

淮北綠金產業投資股份有限公司

HUAIBEI GREENGOLD INDUSTRY INVESTMENT CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)

STOCK CODE : 2450

2026

Interim Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yong (*Chairman*)
Mr. Qin Jiapeng
Mr. Mao Hongxian
Mr. Yao Minglei

Independent Non-executive Directors

Mr. Gao Wei
Mr. Liu Chaotian
Ms. Xing Mengwei

JOINT COMPANY SECRETARIES

Mr. Yao Minglei
Ms. Tam Pak Yu, Vivien

AUDIT COMMITTEE

Mr. Gao Wei (*Chairman*)
Mr. Liu Chaotian
Ms. Xing Mengwei

REMUNERATION COMMITTEE

Mr. Liu Chaotian (*Chairman*)
Mr. Gao Wei
Mr. Liu Yong

NOMINATION COMMITTEE

Mr. Liu Yong (*Chairman*)
Mr. Gao Wei
Mr. Liu Chaotian
Ms. Xing Mengwei

ESG COMMITTEE

Mr. Liu Yong (*Chairman*)
Mr. Qin Jiapeng
Mr. Mao Hongxian

AUTHORISED REPRESENTATIVES

Mr. Yao Minglei
Ms. Tam Pak Yu, Vivien

INTERNATIONAL AUDITOR

Cheng & Cheng Limited
Certified Public Accountants
Public Interest Entity Auditor
registered in accordance with the
Accounting and Financial Reporting
Council Ordinance
Level 35, Tower 1
Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay
Kwun Tong, Kowloon, Hong Kong

LEGAL ADVISORS

as to Hong Kong laws

DeHeng Law Offices (Hong Kong)
LLP

as to PRC laws

Beijing Deheng Law Offices

REGISTERED OFFICE AND HEADQUARTERS IN THE PRC

4/F, Shuangchuang Service Centre
No. 3 Taobo Road
Song Tuan Town, Lieshan District
Huaibei City
Anhui Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China Co., Ltd. (Huaibei Huaihai
Road Branch)

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK NAME

HUAIBEI GD CO

STOCK CODE

2450

COMPANY'S WEBSITE

<http://www.ljgfjt.com>

Management Discussion and Analysis

OVERVIEW

Huaibei GreenGold Industry Investment Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) is a construction materials provider with a state-owned background located in Huaibei City, Anhui Province. The main products of the Group include: aggregate products mined and processed by Huaibei Tongming Mining Co., Ltd.* (淮北通鳴礦業有限公司) (“**Tongming Mining**”), a subsidiary of the Company, in the Gaoloushan Mine located in Lieshan District, Huaibei City. The Group mainly sells aggregate products to construction companies, building materials companies and wholesalers. Compared with similar market participants for the six months ended 30 June 2026 (the “**Reporting Period**”), Tongming Mining maintained a stable market share and is one of the major construction aggregate producers in the market of Huaibei City and its surrounding cities (including southern Suzhou City, Bozhou City, and northern Bengbu City) in terms of sales volume.

BUSINESS REVIEW

In the first half of 2026, amid a challenging macroeconomic environment, the building materials industry experienced a divergence: while new production capacity was released in a concentrated manner, end-market demand continued to shrink, which highlighted the structural imbalance between supply and demand and intensified market competition. During the Reporting Period, the prices of the Company’s core products, such as aggregates, experienced a significant decline, and the overall operating results showed a marked year-on-year decrease, and production and operations faced periodic pressures and challenges.

Facing a complex and severe external environment and multiple operating pressures, the management and all employees of the Company worked together to overcome difficulties, continuously strengthening the risk control system and enhancing its capabilities in market analysis and seizing opportunities. The Company focused on quality improvement as its core, market expansion as its driver, and internal governance with cost reduction and efficiency enhancement as its support, through which the Company hedged against market fluctuations, mitigated operational risks, ensured stable and orderly production and operations, and maintained stable operations while improving quality amidst the industry downturn.

During the Reporting Period, the Group took multiple measures to improve its operating fundamentals. In terms of market expansion, the Company implemented a special policy for major clients in the Henan region. By offering market-based price concessions, it expanded into external markets such as Yongcheng, Henan, and added one new major cooperative client in the Henan region. It increased subsidies for railway transportation and focused on deeply cultivating the Lixin market, achieving an increase in average daily sales of regional stone products of approximately 1,000 tonnes. These measures were aimed at alleviating operational difficulties.

To improve the operating order within the industry, the Company proactively collaborated with surrounding mines and leading regional building material enterprises to stabilize prices, which effectively halted the continuous decline in regional prices. In the second quarter, product prices successfully stopped falling and rebounded slightly, reversing the trend of low-price internal competition in the industry.

In terms of the customer structure, the Company launched a tiered incentive policy for prepayments: customers making a single prepayment of RMB3 million or RMB5 million were given special subsidies of RMB0.3 million and RMB0.6 million, respectively. This policy effectively secured high-quality, stable customers, consolidated fragmented market demand, significantly boosted product sales, and optimized the customer structure and operating quality.

Management Discussion and Analysis

In terms of product quality, in the first half of 2026, the Company's +150m mining platform entered the slope mining phase, and the +135m mining platform was substantially completed and put into operation. In a challenging industry environment, the Company strictly controlled product quality throughout the entire process, and solidified its market reputation with stable product quality, thereby continuously enhancing its regional core competitiveness.

OVERVIEW OF THE CONSTRUCTION MARKET

Based on a series of policy documents on housing security, transformation and upgrading of the construction industry, and control of mineral resources intensively issued by the state, Anhui Province, and Huaibei City in the first half of 2026, coupled with the concentrated commencement of major transportation infrastructure and urban renewal projects in the northern Anhui region, the construction and building materials industry in Huaibei and surrounding areas, compared to the same period in 2025, showed a divergent development trend with policy support but weakening end-user demand for stone materials and a year-on-year decline in sales volume. The overall structural contradictions in the industry have become prominent.

First, from a policy perspective, the state has continued to improve mineral resource supervision, affordable housing construction, and mandatory standards for green buildings. In February 2026, Anhui Province officially issued the "Certain Policy Measures on Consolidating and Expanding the Stable and Positive Momentum of the Economy (Wan Zheng [2026] No. 15) (皖政[2026]15號《關於鞏固拓展經濟穩中向好勢頭若干政策舉措》)", which explicitly laid out work related to urban renewal in northern Anhui, the redevelopment of "villages-in-the-city", and the stabilization of the real estate market. In April, the Provincial Housing and Urban-Rural Development Bureau issued the "Notice on Utilizing Policy-based Funds from the China Development Bank to Support and Advance Urban Renewal Actions (《關於利用國家開發銀行政策性資金支持推進城市更新行動的通知》)", providing targeted, long-term, low-cost policy-based financing support for the renovation of old residential communities, "villages-in-the-city", and affordable housing projects in northern Anhui, along with detailed supporting measures for province-wide housing security and the stable development of the property market. Concurrently, on 14 April, the Anhui Provincial Department of Industry and Information Technology (省工信廳) solicited public opinions on the "Implementation Plan for the High-Quality Development of Non-Coal Mines in Anhui Province during the 15th Five-Year Plan (Draft for Comments) (《安徽省「十五五」非煤礦山高質量發展實施方案(徵求意見稿)》)", which imposed strict constraints on the large-scale integration of sand and gravel aggregate mines, green mining practices, and the elimination of outdated production capacity. On 29 June, 12 departments, including the Anhui Provincial Department of Natural Resources (省自然資源廳), jointly issued the "Anhui Province Green Mine Management Measures" (Wan Ziran Zi Gui [2026] No. 2) (皖自然資規[2026]2號《安徽省綠色礦山管理辦法》), which was officially implemented on 1 July, standardizing the province-wide mechanisms for total extraction control, ecological restoration, and regular assessment of construction stone mines. In March, Huaibei City specified quantified annual targets for the renovation of old residential communities, urban villages, and dilapidated houses, and promoted resettlement through housing vouchers and the conversion of existing housing stock into affordable housing; the Huaibei Municipal Bureau of Natural Resources and Planning (市自然資源和規劃局) conducted supervision of stone mines operations in accordance with the new provincial regulations and simultaneously initiated the formulation of the 15th Five-Year Plan for mineral resources. The aforementioned series of policies have raised the environmental protection costs for mines. Coupled with insufficient new housing construction starts, this has led to an imbalance in the local supply and demand for stone materials and a decline in shipments.

Management Discussion and Analysis

Second, in terms of infrastructure construction, projects such as the Huaibei-Suzhou-Bengbu Expressway, the S235 Huaibei Section Class-I Highway, the Xuzhou-Dangshan-Shangqiu Expressway, the Suzhou-Suining Expressway, and the Tuo-Hui River waterway improvement project are advancing simultaneously. Infrastructure projects have an inelastic demand for sand and gravel. However, new commercial housing starts have sharply contracted. In addition, newly added compliant stone material capacity in surrounding areas and the influx of low-priced aggregates from other regions have diverted orders. As a result, stone material sales in the first half of the year decreased significantly compared to that of the same period in 2025, putting pressure on sand and gravel prices and leading to inventory backlogs. Municipal and expressway projects alone are insufficient to fill the demand gap from the housing construction sector. The growth in green and prefabricated building materials was not able to reverse the downward trend in sales of traditional stone materials.

Given the aforesaid, the Board believes that with the implementation of the above policies and projects, Huaibei City and its surrounding areas (including southern Suzhou City, Bozhou City, and northern Bengbu City) will continue to advance high-intensity infrastructure, urban renewal, and affordable housing construction in parallel; however, the supply of sand and gravel aggregates is expected to exceed demand, leading to a decline in sales. Emerging fields such as green buildings, prefabricated buildings, and building materials from solid waste recycling will enter a window of opportunity for large-scale development. In the mineral resources sector, controls on total extraction volumes and stricter green mine assessments are accelerating the clearance of outdated industry capacity and the phasing out of small, medium-sized, and backward mines, thereby highlighting the competitive advantages of large-scale enterprises.

Based on this, the Board believes that policies and infrastructure bring structural opportunities for our Group's building materials and construction businesses, but the main business of stone materials faces pressure from declining sales and compressed profits. The Group will continue to monitor policy implementation and regional project progress. It will strengthen its presence in transportation and municipal projects to ensure a stable supply of stone materials, while also expanding its sales coverage to capture opportunities in the northern Anhui construction market.

PROGRESS OF BASIC CONSTRUCTION PROJECTS

As of the date of this report, Phase II of the Gaoloushan Renovation and Expansion Project with an annual capacity of 8 million tonnes has been completed and put into operation. Based on the probable reserves and estimated annual production capacity of up to 8 million tonnes in 2031 pursuant to the development plan, the total reserves of Phase II mining right are estimated to reach 164 million tonnes, and Gaoloushan Mine has an estimated life of 15 years.

SAFETY AND ENVIRONMENTAL PROTECTION

The Group adheres to the safety and environmental protection policies of "Safety First, Precaution Foremost and Comprehensive Governance" and "Equal Emphasis on Both Resources Development and Environmental Protection" to ensure its production safety and environmental protection. During the Reporting Period, the Group achieved its target of production safety. Environmental protection was stringently observed in compliance with the relevant national laws and regulations.

Management Discussion and Analysis

FINANCIAL REVIEW

During the Reporting Period, the revenue of the Group amounted to RMB52.8 million, representing a decrease of 58.5% from RMB127.3 million for the corresponding period of 2025.

There were no significant changes to the general business model of the Group during the Reporting Period. Due to a decrease in real estate infrastructure projects, both the sales volume and price of stone products fell, and the overall business declined significantly compared to that of the same period of last year.

REVENUE FROM PRINCIPAL BUSINESS

The following table illustrates the details of sales by products of the Group for the six months ended 30 June 2026 and 30 June 2025, respectively:

	Six months ended 30 June 2026			Six months ended 30 June 2025		
	Revenue	Sales volume	Unit price	Revenue	Sales volume	Unit price
	<i>RMB'000</i>	<i>Thousand tonnes/m³</i>	<i>RMB per tonne/m³</i>	<i>RMB'000</i>	<i>Thousand tonnes/m³</i>	<i>RMB per tonne/m³</i>
	(unaudited)			(unaudited)		
Sales of aggregate products and others						
— Aggregates and others	52,806	1,327.4	39.8	127,194	2,823.7	45.0
Concrete products						
— Income from agency services of concrete products and additives	—	—	—	107	12.3	8.7
Total	52,806			127,301		

During the Reporting Period, the revenue from sales of aggregate products and others of the Group amounted to RMB52.8 million, representing a decrease of 58.5% as compared to RMB127.2 million for the corresponding period of last year, which is due to the combined effect of (i) the decrease in the sales volume of aggregate products and others of the Group from 2,823.7 thousand tonnes for the six months ended 30 June 2025 to 1,327.4 thousand tonnes for the Reporting Period, representing a decrease of 53.0%; and (ii) the decrease in the average selling price of aggregate products and others from RMB45.0 per tonne for the six months ended 30 June 2025 to RMB39.8 per tonne for the Reporting Period, representing a decrease of 11.6%.

During the Reporting Period, the revenue from sales of ready-mixed concrete and cement-stabilised macadam of the Group was nil. Due to the shrinking market for ready-mixed concrete and cement-stabilised macadam, slow return of funds from the sales of relevant products and in order to avoid market risks, invest prudently and in consideration of the development direction of the Company, the business was not conducted during the Reporting Period. The Company is coordinating with all parties to facilitate the disposal of idle assets.

Management Discussion and Analysis

COST OF SALES

During the Reporting Period, the Group's cost of sales amounted to RMB51.9 million, representing a decrease of RMB23.9 million from RMB75.8 million for the corresponding period of 2025. The decrease was due to the decrease in the sales volume of the Company's products.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Reporting Period, the gross profit of the Group amounted to RMB0.9 million, representing a decrease of RMB50.6 million from RMB51.5 million for the corresponding period of 2025.

During the Reporting Period, the gross profit margin was 1.8%, representing a decrease of 38.7 percentage points from 40.5% for the corresponding period of last year.

The significant decrease in gross profit margin was primarily due to the combined effect of the decrease in selling prices and sales volume.

OTHER INCOME

During the Reporting Period, the Group's other income was approximately RMB2.4 million, representing a decrease of approximately 35.0% from RMB3.7 million for the corresponding period of 2025. The decrease in other income was mainly due to a lower amount of non-recurring sundry income.

ADMINISTRATIVE EXPENSES

During the Reporting Period, the administrative expenses incurred by the Group amounted to RMB10.4 million. Administrative expenses decreased by RMB6.3 million from RMB16.7 million in the corresponding period of last year due to strict control over costs and expenses.

IMPAIRMENT LOSS ON TRADE RECEIVABLES

During the Reporting Period, the Group's reversal of impairment loss on trade receivables amounted to approximately RMB0.2 million, representing a decrease of RMB6.1 million from the impairment loss of RMB5.9 million for the corresponding period of 2025, mainly due to the recovery of overdue receivables.

Management Discussion and Analysis

FINANCE COSTS

During the Reporting Period, the finance costs incurred by the Group amounted to RMB27.6 million, representing a decrease of RMB5.9 million from RMB33.5 million for the corresponding period of 2025, due to the repayment of all long-term payables and a portion of the interest-bearing bank borrowings.

FINANCIAL CONDITION

As at 30 June 2026, total equity decreased from RMB655.9 million as at 31 December 2025 to RMB628.9 million, mainly due to the impact of loss in the first half of 2026. Total assets decreased from RMB2,134.6 million as at 31 December 2025 to RMB2,024.7 million as at 30 June 2026, which was due to depreciation and amortisation of property, plant and equipment and repayment of long-term payables and interest-bearing bank borrowings.

INCOME TAX EXPENSES

During the Reporting Period, the Group's income tax expenses decreased by approximately RMB10.12 million, as compared to the previous period, mainly due to the impact of deferred income tax. During the Reporting Period, corporate income tax within the territory of the PRC has been provided at 25% (corresponding period of 2025: 25%) on the taxable income. The effective tax rate of the Group is approximately 25% during the Reporting Period (corresponding period of 2025: 25%).

LOSS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY

During the Reporting Period, the Group recorded a loss attributable to the equity shareholders of the Company of approximately RMB16.8 million, representing an increase in loss of approximately 500% from a loss attributable to the equity shareholders of the Company of approximately RMB2.8 million for the corresponding period of 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's cash and cash equivalents increased from RMB7.9 million as at 31 December 2025 to RMB98.8 million as at 30 June 2026, mainly due to the refund of trade deposits.

As at 30 June 2026, the Group has not provided guarantees to related parties.

The Group does not use any financial instruments for hedging purposes. The capital structure of the Group consists of net debt (comprising bank borrowings and net cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital and reserves of all kinds). The Group has adopted comprehensive treasury policies which detail specific functions and internal control measures for capital use, covering, including but not limited to, procedures of capital management and liquidity management.

Management Discussion and Analysis

BORROWINGS

As at 30 June 2026, the Group had outstanding bank loans of approximately RMB1,307.8 million (31 December 2025: RMB1,232.0 million), of which RMB322.8 million must be repaid within one year, RMB171.4 million must be repaid after one year but within two years, RMB518.3 million must be repaid after two years but within five years and RMB295.3 million will be repayable in more than five years.

As at 30 June 2026, the bank loans were denominated in RMB. As at 30 June 2026, approximately 99.97% of the interest-bearing bank loans held by the Group were at floating interest rates.

CAPITAL EXPENDITURES

During the Reporting Period, the Group's capital expenditures were approximately RMB1.6 million, representing a decrease of approximately RMB9.1 million from RMB10.7 million for the corresponding period of 2025, due to the completion of construction projects and a corresponding reduction in external capital expenditure.

DIVIDEND

The Board proposed that no payment of interim dividend for the six months ended 30 June 2026 would be made by the Company (six months ended 30 June 2025: Nil).

GEARING RATIO

The Group monitors capital by gearing ratio, which is total liabilities divided by total assets as at the end of the year/period and multiplied by 100%. As at 30 June 2026, the gearing ratio of the Group was 68.9% (31 December 2025: 69.3%), representing a decrease of 0.4 percentage points. This was mainly due to the decrease in the Group's external debts.

MARKET RISKS

The Group is exposed to multiple market risks, mainly including external environmental challenges such as changes in the industry competitive landscape, fluctuations in the costs of production factors and constraints on logistics and transportation.

The Group faces the risk of market competition. Affected by the cyclical downturn of the construction industry, the regional market is in a state of oversupply, leading to intensified competition in the regional market and a decline in the product's premium capacity.

The Group is exposed to raw materials price and other commodities price risks. Its costs and profitability partly depend on its ability to find and maintain a stable and sufficient supply of raw materials at acceptable prices. The Group's aggregate products are affected by fluctuations in raw material costs, and price fluctuations of key production materials such as explosives, fuel oil and electricity directly impact mining costs.

The Group also faces the risk of transportation costs. The transportation costs for product sales are affected by the sales distance. Due to the adjustment of the layout of regional infrastructure projects, the Group's transportation costs have increased, which has weakened its cost advantage in the competition in the regional market.

Management Discussion and Analysis

INTEREST RATE RISK

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group and its interest-bearing bank borrowings. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank borrowings by placing them in appropriate short-term deposits at fixed or floating interest rates and at the same time by borrowing loans at a mixture of fixed or floating interest rates.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Reporting Period.

FUNDING AND FINANCIAL POLICY

The Group utilises cash flows generated from operating activities and bank loans to finance its operations, construction and capital expenditure, to discharge its debt and to ensure the continuous growth of the Group's business.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's present operations are carried on in the PRC and generally all of the Group's monetary assets, loans and transactions are principally denominated in Renminbi. As at 30 June 2026, the Group was not exposed to any significant foreign currency exchange risk in its operations. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure during the Reporting Period.

RISK OF CHANGE IN INDUSTRY POLICIES

An array of laws, regulations and rules governing the construction industry in China constitutes the external regulatory and legal environment for the Company's daily and continuous operations, and exerts great impacts on the Company's business development, production and operations, domestic and foreign trade, and capital investment etc. Relevant changes in industry policies may have corresponding effects on the Company's production and operations.

CAPITAL STRUCTURE

The H shares of the Group were listed on Main Board of the Stock Exchange on 20 January 2023 (the "**Listing Date**"). On 22 December 2025, the Group completed the reorganisation at the controlling shareholder level.

During the Reporting Period, there has been no change in the capital structure of the Company.

INFORMATION ON EMPLOYEES

As at 30 June 2026, the Group had 135 employees (31 December 2025: 143), including the executive Directors. Total staff costs (including Directors' emoluments) were approximately RMB8.9 million, representing a decrease of approximately 18.4% from RMB10.9 million for the corresponding period of 2025. Remuneration is determined with reference to market norms and individual employees' performance, qualifications and experience.

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL

During the Reporting Period, there were no significant asset acquisitions or disposals, mergers or equity investments of the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 30 December 2022, the Group did not have any plan for material investments and capital assets as of the date of this report.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group has pledged assets of RMB1,167 million (31 December 2025: pledged assets of RMB1,210.1 million).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

OUTLOOK

During the Reporting Period, the Group devoted to implementing its development plan.

Since 2026, the Group has proactively engaged with various key engineering projects in the region and has successfully supplied sand and gravel aggregates to projects such as the S238 reconstruction and expansion project, the Bozhou section of the Suzhou-Suining Expressway, the Bozhou West Expressway, and the Guoyang-Lixin Expressway. Driven by the continuous construction of the above-mentioned major transportation projects, it is anticipated that the market demand for construction aggregates in Huaibei City and its surrounding areas (southern Suzhou, Bozhou City, northern Bengbu, Yongcheng City) will increase in the second half of 2026 as compared with the first half, and the Company's profitability is expected to improve accordingly.

In line with the 2026 operational plan, the Group will seize the benefits from this round of regional infrastructure development, continue to deepen long-term cooperation with existing key project clients, simultaneously proactively identify and develop potential clients for new projects. It will fully unleash the production capacity of its own mines, optimize production line operation and management, and ensure a stable supply of sand and gravel aggregates to match the rising demand for building materials in the region. At the operational level, the Group will adhere to the goal of sound operation, reduce costs and increase efficiency through refined management, empower industrial upgrading with technological innovation, promote high-quality sustainable development of the enterprise, and fully support the infrastructure construction in northern Anhui and adjacent areas in eastern Henan with a solid supply of building materials.

Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, there was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

SHARE SCHEME

During the Reporting Period and up to the date of this report, the Group has no share scheme.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, no material events occurred after the Reporting Period and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") contained in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) who had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Class of Shares	Capacity/Nature of interest	Number of securities held ⁽¹⁾	Approximate percentage of the total issued domestic share capital	Approximate percentage of the total issued H Share capital	Approximate percentage of the total issued share capital
Huaibei City Xinghuai Mining Co., Ltd.* (淮北市興淮礦業有限公司)	Domestic Shares	Beneficial owner	198,000,000(L)	100%	—	75%
Huaibei Xinghuai Holding Co., Ltd.* (淮北市興淮控股有限公司)	Domestic Shares	Interest in controlled corporation ⁽²⁾	198,000,000(L)	100%	—	75%
CHU DAVID (朱偉東)	H shares	Beneficial owner	3,664,500	—	5.55%	1.39%
Huatai Securities Co., Ltd. ⁽³⁾	H shares	Interest in controlled corporation	3,379,500	—	5.12%	1.28%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) Huaibei City Xinghuai Mining Co., Ltd.* (淮北市興淮礦業有限公司) is wholly and directly held by Huaibei Xinghuai Holding Co., Ltd.* (淮北市興淮控股有限公司). Accordingly, under the SFO, Huaibei Xinghuai Holding Co., Ltd.* (淮北市興淮控股有限公司) is deemed to have an interest in all the shares beneficially owned by Huaibei City Xinghuai Mining Co., Ltd.* (淮北市興淮礦業有限公司).
- (3) Huatai Financial Holdings (Hong Kong) Limited holds 3,379,500 H Shares of the Company, and is wholly held by Huatai Securities Co., Ltd. through Huatai International Financial Holdings Company Limited. Accordingly, under the SFO, Huatai Securities Co., Ltd. is deemed to have an interest in all the Shares beneficially owned by Huatai Financial Holdings (Hong Kong) Limited.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information

CHANGES IN THE INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Ms. Xing Mengwei resigned as an executive director of Renco Holdings Group Limited on 10 June 2026. The listing of such company was cancelled in August 2026.

Mr. Gao Wei has been a partner of Huaibei Shicheng Asset Appraisal Firm (Special General Partnership)* (淮北世誠資產評估事務所(特殊普通合夥)) since February 2026.

Save as disclosed above, during the Reporting Period, there were no changes in the information of the Directors and chief executives of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Main Board Listing Rules during the Reporting Period and as at the date of this interim report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his or her connected entity had a material interest, whether directly or indirectly, subsisted during the Reporting Period and as at the date of this interim report.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries during the Reporting Period.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of shareholders as a whole. The Company has adopted the code provisions (the "**Code Provisions**") in Part 2 of the Corporate Governance Code (Appendix C1) to the Listing Rules as its own code to govern its corporate governance practices. The Board believes that the Company has complied with the relevant Code Provisions during the six months ended 30 June 2026, and no Directors are aware of any information that reasonably shows that the Company has not complied with the Code Provisions at any time during the Reporting Period.

In respect of the omitted disclosure of a discloseable transaction during the Reporting Period, the Board has reviewed the Group's relevant internal control procedures and their implementation and has further strengthened the Group's regulatory compliance policies and measures, details of which are set out in the announcement of the Company dated 28 August 2026.

Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Having made specific enquiries to all the Directors, the Company confirms that all the Directors have complied with the required standards as set out in the Model Code during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee of the Company (the “**Audit Committee**”) consists of three members, namely Mr. Gao Wei (Chairman), Mr. Liu Chaotian and Ms. Xing Mengwei, all of whom are independent non-executive Directors. The Company’s interim report and interim results announcement for the six months ended 30 June 2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of the financial information complies with the applicable accounting standards, the requirements of the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026 — unaudited (Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	52,806	127,301
Cost of sales		(51,879)	(75,787)
Gross profit		927	51,514
Other income	5	2,397	3,685
Administrative expenses		(10,444)	(16,680)
Impairment reversal/(loss) on trade receivables		176	(5,946)
Impairment loss on other receivables		(10)	—
(Loss)/profit from operations		(6,954)	32,573
Finance costs	6(a)	(27,589)	(33,481)
Loss before taxation	6	(34,543)	(908)
Income tax	7	7,607	(2,515)
Loss and total comprehensive loss for the period		(26,936)	(3,423)
Attributable to:			
Equity shareholders of the Company		(16,798)	(2,788)
Non-controlling interests		(10,138)	(635)
Loss and total comprehensive loss for the period		(26,936)	(3,423)
Loss per share			
Basic and diluted	8	RMB(0.06)	RMB(0.01)

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 16(a).

Consolidated Statement of Financial Position

At 30 June 2026 — unaudited (Expressed in RMB)

	Note	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	9	1,766,644	1,802,176
Non-current prepayments and deposits	11	7,361	7,261
		1,774,005	1,809,437
Current assets			
Inventories	10	1,558	1,575
Trade and other receivables	11	18,917	20,047
Trade deposits		—	294,170
Loan receivable	12	130,000	—
Income tax recoverables		1,426	1,426
Cash at bank and on hand		98,815	7,902
		250,716	325,120
Current liabilities			
Trade and other payables	13	39,274	189,810
Contract liabilities		7,947	8,791
Interest-bearing borrowings	14	322,820	162,820
		370,041	361,421
Net current liabilities		(119,325)	(36,301)
Total assets less current liabilities		1,654,680	1,773,136
Non-current liabilities			
Interest-bearing borrowings	14	984,950	1,069,160
Deferred tax liabilities		20,763	28,370
Accrual for reclamation costs		20,026	19,729
		1,025,739	1,117,259
NET ASSETS		628,941	655,877

Consolidated Statement of Financial Position

At 30 June 2026 — unaudited (Continued) (Expressed in RMB)

	Note	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
CAPITAL AND RESERVES			
Share capital	16	264,000	264,000
Reserves		160,076	176,874
Total equity attributable to equity shareholders of the Company		424,076	440,874
Non-controlling interests		204,865	215,003
TOTAL EQUITY		628,941	655,877

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	264,000	3,726	92,245	109,726	469,697	234,094	703,791
Changes in equity for the six months ended 30 June 2025:							
Loss for the period	—	—	—	(2,788)	(2,788)	(635)	(3,423)
Other comprehensive loss	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	(2,788)	(2,788)	(635)	(3,423)
Appropriation of maintenance and production funds	—	—	4,777	(4,777)	—	—	—
Utilisation of maintenance and production funds	—	—	(49)	49	—	—	—
	—	—	4,728	(4,728)	—	—	—
Balance at 30 June 2025	264,000	3,726	96,973	102,210	466,909	233,459	700,368

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 — unaudited (Continued) (Expressed in RMB)

	Attributable to equity shareholders of the Company					Non-	Total equity
	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	controlling interests RMB'000	
Balance at 1 January 2026	264,000	3,726	92,914	80,234	440,874	215,003	655,877
Changes in equity for the six months ended 30 June 2026:							
Loss for the period	—	—	—	(16,798)	(16,798)	(10,138)	(26,936)
Other comprehensive loss	—	—	—	—	—	—	—
Total comprehensive loss	—	—	—	(16,798)	(16,798)	(10,138)	(26,936)
Appropriation of maintenance and production funds	—	—	796	(796)	—	—	—
Utilisation of maintenance and production funds	—	—	(93)	93	—	—	—
	—	—	703	(703)	—	—	—
Balance at 30 June 2026	264,000	3,726	93,617	62,733	424,076	204,865	628,941

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2026 — unaudited (Expressed in RMB)

	Note	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Operating activities			
Cash generated from operations		314,454	36,500
Investing activities			
Payments for purchase of property, plant and equipment		(1,566)	(10,721)
Repayment from immediate holding Company		—	232,530
Loan to a related party		(150,000)	—
Repayment from a related party		20,000	—
Net cash (used in)/generated from investing activities		(131,566)	221,809
Financing activities			
Proceeds from bank loans		100,000	—
Repayment of bank loans		(24,210)	(24,210)
Repayment of long-term payables		(136,673)	(136,774)
Dividends paid		(8,268)	(8,000)
Interest paid		(22,824)	(25,278)
Net cash used in from financing activities		(91,975)	(194,262)
Net increase in cash and cash equivalents		90,913	64,047
Cash and cash equivalents at 1 January	12	7,902	320,338
Cash and cash equivalents at 30 June	12	98,815	384,385

The notes on pages 22 to 36 are an integral part of this unaudited interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Huaibei GreenGold Industry Investment Co., Ltd. (“**the Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 21 December 2018, as a limited liability company. The address of the Company’s registered office is at 4/F., Shuangchuang Service Centre, No. 3, Taobo Road, Songtuan Town, Lieshan District, Huaibei City, Anhui Province, the PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 20 January 2023. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in aggregates production and engineering material processing and sales.

2 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 27 August 2026.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of the interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). The interim financial statements are unaudited.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended IFRSs issued by the IASB to these unaudited condensed consolidated interim financial statements for the current accounting period:

- Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments
- Annual improvements to IFRS Accounting Standards — Volume 11

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amended IFRSs have had no material effect on how the Group's results and financial position for the current period have been prepared or presented.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the production and sale of aggregate products and others and concrete products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
— Revenue from sales of aggregate products and others	52,806	127,194
— Income from agency services of concrete products and additives	—	107
	52,806	127,301

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic information is disclosed in Notes 4(b)(i) and 4(b)(iii), respectively.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Aggregate products and others: this segment includes production and sale of aggregate products and others;
- Concrete products: this segment includes production, sale and agency services of concrete products and additives to be used in building and road construction.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of income tax recoverable and unallocated head office and corporate assets. Segment liabilities include all liabilities with the exception of deferred tax liabilities and unallocated head office and corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments.

Segment profit represents revenue less cost of sales, and includes selling expenses and administrative expenses directly attributable to the segment. Items that are not specifically attributable to individual segments, such as unallocated head office and corporate expenses, depreciation and amortisation, interest income and finance costs are not included in segment profit. In addition to receiving segment information concerning segment profit, management is also provided with segment information concerning depreciation, amortisation, interest income and finance costs.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2026 and 2025 is set out below.

	Six months ended 30 June 2026		
	Aggregate products and others RMB'000 (unaudited)	Concrete products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Disaggregated by timing of revenue recognition			
Point in time	52,806	—	52,806
Revenue from external customers and reportable segment revenue	52,806	—	52,806
Reportable segment profit/(loss) (adjusted EBITDA)	30,849	(1,469)	29,380
Depreciation and amortisation	(35,010)	(875)	(35,885)
Interest income	1,221	38	1,259
Amortisation of unrealised financing income of non-current portion of other receivables	100	—	100
Finance costs	(27,589)	—	(27,589)
As at 30 June 2026			
Reportable segment assets	1,868,522	54,088	1,922,610
Reportable segment liabilities	1,387,097	8,289	1,395,386

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

	Six months ended 30 June 2025		
	Aggregate products and others RMB'000 (unaudited)	Concrete products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Disaggregated by timing of revenue recognition			
Point in time	127,194	107	127,301
Revenue from external customers and reportable segment revenue	127,194	107	127,301
Reportable segment profit/(loss) (adjusted EBITDA)	85,793	(5,861)	79,932
Depreciation and amortisation	(43,311)	(2,775)	(46,086)
Interest income	1,434	125	1,559
Amortisation of unrealised financing income of non-current portion of other receivables	97	—	97
Finance costs	(33,481)	—	(33,481)
As at 30 June 2025			
Reportable segment assets	2,063,329	86,352	2,149,681
Reportable segment liabilities	1,523,877	18,462	1,542,339

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Profit		
Total reportable segment profit	29,380	79,932
Depreciation and amortisation	(35,889)	(46,089)
Interest income	2,233	2,152
Amortisation of unrealised financing income of non-current portion of other receivables	100	97
Unallocated head office and corporate expenses	(2,778)	(3,519)
Finance costs	(27,589)	(33,481)
Consolidated loss before taxation	(34,543)	(908)

(iii) Geographic information

The Group's revenue is generated from sales of aggregate products and others, and sales and agency services of concrete products and additives in the PRC. The Group does not have material assets or operations outside the PRC, no segment analysis based on geographical locations of the customers and assets is presented.

5 OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest income	2,233	2,152
Others	164	1,533
	2,397	3,685

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses on:		
— Bank and other borrowings	23,554	25,994
— Long-term payables	3,738	7,177
Unwinding interest of provisions	297	310
	27,589	33,481

No borrowing costs have been capitalised during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation and amortisation charge		
— owned property, plant and equipment	34,259	44,425
— right-of-use assets (Note 9)	1,630	1,664
Cost of inventories sold (Note 10)	51,879	75,787

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Deferred income tax	(7,607)	2,515

The Company and the subsidiaries of the Group established in the PRC are subject to PRC Corporate Income tax rate of 25% during the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of RMB16,798,000 for the six months ended 30 June 2026 (2025: RMB2,788,000) and the weighted average number of ordinary shares in issue during the period of 264,000,000 shares (2025: 264,000,000 shares).

(b) Diluted loss per share

The Company did not have any potential dilutive shares throughout the period of 2026 and 2025. Accordingly, diluted loss per share is the same as the basic loss per share.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group incurred capital expenditure on property, plant and equipment with a cost of RMB1,566,000 (six months ended 30 June 2025: RMB10,721,000).

Right-of-use assets

(i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Land use rights (Note 9 (iii))	137,900	139,530

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

Right-of-use assets (Continued)

(ii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Depreciation charge of right-of-use assets by class of underlying asset (Note 6(b)):		
— Land use rights	1,630	1,664

(iii) Land use rights represent premiums paid by the Group for land located in the PRC. These land use rights are with an initial period of 50 years.

(iv) The mining rights with carrying values of approximately RMB1,167,009,000 (2025: RMB1,210,147,000) are pledged to banks as securities for banking facilities granted to the Group as at 30 June 2026.

10 INVENTORIES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Raw materials and others	1,558	1,575

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Carrying amount of inventories sold	51,879	75,787

All of the inventories are expected to be recovered within one year.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Current		
Trade receivables, net of loss allowance	16,915	18,210
Other receivables	759	769
Financial assets measured at amortised cost	17,674	18,979
VAT recoverables	840	553
Deposits and prepayments	403	515
	18,917	20,047
Non-current		
Reclamation deposit	7,361	7,261
	26,278	27,308

Current portion of trade receivables, prepayments, deposits and other receivables are expected to be recovered within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, are as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 3 months	567	4,866
3 to 6 months	841	3,106
6 to 12 months	6,163	2,210
Over 12 months	9,344	8,028
	16,915	18,210

Trade receivables are due within 30–180 days from the date of billing.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

12 LOAN RECEIVABLE

These are loans to the former ultimate holding company, secured by a corporate guarantee from the lender's affiliate, bearing fixed interest at 4.1% per annum and repayable on demand.

The Company assessed the credit risk of the borrower and guarantor based on their state-owned background, business portfolio and financial background. The directors of the Company consider the credit risk is acceptable. For details, please refer to announcement "Discloseable transaction — Provision of loan" issued on 17 April 2026 and supplement announcement issued on 13 May 2026.

At the end of Reporting period, no provision for impairment is recognized.

13 TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Trade payables to		
— related parties	6,215	8,742
— third parties	1,526	6,474
	7,741	15,216
Interest payables	1,639	909
Payables for staff related costs	—	197
Payables for other taxes	3,637	4,441
Payable for property, plant and equipment	14,841	16,050
Payables for capital expenditure	—	132,935
Distributions/dividends payables	6,000	14,268
Other accruals and payables	5,416	5,794
Financial liabilities measured at amortised cost	39,274	189,810

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

13 TRADE AND OTHER PAYABLES (Continued)

All of the trade and other payables are expected to be settled or recognised as income within one year or repayable on demand.

At the end of the reporting period, the ageing analysis of trade payables presented based on the invoice date is as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 12 months	5,455	7,870
Over 12 months	2,286	7,346
	7,741	15,216

14 INTEREST-BEARING BORROWINGS

(a) The analysis of the carrying amount of interest-bearing borrowings of the Group is as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Current interest-bearing borrowings		
Bank loans		
— Guarantees provided by a related party and pledge of the Group's assets	222,420	162,420
— Guarantees provided by the Company	100,000	—
— Guarantees provided by a third party	400	400
	322,820	162,820
Non-current interest-bearing borrowings		
Bank loans		
— Guarantees provided by a related party and pledge of the Group's assets	984,950	1,069,160
	1,307,770	1,231,980

All of the interest-bearing borrowings are carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

14 INTEREST-BEARING BORROWINGS (Continued)

(b) The interest-bearing borrowings were repayable as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Within 1 year or on demand	322,820	162,820
After 1 year but within 2 years	171,420	168,420
After 2 years but within 5 years	518,260	531,260
More than 5 years	295,270	369,480
	1,307,770	1,231,980

15 LONG-TERM PAYABLES

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Present value of mining rights payable	—	132,935
Less: current portion recorded in trade and other payables (Note 13)	—	132,935
Carrying amount	—	—

It represents consideration for mining rights of RMB683,869,000, which was repayable by five equal instalments per annum. The carrying amounts were discounted at an effective rate of 5.7% per annum. At the end of the Reporting Period, the Group fully settled the consideration.

16 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No interim dividend has been declared and recognised as a liability at the end of the reporting period (for the six months ended 30 June 2025: Nil).

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

16 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Share capital

Movements of the Company's ordinary shares are set out below:

	At 30 June 2026		At 31 December 2025	
	No. of shares (‘000)	RMB’000	No. of shares (‘000)	RMB’000
Registered, issued and fully paid				
H-share, RMB1.00 each	66,000	66,000	66,000	66,000
Domestic share, RMB1.00 each	198,000	198,000	198,000	198,000
At the beginning and end of the period/year	264,000	264,000	264,000	264,000

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

18 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following significant related party transactions during the six months ended 30 June 2026 and 2025:

(a) Significant transactions with related parties

	Six months ended 30 June	
	2026 RMB’000 (unaudited)	2025 RMB’000 (unaudited)
<u>Sales to</u>		
Former ultimate controlling party and its affiliates	1,473	11,853
<u>Receiving service from</u>		
Non-controlling equity owner of a subsidiary	5,973	12,817
Former ultimate controlling party and its affiliates	207	229
<u>Interest income from</u>		
Former ultimate controlling party	1,644	—
<u>Purchasing goods from (Note (i))</u>		
Former ultimate controlling party and its affiliates	2,128	5,509
<u>Guarantees received at the end of the period</u>		
Former ultimate controlling party and its affiliates	387,370	435,790

Notes:

- (i) During the period ended 30 June 2026, the Group purchased consumer goods from the former ultimate controlling party and its affiliates. The transaction met the conditions stipulated in Rule 14A.97 under Chapter 14A of the Listing Rules, and was considered as fully exempt continuing connected transaction.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated) (Continued)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

Details of the outstanding balances with related parties are as follows:

	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
<u>Trade in nature</u>		
<u>Trade and other receivables</u>		
Former ultimate controlling party and its affiliates	14,593	308,030
<u>Trade and other payables</u>		
Former ultimate controlling party and its affiliates	1,480	2,422
Non-controlling equity owner of a subsidiary	4,735	6,320
	At 30 June 2026	At 31 December 2025
<u>Non-trade in nature</u>		
<u>Trade and other receivables</u>		
Former ultimate controlling party and its affiliates	—	98
<u>Loan receivables</u>		
Former ultimate controlling party	130,000	—
<u>Trade and other payables</u>		
Former ultimate controlling party and its affiliates	7,230	7,246
Parent company of non-controlling equity owner of a subsidiary	—	14
Distributions/dividends payables to non-controlling equity owners of subsidiaries	6,000	14,268

(c) Transactions with other state-controlled entities in the PRC

The former ultimate controlling party of the Company, 淮北市建投控股集团有限公司 (“**Huaibei Construction Investment Holding Group Co., Ltd.**”), and the existing ultimate controlling party of the Company, Huaibei Xinghuai Holding Co., Ltd. are state-controlled enterprise controlled by the PRC government. Apart from transactions with the former ultimate controlling party and its affiliates, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- the sale of aggregate products and others and concrete products;
- blasting services;
- bank deposits; and
- bank loans.