended 30 June 2025: RMB982,389,000).

The amounts of construction in progress transferred to other classes of property, plant and equipment and mining rights during the six months ended 30 June 2026 are RMB50,681,000 (six months ended 30 June 2025: RMB2,221,167,000) and RMB136,317,000 (six months ended 30 June 2025: nil), respectively.

In addition, during the current interim period, the Group disposed of certain property, plant and equipment with carrying amounts of RMB97,537,000 (six months ended 30 June 2025: RMB43,606,000), resulting in a gain on disposal of RMB2,063,000 (six months ended 30 June 2025: loss on disposal of RMB919,000).

Impairment assessment

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

Due to downturn of the business environment in the cement industry in the PRC, certain of the Group's subsidiaries were experiencing operating losses for both periods. The management carries out the review of its non-current assets to identify if there are any impairment indicators that these assets have suffered an impairment loss. As it is not possible to estimate the recoverable amount of these individual non-current assets, the Group conducted impairment assessment on 13 cash-generating units ("CGUs") where these property, plant and equipment, right-of-use assets and mining rights belong to. Among these 13 CGUs, 5 were assessed with the assistance of independent qualified valuers.

According to the result of the impairment review, the management concluded that the recoverable amount of one CGU was lower than their carrying amounts. Accordingly, an impairment loss of approximately RMB8,884,000 (included in cost of sales) was recognised in profit or loss during the six months ended 30 June 2026. The entire impairment loss was allocated to property, plant and equipment, right-of-use assets and other intangible assets other than goodwill.

During the six months ended 30 June 2025, the Group reversed an impairment loss of RMB94,292,000 (included in the cost of sales) related to property, plant and equipment and mining rights.

12. LOAN RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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.

12. LOAN RECEIVABLES (Cont'd)

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. Details of the impairment assessment are set on in Note 14.

13. 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 amounts represent trade and other receivables from Hong Xing Glass Congo (hereinafter referred to as "Hong Xing Glass"), with carrying balances 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.

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

All bills received by the Group are due within one year from the issuance date of the bills.

The following is an aged analysis of 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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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.

Details of the impairment assessment are set on in Note 14.

14. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

Impairment assessment on loan receivables

During the current interim period, the Group provided an additional impairment allowance of RMB16,079,000 due to an increase in credit risk and reversed the impairment allowance of RMB107,000 as a result of the repayment of the principal amount of RMB300,000.

During the six months ended 30 June 2025, Group reversed the impairment allowance of RMB22,972,000 as a result of the repayment of the principal amount of RMB120,100,000.

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

Impairment assessment on trade receivables arising from contracts with customers

During the current interim period, the Group provided an additional impairment allowance of RMB39,420,000 on trade receivables due to an increase in credit risk and reversed the impairment allowance of RMB28,154,000 upon principal repayments.

During the six months ended 30 June 2025, the Group reversed the impairment allowance of RMB34,075,000 on trade receivables, in particular, a specific reversal of RMB60,093,000 has been made in respect of two individual debtors, as the Group expected to recover the trade receivables by offsetting the trade payables to these two individuals, which the relevant subsidiaries of the Company have agreed with the two individuals.

During the six months ended 30 June 2025, the Group wrote off an impairment allowance of RMB1,376,000 for Paomashan on trade receivables, following finalisation of property distribution plan ("Property Distribution Plan") and terminated the liquidation process of Paomashan.

The Group's trade receivables backed by bills amounted to approximately RMB66,805,000 (31 December 2025: RMB318,370,000) as at 30 June 2026. The directors of the Company consider the ECL for these trade receivables is insignificant because the bills are issued by banks and trust company with high credit ratings assigned by either international or PRC credit rating agencies.

Impairment assessment on other receivables

During the current interim period, the Group provided an additional impairment allowance of RMB9,516,000 on other receivables due to an increase in credit risk.

During the six months ended 30 June 2025, the Group wrote off an impairment allowance of RMB32,378,000 for Paomashan, following finalisation of Property Distribution Plan and terminated the liquidation process of Paomashan.

Impairment assessment on cash equivalents and pledged/restricted bank deposits

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

Allowance for impairment

Allowance for credit losses recognised/reversed in respect of the financial assets for both periods are set out in Note 8 to the condensed consolidated financial statements.

15. 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 bank 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).

16. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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 *(Note 5)*	**–**	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 *(Note 19)*	**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*

16. TRADE AND OTHER PAYABLES (Cont'd)

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 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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

17. 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.

17. SENIOR NOTES (Cont'd)

(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.

17. SENIOR NOTES (Cont'd)

(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.

18. DEFERRED INCOME

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Government grants relating to acquisition of property, plant and equipment *(note)*	**84,847**	73,094
Less: amounts expected to be recognised within one year	**(7,703)**	(7,664)
	77,144	65,430

Note: The amount represents unconditional government grants received by the Group's subsidiaries for acquisition of property, plant and equipment. The balance will be amortised based on the useful lives of respective property, plant and equipment from 3 to 12 years. RMB7,703,000 (six months ended 30 June 2025: RMB7,664,000) was released to profit or loss and recorded in other income in the current reporting period.

19. OTHER LONG-TERM PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Payable related to Dugongo (defined below) *(note a)*	**676,147**	757,981
Payable for mining rights *(note b)*	**289,305**	277,513
	965,452	1,035,494
Less: current portion *(Note 16)*	**(16,890)**	(69,726)
	948,562	965,768

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

Notes:

(a) *In 2020, the Group recorded USD174,788,000 (equivalent to approximately RMB1,138,506,000) payables to the non-controlling shareholder of Dugongo. During the year ended 31 December 2021, Dugongo signed a three-party debt transferring agreement with an independent third party and the non-controlling shareholder of Dugongo to transfer the full amount due to the non-controlling shareholder of Dugongo to the independent third party. The payable, originally unsecured with a repayment period from 2022 to 2026 with an interest rate of 4.62% per annum, was first extended to a new repayment period from 2025 to 2029 as at 31 December 2024 and bears new interest rate of 1.93% per annum. It was then further extended to a new repayment period from 2026 to 2035 as at 30 June 2025 and bears new interest rate of 1.06% per annum. Based on the assessment of the management, the Group considered that the revised terms did not result in a substantial modification from original terms, and the original payables would not be derecognised. Accordingly, the Group adjusted the carrying amount of the payable related to Dugongo and recognised a gain of USD11,582,000 (equivalent to approximately RMB83,211,000) based on the difference between the carrying amount of the original payable related to Dugongo and the present value of the modified contractual cash flows discounted at the original effective interest rate at the date of modification at 30 June 2025. Subsequently, on September 18, 2025, the repayment schedule was revised, adjusting the annual repayment amounts from 2026 to 2030 and bears new interest rate of 1.07% per annum. Based on the assessment of the management, the Group considered that the revised terms did not result in a substantial modification from original terms, and the original payables would not be derecognised. Accordingly, the Group adjusted the carrying amount of the payable related to Dugongo and recognised a gain on modification of USD12,360,000 (equivalent to approximately RMB87,761,000) based on the difference between the carrying amount of the original payable related to Dugongo and the present value of the modified contractual cash flows discounted at the original effective interest rate at the date of modification during the year ended 31 December 2025.*

(b) *According to the announcement on Collection and Management of the Revenue from the Transfer of Mining Rights in Shaanxi Province* "陝西省礦業權出讓收益徵收管理實法" (the "Announcement"), an entity is required to pay a premium when acquiring the relevant exploration right or mining right. The balance represented the amount to be paid to the government in respect of such Announcement with repayment up to 2041 using a discount rate of 4.20% to 4.65% per annum.*

* *The English name is for identification purpose*

20. SHARE CAPITAL

	Number of share	Share capital	
		Shown in the condensed consolidated financial statements	
	'000	GBP'000	RMB'000
Ordinary shares of 0.002 Great Britain Pound ("GBP") each			
Authorised:			
As at 1 January 2025 (audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	10,000,000	20,000	
Issued and fully paid:			
At 1 January 2025(audited), 31 December 2025 (audited) and 30 June 2026 (unaudited)	5,462,533	10,923	142,261

21. SHARE-BASED PAYMENTS

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

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

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

During the six months ended 30 June 2025, no share options were exercised and 6,900,000 share options were lapsed. There are no outstanding share options as at 30 June 2025 and 2026.

22. DISPOSAL OF SUBSIDIARIES

During the current interim period, Yaobai International Holding Limited a subsidiary of the Company, entered into a sales and purchase agreement with Forspak to dispose of its 100% equity interest in Hong Xing Glass and its subsidiaries (hereinafter referred to as "Hong Xing Glass Group") for a consideration of 20,000,000 CFA francs (equivalent to approximately USD35,000). The disposal transaction was completed on 1 June 2026, on which the Group lost control over Hong Xing Glass Group.

22. DISPOSAL OF SUBSIDIARIES (Cont'd)

	1 June 2026 RMB'000 (Unaudited)
Analysis of assets and liabilities over which control was lost:	
Assets	
Property, plant and equipment	582,112
Other intangible assets	12,417
Inventories	82,447
Trade and other receivables and prepayments	38,269
Bank balances and cash	1,952
Liabilities	
Trade and other payables	(264,920)
Amount due to the Group	(554,980)
Contract liabilities	(385)
Net liabilities disposed of	(103,088)

	RMB'000
Consideration received:	
Consideration receivable (included in "other receivables")	240
Total consideration	240
Gain on disposal of subsidiaries:	
Consideration receivable	240
Net liabilities disposed of	(103,088)
Reclassification of cumulative translation reserve upon disposal of Hong Xing Glass to profit or loss	11,941
Gain on disposal	91,387
Net cash outflow arising on disposal:	
Cash consideration	–
Less: cash and cash equivalents disposed of	(1,952)
	(1,952)

23. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**1,610,087**	2,619,001

24. RELATED PARTY DISCLOSURES

The Group has following transactions and balances with related parties:

Companies	Nature of balances	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Anda International Logistics (DRC), Limited*	Trade and other receivables	**157,827**	163,060
Anda International Logistics (DRC), Limited*	Trade and other payables	**9,128**	20,630

Companies	Nature of transactions	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Anda International Logistics (DRC), Limited*	Rental income	**–**	22,706
Anda International Logistics (DRC), Limited*	Transportation services provided to the Group	**4,337**	19,614

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

As at 30 June 2026, the balance of trade and other receivables from related parties was RMB157,827,000, of which RMB109,266,000 were aged within one year and RMB48,561,000 were aged over one year.

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

24. RELATED PARTY DISCLOSURES (Cont'd)

Key management compensation

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and allowances	**6,629**	5,433
Retirement benefits	**89**	83
	6,718	5,516

25. 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*

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Name	Fair value as at 30/06/2026 RMB'000 (Unaudited)	Fair value as at 31/12/2025 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques and key input(s)
Equity investments at FVTPL	**14,587**	46,634	Level 1	Quoted bid price in an active market

27. ACQUISITION OF A SUBSIDIARY

For the year ended 30 June 2025

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

* *The English name is for identification purpose*

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

Consideration transferred

	RMB'000 (Unaudited)
Consideration	138,829

27. ACQUISITION OF A SUBSIDIARY (Cont'd)

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

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

Note:

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

27. ACQUISITION OF A SUBSIDIARY (Cont'd)

Bargain purchase arose in the acquisition of Paomashan

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

Note:

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

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

Net cash outflows arising on acquisition of Paomashan

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

28. NON-CASH TRANSACTION

During the current interim period, pursuant to the entered between the Group and an independent third party, trade and other payables of RMB648,160,000 (six months ended 30 June 2025: nil) were settled by way of offset against trade and other receivables from the same counterparties.

During the current interim period, pursuant to the agreement entered into between the Group and two other companies, the loan receivable of RMB200,000,000 due from one of the counterparties (six months ended 30 June 2025: nil) was novated to another counterparty, with the debtor under the loan receivable substituted accordingly and no cash consideration involved.

29. EVENT AFTER THE REPORTING PERIOD

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

30. COMPARATIVE FIGURES

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