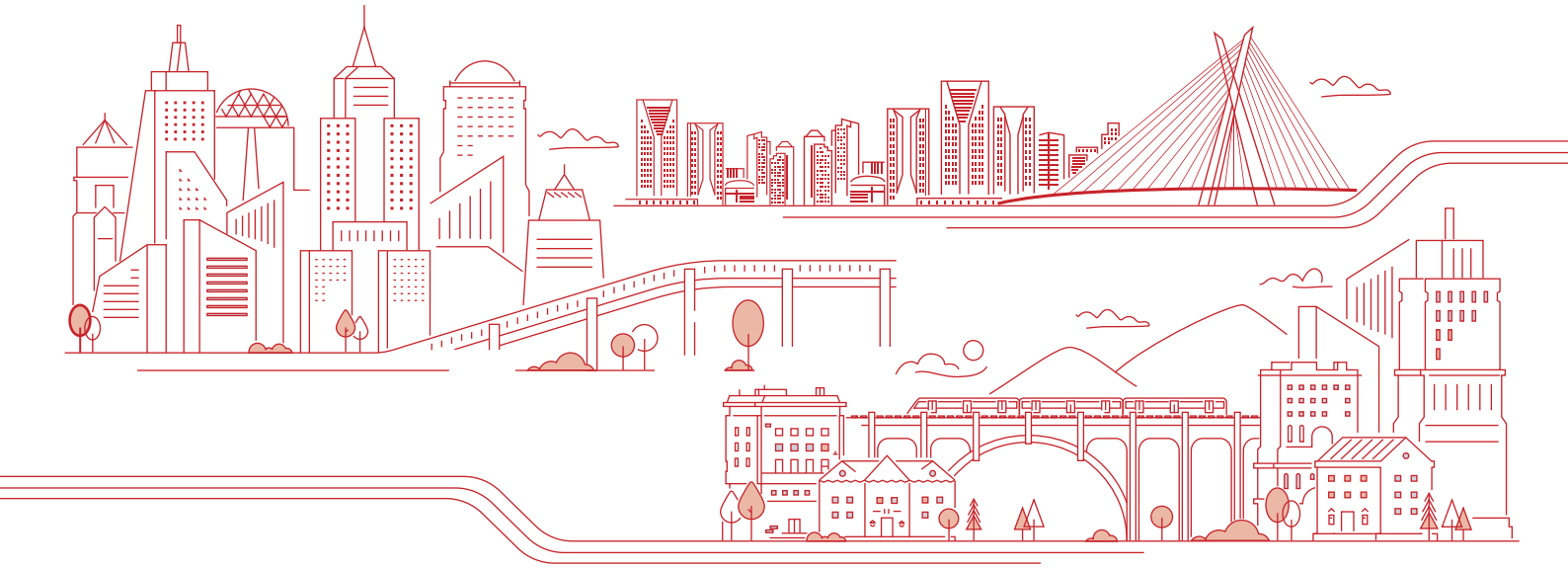
HUAXIN 华新

HUAXIN CEMENT CO., LTD.*
華新水泥股份有限公司

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

S ock code : 6655



2024 ANNUAL REPORT

* For identification purposes only

Important Notice

1. The Board of Directors of the Company and all directors, the Board of Supervisors of the Company and all supervisors, and the senior management, collectively and individually accept full responsibility for the purpose of giving information to the public with regard to the Company, and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. All directors of the Company attended the 10th meeting of the 11th session of Board of Directors.

3. Ernst & Young Hua Ming Certified Public Accountants LLP issued an auditor's report with standard unqualified opinions for the Company.

4. Mr. Li Yeqing, Executive Director and CEO, Mr. Chen Qian, person in charge of accounting, and Ms. Wu Qiaoli, chief of accounting agency, declare and confirm that the financial statements contained in herein are true, accurate and complete.

5. The profit distribution plan for 2024 adopted at the 10th meeting of the 11th session of Board of Directors of the Company is as follows: a cash dividend of RMB0.46 per share (tax inclusive) was proposed to be distributed to all shareholders, and no capitalization of common reserve fund was provided.

6. Forward-looking risk statement: future plan, development strategies and other forward-looking statements in this report do not constitute any substantive commitments of the Company to its investors. Investors and the public are kindly advised to be cautious of the investment risk.

7. There was no appropriation of the Company's funds for non-operating purpose by the controlling shareholders or their related parties.

8. All the external guarantees provided by the Company are in compliance with the decision-making procedures.

9. Material risk warning: the risks that the Company may be exposed to have been described in detail in this report. Please refer to the section headed "V. Management Discussion and Analysis on the Operations of the Company".

Unless otherwise stated, the terms and expressions contained in this report shall have the following meanings:

A Shares	means	Ordinary shares listed on the SSE with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in RMB
AFR	means	Alternative fuel raw material
Board	means	the board of directors of the Company
China or PRC	means	The People's Republic of China
CSRC	means	China Securities Regulatory Commission
Director(s)	means	the director(s) of the Company
EBITDA	means	Earnings before interest, tax, depreciation and amortization
EPC	means	Engineering Procurement Contract
Ernst & Young Hua Ming	means	Ernst & Young Hua Ming LLP
ESG	means	Environment, social responsibility and governance
Group	means	The Company and its subsidiaries. "subsidiary(ies)" has the meaning ascribed to it under the Listing Rules
H Shares	means	Foreign shares listed on the SEHK with a nominal value of RMB1.00 per share in the Company's share capital, subscribed and traded in Hong Kong dollars
HKEX Listing Rules	means	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Holcim	means	Holcim Limited
Hong Kong	means	Hong Kong Special Administrative Region of China
IT	means	Information technology
kgce/t.KK	means	Kilogram standard coal/ton clinker
KPI	means	Key performance indicators
NOx	means	Nitrogen oxide(s)
PRC Accounting Standards	means	Accounting Standards for Business Enterprises of the People's Republic of China
Reporting Period	means	From 1 January to 31 December 2024
RMB or Yuan	means	Renminbi, the lawful currency of the PRC. K Yuan, 10K Yuan, Million Yuan, 100 Million Yuan shall be construed as references to RMB1,000, RMB10,000, RMB1 million, RMB100 million
RMX	means	Ready-mix concrete

INTERPRETATION

Securities and Futures Ordinance	means	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SEHK	means	The Stock Exchange of Hong Kong Limited
SSE	means	Shanghai Stock Exchange
SSE Listing Rules	means	Rules Governing the Listing of Shares on the Shanghai Stock Exchange
Supervisor(s)	means	the supervisor(s) of the Company
The Company or Huaxin Cement	means	Huaxin Cement Co., Ltd.
UHPC	means	Ultra-high performance concrete
VAP	means	Value-added product

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

(I) COMPANY INFORMATION

Name of the Company in Chinese	華新水泥股份有限公司
Abbreviation in Chinese	華新水泥
Name of the Company in English	Huaxin Cement Co., Ltd.
Abbreviation in English	HUAXIN CEMENT
Legal Representative	Mr. Li Yeqing

(II) CONTACT PERSONS AND MEANS OF CONTACT

Title	Joint Company Secretary	Securities Affairs Representative
Name	Mr. Ye Jiaxing (Secretary to the Board of Directors)	Ms. Wang Xiaoqiong
Contact address	Block B, Huaxin Building, No. 426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province	Block B, Huaxin Building, No. 426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province
Tel	0086 27 87773898	0086 27 87773898
Fax	0086 27 87773992	0086 27 87773992
E-mail	investor@huaxincem.com	investor@huaxincem.com

(III) BASIC INFORMATION

Registered office of the Company	No. 600, East Daqi Avenue, Huangshi City, Hubei Province
Business address of the Company	Block B, Huaxin Building, No. 426, Gaoxin Avenue, East Lake High-tech Development Zone, Wuhan, Hubei Province
Post code of the Business address	430073
Website of the Company	www.huaxincem.com
E-mail	investor@huaxincem.com

(VIII) FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS

1. Major financial information for the three years ended 31 December 2024

Table 1

Unit: RMB

I e	2024	2023	Year-on-year change (%) between 2024 and 2023	2022
Revenue	**34,217,347,727**	33,757,087,272	1.36	30,470,382,363
Net profit attributable to equity shareholders of the Company	**2,416,280,487**	2,762,116,715	−12.52	2,698,868,510
Net profit after extraordinary items attributable to equity shareholders of the Company	**1,784,428,724**	2,322,113,737	−23.15	2,578,634,452
Net cash flow operating activities	**5,977,317,233**	6,235,555,071	−4.14	4,567,694,220

Table 2

Unit: RMB

I e	31 Dece be 2024	31 December 2023	Year-on-year change (%) between 2024 and 2023	31 December 2022
Net assets attributable to shareholders of the Company	**30,291,427,176**	28,932,949,847	4.7	27,446,305,028
Total Assets	**69,512,689,187**	68,747,865,736	1.11	64,241,676,265

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

2. Key financial ratios for the three years ended 31 December 2024

Unit: RMB

I e	2024	2023	Year-on-year change (%) between 2024 and 2023	2022
Basic earnings per share (RMB/share)	**1.16**	1.33	−12.78	1.30
Diluted earnings per share (RMB/share)	**1.13**	1.32	−14.39	1.28
Basic earnings per share after extraordinary items (RMB/share)	**0.86**	1.12	−23.21	1.24
Weighted average return on				

4. Extraordinary items and amount

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

5. Items measured by fair value

Unit: RMB

Item	Opening balance	Closing balance	Change in the period	Impact on the profit for the period
Financial assets held for trading	1,495,675	31,704,908	30,209,233	1,575,339
Receivables financing	746,018,692	511,791,354	−234,227,338	—
Other equity investments	964,633,899	934,524,059	−30,109,840	41,073,612
Other non-current financial assets	26,807,920	38,143,738	11,335,818	11,046,850
Bonds payable (preferred stock)	147,690,327	149,725,053	2,034,726	2,034,726
Total	1,886,646,513	1,665,889,112	−220,757,401	55,730,527

(I) CEMENT

The industry in which the Company operates is the building materials industry, specifically in the sector of building materials.

2024 is the crucial year for achieving the "Fourteenth Five Year Plan" targets. Confronted with complex situations of mounting external pressure and rising internal hardships, China's economy operated steadily with progress, and the economic aggregate leapfrogged to a new step with the GDP growth rate standing at 5.0%. High quality development has made solid progress. Adversely affected by the persistent decline in real estate and the slowdown in infrastructure investment growth rate, the demand for cement has witnessed a continuous contraction, resulting in 1.825 billion tons of annual production, a year-on-year decline of 9.5%.

According to the statistics from the Information Research Center of the China Cement Association, it was estimated that the capacity utilization rate of cement clinker production in 2024 would be 53%, with a decrease of 6 percentage points compared to 2023. Despite efforts in various regions across China to intensify off-peak production, cement demand has been remarkably sluggish, and the regulation of supply and production restriction failed to sync with market fluctuation, leading to exacerbating supply demand imbalance and mounting operation pressure. The profit for cement industry for the year was predicted to be around RMB25 billion, a year-on-year decrease of 20%. (Data source: National Bureau of Statistics and China Cement Association)

In July 2024, the Political Bureau of the Central Committee of the CPC held a meeting, emphasizing industry discipline to avoid "involution" competition. The cement industry actively responded to the call to fight against involution competition. The industry association and top enterprises issued initiatives to guard against rat race to enhance the quality development of the whole industry. In October, the Ministry of Industry and Information Technology issued the Implementation Measures of Capacity Replacement for the Cement and Glass Industry (2024 version), prohibiting the registration of new cement capacity projects and highlighting that the amount of capacity used for replacement must be strictly determined based on the production capacity clearly stated in the project filings (approval) documents and inefficiently operating cement production capacity cannot be used for replacement, and the production capacity allocated for new project replacement cannot be split or transferred.

The cement and building materials sector has recently witnessed the implementation of a series of policies related to ultra-low emissions, energy conservation and carbon reduction, quality standards and carbon trading, all of which are geared towards fostering high-quality industry development. In January 2024, the Ministry of Ecology and Environment, in collaboration with other government bodies, issued the "Guidelines for the Promotion of Ultra-low Emissions in the Cement Industry," mandating the upgrade of cement clinker production and stand-alone grinding stations. The national standard GB 175–2023 for general Portland cement, set to take effect on June 1, 2024, significantly enhancing cement quality requirements. Furthermore, the State Council's "Energy Conservation and Carbon Reduction Action Plan for 2024–2025," published on May 29, 2024, outlines explicitly that the cement clinker production capacity shall be restricted to 1.8 billion tons and the capacity with over benchmark level in terms of energy efficiency shall reach over 30% by the end of 2025. Since September 2024, the "Work Plan for the National Carbon Emission Trading Market to Include the Cement, Steel, and Electrolytic Aluminum Industries" has been soliciting public opinion. The Ministry of Ecology and Environment has issued comprehensive guidelines for greenhouse gas emission accounting and verification for the cement industry, signifying a critical step forward in carbon trading expansion. Followingly, a suite of new regulations and standards pertaining to carbon footprints and emissions accounting were issued.

5. Advantages in trademark and brand

"Huaxin Castle" is a Chinese well-known trademark owned by the Company, and it is one of the oldest cement brands in China. The century-old trademark and brand are well-known and highly recognized in the industry.

In 2024, the Company was awarded the "National May Day Labor Award". The Company ranked 33rd in the Hubei Top 100 Enterprises, the 14th in the Hubei Top 100 Manufacturing Enterprises; In the Top 500 Chinese Most Valuable Brands and Top 500 of Asian Brands, the Company ranked the 79th and the 162nd with the brand value reaching RMB104.571 billion. Additionally, the Company was shortlisted in the "2024 China Top 500 Private Enterprises" and the "2024 China Top 500 Private Manufacturing Enterprises".

6. Advantages in the tradition of quality product

The Company was selected as one of the national "Quality Model" Enterprises. The Company was the first in cement industry that passed the certification of the GB/T19001—ISO9001 Quality Management System. All 15 types of cement products were in the roll of the first batch of National Quality Inspection-Free Products and the quality of its cement products has been among the best in the national cement quality competition. The cement products of the Company have been used as building materials in construction of the national landmark buildings and key projects such as the Great Hall of the People, Wuhan Yangtze River Bridge, Jingzhu Expressway, Qinghai-Tibet Railway, Three Gorges Dam, and Xiluodu, Baihetan Hydropower Plants have won widespread acclaim.

7. Leading advantage in intelligent management

For over 20 years, the Company has tirelessly explored the path of information and technology development. By vigorously promoting the development strategy of "traditional industry + digital innovation", focusing on three closed loops of "industrial intelligence, business intelligence, and management intelligence", and concentrating on cost reduction, risk prevention, and efficiency improvement, the Company has successfully constructed significant projects such as the cement low-carbon manufacturing intelligent system, the overseas basic digital system, strategic support system for Yangtze River integration, and aggregate intelligent production system, which have effectively supported the execution of the Company's strategies.

During the Reporting Period, the "Key Technology of Low-carbon Intelligent Manufacturing" developed under the leadership of CEO Li Yeqing, has been successfully included in the "National Industrial and Information Technology Sector Energy Conservation and Carbon Reduction Technology and Equipment Recommendation Directory (2024 Edition)." Furthermore, the project "Data-driven Full-process Low-carbon Intelligent Production Platform for Cement" has won the second prize in the "Industrial Manufacturing" category of the first "Data Elements X" competition and has been selected as one of the first batch of typical cases in Hubei Province under the "Data

(II) PROFIT DISTRIBUTION POLICY AND ITS IMPLEMENTATION

1. The formulation and implementation of cash dividend policy

On 21 May 2024, the 2023 Profit Distribution Plan was approved on the Annual General Meeting 2023 of shareholders. On the basis of the total 2,078,995,649 shares at the end of 2023, a cash dividend of RMB0.53 per share (incl. tax) was distributed to all shareholders, hence RMB1,101,867,693.97 were distributed, and the remaining balance was transferred to undistributed profit. There will be no capital reserve to be converted into share capital for 2023.

On 23 May 2024, the Company published the announcement "Distribution of Final Dividend for the Year Ended 31 December 2023". On 11 June 2024, the Company published the announcement "2023 Profit Distribution Announcement for A shares", clarifying the implementation of A share and H share dividend respectively.

The profit distribution plan of 2023 has not been modified. The profit distribution plan was implemented on 19 July 2024.

2. Profit distribution plan for 2024

The net profit of the Company in 2024 amounted to RMB1,928,498,891 and the consolidated net profit attributable to the shareholders amounted to RMB2,416,280,487. The profits of the Company available for distribution was RMB10,748,397,602 as at 31 December 2024.

The Board proposed that based on the Company's total share capital of 2,078,995,649 shares, a cash dividend of RMB0.46 per share (tax inclusive) shall be distributed to all shareholders. The balance will be booked as undistributed profit. The Board also proposed that no capital reserve shall be converted into share capital for 2024.

As at the date of this report, no shareholders waived or agreed to waive the dividend distribution plan for 2024.

The profit distribution plan is subject to approval at the 2024 Annual General Meeting of the Company (the "2024 AGM"). The date of the Company's 2024 AGM and the relevant book closure arrangement, as well as the arrangement of book closure for the final dividend, will be announced in the Notice of the 2024 AGM which will be published in due course.

(III) DIVIDENDS

The Board of Directors proposed to distribute a final dividend of RMB0.46 (tax inclusive) per share for 2024, subject to the approval at the 2024 AGM. The above proposed final dividends are expected to be paid to the shareholders of the Company before 25 July 2025.

(IV) TAXES

None of the Group's Directors, Supervisors or their respective close associates (as defined in the HKEX Listing Rules) or shareholders of the Company (who or which to the best knowledge of the directors of the Company) holding more than 5% of the Company's issued shares had any interest in the Group's top 5 customers or suppliers for the year ended 31 December 2024.

(VI) R&D EXPENSES

Unit: RMB

R&D expenses calculated as expenses	238,744,439
R&D expenses calculated as capital expenditure	2,159,001
Total R&D expenses	240,903,440
% in operating revenue	0.70
% of capitalized R&D expenses	—

(VII) LAND LEASE, REAL ESTATE, FACTORY AND EQUIPMENT

Changes in land lease, real estate, factory and equipment of the Company for the year ended 31 December 2024 are set out in Note V (15) to the financial statements prepared in accordance with the PRC Accounting Standards.

(VIII) TOTAL ASSETS

The total assets of the Group as of 31 December 2024 determined in accordance with the PRC Accounting Standards were approximately RMB69.51 billion, representing an increase of approximately RMB0.76 billion as compared to that as at 31 December 2023.

(IX) RESERVES

Changes in various reserves of the Company during the year ended 31 December 2024 are set out in Note V (37) to (43) to the financial statements prepared in accordance with the PRC Accounting Standards.

As at 31 December 2024, an amount of approximately RMB26,017,705,413 standing to the credit of the Company's reserve account is available for distribution.

(X) DEPOSITS, LOANS AND CAPITALIZED INTERESTS

Details of the Group's loans as of 31 December 2024 are set out in Note V (21), (28) and (29) to the financial statements prepared in accordance with the PRC Accounting Standards. The Group's depository banks as at 31 December 2024 were all commercial banks with good credit standing. The Group did not have any fixed time deposits that cannot be withdrawn due to maturity. During the Reporting Period, the capitalized interest of construction in progress was RMB6 million. Details are set out in Note V (14) to the financial report prepared in accordance with the PRC Accounting Standards.

(XI) EXCHANGE RATE RISK AND RELATED FINANCIAL INSTRUMENT HEDGING

The Group has currency exposures arising from sales or purchases by operating units in currencies other than the units' functional currencies. In addition, the Group has currency exposures from its foreign currency borrowings.

The Financial Department of the Group's headquarters is responsible for monitoring the scale of the Group's foreign currency transactions, foreign currency assets and liabilities, so as to minimize the foreign exchange risks it faces. The Group may avoid foreign exchange risks by signing forward foreign exchange contracts or currency swap contracts. In 2024, the Group signed some forward foreign exchange contracts.

(I) OVERVIEW OF OPERATION DEVELOPMENT

Business Highlights

Resilient operation efficiency	• Revenue reached RMB34.217 billion, with a year-on-year increase of 1.36%. • Net profit attributable to equity shareholders of the Company reached RMB2.416 billion, demonstrating resilience in hardship.
Remarkable achievements in the integrated development model	• Aggregate sales reached 143.23 million tons, with a year-on-year increase of 9%. • Concrete sales reached 31.81 million cubic meters, with a year-on-year increase of 17%. • Eco disposal volume reached 4.41 million tons, with a year-on-year increase of 50,000 tons.
Significant progress in the overseas strategy	• Revenue reached RMB7.984 billion, with a year-on-year increase of 47%. • Overseas sales of cement reached 16.20 million tons, with a year-on-year increase of 37%. • Overseas capacity exceeded 22.50 million tons/year, with a year-on-year increase of 8%. • Closing the deal of cement project in Nigeria and aggregate project in Brazil, accelerating the global presence.
Dedicated green and low-carbon model	• The Group's blended thermal substitution rate reached 21.66%, with an increase of 1.66 percentage points from 2023; it reached 26.71% domestically, with an increase of 3.71 percentage points from 2023. • The comprehensive energy consumption of domestic kiln lines was 94.03 kgce/t, with a year-on-year decrease of 0.67 kgce/t, with 31 kiln lines reaching the benchmark level, accounting for 63%. • The intensity of direct emission of carbon dioxide per ton of cement in China (scope 1) was 583.26 kg, with a year-on-year decrease of 2.61 kg.

In 2024, the demand for cement continued to slide due to the influences by factors such as the constant profound adjustment in the real estate industry, and slowdown or infrastructure shutdown, resulting in ever more prominent imbalance between supply and demand and sharp decline in the industry profit. Confronting the consistent challenges in the industry and market, the Company responded to those challenges proactively with forward-looking operation strategy. In the course of the year, the organization structure was optimized to speed up the transformation of the Company to a greener, more intelligent and more international corporation. Upholding the principle of "Profit is the goal, income is fundamental", the Company reinforced the operational mind, thereby making breakthroughs in rat-race competitions.

- Upholding the development strategy. Upgrading the former strategy of "Integrated development, overseas expansion, new building material expansion, traditional industry + digital innovation" to current "overseas multiple businesses, domestic integration synergy, carbon reduction and value-added innovation, driven by digitalized AI", and committed to the long-term strategic goal of "building a globally leading multinational corporation in building materials industry".

- Reshuffling organization structure. Dividing the organization structure into three sectors of business operation, business management and business support to define responsibilities and roles clearly, maximize efficiency and profit, converge the management with business synergy to the maximum extent and achieve breakthroughs in people's mind and organization capability.

Analysis of output and sales volume

Product	Unit	Output	Sales volume	Inventory	Output change over last year (%)	Sales volume change over last year (%)	Inventory change over last year (%)

Breakdown of major assets as at the end of the Reporting Period

Unit: RMB

Cash and bank balances	589,962,243
Fixed assets	5,134,693
Intangible assets	5,563,022

Funding sources

An analysis of the Company's bank loans at the end of the Reporting Period is as follows:

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	**3,388,952,220**	3,006,336,175
1–2 years	**3,412,692,610**	3,403,929,002
2–5 years	**5,779,719,351**	4,497,586,168
Over 5 years	**406,358,750**	721,504,545
Total	**12,987,722,931**	11,629,355,890

As at the end of the Reporting Period, the accumulative balance of bank loans and interest of the Company amounted to RMB12.988 billion, representing an increase of RMB1.358 billion from the beginning of the year, which was mainly due to the expansion of business scale and the new borrowings used for project construction during the Reporting Period.

In addition to the above borrowings, the Company had RMB4.843 billion of corporate bonds due within 1–5 years as at the end of the Reporting Period.

Analysis of liquidity

Unit:RMB

Item	As at 31 December 2024	As at 31 December 2023	Change (%)
Interest-bearing liability	**18,122,243,730**	16,957,076,310	6.87%
Asset-liability ratio	**49.80%**	51.54%	Decreased by 1.74 percentage points

As of the end of the Reporting Period, the interest-bearing liabilities increased by 6.87% compared with the beginning of the Reporting Period, mainly attributable to the increase of long-term loans. The asset-liability ratio (The asset-liability ratio is equal to total debt divided by total assets) was optimized decreasing by 1.74 percentage points.

Asset Mortgage

For details of the asset mortgage, see Note V (20) to the Financial Reports prepared in accordance with China Accounting Standards.

(6) Enhancing the efficiency of production operations to cut costs and energy consumption comprehensively. Optimizing key industrial indicators to increase production efficiency. Additionally, the implementation of strategic initiatives aimed at improving fuel cost efficiencies, such as enhancing the TSR, is pivotal for sustained cost savings and revenue generation. The procurement and promotion of zero-cost and negative-cost raw materials are intensified, further contributing to cost reduction. Adjusting the mixing proportions to reduce the clinker factor, thereby diminishing raw material expenses.

(I) COMMITMENTS

There were no commitments made by the de facto controller, shareholders, related parties, purchasers and the Company during the Reporting Period or continuing to the Reporting Period.

(II) APPROPRIATION OF THE COMPANY'S FUNDS FOR NON-OPERATING PURPOSE

During the Reporting Period, the Company's controlling shareholder and its related parties did not appropriate the Company's funds for non-operational purposes. The detailed statement issued by Ernst & Young Hua Ming will be disclosed on the websites of the SSE, SEHK and the Company on the same day as this report is issued.

(III) ANALYSIS AND EXPLANATION OF THE REASONS AND EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

During the Reporting Period, there were no changes in the Company's accounting policies and accounting estimates.

(IV) AUDITORS AND REMUNERATION

Description of the appointment of auditors

On 21 May 2024, at the Company's annual general meeting shareholders approved the re-appointment of Ernst & Young Hua Ming as the Company's auditor for financial audit and internal control audit for the Year 2024.

Unit: RMB

	Current
Name of PRC auditors	Ernst & Young Hua Ming
Remuneration of domestic CPA	5,200,000
Year of auditing by domestic CPA	3

	Name	Payment
Internal control auditor	Ernst & Young Hua Ming	500,000

(V) INSOLVENCY OR RESTRUCTURING

During the Reporting Period, the Group did not experience bankruptcy or reorganization.

IMPORTANT MATTERS

(VI) MATERIAL LITIGATIONS AND ARBITRATIONS

During the Reporting Period, the Company was not involved in any litigation or arbitration that had been disclosed in the extraordinary announcements but had no further progress.

The table below sets out the litigations and arbitrations that were not disclosed in extraordinary announcements or that had further progress:

Plaintiff/Applicant	Defendant/Respondent	Judgment liabilities	Type	Basic information	Amount	Expected credit liabilities	Progress	Ctrl+F
Moncement Building Materials LLC	Huaxin Cement Co., Ltd.		Arbitration	For detailed information, please refer to the Annual Report 2020 of the Company at www.sse.com.cn	USD 77.0696 million yuan	Yes RMB40 million yuan	The Secretariat of the International Chamber of Commerce's Arbitration Court has acknowledged the applicant's final claim summing up to USD 73,214,000. In response, the respondent has filed a counterclaim totaling USD 3,855,600 Consequently, the overall disputed amount stands at USD 77,069, 600. The arbitration hearings were conducted on the dates of March 22nd to 23rd and 25th to 28th, 2024, pending for the final verdict.	

(VII) PUNISHMENT ON DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, AND DE FACTO CONTROLLERS OF THE COMPANY AND THE RECTIFICATION

During the Reporting Period, the Company and its Directors, Supervisors, senior management, controlling shareholders and de facto controllers were not penalised and/or rectified.

(VIII) THE INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its controlling shareholders and de facto controllers failed to perform the effective judgment of the court, nor did there exist any large amount of outstanding debts.

(IX) MATERIAL RELATED PARTY TRANSACTIONS

1. Related party transactions related to day-to-day operations or continuing related party transactions

During the Reporting Period, the Group entered into certain transactions with persons deemed to be "related parties" under applicable accounting standards. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in Notes XI of the financial statements prepared in accordance with the PRC Accounting Standards. The related party transactions disclosed in Note XI are not considered as connected transactions defined in Chapter 14A of HKEX Listing Rules or exempt from the reporting, announcement and shareholder approval requirements under the HKEX Listing Rules.

As of 27 December 2024, Dongjun Cement has received the initial 50% of the compensation funds.

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies during the Reporting Period.

3. Guarantees

During the Reporting Period, all external guarantees provided by the Company complied with the approval procedures of the Board of Directors and/or the general meeting of shareholders. The total amount of guarantees provided by the Company to subsidiaries was RMB1.165billion. As of the end of the Reporting Period, the balance of the Company's external guarantees was RMB11.263billion, accounting for 32.28% of the Company's net assets at the end of the Reporting Period. The details are as follows:

Unit: RMB

The C a ' e e al g a a ee (e cl dj g g a a ee i b idia ie)	
Total guarantee amount during the Reporting Period (excluding guarantee for subsidiaries)	0
Guarantee amount left at the end of the Reporting Period (A) (excluding guarantee for subsidiaries)	0

(I) TOTAL NUMBER AND STRUCTURE OF SHARES

During the Reporting Period, the total number of the Company's shares remained unchanged.

(II) SHAREHOLDERS

1. To the best knowledge of the Company, as at 31 December 2024, the total number of registered shareholders of the Company was 52,723; as at 28 February 2025, the total number of registered shareholders of the Company was 51,386.

2. To the best knowledge of the Company, as at 31 December 2024, the shareholdings of the top 10 registered shareholders of the Company are set out as follows:

No.	Full name of shareholder	Number of shares held	Percentage (%)	Class of shares	Pledged, marked or locked-up Status	Pledged, marked or locked-up Quantity	Shareholder nature
1	HKSCC Nominees Limited	734,719,919	35.34	H share	Unknown	0	Overseas legal entity
2	HOLCHIN B.V.	451,333,201	21.71	A share	None	0	Overseas legal entity
3	Huaxin Group Co., Ltd.	338,060,739	16.26	A share	None	0	State-owned legal entity
4	Hong Kong Securities Clearing Company Ltd. (HKSCC)	55,034,003	2.65	A share	None	0	Overseas legal entity
5	ICBC Credit Suisse Fund – China Life Insurance Company Limited – Dividend Insurance – ICBC Credit Suisse Fund China Life Balanced Equity Portfolio Single Asset Management Plan (Available-for-Sale)	16,458,637	0.79	A share	None	0	Unknown
6	National Social Security Fund 413 Portfolio	15,780,000	0.76	A share	None	0	Unknown
7	ICBC Credit Suisse Fund – China Life Insurance Company Limited – Traditional Insurance – ICBC Credit Suisse China Life Balanced Equity Traditional Available-for-Sale Single Asset Management Plan	14,858,456	0.71	A share	None	0	Unknown
8	Agricultural Bank of China Co., Ltd. – ICBC Credit Suisse Innovation Power Equity Securities Investment Fund	13,200,000	0.63	A share	None	0	Unknown
9	National Social Security Fund 107 Portfolio	12,498,720	0.60	A share	None	0	Unknown
10	China Railway Wuhan Bureau Group Co., Ltd.	11,289,600	0.54	A share	None	0	Unknown

Notes:

(1) During the period from 1 January 2024 to 31 December 2024 (the "Reporting Period"), there was no change in the number of the shares of the Company held by Holchin B.V. and its party acting in concert, Holpac Limited. The shares held by Holchin B.V. and Holpac Limited were not subject to any pledge, freezing order or custody.

(2) The shares mentioned above are not subject to any trading restrictions.

(3) To the best of the knowledge of the Board of Directors of the Company, Holchin B.V. and Holpac Limited are wholly-owned subsidiaries of Holcim Limited.

CHANGES IN SHARES AND SHAREHOLDERS

3. Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

As at 31 December 2024, the persons (other than a director or chief executive of the Company) holding interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests kept by the Company in accordance with Section 336 of the Securities and Futures Ordinance (the director or chief executive referred in this paragraph including supervisors) are as follows:

Shareholder name	Nature of interest	Class of shares	Number of shares (long position)	Approximate % of shareholding in the relevant class of shares	Approximate % of shareholding in the total share capital
Holcim Limited	Interest of controlled corporation	A Shares	451,333,201 (long position)	33.57%	21.71%
		H Shares	417,902,467 (long position)	56.88%	20.10%
		Total	869,235,668 (long position)		41.81%
Holderfin B.V.	Interest of controlled corporation	A Shares	451,333,201 (long position)	33.57%	21.71%
		H Shares	384,210,624 (long position)	52.29%	18.48%
		Total	835,543,825 (long position)		40.19%
Holchin B.V.	Beneficial owner	A Shares	451,333,201 (long position)	33.57%	21.71%
		H Shares	384,210,624 (long position)	52.29%	18.48%
		Total	835,543,825 (long position)		40.19%
State-owned Assets Supervision and Administration Commission of Huangshi Municipal People's Government	Interest of controlled corporation	A Shares	338,060,739 (long position)	25.15%	16.26%
Huangshi State-owned Assets Management Company Co., Ltd.	Interest of controlled corporation	A Shares	338,060,739 (long position)	25.15%	16.26%
Huaxin Group Co., Ltd.	Beneficial owner	A Shares	338,060,739 (long position)	25.15%	16.26%
China Conch Venture Holdings (HK) Limited	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
China Conch Venture Holdings International Limited	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
Conch International Holdings (HK) Limited	Beneficial owner	H Shares	92,788,469 (long position)	12.63%	4.46%
China Conch Venture Holdings Limited	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
Anhui Conch Venture New Energy-saving Construction Material Co., Ltd.	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
Anhui Conch Cement Company Limited	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
Anhui Conch Holding Co., Ltd	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%
Conch Venture Wuhu	Interest of controlled corporation	H Shares	92,788,469 (long position)	12.63%	4.46%

4. Directors', Supervisors' and chief executives' interests and short positions in shares, underlying shares and securities

As at 31 December 2024, the Directors, Supervisors and chief executives holding interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests kept by the Company in accordance with Section 352 of the Securities and Futures Ordinance are as follows:

Name	Nature of interest	Class of shares	Number of shares	Approximate % of shares held in the relevant class of shares	Approximate % of shares held in the total share capital
Mr. Li Yeqing	Beneficial interest	A-Shares	404,034 (long position)	0.03%	0.02%
		H-Shares	1,003,896 (long position)	0.14%	0.05%
Mr. Liu Fengshan	Beneficial interest	A-Shares	166,500 (long position)	0.01%	0.01%
		H-Shares	292,100 (long position)	0.04%	0.01%
Mr. Ming Jinhua	Beneficial interest	H-Shares	166,300 (long position)	0.02%	0.01%
Mr. Zhang Lin	Beneficial interest	A-Shares	11,600 (long position)	0.00%	0.00%
		H-Shares	248,400 (long position)	0.03%	0.01%
Mr. Liu Weisheng	Beneficial interest	H-Shares	13,700 (long position)	0.00%	0.00%
	Interest of Spouse	H-Shares	12,600 (long position)	0.00%	0.00%
Mr. Liu Sheng	Beneficial interest	H-Shares	25,300 (long position)	0.00%	0.00%
	Interest of Spouse	H-Shares	27,900 (long position)	0.00%	0.00%
	Interest of Spouse	A-Shares	10,000 (Long position)	0.00%	0.00%

5. Information on the controlling shareholder and de facto controller

During the Reporting Period, there was no change in the controlling shareholder and de facto controller of the Company.

2 Main work experience of the current Directors, Supervisors, and senior management

Name	Main work experience
Xu Yongmo	Mr. Xu Yongmo, born in April 1956, Master of Engineering, obtained Doctor and Post Doctorate in the United Kingdom. 1982–1983, assistant engineer of Plasterboard Subsidiary of Beijing New Building Material Plant; 1986–1988, head of RMX laboratory of Concrete and Housing Building Materials Institute of China Building Materials Academy; 1988–1991, vice director of Technical Information Centre of China Building Materials Academy; 1998–2002, vice president of China Building Materials Academy; from April 2002 to April 2017, vice president of China Building Materials Federation; from June 2006 to December 2016, president of China Concrete & Cement Product Association; from December 2016 to July 2022, executive president of China Concrete & Cement Product Association; from March 2007 to July 2022, director-general of China Construction Units Association; from October 2007 to July 2019, VP of China Cement Association; from December 2011 to March 2019, director-general of China Silicate Association; from April 2021 to May 2024, he became an independent director of Jiangsu Sobute New Materials Co., Ltd. He served as the honorary president of China Concrete & Cement Product Association since June 2023. He became the Independent Director of the Company from April 2009 to March 2012. He has been the Chairman of the Company in April 2012.
Li Yeqing	Mr. Li Yeqing, born in February 1964, Doctor, senior engineer (professor level). He is currently the chief executive officer of the Company, chief engineer, chief specialist and executive chairman of the Specialist Committee of China Building Materials Federation. In July 1984, he graduated from Wuhan Institute of Building Materials with a bachelor's degree in engineering, majoring in silicate, and with a master's degree in engineering majoring in industrial management, and from Huazhong University of Science and Technology with a doctor's degree in management, majoring in management science and engineering. From July 1984 to October 1987, served as a teacher in Wuhan University of Technology Silicon Engineering Department, and a deputy secretary of the Youth League Committee. He joined Huaxin Cement Plant (predecessor of the Company) in November 1987, served as a quality control engineer of Central Lab, vice manager of Limestone Quarry, vice director of Extension Office and manager of production technology, and promoted as the vice manager of Huaxin Cement Plant in January 1993, he became Deputy General Manager of the Company in June 1994, General Manager of the Company and chief engineer since December 1999 (renamed as chief executive officer in March 2004). He served as a Director of the Company since 1994. He served as the Chairman of Oman Cement Company since April 2023. He has also been the Vice Chairman of China Building Materials Federation since March 2009 and Vice Chairman of China Cement Association since May 2000. He also served as the Chairman of Hubei Building Materials Federation since January 2014. Also, he has been serving as the Executive Vice Chairman of the Sixth Council of China Building Materials Federation since October 2020.

Name	Major work experience
Liu Fengshan	Mr. Liu Fengshan, born in November 1965, obtained master's degree in public administrations from Nanyang Technological University in Singapore, senior engineer. Mr. Liu graduated from Kunming Institute of Technology with a bachelor's degree in engineering, majoring in mineral processing in July 1987. From 1987 to August 1998,

Name	Major work experience
Tan Then Hwee	Ms. Tan Then Hwee, Singaporean, born in December 1972, graduated from Wichita State University in the United States of America with a Master of Business Administration and a Bachelor of Business Administration. She has accumulated over 20 years of experience in human resources management within the Asia-Pacific region, with experience in leadership development, talent and succession management, employee engagement and remuneration management. From November 2000 to June 2006, she worked at Philips (a company listed on the Euronext Amsterdam, stock code: PHIA) in Hong Kong, with her last position being the human resources senior manager. From June 2006 to February 2007, she was a human resources senior manager at TPO Displays Hong Kong Limited, a company spun-off from Philips in 2016. Between April 2007 and March 2019, she served as the human resources vice president of the Asia-Pacific region of Sika Group in Singapore. She joined Holcim in March 2019 and is currently the Group Head of Learning and Development. Since January 2023, Ms. Tan has assumed the role of the Head of HR for Holcim Asia Pacific. She served as a non-independent director and member of the compliance committee of Ambuja Cements Limited (a company listed on the National Stock Exchange of India, stock code: AMBUJACEM) from February 2019 to September 2022 and a director as well as a member of the audit committee of Holcim Philippines, Inc (a company listed on the Philippine Stock Exchange, stock code: HLCM) since September 2020. She has been a Director of the Company since September 2020.
Wong Kun Kau	Mr. Wong Kun Kau, born in 1960, graduated from the University of Hong Kong with a bachelor's degree in social science. Mr. Wong Kun Kau has over 28 years of experience in investment banking and corporate finance. He is the founder and has served as a director of Bull Capital Partners Ltd. which is incorporated in the Cayman Islands since July 2007. Before founding Bull Capital Partners Ltd., he worked as the head of BNP Paribas Capital (Asia Pacific) Limited of Investment Banking — Asia. Before that, he worked with Wardley Investment Services Ltd., Bank America Trust Co., (HK) Ltd., Nomura International (HK) Ltd., and Samuel Montagu & Co., Ltd. He has been an independent non-executive director of REF Holdings Limited (a company listed on SEHK, stock code: 1631) since August 2015. He has been an Independent Director of the Company since April 2021.
Zhang Jiping	Mr. Zhang Jiping, born in November 1968, holds an LL.B. degree and Master of Laws degree from the University of International Business and Economics in Beijing and a master's degree from New York University School of Law. He worked at the Legal Department of China Securities Regulatory Commission as a staff attorney from 1993 and 1996. He worked at Simpson Thacher & Bartlett LLP in its New York and Hong Kong offices from 1997 to 2003. He joined Haiwen & Partners in 2004 and has been promoted as a managing partner in May 2014. He has over 25 years of legal experience, and his practice primarily focuses on the FDI, M&A, and capital markets areas. He has been a Director of the Company since April 2021.

Name	Main work experience
Jiang Hong	Mr. Jiang Hong, born in March 1970, obtained bachelor's degree in finance in economics from Finance and Economics Department of Xiamen University, a certified public accountant in the PRC. He used to be a representative of the 15th Shanghai People's Congress and a member of the 12th Standing Committee of the Jing'an District CPPCC. From August 1992 to June 2006, he worked with the MOF Commissioners Office in Shanghai. From June 2000 to October 2015, he worked as chief financial officer, chief taxation officer, and chief governmental affairs officer at Philips (China) Investment Co., Ltd. From October 2015 to December 2021, he has been serving as the vice chairman of Shanghai Intellects Association Foreign Business Branch, chairman of Jing'an District Intellects Association, and in charge of O2Change startup incubator and incubation funds jointly created by over ten multinational corporations. He has been an independent director of Wonders Information Co., Ltd. since July 2023. He has been an independent director of the Company since April 2021.
Ming Jinhua	Mr. Ming Jinhua, born in September 1972, MBA, Accountant, senior economist. He graduated from Hubei Engineering Institute with a bachelor's degree majoring in machinery manufacturing in July 1994. He graduated from the Huazhong University of Science and Technology with a master's degree of business administration in June 2003. From August 1994 to June 1998, he served as a loan officer of Huangshi Branch, Bank of China. From June 1998 to October 2006, he served as a member, senior staff member, director, and deputy director of the Second Office of Discipline Inspection and Supervision Division of Supervision Bureau of Huangshi Municipal Commission for Discipline Inspection. From October 2006 to September 2010, he served as a member of the party group of Tieshan District Government and deputy head of Tieshan District, Huangshi City. From September 2010 to September 2011, he served as a member of the party group and deputy director of Huangshi Commerce Bureau (Investment Promotion Bureau). From September 2011 to February 2014, he served as the Standing Committee member and Secretary to the Commission for Discipline Inspection of Xisaishan District, Huangshi City. From February 2014 to September 2016, he served as the deputy secretary of the party committee, deputy director-general, secretary of the party committee and director general of Huangshi MBEC, chairman of Huangshi Yangtze River Bridge Operation Co., Ltd., and secretary of the party committee and chairman of Huangshi Transportation Investment Group Co., Ltd. From September to December 2016, he served as the deputy secretary of Yangxin County party committee, secretary of the party group of Yangxin County Government, and acting head of the County. From December 2016 to July 2021, he served as deputy secretary of Yangxin County party committee, secretary of the party group of the County government, and head of the County. From July 2021, he served as a deputy secretary of the party committee and secretary to Commission for Discipline Inspection of the Company and Huaxin Group. From August 2021, he serves as the chairman of the Board of Supervisors of the Company and chairman of the labor union of the Company and Huaxin Group.

Name	Main work experience
Zhang Lin	Mr. Zhang Lin, born in September 1972, MBA, registered certified public accountant. He graduated from Hangzhou Business School, Zhejiang Business Administration University, with a bachelor's degree majoring in accounting in June 1995; graduated from Huazhong University of Science and Technology, with a master's degree in business administration, majoring in business administration in December 2002. He joined the Company in July 1995, he has served as the Company's accountant, chief of plan and finance department of Xiantao Company and Yichang, financial manager of Zhaotong Company, member of HARP project, vice manager of ERP Department, head of internal control department, financial director of overseas division, chief of internal audit and internal control department, and director of internal audit. He served as a Supervisor from April 2012 to April 2015. He became a (Assistant Vice President) Director of the internal audit and internal control department of the Company in August 2019. He was appointed as Supervisor in March 2017.
Liu Weisheng	Mr. Liu Weisheng, born in May 1972, obtained bachelor's degree of laws, and master's degree in western economies, senior economist. He joined the Company in July 1991. He has served as the business section chief of the sales department, marketing manager, assistant general manager of sales company, deputy general manager (marketing) of Southwest division, deputy director of the CEO's office, director of communication and public affairs, director of the CEO's office (supervision office), the head of the Talent Development of the Human Resources Development. He is now the director of Human Resources Department, general manager of Huaxin Cement Technology Management (Wuhan) Co., Ltd. and general manager of Huaxin (Hainan) Investment Co., Ltd. He served as a Supervisor from April 2021.
Liu Sheng	Mr. Liu Sheng, born in November in 1973, bachelor degree. He joined the Company in 1993, and has served as deputy secretary of the Company's Youth League Committee, deputy director of the Political Work Department, deputy general manager and administrative manager of Wuxue Company, administrative manager of Hunan Project Department and project manager of Daoxian Project, deputy general manager of RMX Aggregate Business Department and general manager of Aggregate Business Department and general manager of Hunan Region, director of RMX Business Department in Hubei East Region, director of business development and sales management of Aggregate/Brick in New Business Department, deputy manager (administration) of 100 million tons Machine-made Sand/year Project, director of Regional Business Development, deputy general manager (HR and administration) of Huangshi Industrial Park, deputy general manager (HR and administration) of Huangshi Green Building Materials Industrial Limited Company. He was currently the head of public affairs department and deputy general manager of Huaxin Group. He served as a Supervisor from May 2024.

Name	Main work experience
Yang Xiaobing	Mr. Yang Xiaobing, born in July 1970, bachelor's degree, human resources professional. He joined the Company in March 1992, he has served as an investigator of the planning & development department; deputy chief and chief of the business administration division of the corporate office; chief of the human resources development of Huaxin Golden Cat Company, human resources manager of the Company, professional assistant deputy director of Southwest division, the chief of the labor union office. He currently serves as the vice-chairman of the labor union. He was appointed as a Supervisor in April 2013.
Chen Qian	Mr. Chen Qian, born in September 1978, Master of Business Administration, Chinese Certified Public Accountant, Fellow Member of Chartered Global Management Accountant. He graduated from Fudan University with a Bachelor's Degree in World Economics in June 2001; in June 2008, he graduated from the Anderson School of Business in the United States with a Master's Degree in Business Administration. He started to work in 2001 and joined the Company in 2020. Before joining the Company, he successively acted as Senior Auditor of PricewaterhouseCoopers, Senior Consultant of Monitor Consulting Group, Chief Financial Officer of Sika Group China, Chief Financial Officer of IMI Critical Engineering Greater China and Korea, Chief Financial Officer of CIF Bureau Veritas China, and Chief Financial Officer of Terminix Group China. From May 2020 to April 2021, he served as the Deputy Chief Financial Officer of the Company. From April 2021, he became Vice President and Chief Financial Officer (CFO) of the Company.
Du Ping	Mr. Du Ping, born in August 1970, Master of Management, senior economist. In 1993, he graduated from Zhongnan University of Economics with a bachelor's degree in investment Principles. In 2003, he graduated from Zhongnan University of Economics and Law, majored in Enterprise Management, and got a Master's Degree of Management. He joined Huaxin Cement Co., Ltd in July 1993 and successively took positions in Investment and Development Department, Advisory Department and Technical Centre, Planning and Development Department and then he served as assistant to the Manager and Vice Manager of Planning and Development Department. From January 2003 to January 2011, he successively took positions of executive deputy general manager and general manager in Huaxin Cement (Tibet) Co., Ltd., GM of Tibei Gaoxin Building Materials Group, Administration Manager of Southwest Region of Huaxin. In September 2012, he was selected in the "123 Key Talent Program of Hubei Province" (first batch). Since February 2011, he successively served as general manager of Hubei East Cement Business Unit, general manager of Yunnan Business Unit, and general manager of Central Business Unit. Now he is also a member of the Hubei Youth Federation. From February 2011 to January 2016, he was AVP of the Company. He became VP of the Company in January 2016.

Name	Major Work Experience
Mei Xiangfu	Mr. Mei Xiangfu, born in July 1972, Master of Engineering and MBA, senior engineer. He graduated from Nanchang Institute of Aeronautical Technology, majoring in Machine Manufacturing Processes and Equipment, and got a Bachelor's Degree of Engineering in 1994. In 2002, he graduated from Wuhan University of Technology, majored in Mechanical and Electrical Engineering, and got a Master's Degree of Engineering. In 2011, he graduated from Huazhong University of Science and Technology and got MBA Degree. He joined Huaxin Cement Co., Ltd. in 1994, and took the positions of technician, vice manager of Equipment and Power Department, DGM of Yangxin Company, DGM and GM of Wuxue Company, GM of Southeast Region, GM of Zhuzhou Company, GM of Maintenance Company. Since February 2011, he successively served as GM of Hunan and Guangdong Cement Business Unit, Head of the Growth and Innovation Business and Head of Operation and Cost Business, GM of New Business Unit, and GM of East Business Unit. From February 2011 to January 2016, he was AVP of the Company. He became VP of the Company in January 2016.
Yang Hongbing	Mr. Yang Hongbing, born in September 1972, Bachelor of Engineering, Master of Administration, senior engineer. In 1995, he graduated from the School of Mechanics of Huazhong University of Science and Technology majoring in Forging and Pressing. From 2015 to 2018, he studied at the School of Management, Huazhong University of Science and Technology. He joined Huaxin Cement Co., Ltd. in 1995. He successively took the positions of the engineer in Mechanics and Power Department, chief engineer in Dry Processing plant, assistant of the General Manager in Yichang Company, Deputy General Manager in Yichang Company and Project Manager for the phase II construction, Executive General Manager of Yichang Company, Executive General Manager of Zigui Company, Regional Production Director in Hubei West, General Manager of Hubei West Region. Since February 2011, he successively served as General Manager of Hubei Southwest Cement Business Unit, Chairman and General Manager of Huaxin Environmental Engineering Co., Ltd., and Director of Cement Business Unit of the Company. From February 2011 to January 2016, he was AVP of the Company. He became VP of the Company in January 2016.

Name	Main work experience
Xu Gang	Mr. Xu Gang, born in March 1978, Master of Business Administration of Tsinghua University, senior economist. He graduated from Safety Engineering major of China University of Geosciences in July 2000 and got the Bachelor's Degree of Engineering. In the meantime, he majored in Financial Management at Huazhong University of Science and Technology and got a Bachelor's Degree. From 2000 to May 2005, he successively took the positions of Safety Engineer, Safety Manager and Technique Manager in Beijing Xingfa Cement Company Ltd. and Beijing Shunfa Cement Company Ltd. From May 2005 to May 2009, he successively took the positions of Integration Manager of Lafarge Shui On Cement China Region Merger & Acquisition Project, Project Manager of Organization Structure Optimization and Strategic Manager of China region. From May 2009 to December 2015, he served as Lafarge's Marketing Director of Guizhou, Commercial Director of Chongqing, and Sales Director of Yunnan. From December 2015 to April 2016, he took the position of Marketing Director of Yunnan BU of Huaxin Cement. Since April 2016, he successively served as Head of Growth & Innovation, Head of Strategy Development & Procurement Businesses, and GM of Oversea Business Unit. From April 2016 to April 2018, he was AVP of the Company. From April 2018, he became VP of the Company.
Wang Jiajun	Mr. Wang Jiajun, born in December 1980, master, senior engineer. In 2003, he graduated from Wuhan University of Technology majoring in non-organic non-metal materials with a Bachelor's Degree of Engineering. In 2012, he graduated with a Master's Degree of Engineering in material engineering major from Wuhan University of Technology. From June 2003 to June 2006, he worked as a process design engineer in Wuhan Building Materials Industry Design and Research Institute. He joined Huaxin in June 2006 and successively served as Manager of the Process Department, Manager of Engineering Department, Head of Environmental Protection Technology Department, Operation & R & D Director, and General Manager of Environmental Protection Department. Since February 2021, he has served as General Manager of Environmental Engineering BU and General Manager of New Materials BU. From August 2019 to April 2021, he was AVP of the Company. From April 2021, he became VP of the Company.

Name	Main work experience
Ye Jiaxing	Mr. Ye Jiaxing, born in August 1981, Bachelor of Laws in Wuhan University of Science and Technology, Master of Business Administration of China University of Political Science and Law, senior economist. He started to work in 2005. Main working experience: Legal Commissioner of Shougang Group Mining Investment Company, Legal Manager and Office Director of Philippines Company of Shougang Group Mining Investment Company, Head of Investment Legal Department of Shougang Group Mining Investment Company, Capital Operation Manager of Capital Operation Department of China Aluminum Corporation, General Manager of the Legal Department of China Huaxin Post and Telecommunications Economic Development Centre, General Manager of the Legal Affairs Centre of Lianjia Group (Beijing). Since May 2017, he successively served as the Legal Affairs Director and the Chief of Legal Compliance & Securities and Investor Relations Business of Huaxin Cement Co., Ltd; and he was concurrently in charge of the work of Chinese Communist Youth League. From August 2019 to April 2021, he was AVP of the Company. From April 2021, he became VP and Secretary to the Board of Directors of the Company. He concurrently served as the chief compliance officer of the Company since April 2023.
Lu Guobing	Mr. Lu Guobing, born in June 1970, is a part-time undergraduate. He started to work in 1990 and joined Huaxin. He worked as an employee in Huaxin Jian'an, purchaser in Huaxin Science and Technology Development Company, salesman in Huaxin Sales Company, Section Chief in Clinker Department, Manager in Shanghai Marketing Department, Marketing Manager and Executive Manager in Nantong Company, Executive Manager in Xinyang Company, Marketing Director in Northwestern Hubei Cement BU, Deputy General Manager in Western Hubei Cement BU, Director of RMX in Hubei West Region, General Manager in Huaxin Concrete Company and Huaxin Concrete (Wuhan) Company (Assistant Vice President), General Manager of RMX BU, President of Huaxin Concrete Company and Huaxin Concrete (Wuhan) Company, Director of RMX Business (Assistant Vice President). From May 2024, he became VP of the Company.
Tang Jun	Mr. Tang Jun, American nationality, born in March 1970, a postgraduate with a master's degree in Computer Science of US Central Michigan University and a MBA of Georgia Institute of Technology. He's a senior engineer. He started to work in 1992, and joined Huaxin in 2019. He worked as a System Engineer in IBM China, an Executive Consultant in US Agilysys Inc., General Manager in Wuhan Transvalue Imaging Control Co.,Ltd. Currently, he is the Director of Huaxin Digital Innovation Center (Assistant Vice President), Deputy Chief Engineer and Deputy Director of Technology Center (Digital Innovation). From May 2024, he became VP of the Company.

Name	Major work experience
Zhu Yaping	Mr. Zhu Yaping, born in September 1968, master's degree and senior engineer. He joined the Company in July 1989. He has served as the electrical engineer of the Company, deputy factory director of dry processing plant, deputy general manager of equipment and executive general manager of Huaxin Cement (Yangxin) Co., Ltd., head of the maintenance department and general manager of the maintenance department, deputy director of the cement business department and the responsible person for the cement industry of the Company, he is now the deputy general manager of Overseas Region and country manager of Oman. He served as a Supervisor from April 2021 to May 2024.
Ke Youliang	Mr. Ke Youliang, born in April 1965, Doctor of Management, Senior Economist. He graduated from Huangshi Technical School Hubei Province in July 1985, and graduated from Zhongnan University of Economics in 1994 majoring in industry and corporate administration, graduated from Wuhan University of Technology and obtained master's degree in economics in June 2001, majoring in industrial economics, graduated from Wuhan University of Technology with a doctor's degree of in Management, majoring in management science and engineering in 2007. Mr. Ke Youliang joined Huaxin Cement Plant in 1985 and was an assistant manager of investment department, manager of engineering administration department, vice manager of comprehensive administration department of engineering division, and manager of planning and development department. He successively served as assistant general manager of the Company, manager of planning and development department, general manager of Western business department, general manager of AGG & wall materials business department, and Chief Safety Officer from November 2001. From April 2003 to March 2004, he served as the deputy general manager of the Company. He served as a vice president of the Company from March 2004 to May 2024.
Liu Yunxia	Ms. Liu Yunxia, born in September 1968, MBA, Senior Engineer. In 1989, she graduated from Wuhan University of Technology, majored in the cement of silicate engineering, with Bachelor's Degree of Engineering. In 2006, she graduated from Wuhan University of Technology and got an MBA degree. She joined the Huaxin Cement Plant (predecessor of the Company in July 1989 and was a teacher of technology in the Huaxin Secondary Technical School. From February 1993 to January 2000, she was an engineer in the Engineering Department. From January 2000 to June 2012, she successively took the positions of vice manager and manager of the Development Department, and the GM of Tajikistan Plant. Since July 2012, she successively served as vice director of the Strategy and Development Center of the Company, GM of the Hong Kong Investment Company, GM of Oversea Business Unit, Head of Marketing & Procurement Businesses, and Head of Procurement Logistics and Oversea Trade Business. From July 2012 to January 2016, she was AVP of the Company. She served as a vice president of the Company from January 2016 to May 2024.

Name	Main work experience
Yuan Dezu	Mr. Yuan Dezu, born in September 1963, bachelor. In 1986, he graduated from Central TV University Huaxin Branch Campus, junior college education majored in Industrial Accounting. In 1997, he graduated from Hubei Communist Party School, majored in Enterprise Management, and got a Bachelor's Degree of Management. From 1998 to 2000, he had a correspondence course in the Party School of Central Committee of the Communist Party. In July 1981, He joined Huaxin Cement Plant (predecessor of the Company), and successively took the positions of the planner in the Sales Department, deputy chief of Administration Section of Sales Department, vice manager of Sales Management Department, manager of Logistics Department, DGM of Sales Company, Marketing GM of Hubei East Region, Marketing Director of Hubei East Region. From February 2011, he successively served as GM of Hubei Northwest Cement Business Unit, GM of Hubei West Business Unit, Head of Marketing, and GM of Western Region. He is now the Executive Vice Chairman and Secretary-General of the Hubei Cement Association. From February 2011 to January 2016, he was AVP of the Company. He served as a vice president of the Company from January 2016 to May 2024.

Note: During the Reporting Period, 20 incumbent and outgoing senior management, supervisors received 2023 annual performance bonus and other bonuses totaling at RMB 28.7392 million (before tax).

During the Reporting Period, 19 incumbent and outgoing senior management and supervisors received a total of RMB10.6764 million (before tax) for 2020 under the 2020–2022 Employee Stock Ownership Plan.

3. Positions taken by existing Directors, Supervisors and senior management of the Company in the substantial shareholder of the Company:

Name	Shareholder company	Position	Appointment date	Resignation date
Li Yeqing	Huaxin Group	Party Secretary	7 September 2001	/
Liu Fengshan	Huaxin Group	Director, Deputy Party Secretary, General Manager	21 September 2011	/
Ming Jinhua	Huaxin Group	Deputy Party Secretary, Secretary of Committee for Discipline Inspection	14 July 2021	/
		Chairman of Labor Union	31 August 2021	/
		Chairman of Supervisors Committee	30 May 2022	/
Liu Sheng	Huaxin Group	Deputy general manager	7 February 2024	/

4. Positions taken by existing Directors, Supervisors and senior management of the Company in other entities:

Description	Chairman Xu Yongmo, independent directors Wong Kun Kau, Zhang Jiping, Jiang Hong, directors Martin Kriegner, Chi Kong Lo, Tan Then Hwee occupy positions in other companies, please see the above for their resumes.

(II) REMUNERATION FOR THE DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT

Decision procedure of the remuneration	The Remuneration and Assessment Committee of the Board of Directors proposes that the Board of Directors to discuss and decide the remuneration of senior management personnel; the annual remuneration involving directors and supervisors shall be submitted to the general meeting of shareholders for approval.
Basis of determining the remuneration	On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors approved the Proposal in Respect of 2023 Short-term Incentives for the Senior Management, Proposal on the Granting Result of "2023 Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan", Proposal on the Phase II (2024) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan of the Company, specifying the short-term incentives for 2023, granting result of "2023 Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan", and evaluation indicators on the Phase II (2024) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan. On 12 July 2024, the 2nd Meeting of the Eleventh Board of Directors approved the 2024 KPI Assessment Plan for Top Management and Proposal on Remuneration Adjustment of Newly Promoted Senior Management of the Eleventh Board of Directors, specifying the KPI evaluation of 2024 short-term basic salary and incentive and adjusting the annual remuneration of new senior management.
Actually paid remuneration	During the Reporting Period, the remuneration for directors, supervisors and senior management before tax was RMB67.7107 million.
Actually paid remuneration at the end of the period	As at the end of the Reporting Period, the remuneration for directors, supervisors and senior management before tax was RMB67.7107 million.

During the Reporting Period, saved as disclosed, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the Reporting Period.

(III) CHANGE IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Change	Reason
Liu Sheng	Supervisor	Elected	By-election
Lu Guobing	Vice President	Appointed	Appointed by the Board of Directors
Tang Jun	Vice President	Appointed	Appointed by the Board of Directors
Zhu Yaping	Supervisor	Outgoing	End of tenure
Ke Youliang	Vice President	Outgoing	End of tenure
Liu Yunxia	Vice President	Outgoing	End of tenure
Yuan Dezu	Vice President	Outgoing	End of tenure

Save as disclosed in this report, there was no charge in the information of the Directors, Supervisors and senior management of the Company which are required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules.

(IV) SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has signed service contracts with Directors, Supervisors and senior management respectively. For the term of service contracts, please refer to the paragraph headed "1. Basic Information of Directors, Supervisors and senior management" in this section.

(V) INTERESTS OF DIRECTORS AND SUPERVISORS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, none of the Directors and Supervisors or any entities associated with such Directors or Supervisors had or has had a material interest, directly or indirectly, in any transactions, arrangements or contracts entered into by the Company or its subsidiaries (subsisting during or at the end of the Reporting Period).

During the Reporting Period, the Directors and Supervisors did not enter into any service contracts with any members of the Group which would be terminated in the form of compensation provided by the Group (other than statutory compensation) within one year.

During the Reporting Period and up to the date of this report, there has been no permitted indemnity provisions benefit the directors of the Company (including former directors) or any directors (including former directors) of the Company's affiliated companies.

During the Reporting Period, the Company has purchased and maintained liability insurance for Directors, Supervisors and senior management to provide them with appropriate protection against certain legal actions.

(VI) DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 31 December 2024, none of the Directors nor their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

(VII) EMPLOYEE OF THE COMPANY AND MAJOR SUBSIDIARIES

The number of employees in the Company	1,207
The number of employees in major subsidiaries	18,967
Total number of employees	20,174
Retired or to be retired employees whose expenses are borne by the Company or major subsidiaries	4,289

E l ee f c i

Ca eg	N be
Production	7,403
Sales	1,908
Technology	6,610
Financial	975
Administrative	3,278
Total	20,804

As at 31 December 2024, there were 20,174 employees on the Group's payroll, among which16,238 employees were male and 3,936 employees were female. The Company actively attract excellent talents, and strive to form a diversified and inclusive work environment to realise reasonable spread of gender, age and geographic of employees.

(VIII) REMUNERATION POLICY

The Group adopts a comprehensive remuneration system to incentivize the employees to achieve the development goals of the Group and individual. Through the assessment of total remuneration package, the Company sets different KPI for different business units, by linking their performance with remuneration, so the employees can enjoy the rise of performance and are motivated.

(IX) ENDOWMENT INSURANCE FUND

For details of the endowment insurance fund, see Note V (25) to the Financial Reports prepared in accordance with China Accounting Standards. The endowment insurance fund recorded in the profit and loss account of the Group for the year ended 31 December 2024 was RMB240 million.

(X) STAFF HOUSING

According to the relevant regulations of the PRC government, the Group shall pay contributions of the housing provident fund based on a certain percentage of employees' salaries. Saved for the above, the Group has no other accommodation related liabilities. For the year ended 31 December 2024, the total amount of housing provident fund paid by the Group was about RMB140 million.

(XI) TRAINING PLAN

In 2024, the Company has effectively utilized both internal and external resources to develop a sophisticated, multi-layered training infrastructure. This is aimed at continuously enhancing the capabilities of its workforce. The establishment of an international business school and initiatives like the "Journey to the Integration" testifies the Company's commitment to global talent development. The elite internal training team fosters a learning culture. In response to industry dynamics and specific business needs, the Company has implemented a diverse range of training programs, tailored for different levels and functions, including management, safety, technology, procurement and logistics, marketing, finance, and human resources. These programs, delivered through a combination of online and offline modalities, have seen over 25,000 participant engagements, significantly upgrading the professional knowledge and business skills of employees, thereby supporting the Company's operational and developmental objectives.

(XII) LABOR OUTSOURCING

Unit: RMB

Total payment for labor outsourcing	325,356,260

(XIII) EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES

(1) 2020–2022 Core Employee Stock Ownership Plan (2020–2022 ESOP)

The Company set up the 2020–2022 Core Employee Stock Ownership Plan ("2020–2022 ESOP"), which was reviewed and approved in the Company's second extraordinary general meeting in 2020 on 25 September 2020 in order to promote the Company's "milestone" development strategic plan for 2020–2025, establish and improve the benefit sharing mechanism between employees and shareholders.

The 2020–2022 ESOP includes Plan A and Plan B. Plan A is a long-term incentive plan related to the Company's annual performance assessment, and Plan B is a long-term incentive plan linked to the Company's milestone performance assessment. The total capital of the plan didn't exceed RMB610 million, of which the total capital of Plan A didn't exceed RMB210 million, and the total capital of Plan B didn't exceed RMB400 million. The stocks applicable to this plan are all from the A-shares of the Company repurchased with the Company's special securities account for repurchase.

On 9 June 2023, the 25th Meeting of the Tenth Board of Directors approved Proposal on the Granting Result of 2020–2022 ESOP and Proposal on the Partial Repurchase and Cancellation of Shares in the 2020–2022 ESOP, specifying granting result and request the shareholders' general meeting to authorize the Board and authorized person to handle the repurchase and cancel unvested shares due to failure in achieving performance target and the capital reduction.

On 20 July 2023, the Third Extraordinary General Meeting in 2023, the First A Share Class Meeting in 2023 and the First H Share Class Meeting in 2023 were held respectively to approve the Proposal on the Partial Repurchase and Cancellation of Shares in the 2020–2022 ESOP and Proposal on Requesting the Shareholders' General Meeting to Authorize the Board and its Authorized Person to Handle Related Matters of the 2020–2022 ESOP.

On 28 August 2023, the Company finished cancelling the unvested shares due to failure in achieving performance target.

On 28 October 2023, the first lock-up period of the 2020–2022 ESOP expired.

On 26 May 2024, the second lock-up period of the 2020–2022 ESOP expired.

On 28 October 2024, the third lock-up period of the 2020–2022 ESOP expired.

The details of the shares granted and to be granted according to the 2020–2022 ESOP are set out as follows:

Unit: share

Name of Participant	Position	As at 1 January 2024	Granted during the year	Vested during the year[1]	Invalid during the year	Cancelled during the year	As at 31 December 2024[2]	Grant date[3]	Fair value at the grant date (RMB)	Vesting period
Li Yeqing	Executive director & CEO	97,669	0	30,535	0	0	30,535	2020.10.29	24.18	2023.10.29-2025.10.29
		40,000	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Liu Fengshan	Executive director	45,491	0	14,554	0	0	14,554	2020.10.29	24.18	2023.10.29-2025.10.29
		18,433	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Ming Jinhua	Chairman of the Board of Supervisors	4,821	0	4,821	0	0	4,821	2022.5.31	19.83	2024.10.29-2025.05.31
Zhang Lin	Supervisor	19,768	0	7,909	0	0	7,909	2020.10.29	24.18	2023.10.29-2025.10.29
		7,066	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Yang Xiaobing	Supervisor	3,681	0	1,206	0	0	1,206	2020.10.29	24.18	2023.10.29-2025.10.29
		1,474	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Zhu Yaping	Supervisor	15,886	0	5,059	0	0	5,059	2020.10.29	24.18	2023.10.29-2025.10.29
		6,451	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Liu Weisheng	Supervisor	5,849	0	2,150	0	0	2,150	2020.10.29	24.18	2023.10.29-2025.10.29
		2,647	0	0	0	0	0	2021.5.27	22.61	2023.10.29
Others	Other core employees	2,157,947	0	749,382	0	0	749,405	2020.10.29	24.18	2023.10.29-2025.10.29
		985,589	0	0	0	0	0	2021.5.27	22.61	2023.10.29
		22,383	0	22,383	0	0	0	2021.5.27	22.61	2024.5.27-2025.5.27

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

On 21 May 2024, the 1st Meeting of the Eleventh Board of Directors approved the Proposal on the Phase II (2024) ESOP Under 2023–2025 ESOP of the Company, specifying relevant contents of the second phase of the plan.

On 30 September 2024, share purchase of the Phase II (2024) ESOP was completed.

On 24 December 2024, the First Holders' Meeting of the Phase II (2024) ESOP Under 2023–2025 ESOP of Huaxin Cement Co., Ltd approved Proposal on Setting up the Administration Committee of the Phase II (2024) ESOP Under 2023–2025 ESOP, Proposal on Electing the Members of the Administration Committee of the Phase II (2024) ESOP Under 2023–2025 ESOP, Proposal on Authorizing the Administration Committee to Handle Related Matters of the Phase II (2024) ESOP Under 2023–2025 ESOP.

The details of the shares granted and to be granted according to the Phase II (2024) ESOP Under 2023–2025 ESOP are set out as follows:

Unit: share

Name of Participant	Position	As at 1 January 2024	Granted during the reporting period	Vested during the reporting period	Invalid during the reporting period	Withdrawn during the reporting period	As at 31 December 2024	Grant date[1]	Fair value at the grant date (RMB)	Vesting period
Li Yeqing	Executive director & CEO	0	136,672	0	0	0	136,672			
Liu Fengshan	Executive director	0	62,982	0	0	0	62,982			
Ming Jinhua	Chairman of the Board of Supervisors	0	58,784	0	0	0	58,784			
Zhang Lin	Supervisor	0	34,640	0	0	0	34,640	2024.10.1	14.23	2025.10.1–2027.10.1
Liu Weisheng	Supervisor	0	24,143	0	0	0	24,143			
Liu Sheng	Supervisor	0	7,470	0	0	0	7,470			
Yang Xiaobing	Supervisor	0	5,291	0	0	0	5,291			
Zhu Yaping	Supervisor	0	28,475	0	0	0	28,475			
Others	Other core employees	0	2,931,767	0	0	0	2,931,767			

Note:

1. The grant date is the announcement date on completion of share purchase under this Phase II (2024) ESOP.
2. On the trading day immediately before 1 October 2024 (the grant date), the closing price of A share was RMB14.23.
3. The accounting standards and policies to estimate the fair value of the shares in the 2023–2025 ESOP are set out in the Note (XII) to the financial statements prepared in accordance with the PRC Accounting Standards.

The maximum number of shares can be granted for each of the executive Directors and the supervisors listed in the table above under the Phase II (2024) ESOP will not exceed the total number of shares he/she has already been granted; and the number of shares for any other core employee can be granted will not exceed 67,181.

The remaining validity period for the Phase II (2024) ESOP

The Phase II (2024) ESOP shall be valid for up to 60 months from the day when the Company makes an announcement that the last portion of shares to be transferred to the Phase II (2024) ESOP are transferred (i.e. from 1 October 2024 to 30 September 2029). The Phase II (2024) ESOP shall be terminated automatically if it is not renewed upon expiry. The term of the Phase II (2024) ESOP may be extended upon approval of the Holders attending the Holders' Meeting and representing over two thirds of the underlying shares and the Board of Directors, provided, however, that the term of the Phase II (2024) ESOP shall be extended by 12 months each time. As at the date of this Report, the remaining validity period of the Phase II (2024) ESOP is approximately 4 years and 5 months.

(XIV) FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group had no other future plans for material investments or capital assets.

CORPORATE GOVERNANCE & CORPORATE GOVERNANCE REPORT

(I) DISCUSSION OF CORPORATE GOVERNANCE

There is no material deviation from the corporate governance practices and provisions on governance of listed companies in all applicable laws, administrative regulations and CSRC regulations.

The Company's corporate governance structure conforms to the requirements of modern enterprise system and the Code of Corporate Governance for Listed Companies. The Company constantly improves the corporate governance structure and standardizes the company operation in strict accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the SSE Listing Rules and other laws, regulations and normative documents, combined with the actual situation of the Company.

The members of the Board the Directors of the Company are set out below:

E ec i e Dį ec _ :
Mr. LI Yeqing
Mr. LIU Fengshan

N -e ec i e Dį ec _ :
Mr. XU Yongmo *(Chairman)*
Mr. Martin KRIEGNER
Mr. LO Chi Kong
Ms. TAN Then Hwee

3. Directors and the Board of Directors: All Directors exercised their rights and obligations according to laws and their own professional knowledge and ability to make independent, objective and fair judgments on the proposals submitted to the Board of Directors in good faith, diligence and responsibility in strict accordance with the *Articles of Association, Procedural Rules of the Board of Directors* and relevant laws and regulations. In the deliberation of proposals on connected transactions, directors that are not connected abstained from voting to ensure the fairness and reasonableness of connected transactions.

4. Information disclosure and transparency: The Company, in strict accordance with the provisions of the listing rules of the place where the Company's shares are listed, truly, accurately, completely and timely fulfilled its obligation of information disclosure in a just, fair and open way and ensured confidentiality before information disclosure, so that all shareholders can have equal access to the information.

5. Investor relations and stakeholders: The Company attached great importance to the maintenance of investor relations. The Company designated the Secretary to the Board of Directors and the representative of securities affairs to be responsible for information disclosure and investor relations management, and treated the visits and consultations from shareholders and investors seriously. The Company fully respected and safeguarded the legitimate rights and interests of creditors, customers, suppliers and other stakeholders, strived for balance of interests among shareholders, employees and the society, actively participated in public welfare undertakings, valued its social responsibility, and promoted the steady and sustainable development of the Company.

6. Registration and management of insiders who have access to inside information: During the Reporting Period, the Company implemented the *Registration System for Insiders Who Have Access to Inside Information* in strict accordance with the requirements of regulators. In accordance with the Registration System, the Company has registered and put on record the information of insiders involved in the disclosure of inside information in the Company's regular reports. During the Reporting Period, there was no illegal insider dealing of the Company's stocks.

7. Anti-corruption, anti-fraud and reporting system and policies: The Company has formulated anti-bribery and anti-corruption regulations in accordance with the Basic Internal Control Norms for Enterprises and other relevant laws and regulations, together with the actual situation of the Company, to safeguard the legitimate rights and interests of the Company and shareholders and to reduce risks faced by the Company.

As at the end of the Reporting Period, the corporate governance structure of the Company has been perfected, meeting the requirements of the *Company Law* of the People's Republic of China and CSRC. The Company has adopted the principles and provisions of the *Corporate Governance Code*. During the Reporting Period, the Company complied with the provisions contained in the *Corporate Governance Code*.

The shareholders' general meeting, the Board of Directors and the Board of Supervisors operated effectively in strict accordance with the *Articles of Association* of the Company and their respective procedural rules. For the disclosure required under the *Corporate Governance Report* set out in Appendix C1 to the HKEX Listing Rules, please refer to relevant contents in Section 4 "Directors' Report", this section and other sections.

(II) COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 to the HKEX Listing Rules (the "Model Code") as the code of conduct for all directors, supervisors and relevant employees (as defined in the Corporate Governance Code) for securities transactions of the Company. Having made enquiries to the directors and supervisors, the directors and supervisors confirmed that they have strictly complied with the provisions set out in the *Model Code* during the Reporting Period. At the same time, to the best of the Company's knowledge, there were no violations of the *Model Code* by employees.

(III) SPECIFIC MEASURES TAKEN BY CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS TO ENSURE THE INDEPENDENCE IN TERMS OF ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS OF THE COMPANY, SOLUTIONS ADOPTED RELATING TO THE COMPANY'S INDEPENDENCE AS WELL AS SCHEDULES AND FOLLOW-UP WORK PLANS

□ Applicable √ Not applicable

The engagement of the controlling shareholders, de facto controllers and entities under their control in the same or similar business with the Company, the impact of horizontal competition or major changes in horizontal competition on the Company, the solutions taken, the progress of the solutions and the follow-up solutions.

□ Applicable √ Not applicable

(IV) SUMMARY OF SHAREHOLDERS' GENERAL MEETING

Meeting	Convening Date	Website where the Resolution Published and Available	Disclosure Date of Resolution	Resolutions
Annual Shareholders' General Meeting 2023	May 21, 2024	www.sse.com.cn	May 22, 2024	1. 2023 Work Report of the Board of Directors 2. 2023 Work Report of the Board of Supervisors 3. 2023 Final Financial Report and 2024 Financial Budget Report 4. 2023 Profit Distribution Plan 5. 2023 Annual Report 6. Proposal On Re-Appointment Of Ernst & Young Hua Ming LLp (Special General Partnership) as the Company's Auditor For Financial Audit And Internal Control Audit For The Year 2024 7. Proposal in Respect of Providing Guarantee for Subsidiaries 8. Proposal On Issuing Overseas Bonds and Providing Guarantees for Subsidiaries 9. Proposal in Respect of Electing Directors of the Eleventh Board of Directors 10. Proposal in Respect of Electing Independent Directors of the Eleventh Board of Directors 11. Proposal on Electing Shareholder Supervisors of the Eleventh Board of Supervisors

(V) RIGHTS OF SHAREHOLDERS

1. Convening extraordinary general meetings

In accordance with the *Articles of Association of the Company*, shareholders separately or aggregately holding no less than 10% of the Company's issued shares have the right to propose the Board to convene an extraordinary general meeting by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the *Articles of Association*. If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the Board resolved to do so. If the Board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders. Lang (en-G a.5 OLDERS)]TJETEMJETEMe BT0.dam thoOLDERS

4. Procedures for directing shareholders' enquiries to the Board

Enquiries may be put to the Board by contacting either the Company Secretary through (0086) 27 87773898 or email at investor@huaxincem.com or directly by questions at an annual general meeting or an extraordinary general meeting. Questions on the procedure for convening or putting forward proposals at an annual general meeting or an extraordinary general meeting may also be put to the Company Secretary through the same means.

(VI) BOARD OF DIRECTORS

The Board of Directors serves as the permanent body of the Company for making operational decisions and is responsible to the shareholders' general meeting. As at the date of this annual report, the Board of Directors is composed of nine directors including three independent non-executive directors. The Board of Directors strictly abides by the Articles of Association of the Company, the Procedural Rules of the Board of Directors and relevant laws and regulations in performing its duties.

All directors are entitled to acquire the Company's documents (including but not limited to management account, operation result and statistics, audit result and related information and prediction of other industries and market), to seek help and professional opinions from corporate secretary (if any), the fee of which shall be borne by the Company. The Company also took multiple measures and methods to provide the information to independent and non-executive directors for them to learn about the business and operation situation, organized them to pay field visit and exchange with the management to ensure adequate fulfillment of responsibility of the board and safeguard shareholders' interests.

The Directors confirm their individual and collective responsibility for preparing the financial statements of the Company for the year ended 31 December 2024. The Board has set up special committees including the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Strategy Committee and the Governance and Compliance committee etc. Those special committees have formulated their respective terms of references, are responsible to the Board of Directors, and make proposals and advisory opinions to the Board of Directors for deliberation under the unified leadership of the Board. Those special committees may engage an intermediary agency to provide independent professional advice, and the relevant expenses shall be borne by the Company. During the Reporting Period, aimed at making more scientific decisions and operating in a more standard and more effective manner, the Board of Directors actively expanded channels for information exchange, strengthened communication with the management, and timely responded to major issues.

During the Reporting Period, all Directors worked diligently and in strict accordance with the Articles of Association of the Company and the Procedural Rules of the Board of Directors. As of the date of this report, the Eleventh Board of Directors of the Company is composed of nine members: Mr. Li Yeqing and Mr. Liu Fengshan as executive Directors, Mr. Xu Yongmo, Mr. Martin Kriegner, Mr. Lo Chi Kong and Ms. Tan Then Hwee as non-executive Directors, and Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong as independent non-executive Directors. Each of the Directors serves a term of three years.

There is no financial, business, family or other material/relevant relationship between the members of the Board of Directors, and between the Chairman and the Chief Executive (i.e. the President).

Board meetings during the Reporting Period

Meeting	Time	Resolution
31st Meeting of the Tenth Board of Directors	2024.3.28	1. Annual Report 2023 and its abstract, announcement on the annual performance 2. Final Financial Report 2023 and Financial Budget Report 2024 3. Profit Distribution Proposal 2023 of the Company 4. Proposal in Respect of Providing Guarantee for Subsidiaries 5. Proposal on Reappointing the Accounting Firm for 2024 Financial Audit and Internal Control Audit of the Company 6. Internal Control Assessment Report 2023 of the Company 7. Working Rules For Independent Directors of the Company 8. Proposal in Respect of Nominating Director Candidates for the Eleventh Board of Directors 9. Proposal in Respect of Nominating Independent Director Candidates for the Eleventh Board of Directors 10. Report on Making a NBO for Holcim Assets in Nigeria 11. Work Report of the Board in 2023 12. Annual Debriefing Report 2023 of Independent Directors 13. Special Report of the Board on the Self-inspection of Independence of Independent Directors in 2023
32nd Meeting of the Tenth Board of Directors	2024. 4.26	1. 2024 First Quarterly Report of the Company 2. Proposal on Issuing Overseas Bonds and Providing Guarantees for Subsidiaries 3. Proposal in Respect of Convening the Shareholders' Annual General Meeting 2023
1st Meeting of the Eleventh Board of Directors	2024.5.21	1. Proposal in Respect of Electing Mr. Xu Yongmo as Chairman of the Eleventh Board of Directors 2. Proposal in Respect of Setting up Special Committees to the Eleventh Board of Directors 3. Proposal in Respect of Appointing Mr. Li Yeqing as CEO of the Company 4. Proposal in Respect of Appointing Vice Presidents of the Company 5. Proposal in Respect of Appointing Mr. Ye Jiaxing as Secretary to the Board of the Company 6. Proposal in Respect of Appointing Mr. Chen Qian as CFO of the Company 7. Proposal in Respect of 2023 Short-term Incentives for the Senior Management 8. Proposal on the Granting Result of "2023 Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan" 9. Proposal on the Phase II (2024) Core Employee Stock Ownership Plan Under 2023–2025 Core Employee Stock Ownership Plan of the Company

Directors' attendance at Board Meetings and Shareholders' General Meetings

	Number of meetings required to attend during the year	Number of meetings attended in person	Number of meetings attended by telecommunication	Number of meetings attended by proxy	Number of meetings absent	Absence from two consecutive meetings	Number of shareholders' general meetings attended
Non-executive Director and Chairman of the Board							
Xu Yongmo	10	10	2	0	0	No	1
Executive Directors							
Li Yeqing	10	10	2	0	0	No	1
Liu Fengshan	10	10	2	0	0	No	1
Non-executive Directors							
Martin Kriegner	9	9	2	0	0	No	1
Lo Chi Kong	9	9	2	0	0	No	1
Tan Then Hwee	9	9	2	0	0	No	1
Independent non-executive Directors							
Wong Kun Kau	10	10	2	0	0	No	1
Zhang Jiping	10	10	2	0	0	No	1
Jiang Hong	10	10	2	0	0	No	1

Objections raised by directors to matters relating to the Company:

□ Applicable √ Not applicable

Directors' training

All Directors (Mr. Li Yeqing, Mr. Liu Fengshan, Mr. Xu Yongmo, Mr. Martin Kriegner(appointed on 9 January 2023), Mr. Lo Chi Kong, Ms. Tan Then Hwee, Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong) have participated in the Continuing Professional Development Programme during the Reporting Period for knowledge and skill update, so that they can continue to make informed and relevant contributions to the Board of Directors and that they are fully aware of their responsibilities, duties and obligations as directors of a dual-listed company.

(VII) FULFILLMENT OF CORPORATE GOVERNANCE DUTIES BY THE BOARD OF DIRECTORS

In accordance with the regulatory requirements governing securities in the place of listing of the Company's shares, the Board of Directors strictly implemented the provisions of the Procedural Rules of the Board of Directors in performing its corporate governance duties, including but not limited to:

- Formulating and reviewing corporate governance policies and practices of the Company and giving suggestions.
- Reviewing and monitoring the training and continuing professional development of directors and senior management. During the Reporting Period, the Board of Directors communicated relevant regulatory laws and regulations to the directors and senior management in a timely manner to help them continuously develop their professional competence and better perform their duties.
- Reviewing and monitoring the Company's abidance by laws and regulations in terms of policies and practices. The Board of Directors continuously monitored the Company's operational compliance. The Company set up a Legal Department and engaged law firms to reduce legal and regulatory risks.

— Reviewing the Company's compliance with *Corporate Governance Code* contained in Appendix C1 to the HKEX Listing Rules and its disclosures in the *Corporate Governance Report*. The Board of Directors required the Company to strictly comply with the requirements on corporate governance set forth in the listing rules of the place where the shares of the Company are listed and disclose relevant corporate governance information

(IX) INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the Procedural Rules of the Board of Directors, directors shall serve a term of three years and may serve a consecutive term if re-elected, but the term of independent non-executive directors shall not be more than six years. As of the date of this report, the Board of Directors of the Company comprised of nine directors, including three independent non-executive directors. Mr. Jiang Hong, an independent non-executive director, is qualified for accounting and financial management. The composition of the Board of Directors complies with Rule 3.10(1) "The board of directors must include at least three independent non-executive directors", Rule 3.10A "Independent non-executive director must represent at least one-third of the board" and Rule 3.10(2) "At least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise" of the HKEX Listing Rules.

The Company has received annual confirmation letters from independent non-executive Directors, Mr. Zhang Jiping, Mr. Jiang Hong and Mr. Wong Kun Kau, regarding their independence in accordance with Rule 3.13 of the HKEX Listing Rules. The Company acknowledges their independence and considers all independent non-executive Directors as independent third parties.

(X) SPECIAL COMMITTEES TO THE BOARD OF DIRECTORS

The Board of Directors has set up five special committees including the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Strategy Committee and the Governance and Compliance Committee. Those committees performed their duties and authorities assigned by the Board of Directors with due diligence and in accordance with laws, regulations, the Articles of Association of the Company and their respective terms of references, and have played a positive role in improving the corporate governance structure and the development of the Company. During the Reporting Period, the Board of Directors did not raise any objection to the board proposals and non-board proposals for the year.

1. The Company has set up the Strategy Committee in accordance with the *Code of Corporate Governance for Listed Companies*. The Strategy Committee is mainly responsible for conducting feasibility study on the Company's long-term strategic plan and major strategic investment, reporting to and accountable to the Board of Directors. The terms of reference of the Strategy Committee have been published on the websites of the Company and SSE.

2. The Company has set up the Audit Committee in accordance with Rules(tho9 4m6929 284.4086 Tm[(y and SSE,(Company h

During the Reporting Period, in accordance with the *Company Law*, the *Securities Law*, the *Accounting Law of the People's Republic of China*, the *Basic Internal Control Norms for Enterprises* and its supporting guidelines, the *Guidelines of SSE for the Internal Control of Listed Companies* and other regulatory rules on internal control, the Audit Committee identified, assessed and sorted out the important risks faced by the Company and improved the Company's risk management control measures, to ensure that the control measures targeted towards major risks are well-founded, relevant resources are in place and properly applied, and the risks are well under control. The Audit Committee believes that the Company's risk management and internal control system is effective and adequate and complies with the requirements of the governance code for listed companies issued by the CSRC.

During the Reporting Period, the Audit Committee held two meetings with the audit institutions engaged by the Company.

3. The Company has set up a Nomination Committee in accordance with Rule B.3.1 of the *Corporate Governance Code* and the requirements of CSRC and SSE. The Nomination Committee is mainly responsible for raising proposals on the replacement of directors and senior management, selecting and recommending new candidates to the Board of Directors, and evaluating the independence of independent non-executive directors. The terms of reference of the Nomination Committee have been published on the websites of the Company, SSE and SEHK.

The Company has formulated the *Board Diversity Policy*, which involves: (1) Policy statement: When deciding the composition of the Board of Directors, the Company will take into account the board diversity from various aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, expertise and term of service. All appointments to the Board of Directors will be made based on competence of the candidates, as well as the diversity under objective conditions. (2) Measurable objectives: The Company will select candidates based on a variety of criteria, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, expertise and term of service. As of 31 December 2024, the Company has one female Director, which has satisfied the policy of diversity of the board of the Company. The Board is mindful of the measurable objectives as set out in the *Board Diversity Policy* for assessing the candidacy of the board members and will ensure that any successors to the Board shall follow the *Board Diversity Policy*. As at 31 December 2024, the gender ratio in the Company's workforce (including senior management) was approximately 80.49% male and 19.51% female.

During the Reporting Period, the Nomination Committee held a meeting to, among other things, review the structure, size and composition of the Board (including expertise, knowledge and experience) as well as the composition of the CEO and other senior management positions and the Board Diversity Policy, and to access the independence of the independent non-executive Directors. The Nomination Committee had taken into account a number of factors including the size and composition of the Board, a balance of skills and experience of the Board as well as its diversity in setting its appointment criteria.

The implementation and effectiveness of *Board Diversity* policy have been reviewed by the Board during the Reporting Period and will be reviewed annually. The Company acknowledges that the composition of the Board of Directors, members' background and procedures for selecting new directors comply with the requirements of the *HKEX Listing Rules* on board diversity and the requirements of the Company's *Board Diversity Policy*.

4. The Company has established a Remuneration and Assessment Committee in accordance with Rules 3.25 and 3.26 of the *HKEX Listing Rules* and the requirements of CSRC and SSE. The Remuneration and Assessment Committee is mainly responsible for the formulation, management and assessment of the remuneration system for directors and senior management of the Company, approving the terms of executive directors' service contracts, and making suggestions on the remuneration for executive directors and senior management to the Board of Directors. The Remuneration and Assessment Committee reports to and is accountable to the Board of Directors. The terms of reference of the Remuneration and Assessment Committee have been published on the websites of the Company, SSE and SEHK.

5. During the Reporting Period, the members and meetings of the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Strategy Committee and the Governance and Compliance Committee of the Company are as follows:

Members of special committees to the Board of Directors

T e f ecial c i ee	**Na e f e be**
Audit Committee	Chairman: Jiang Hong (Independent Non-executive Director). Members: Wong Kun Kau (Independent Non-executive Director), Zhang Jiping (Independent Non-executive Director); Xu Yongmo (Non-executive Director and Chairman); Lo Chi Kong (Non-executive Director).
Nomination Committee	Chairman: Zhang Jiping (Independent Non-executive Director). Members: Wong Kun Kau (Independent Non-executive Director), Jiang Hong (Independent Non-executive Director), Li Yeqing (Executive Director), Tan Then Hwee (Non-executive Director).
Remuneration and Assessment Committee	Chairman: Wong Kun Kau (Independent Non-executive Director). Members: Zhang Jiping (Independent Non-executive Director), Jiang Hong (Independent Non-executive Director), Lo Chi Kong (Non-executive Director), Xu Yongmo (Non-executive Director and Chairman).
Strategy Committee	Chairman: Li Yeqing (Executive Director). Members: Xu Yongmo (Non-executive Director and Chairman), Martin Kriegner (Non-executive Director), Wong Kun Kau (Independent Non-executive Director).
Governance and Compliance Committee	Chairman: Lo Chi Kong (Non-executive Director). Members: Liu Fengshan (Executive Director), Tan Then Hwee (Non-executive Director), Jiang Hong (Independent Non-executive Director), Zhang Jiping (Independent Non-executive Director).

During the Reporting Period, the Audit Committee held seven meetings in total. All members attended these meetings in person and discussed matters as follows:

Time	Agenda	Objections and suggestions
2024.3.25	Review: 1. Financial report 2023 of the Company, announcement on the annual performance 2. Proposal on Reappointment of the Accounting Firm for 2024 Financial Audit and Internal Control Audit of the Company 3. Annual Internal Control Assessment Report 2023 4. Duty Performance Report 2023 of the Audit Committee. 5. Report on the Supervision by the Audit Committee on the Duty Performance of the Accounting Firm in 2023 Hear: 1. Report by the Accounting Firm on the Completion of Audit of 2023 and Key Concerns 2. 2023 IA & IC Work Report	

During the Reporting Period, the Strategy Committee held two meetings in total. All members attended these meetings in person and discussed matters as follows:

Time	Agenda	Objections and suggestions
2024.7.11	Corporate Strategy Report (2024–2028)	Analysis of the macroeconomy and strategy choice. Endorse the company's strategic direction for the upcoming five years. Discussion and assessment of potential challenges and risks associated with the execution of individual business strategies and raise targeted recommendations.
2024.12.11	Macro situation outlook and strategy review	Discussion and consensus on macroeconomic trends, industry development patterns, strategies for carbon reduction, and opportunities for international expansion.

During the Reporting Period, the Governance and Compliance Committee held two meetings in total. All members attended these meetings in person and discussed matters as follows:

Time	Agenda	Objections and suggestions
2024.4.22	Hear Report on the Amendment of Certain Articles in the Working Guidelines for the CEO of the Company	Agreed to submit the item to the Board after improving certain articles.
2024.12.12	Hear Report on the 2024 Internal Audit Findings and Rectification Measures	Put forward suggestions for the internal control system establishment in overseas business, cultural differences and internal control training.

The Board of Supervisors had no objection to the supervision matters during the Reporting Period.

(XI) JOINT COMPANY SECRETARIES

Mr. Ye Jiaxing serves as the Joint Company Secretary of the Company and is responsible for advising the Board of Directors on corporate governance matters. In addition, to ensure good corporate governance and compliance with the HKEX Listing Rules, the Company has appointed Ms. Lee Mei Yi, an Executive Director of Corporate Services Division of Tricor Services Limited and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, as the Joint Company Secretary to assist Mr. Ye Jiaxing in fulfilling his obligations and responsibilities. The main contact within the Company for Ms. Lee Mei Yi is Mr. Ye Jiaxing (Vice President and Secretary to the Board of Directors of the Company).

In 2024, both Mr. Ye Jiaxing and Ms. Lee Mei Yi complied with the training requirements set out in Rule 3.29 of the HKEX Listing Rules.

(XII) DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The financial statements and results announcement of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee. All Directors agreed and confirmed their and individual and collective responsibility for preparing the accounts as contained in the financial report for the year under review. The directors are responsible for the preparation of the financial statements for the relevant accounting periods under applicable statutory and regulatory requirements which gave a true and fair view of the financial status, the results of operations and cash flows of the Group. In preparing the financial statements for the year ended 31 December 2024, applicable accounting policies have been adopted and applied consistently. The directors are not aware of any uncertain events or circumstances which may materially affect the Company's ability to continue as a going concern.

(XIII) SPECIAL DESCRIPTION OF CASH DIVIDEND POLICY

Meet the requirements of the *Articles of Association* or resolutions of shareholders' general meetings	√ Yes □ No
Dividend distribution standard and ratio are clear and cut	√ Yes □ No
Decision procedure and system are complete	√ Yes □ No
Independent directors performed duties and played their roles	√ Yes □ No
Minority shareholders fully expressed their opinions and requests, and their legitimate rights have been fully protected	√ Yes □ No

(XIV) DEVELOPMENT AND IMPLEMENTATION OF INTERNAL CONTROL POLICIES DURING THE REPORTING PERIOD

1. Internal control responsibility statement

The Board of Directors of the Company is responsible for establishing, improving and effectively implementing the internal control system, evaluating system effectiveness and truthfully disclosing the report on internal control effectiveness. In accordance with the *Company Law*, the *Securities Law*, the *Accounting Law of the People's Republic of China* and the *Guidelines of SSE for the Internal Control of Listed Companies, Basic Internal Control Norms for Enterprises* and other internal control rules, the Board of Directors has established and improved its risk control measures. i.e. risk-oriented internal control system, that cover various links in the Company's operation and management. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and the Board of Directors can only give reasonable instead of absolute assurance that there will be no material misstatement or loss. In the year, the Company, by testing the effectiveness of the internal control system on the spot, monitored risk level and provided reasonable assurance in terms of well-founded and standard application of operational risk control activities, secure asset security, as well as true, accurate and complete financial report and information disclosure, which promoted the Company's development.

2. Development of the Company's risk control and internal control systems

① *Risk control & internal control and their characteristics*

The Company has always been committed to building an internal control system that meets regulatory requirements. The Company has established such an internal control system that meets regulatory requirements and has organically integrated risk control and internal control through continuous optimization of the internal

The Company enabled effective internal control system in place by promoting collaboration among three aspects, namely (i) the self-inspection on the operation of internal control by the functional management/business operation departments, (ii) the independent evaluation by the internal audit department, and (iii) the internal control audit by the external accounting firm. At the same time, the Company launched an internal control management platform and some other measures to strengthen the ability of business departments to directly respond to risk control, thereby establishing a normalized risk-oriented internal control mechanism with extensive involvement among employees, making it more efficient for the Company to achieve the strategic objectives.

② ***Organization structure regarding risk control and internal control***

The Board of Directors of the Company is responsible for the establishment, improvement and effective implementation of risk-oriented internal control, and shall assess its effectiveness at least once a year. Under the guidance and supervision of the Audit Committee to the Board of Directors, the Internal Audit and Internal Control Department of the Company is responsible for supervising, reviewing and evaluating the implementation of risk-oriented internal control by the Company and its subsidiaries, and coordinating internal control audit and other related matters. The Company's management is responsible for the effective operation of the risk-oriented internal control system.

During the Reporting Period, the Company conducted special audits on the effectiveness of risk control activities implemented by its 26 subordinate units and 20 audits on business process in high-risk fields such as procurement and sales and logistics, and organized annual internal control self-assessment within the headquarters and 306 subordinate units. The Company engaged Ernst & Young Hua Ming to audit the effectiveness of internal control over financial report, and a standard unqualified audit's report has been issued. During the Reporting Period, the Board of Directors assessed and confirmed the effectiveness and adequacy of the Company's internal control system.

③ ***Procedures for identifying, assessing and control material risks***

The Company has established an internal monitoring system for material information, procedures for processing and releasing stock price-sensitive data and internal monitoring measures, a *Material Internal Events Report Policy* to define the specific scope of material internal events, and an effective communication mechanism. The obligor for reporting material internal events is responsible for submitting data to the Secretary to the Board of Directors in a timely, accurate, true and complete manner. The Secretary to the Board of Directors is required to analyze the material information received, make a judgment and report to the President of the Company in time. Material information involving a disclosure obligation shall be reported to the Board of Directors and the Board of Supervisors and disclosed to the public according to relevant regulations.

In terms of information disclosure, the Company has formulated the *Administrative Measures for Information Disclosure* and the *Registration System for Insiders Who Have Access to Inside Information* to prevent improper use and dissemination of sensitive information. The Registration System for Insiders Who Have Access to Inside Information clearly stipulates the confidentiality management of inside information, the registration of insiders who have access to inside information and the accountability. The Company regularly reminded the directors and employees to comply with all policies adopted in relation to inside information, including compliance with the *Model Code* set out in Appendix C3 to the *HKEX Listing Rules* for the trading of the Company's securities. At the same time, the Company disclosed information truthfully, accurately, completely and in a timely manner in accordance with the *HKEX Listing Rules*, the SSE Listing Rules and the *Articles of Association of the Company*, to ensure that all investors have equal and timely access to information about the Company.

CORPORATE GOVERNANCE & CORPORATE GOVERNANCE REPORT

6. Communication with the shareholders

The Company has adopted the Shareholders' Communication Policy with the objective of ensuring that the shareholders will have equal and timely access to information about the Company in order to enable the shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

The shareholders are informed mainly through the Company's financial reports, annual general meeting and other extraordinary general meeting that may be held, as well as published disclosures submitted to the SEHK.

Communication channels between the Company and its shareholders include shareholder enquiries, corporate newsletters, corporate website, general meetings, investment market communications (including investor/analyst briefings, local and global roadshows, media interviews, investor promotions and topical forums, etc., which are regularly organized by the Company).

The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Reporting Period. The Board considered that the Shareholders' Communication Policy remained effective and was properly implemented given the multiple channels of communication in place during the Reporting Period.

7. Documents of the articles of association

On 19 March 2025, the First Extraordinary General Meeting of the Company in 2025 reviewed and approved the proposal "Proposed Amendments to the Articles of Association" and made amendments to the Company's Articles of Association and its annexes.

(I) CORPORATE BONDS

Unit: RMB100 million

Name	Abbreviation	Code	Issuance date	Value date	Date for payment	Bond balance	Coupon rate (%)	Principal repayment	Trading place	Risk feature
2022 public issuance of corporate bonds (Phase I) (Green) (Variety II) of Anhui Conch Cement Company Limited	22 Conch G2	185186.SH	2022-10-25	2022-10-27	2025-10-27	6	3.78	6	Shanghai Stock Exchange	None
2022 public issuance of corporate bonds (Phase I) (Green) (Variety I) of Anhui Conch Cement Company Limited	22 Conch G1	185178.SH	2022-10-25	2022-10-27	2027-10-27	6	4.2	0.0 6	353.7831	670.0230
2022 public issuance of corporate bonds (Phase I) (Green) (Variety II) of Anhui Conch Cement Company Limited	22 Conch G2	185182.SH	2022-10-25	2022-10-27	2025-10-27	6	3.78	6	493.5748	679.0276
2022 public issuance of corporate bonds (Phase I) (Green) (Variety I) of Anhui Conch Cement Company Limited	22 Conch G1	185178.SH	2022-10-25	2022-10-27	2027-10-27	6	4.2	0.0 6	493.5748	679.0276
2022 public issuance of corporate bonds (Phase I) (Green) (Variety II) of Anhui Conch Cement Company Limited	22 Conch G2	185182.SH	2022-10-25	2022-10-27	2025-10-27	6	3.78	6	56.6929	649.0276
Ts/MCID 5169	23	Opan	Lang (en-GB)/5182	BDC BT4.2 0 0 6	493.5748	679				

CORPORATE BONDS

(III) ADJUSTMENT OF CORPORATE BOND CREDIT RATING

Bond	Agency	Time of adjustment	Credit rating	Outlook change	Reason for change
2020 overseas bonds	MOODY'S INVESTORS SERVICE	January, 2025	Baa2	Steady	

(V) BOND REDEMPTION & INTEREST PAYMENT DURING THE REPORTING PERIOD

Bond	Redemption and interest payment
2020 overseas bonds	Paid in full and on time
2021 public issuance of corporate bonds to professional investors (1st tranche)	Paid in full and on time
2022 public issuance of corporate bonds to professional investors (linked to low carbon transformation) (1st tranche) Type I	Paid in full and on time
2022 public issuance of corporate bonds to professional investors (linked to low carbon transformation) (1st tranche) Type II	Paid in full and on time
2023 public issuance to professional investors "Belt and Road" Technology Innovation Corporate Bonds (1st tranche) (Type I)	Paid in full and on time
2024 public issuance to professional investors Technology Innovation Corporate Bonds (1st tranche) (Type I)	Yet to pay interest

The published results and assets, liabilities and minority interests of the Group for the past five financial years are as follows:

Unit: RMB Million

	For the year ended 31 December				
Item	**2024**	2023	2022	2021	2020
Revenue	**34,217**	33,757	30,470	32,464	29,357
Profit before taxes	**4,112**	4,326	3,988	7,373	7,664
Income tax expenses	**1,158**	1,108	965	1,568	1,490
Net profit	**2,953**	3,218	3,024	5,805	6,174
Net profit attributable to equity shareholders of the Company	**2,416**	2,762	2,699	5,364	5,631
Profit or loss attributable to minority interests	**537**	456	325	441	543

Item	**2024**	2023	2022	2021	2020
Total assets	**69,513**	68,800	64,242	52,550	43,929
Total liabilities	**34,614**	35,505	33,403	23,172	18,189
Total equity attributable to shareholders of the Company	**30,291**	28,933	27,446	26,730	23,571
Total equity attributable to minority interests	**4,606**	4,362	3,392	2,648	2,169

This summary does not form part of the audited consolidated financial statements.

AUDITOR'S REPORT

Ernst & Young Hua Ming (2025) Shen Zi No. 70009578_C01
Huaxin Cement Co., LTD

To the board of directors of Huaxin Cement Co., LTD：

I. AUDIT OPINION

We have audited the financial statements of Huaxin Cement Co., LTD, which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2024, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

II. BASIS FOR AUDIT OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with China Code of Ethics for Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including those in relation to these key audit matters. Accordingly, our audit included the performance of audit procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the key audit matters below, provide the basis for our audit opinion on the financial statements as a whole.

III. KEY AUDIT MATTERS *(continued)*

Ke a di a ę:	H _ a di adḍ e ed he a ę:
E ec ed ç edi l e ⁊ acc ⁊ _ ecei able	
As at 31 December 2024, the carrying amounts of accounts receivable in the consolidated balance sheet and the company balance sheet were RMB2,969,799,883 and RMB672,952,955, respectively, and the amounts of provision for expected credit losses ("ECLs") were RMB318,842,528 and RMB19,763,196, respectively. According to the different types of clients and other factors, the management classified the accounts receivable into groups of different credit risk characteristics. For each credit risk characteristic group, the management uses the ECL model to estimate and make provision for bad debts. When estimating the ECLs, the management takes relevant information into consideration, including the customer's historical default rate and other specific factors (such as the type of customers, the historical collections and write-offs of bad debts), as well as the expected macroeconomic environment to consider the forward-looking information. At the same time, the management pays attention to the collection of accounts receivable to identify additional indicators of default or impairment and determine whether provision for bad debts assessed on an individual basis is required. As the amount of accounts receivable was significant and the determination of ECLs required significant accounting judgements and estimations by the management, we identified the ECL of accounts receivable as a key audit matter. Please refer to Note III. 9. Financial instruments, Note III. 31. Significant accounting judgements and estimates, Note V.4. Accounts receivable and Note XVI.1. Accounts receivable for disclosures of accounts receivable in the consolidated financial statements.	Our main procedures to address the ECLs of accounts receivable included: (1) Evaluating and testing the internal controls in relation to the ECLs of accounts receivable; (2) Reviewing and evaluating the ECL model, including the classification of groups by different credit risk characteristics, the estimation of credit loss of each classification, the historical statistics an[(a)0.5 (n)0.5/MC0 0 0 9 338andp12rn food ooin(i)0.5 (n)0

IV. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the work we have performed, if we are certain that the other information is materially misstated, we should report the facts. In this regard, we have nothing to report.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Huaxin Cement Co., LTD's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

As part of an audit conducted in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also perform the following tasks:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about these matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

E & Y g H a Mi g LLP
Chinese Certified Public Accountant: **F Yi** (Engagement Partner)
Chinese Certified Public Accountant: **He Pei**
Beijing, the People's Republic of China

26 March 2025

CONSOLIDATED BALANCE SHEET

Assets	NOTE V	31 December 2024	31 December 2023 (restated)
Current assets			
Cash and bank balances	1	**6,809,002,574**	5,849,465,351
Financial assets held for trading	2	**31,704,908**	1,495,675
Notes receivable	3	**202,597,711**	275,075,423
Accounts receivable	4	**2,969,799,883**	2,259,496,157
Receivables financing	5	**511,791,354**	746,018,692
Prepayments	6	**314,887,975**	417,878,731
Other receivables	7	**1,237,502,508**	747,268,432
Including: Interest receivables		**8,692,908**	5,401,108
Dividends receivable		**41,073,612**	1,426,876
Inventories	8	**3,057,769,490**	3,462,938,165
Current portion of non-current assets		**40,000,000**	—
Other current assets	9	**616,550,620**	1,459,951,396
Total current assets		**15,791,607,023**	15,219,588,022
Non-current assets			
Debt investments			7,500,000
Long-term receivables	10	**46,718,185**	80,976,447
Long-term equity investments	11	**584,752,454**	512,863,351
Other equity investments	12	**934,524,059**	964,633,899
Other non-current financial assets		**38,143,738**	26,807,920
Fixed assets	13	**28,408,451,936**	28,095,486,390
Construction in progress	14	**3,530,752,270**	3,614,814,430
Right-of-use assets	15	**1,514,705,861**	1,680,707,457
Intangible assets	16	**15,080,020,527**	15,018,696,082
Development expenditures		**60,934,742**	69,333,195
Goodwill	17	**1,209,007,806**	1,183,989,983
Long-term prepaid expenses	18	**981,013,500**	956,770,986
Deferred tax assets	19	**832,960,280**	683,041,510
Other non-current assets		**499,096,806**	632,656,064
Total non-current assets		**53,721,082,164**	53,528,277,714
Total assets		**69,512,689,187**	68,747,865,736

The accompanying notes to financial statements form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET *(continued)*

LIABILITIES AND EQUITY	NOTE V	31 December 2024	31 December 2023 (restated)
Current liabilities			
Short-term borrowings	21	**296,807,055**	644,333,928
Notes payable	22	**675,782,946**	935,465,582
Accounts payable	23	**7,744,026,328**	7,827,004,238
Contract liabilities	24	**715,946,303**	717,019,466
Employee benefits payable	25	**280,892,309**	325,816,159
Taxes and surcharges payable	26	**755,744,542**	705,993,128
Other payables	27	**1,011,487,419**	1,046,309,303
Including: Interest payables		**48,543,388**	49,499,727
Dividends payable		**36,835,493**	33,527,121
Current portion of non-current liabilities	28	**6,619,044,244**	6,720,902,895
Other current liabilities		**69,172,946**	66,563,047
Total current liabilities		**18,168,904,092**	18,989,407,746
Non-current liabilities			
Long-term borrowings	29	**9,598,770,711**	8,623,019,715
Bonds payable	30	**2,445,745,035**	3,964,479,030
Including: Preference shares		**149,725,053**	147,690,327
Lease liabilities	31	**1,128,631,065**	1,348,727,671
Long-term payables	32	**836,919,326**	330,821,706
Long-term employee benefits payable	33	**57,915,052**	58,844,121
Provisions	34	**917,006,487**	791,598,488
Deferred income	35	**251,857,383**	264,404,822
Deferred tax liabilities	19	**1,109,442,589**	961,556,523
Other non-current liabilities	36	**99,693,000**	99,693,000
Total non-current liabilities		**16,445,980,648**	16,443,145,076
Total liabilities		**34,614,884,740**	35,432,552,822

The accompanying notes to financial statements form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET *(continued)*

LIABILITIES AND EQUITY	NOTE V	31 December 2024	31 December 2023 (restated)
Equity			
Share capital	37	**2,078,995,649**	2,078,995,649
Capital reserves	38	**1,580,482,247**	1,586,014,852
Less: Treasury shares	39	**64,638,011**	62,203,991
Accumulated other comprehensive income	40	**(484,891,409)**	(548,746,925)
Specialised reserves	41	**51,893,030**	63,717,385
Surplus reserves	42	**1,111,880,257**	1,111,880,257
Unappropriated profit	43	**26,017,705,413**	24,703,292,620
Total equity attributable to shareholders of the Company		**30,291,427,176**	28,932,949,847
Non-controlling interests		**4,606,377,271**	4,382,363,067
Total equity		**34,897,804,447**	33,315,312,914
Total liabilities and equity		**69,512,689,187**	68,747,865,736

The financial statements have been signed by:

Legal representative:	Financial controller:	Accounting supervisor:
Li Yeqing	Chen Qian	Wu Qiaoli

The accompanying notes to financial statements form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT *(continued)*

	NOTE V	2024	2023
Other comprehensive income, net of tax		**90,828,586**	(422,303,449)
Other comprehensive income, net of tax, attributable to shareholders of the Company		**63,855,516**	(373,489,441)
Other comprehensive income that cannot be reclassified to profit or loss		**(22,582,380)**	(36,162,319)
Changes in fair value of other equity investment instruments		**(22,582,380)**	(36,162,319)
Other comprehensive income to be reclassified to profit or loss		**86,437,896**	(337,327,122)
Exchange differences on translation of foreign currency financial statements		**86,437,896**	(337,327,122)
Other comprehensive income, net of tax, attributable to non-controlling interests	40	**26,973,070**	(48,814,008)
Total comprehensive income		**3,044,297,656**	2,795,794,653
Including：Total comprehensive income attributable to owners of the Company		**2,480,136,003**	2,388,627,274
Total comprehensive income attributable to non-controlling interests		**564,161,653**	407,167,379
Earnings per share			
Basic earnings per share	58	**1.16**	1.33
Diluted earnings per share	58	**1.13**	1.32

The accompanying notes to financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

2023

	Attributable to shareholders of the Company									
	Share capital	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Specialised reserves	Surplus reserves	Unappropriated profit	Subtotal	Non-controlling interests	Total equity
I. Balance at the beginning of the year	2,096,599,855	1,975,889,177	610,051,971	(175,257,484)	37,644,851	1,111,880,257	23,009,600,343	27,446,305,028	3,391,875,433	30,838,180,461
II. Changes for the year	(17,604,206)	(389,874,325)	(547,847,980)	(373,489,441)	26,072,534	–	1,693,692,277	1,486,644,819	990,487,634	2,477,132,453
(1) Total comprehensive income	–	–	–	(373,489,441)	–	–	2,762,116,715	2,388,627,274	407,167,379	2,795,794,653
(2) Owners' contributions and reduction in capital	(17,604,206)	(389,874,325)	(547,847,980)	–	–	–	–	140,369,449	1,014,633,162	1,155,002,611
1. Capital contributions by owners (restated)	–	–	–	–	–	–	–	–	1,239,846,851	1,239,846,851
2. Amount of share-based payments recognised in equity	–	30,381,166	–	–	–	–	–	30,381,166	–	30,381,166
3. Share-based payment restricted stock unlocking	–	(69,830,162)	(69,830,162)	–	–	–	–	–	–	–
4. Acquisition of non-controlling interests	–	94,333,760	–	–	–	–	–	94,333,760	(241,360,580)	(147,026,820)
5. Sale of non-controlling interests	–	(944,285)	–	–	–	–	–	(944,285)	16,146,891	15,202,606
6. Shares buyback	–	–	19,014,864	–	–	–	–	(19,014,864)	–	(19,014,864)
7. Shares write-off	(17,604,206)	(479,428,476)	(497,032,682)	–	–	–	–	–	–	–
8. Others	–	35,613,672	–	–	–	–	–	35,613,672	–	35,613,672
(3) Profit distribution	–	–	–	–	–	–	(1,068,424,438)	(1,068,424,438)	(432,984,750)	(1,501,409,188)
1. Dividend to shareholders	–	–	–	–	–	–	(1,068,424,438)	(1,068,424,438)	(432,984,750)	(1,501,409,188)
(4) Specialised reserves	–	–	–	–	26,072,534	–	–	26,072,534	1,671,843	27,744,377
1. Appropriated for the year	–	–	–	–	320,163,994	–	–	320,163,994	14,029,214	334,193,208
2. Utilisation for the year	–	–	–	–	(294,091,460)	–	–	(294,091,460)	(12,357,371)	(306,448,831)
III. Balance at the end of the year	2,078,995,649	1,586,014,852	62,203,991	(548,746,925)	63,717,385	1,111,880,257	24,703,292,620	28,932,949,847	4,382,363,067	33,315,312,914

The accompanying notes to financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE V	2024	2023
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from the sale of goods and the rendering of services		**30,615,810,728**	30,570,922,906
Receipts of taxes and surcharges refunds		**58,426,521**	79,062,239
Other cash receipts relating to operating activities	59	**538,75 216.049 80 -14_ e353.575 202.014538,75 216.**	

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

	NOTE V	2024	2023
III. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from investments by others		**446,315,472**	221,161,655
Cash receipts from borrowings		**5,339,388,052**	4,977,397,505
Cash receipts from issuance of bonds		**1,096,390,560**	798,993,208
Other cash receipts relating to financing activities	59	**136,420,406**	111,819,354
Subtotal of cash inflows from financing activities		**7,018,514,490**	6,109,371,722
Cash repayment for debts		**5,395,800,743**	4,360,070,031
Cash payments for distribution of dividends or profit and interest expenses		**2,606,497,498**	2,195,276,409
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		**805,056,681**	432,893,052
Other cash payments relating to financing activities	59	**488,477,232**	505,773,138
Total cash outflows from financing activities		**8,490,775,473**	7,061,119,578
Net cash flows used in financing activities		**(1,472,260,983)**	(951,747,856)
IV. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**15,894,660**	(75,808,355)
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	60	**848,924,346**	(1,245,905,793)
Add: Cash and cash equivalents at beginning of year	60	**5,370,115,985**	6,616,021,778
VI. CASH AND CASH EQUIVALENTS AT END OF YEAR	60	**6,219,040,331**	5,370,115,985

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY BALANCE SHEET

Assets	NOTE XVI	31 December 2024	31 December 2023
Current assets			
Cash and bank balances		**2,511,275,577**	2,708,096,309
Financial assets held for trading		**30,000,000**	—
Notes receivable		**30,000**	17,456,489
Accounts receivable	1	**672,952,955**	760,371,988
Receivables financing		**25,925,967**	65,624,483
Prepayments		**73,597,947**	91,622,165
Other receivables	2	**8,444,662,576**	6,961,764,759
Inventories		**241,534,220**	167,720,629
Other current assets		**110,917,414**	84,902,758
Total current assets		**12,110,896,656**	10,857,559,580
Non-current assets			
Long-term receivables		**67,546,368**	52,109,087
Long-term equity investments	3	**16,384,658,957**	15,631,938,449
Other equity investments		**934,524,059**	964,633,899
Other non-current financial assets		**37,854,770**	26,807,920
Fixed assets		**509,187,354**	525,463,095
Construction in progress		**37,189,643**	28,249,066
Right-of-use assets		**33,454,597**	44,680,313
Intangible assets		**105,044,873**	107,962,995
Development expenditures		**36,856,342**	36,856,342
Long-term prepaid expenses		**8,651,347**	8,657,217
Deferred tax assets		**134,659,036**	72,250,575
Total non-current assets		**18,289,627,346**	17,499,608,958
Total assets		**30,400,524,002**	28,357,168,538

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY BALANCE SHEET *(continued)*

LIABILITIES AND EQUITY	NOTE XVI	31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings			30,000,000
Notes payable		**242,155,289**	473,500,000
Accounts payable		**234,933,887**	222,374,822
Contract liabilities		**49,222,130**	16,589,691
Employee benefits payable		**26,173,353**	28,545,054
Taxes and surcharges payable		**9,884,037**	30,039,009
Other payables		**7,828,063,409**	7,092,303,257
Current portion of non-current liabilities		**789,041,659**	1,738,370,539
Total current liabilities		**9,179,473,764**	9,631,722,372
Non-current liabilities			
Long-term borrowings		**3,139,622,602**	2,062,280,000
Bonds payable		**2,296,019,982**	1,697,904,908
Lease liabilities		**18,084,931**	29,640,599
Long-term employee benefits payable		**11,119,492**	12,882,384
Provisions		**46,864,253**	6,864,253
Deferred income		**3,791,667**	5,333,333
Total non-current liabilities		**5,515,502,927**	3,814,905,477
Total liabilities		**14,694,976,691**	13,446,627,849
Owner's equity			
Share capital		**2,078,995,649**	2,078,995,649
Capital reserves		**1,891,587,870**	1,898,196,045
Less: Treasury shares		**64,638,011**	62,203,991
Accumulated other comprehensive income		**(60,676,056)**	(38,093,676)
Surplus reserves		**1,111,880,257**	1,111,880,257
Unappropriated profit		**10,748,397,602**	9,921,766,405
Total equity		**15,705,547,311**	14,910,540,689
Total liabilities and equity		**30,400,524,002**	28,357,168,538

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY INCOME STATEMENT

	NOTE XVI	2024	2023
Revenue	4	**2,393,231,180**	3,329,835,701
Less: Cost of sales	4	**2,131,457,828**	3,016,320,483
Taxes and surcharges		**16,325,701**	12,221,859
Selling expenses		**20,081,694**	19,385,207
Administrative expenses		**289,924,577**	321,921,717
Research and development expenses		**48,352,465**	45,298,161
Financial expenses		**79,945,228**	80,592,879
Including: Interest expenses		**188,783,557**	237,768,249
Interest income		**102,425,187**	162,453,221
Add: Other income		**7,251,299**	6,950,872
Investment income	5	**2,087,556,517**	2,625,502,110
Including: Income from investments in associates and joint ventures		**20,311,659**	15,586,153
Fair value gains		**11,046,850**	(39,970,883)
Credit impairment losses		**(977,971)**	6,709,555
Impairment losses on assets		**(73,760)**	(376,574)
Gains on disposal of non-current assets		**3,443,048**	791,860
Operating profit		**1,915,389,670**	2,433,702,335
Add: Non-operating income		**902,558**	631,205
Less: Non-operating expenses		**42,525,751**	4,641,784
Profit before income tax		**1,873,766,477**	2,429,691,756
Less: Income tax expenses		**(54,732,414)**	(52,607,411)
Profit		**1,928,498,891**	2,482,299,167
Including: Profit from continuing operations		**1,928,498,891**	2,482,299,167
Other comprehensive income, net of tax		**(22,582,380)**	(36,162,319)
Other comprehensive income that will not be reclassified to profit or loss		**(22,582,380)**	(36,162,319)
Changes in the fair value of other equity investments		**(22,582,380)**	(36,162,319)
Total comprehensive income		**1,905,916,511**	2,446,136,848

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

2024

	Share capital	Capital reserve	Less: Treasury shares	Accumulated other comprehensive income	Special reserve	Unappropriated profit	Total equity
I. Balance at the beginning of the year	2,078,995,649	1,898,196,045	62,203,991	(38,093,676)	1,111,880,257	9,921,766,405	14,910,540,689
II. Changes for the year		(6,608,175)	2,434,020	(22,582,380)		826,631,197	795,006,622
(1) Total comprehensive income				(22,582,380)		1,928,498,891	1,905,916,511
(2) Owners' contributions and reduction in capital		(6,608,175)	2,434,020				(9,042,195)
1. Amount of share-based payments recognised in equity		26,972,339					26,972,339
2. Share-based payments restricted stock unlocking		(33,446,351)	(33,446,351)				
3. Shares buyback			39,165,400				(39,165,400)
4. Others		(134,163)	(3,285,029)				3,150,866
(3) Profit distribution						(1,101,867,694)	(1,101,867,694)
1. Distribution to owners						(1,101,867,694)	(1,101,867,694)
(4) Specialised reserves							
1. Appropriated for the year							
2. Utilisation for the year							
(5) Others							
III. Balance at the end of the year	2,078,995,649	1,891,587,870	64,638,011	(60,676,056)	1,111,880,257	10,748,397,602	15,705,547,311

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY *(continued)*

2023

		Share capital	Capital reserves	Less: Treasury shares	Accumulated other comprehensive income	Surplus reserves	Unappropriated profit	Total equity
I.	Balance at the beginning of the year	2,096,599,855	2,381,459,845	610,051,971	(1,931,357)	1,111,880,257	8,507,891,676	13,485,848,305
II.	Changes for the year	(17,604,206)	(483,263,800)	(547,847,980)	(36,162,319)	–	1,413,874,729	1,424,692,384
	(1) Total comprehensive income	–	–	–	(36,162,319)	–	2,482,299,167	2,446,136,848
	(2) Owners' contributions and reduction in capital	(17,604,206)	(483,263,800)	(547,847,980)	–	–	–	46,979,974
	1. Amount of share-based payments recognised in equity	–	30,381,166	–	–	–	–	30,381,166
	2. Share-based payments restricted stock unlocking	–	(69,830,162)	(69,830,162)	–	–	–	–
	3. Shares buyback	–	–	19,014,864	–	–	–	(19,014,864)
	4. Shares write-off	(17,604,206)	(479,428,476)	(497,032,682)	–	–	–	–
	5. Others	–	35,613,672	–	–	–	–	35,613,672
	(3) Profit distribution	–	–	–	–	–	(1,068,424,438)	(1,068,424,438)
	1. Dividend to shareholders	–	–	–	–	–	(1,068,424,438)	(1,068,424,438)
	(4) Specialised reserves	–	–	–	–	–	–	–
	1. Appropriated for the year	–	–	–	–	–	–	–
	2. Utilisation for the year	–	–	–	–	–	–	–
	(5) Others	–	–	–	–	–	–	–
III.	Balance at the end of the year	2,078,995,649	1,898,196,045	62,203,991	(38,093,676)	1,111,880,257	9,921,766,405	14,910,540,689

The accompanying notes to financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

	NOTE XVI	2024	2023
I. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from the sale of goods and the rendering of services		**2,583,810,095**	3,711,627,111
Receipts of tax and surcharges refunds		**17,459,768**	7,618,208
Other cash receipts relating to operating activities		**995,453,539**	904,771,667
Total cash inflows from operating activities		**3,596,723,402**	4,624,016,986
Cash payments for goods and services		**2,389,834,944**	2,565,205,423
Cash payments to and on behalf of employees		**220,816,947**	273,400,496
Payments for taxes and surcharges		**69,467,298**	82,595,306
Other cash payments relating to operating activities		**892,783,209**	693,918,631
Total cash outflows from operating activities		**3,572,902,398**	3,615,119,856
Net cash flows from operating activities	6	**23,821,004**	1,008,897,130
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from returns of investments		**1,030,000,000**	3,237,189,370
Cash receipts from returns on investments		**1,914,598,121**	2,211,199,711
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**577,660**	1,416,214
Other cash receipts relating to investing activities		**2,667,762,016**	3,073,663,379
Total cash inflows from investing activities		**5,612,937,797**	8,523,468,674
Cash payments to acquire fixed assets, intangible assets and other long-term assets		**22,977,412**	46,383,119
Cash payments for investments		**1,060,000,000**	3,200,000,000
Net cash payments for acquisition of subsidiaries and other business units		**705,000,000**	2,312,540,000
Other cash payments relating to other investing activities		**4,084,423,329**	4,650,595,971
Total cash outflows from investing activities		**5,872,400,741**	10,209,519,090
Net cash flows used in investing activities		**(259,462,944)**	(1,686,050,416)

The accompanying notes to financial statements form an integral part of these financial statements.

I. BASIC INFORMATION

Huaxin Cement Co.,LTD (hereinafter referred to as the "Company" or "Huaxin Cement") is a joint stock company with limited liability incorporated in Hubei, the People's Republic of China and was established on 30 November 1993. The Renminbi-denominated ordinary shares (A shares) and H shares of the Company are listed on the Shanghai Stock Exchange ("Shanghai Stock Exchange") and The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"), respectively. The Company's headquarters is located at No. 426 Gaoxin Avenue, Donghu New Technology Development District, Wuhan, Hubei.

The principal business activities of the Company and its subsidiaries (collectively, the "Group") include manufacture and sale of cement, concrete, clinker, aggregate and other building materials.

These financial statements were approved for disclosure by a resolution of the board of directors of the Company on 26 March 2025.

The consolidation scope of consolidated financial statements was determined on the basis of control. Please refer to Note. VII for changes of the year.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of Preparation

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises — Basic Standards issued by the Ministry of Finance as well as specific accounting standards, interpretations and other relevant provisions issued and revised subsequently (collectively referred to as "Accounting Standards for Business Enterprises"). In addition, the financial statements also include the relevant disclosures required by the Hong Kong Companies Ordinance and Listing Rules of the Hong Kong Stock Exchange.

2. Going Concern

The financial statements are presented on a going concern basis.

As at 31 December 2024, the Group's current assets were RMB15,791,607,023 and current liabilities were RMB18,168,904,092. The amount of current assets was less than the amount of current liabilities. When evaluating whether the Group has sufficient financial resources to continue its operations, the management of the Group has taken its future liquidity position and available financial resources into consideration, mainly including the net cash flows generated from operating activities and the availability of sufficient loan facilities.

Accordingly, the management of the Group considers that the Group will have sufficient working capital to cover operating use and make repayment on matured debts, thus it is appropriate to prepare the Group's financial statements on a going concern basis.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The specific accounting policies and accounting estimates have been prepared by the Group based on actual production and operation characteristics, as mainly embodied in the provision for bad debt of accounts receivable, inventory valuation methods, inventory impairment provisions, the depreciation of fixed assets, the amortisation of intangible assets, and revenue recognition and measurement.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

5. Business combinations

The Group only has business combinations not involving entities under common control.

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date. Goodwill is initially recognised and measured at cost, being the excess of the cost of the combination over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the cost of the combination is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the combination. If the cost of the combination is lower than the Group's interest in the fair value of the net identifiable assets acquired, the difference is, after reassessment, recognised in profit or loss.

6. Consolidated financial statements

The scope of the consolidated financial statements is determined on the basis of control, which include the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company). An investor controls an investee if and only if the investor has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

If the accounting policies or the accounting period of a subsidiary are different from those of the Company, necessary adjustments are made to the subsidiary's financial statements based on the Company's own accounting policies or accounting period in preparing the consolidated financial statements. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions within the Group are eliminated on consolidation in full.

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess amount is allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements based on the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicates that there are changes to one or more elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

8. Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions. At the balance sheet date, monetary items denominated in foreign currencies are translated at the spot exchange rates at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on initial recognition, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the weighted average exchange rates for the period during which the transactions occur (unless this is inappropriate due to exchange rate fluctuations, in which case the spot exchange rates prevailing on the dates of the transactions are used). The resulting exchange differences are recognised in other comprehensive income.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the weighted average exchange rates for the period during which the cash flows occur (unless this is inappropriate due to exchange rate fluctuations, in which case the spot exchange rates prevailing on the dates of cash flows are used). The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

(2) Classification and measurement of financial assets (continued)

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt investments at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Debt investments at fair value through other comprehensive income

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: (a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group irrevocably elects to designate its equity investments which are not held for trading as financial assets at fair value through other comprehensive income, and only dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is required. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

(3) Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities measured at amortised cost are included in the initial recognition amounts.

The subsequent measurement of financial liabilities depends on its classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are recognised in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will recognise all the changes in fair value (including the amount arising from changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Financial liabilities carried at amortised cost

After initial recognition, such financial liabilities are measured at amortised cost using the effective interest method.

(4) Impairment of financial instruments

Recognition and accounting treatments of expected credit losses

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, and debt investments at fair value through other comprehensive income.

For accounts receivable and contract assets that do not contain a significant financing component, the Company applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

(4) Impairment of financial instruments (continued)

Criteria for individual impairment provisions

If a counterparty exhibits significantly different credit risk characteristics compared to others in the portfolio, the Group assesses and recognises a loss provision individually for the related receivables. The Group categorises accounts receivable into the cement portfolio, concrete portfolio, and other portfolios based on credit risk characteristics, applying a portfolio-based ECL calculation. If there is objective evidence that a specific trade receivable has been impaired, expected credit losses will be recognised by the Group and a provision for individual impairment will be made. For accounts receivable classified within a portfolio, the Group determines ECL by considering historical credit loss experience, current situation and forecasts of economic conditions. The calculation incorporates exposure at default and the lifetime ECL rate to estimate the expected credit loss.

Write-off of impairment provisions

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(5) Derivative financial instruments

The Group uses derivative financial instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any profit or loss arising from changes in fair value of derivatives are taken directly in profit or loss.

(6) Transfers of financial assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (a) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (b) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss or the cost of related assets as incurred, according to the beneficiaries.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation is calculated using the straight-line method, except for safety production funds. The useful lives, percentages of estimated residual value and annual depreciation rates are as follows:

	Useful life	Percentage of estimated residual value	Annual depreciation rate
Buildings	25–40 years	4%	2.4%–3.8%
Machinery	5–18 years	4%	5.3%–19.2%
Office equipment	5–10 years	4%	9.6%–19.2%
Vehicles	4–12 years	4%	8.0%–24.0%

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at each year end, and makes adjustments if necessary.

13. Construction in progress

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalised before the construction is ready for its intended use, and other relevant expenditures.

An item of construction in progress is transferred to fixed assets when the asset is ready for its intended use. The standards are as follows:

	Standard for carrying fixed asset
Buildings	Commencement of use
Machinery and equipment	Fulfillment of the design requirements and completion of the trial production

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

14. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred.

The capitalisation of borrowing costs commences only when the expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

15. Intangible assets

Useful lives of intangible assets

The intangible assets are amortised using the straight-line method over their useful lives. The useful lives are as follows:

	Useful life
Land use rights	40–50 years
Mining rights	Amortisation on the basis of production
Mine restoration fees	Amortisation on the basis of production
Concession rights	10–20 years
Software use rights and others	5–10 years

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

20. Share-based payments *(continued)*

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payments vest immediately, the related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves; if such equity-settled share-based payments do not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group, at each balance sheet date during the vesting period, recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the market closing price at the granted date as described in Note XII.2.

21. Preference shares and other financial instruments

Other financial instruments including preference shares issued by the Group are measured as equity instruments when they satisfy all the following criteria:

(1) The financial instruments do not include cash or other financial assets delivered to other parties, or contractual obligations to exchange financial assets or liabilities with other parties under potential disadvantages;

(2) When the Group's own equity instrument is required to or available to be used for settlement of the financial instrument, it does not include the contractual obligations to settle the Group's own variable equity instruments if it is a non-derivative instrument; if it is a derivative instrument, the Group can only settle the instrument by exchanging certain amount of its own equity instruments with fixed amount of cash or other financial assets.

Preference shares issued by the Group that do not satisfy the above criteria are classified as financial liabilities.

For preference shares classified as financial liabilities, any gains or losses arising from changes in fair value and the dividends or interest expenses related to such financial liabilities, and any gains or losses arising from repurchase or redemption are recognised in profit or loss for the period.

22. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

(1) Contracts for the sale of cement and other construction materials

The Group recognises revenue from the sale of cement and other construction materials when the control of the goods has been transferred to the customer. According to the sales contract, the point of recognition of sales revenue is usually when the cement and other construction materials are shipped out of the Group's own warehouses or designated warehouses.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

22. Revenue from contracts with customers *(continued)*

(1) Contracts for the sale of cement and other construction materials (continued)

The Group uses the amount of consideration that it expects to be entitled to receive as a result of the transfer of merchandise to customers as the transaction price, which is determined in accordance with the terms of the contract, taking into account past business practices. Some of the Group's contracts include provisions for certain discounts when customers purchase merchandise over a certain quantity, which are directly offset against the amount payable by the customer for the merchandise purchased in the current period. The Group makes its best estimate of the discount in accordance with the expectation that the transaction price after the estimated discount will not exceed the amount by which it is highly probable that the cumulative recognised revenue will not be materially reversed by the time the related uncertainty is eliminated, and re-estimates the discount at each balance sheet date.

For the existence of significant financing components in the contract, the Group determines the transaction price based on the amount payable immediately by cash upon the receipt of control of goods or services by the customer, and uses the discount rate which discounts the nominal amount of the contract consideration to the discounted price of the goods or services to amortise the difference between the determined transaction price and the consideration amount of the contract commitment using the effective interest method during the contract period. Where it is expected that the intervals between the customer's control over the goods and services and the payment by the customer will not exceed one year, the Group does not consider the significant financing components in the contract.

(2) Contracts for the rendering of services

The Group fulfils its performance obligations through the provision of services such as solid waste treatment and governmental household waste treatment to its customers. Since the economic benefits arising from the Group's performance are obtained and consumed by the customers at the same time as the Group's performance, the Group recognises revenue in accordance with the progress of performance as performance obligations fulfilled in a certain period of time, unless the progress of performance is not reasonably determinable. The Group determines the progress of performance in the provision of services in accordance with the output method. When the progress of performance is not reasonably determinable, the Group recognises revenue at the amount of costs incurred until the progress of performance is reasonably determinable, provided that the costs incurred by the Group are expected to be reimbursed.

23. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet.

(1) Contract assets

The Group presents its right to consideration in exchange for goods or services as a contract asset (the right to consideration is conditional on other factors excluding the passage of time) if the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. The Group presents it as an account receivable when the Group has the right to consideration, which is unconditional subsequently.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

23. Contract assets and contract liabilities *(continued)*

(1) Contract assets (continued)

For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Note III. 9.

(2) Contract liabilities

The Group presents its obligation to transfer goods or services to a customer, for which the Group has received consideration or the Group has a right to an amount of consideration that is unconditional (i.e., a receivable) from the customer, as a contract liability.

24. Contract cost assets

The Group's contract cost assets include the costs to obtain and fulfil a contract and are classified by liquidity as inventories, other current assets and other non-current assets.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

Other than the costs which are capitalised as items such as inventories, fixed assets and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;

(2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and

(3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

(1) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less

(2) the costs that are expected to be incurred to transfer those related goods or services.

25. Government grants

Government grants are recognised when all attaching conditions can be complied with and the grant will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value cannot be reliably determined, it is measured at a nominal amount.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

25. Government grants *(continued)*

Government grants shall be recognised as government grants related to assets where long- term assets are built or otherwise developed in accordance with the requirements of government documents. If there are no specific requirements of government documents, judgement shall be exercised based on the basic conditions required for the grants. Government grants shall be recognised as government grants related to assets where the building or otherwise development of long-term assets is considered as the basic condition; otherwise, they shall be recognised as government grants related to income.

A government grant related to income is accounted for as follows: (a) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss or offset against related expenses over the periods in which the related costs are recognised or (b) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

26. Deferred income tax

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and on the temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

26. Deferred income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

(1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

27. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

27. Leases *(continued)*

(1) As a lessee

The Group recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Group recognises right-of-use assets. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date of the lease less any lease incentives received; (c) any initial direct cost incurred; and (d) estimates of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying assets to the condition required by the terms and conditions of the lease. The Group remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying assets will be transferred to the Group at the end of the lease term, the Group depreciates the assets from the commencement date to the end of the useful lives of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful lives of the asset and the end of the lease term.

At the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required. In addition, the Group remeasures the lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease terms.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

27. Leases *(continued)*

(2) As a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

Rental income under an operating lease is recognised on a straight-line basis over the lease term through profit or loss. Variable lease payments that are not included in the measurement of the

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

31. Significant accounting judgements and estimates *(continued)*

(1) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Business models

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

31. Significant accounting judgements and estimates *(continued)*

(2) Estimation uncertainty (continued)

Impairment of financial instruments

The Group uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Notes V.13, V.14,V.15, V.16 and V.18.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future cash flows expected to be derived from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in Note V.17.

Fair value of non-listed equity investments

The Group determines the fair value of non-listed equity investments using the market approach. This requires the Group to ascertain comparable listed companies, select market multiples and make estimates on liquidity discounts, thereby giving rise to uncertainties.

III. MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

31. Significant accounting judgements and estimates *(continued)*

(2) Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Provision for decline in value of inventories

The Group's inventories are measured at the lower of the costs and net realisable value. Net realisable value of inventory is the estimated selling price of inventory less the estimated costs upon completion of production, the estimated selling expenses and the related taxes and surcharges necessary to make the sale. Management's calculation of the net realisable value of inventory involves the estimation on the estimated selling price, the estimated costs upon completion, the estimated selling expenses and the related taxes and surcharges necessary to make the sale. Any changes in such estimates will affect the carrying amount of the inventory and profit or loss in the year of the future change.

Useful lives and residual values of fixed assets

Fixed assets are depreciated over their estimated useful lives by taking into account their residual values. The Group regularly reviews the estimated useful lives and residual values of relevant assets to determine the total amount of depreciation which will be included in each reporting period. Useful lives and residual values of assets are determined on the basis of the previous experience from assets of the same category and the expected change of technology. If the past estimates change significantly, the depreciation expense is adjusted in the future periods.

Provisions — Mine restoration obligations

The obligations of mine restoration and environmental clean-up are determined by the management based on the historical experience and best estimate of future expenditure after taking into account the existing laws and regulations with expected expenditure discounted to its net present value. With the progress of the current mining activities and the revision and improvement of relevant laws and regulations, the estimation for the related cost may be revised constantly when the restoration plan becomes evident.

IV. TAXATION

1. Major categories of taxes and respective tax rates

Tax base	Tax rate
Value-added tax (VAT)	Except for the local tax rate applicable to the overseas companies in accordance with the tax law, output tax shall be calculated according to the corresponding tax rate for the taxable income of the general taxpayers of the Group, and VAT shall be calculated and paid according to the difference after deducting the allowable deduction of input tax for the current period. Among them, the sand, soil and stone used in the sales of construction materials and the production of construction materials of the Group are simply taxed according to the sales revenue, with a levy rate of 3%. Sales of concrete are simply taxed according to the sales revenue, with a levy rate of 3%. Sales of other commodities are calculated as output tax at a rate of 13%. Small-scale according to the sales revenue are subject to levy at a rate of 3%. The VAT rate for transportation services and professional and technical services is 6%.	General tax rates: 13%, 6% Simplified tax rate: 3% Overseas companies tax rates: 18%, 17%, 16%, 15%, 12% and 5%.
Excise tax	The Group paid excise duty on the volume of cement sold by Maweni Limestone Limited in Tanzania. The rate was TZS 2000/T as prescribed by the Tanzanian tax law.	—
Urban maintenance and construction tax	Actual VAT paid	7%, 5%, 1%
Education surcharge	Actual VAT paid	3%
Property tax	1. Based on the values of properties owned or used less 10% to 30% of that value 2. Based on the rental income.	Self-occupied properties: 1.2% Leased out properties: 12%
Land use tax	Based on the land areas occupied for production and operations	Applicable tax amount
Individual income tax	Based on salaries and other personal income paid to employees	Applicable tax rate
Land appreciation tax	Based on the appreciation of land value	At four-level excess progressive tax rates ranging from 30% to 60%
Resource tax	1. Minerals exploited by the Group 2. On a quantity basis or price basis	Applicable tax rate Applicable tax amount
Corporate income tax	1. Exceptions apply for the overseas subsidiaries and enterprises entitled to income tax concessions 2. Tax rate of 25% based on the taxable profit	Overseas companies: 30%, 28%, 20%, 18%, 15%, 13%, 12.5% and 10% Other companies: 25%, 16.5%, 15%, 12.5%, 9% and 0%

IV. TAXATION *(continued)*

2. Tax concessions

2.1 Corporate income tax

The Group's subsidiary, Huaxin Cement Technology Management (Wuhan) Co.,LTD, was granted the Certificate of High and New Technological Enterprise by Hubei Provincial Science & Technology Department in 2023. Pursuant to the Enterprise Income Tax Law of the PRC, the subsidiary is entitled to a reduced tax rate of 15% for the year (2023: 15%).

The Group's subsidiary, Huaxin Environmental Engineering Co.,LTD, was granted the Certificate of High and New Technological Enterprise by Hubei Provincial Science & Technology Department in 2022. Pursuant to the Enterprise Income Tax Law of the PRC, the subsidiary is entitled to a reduced tax rate of 15% for the year (2023: 15%).

The Group's subsidiary, Huaxin Cement (Henan Xinyang) Co.,LTD, was granted the Certificate of High and New Technological Enterprise by Henan Provincial Science & Technology Department in 2022. Pursuant to the Enterprise Income Tax Law of the PRC, the subsidiary is entitled to a reduced tax rate of 15% for the year (2023: 15%).

The Group's subsidiary, Huaxin Super-kolon New Building Materials Technology (Huangshi) Co.,LTD, was granted the Certificate of High and New Technological Enterprise by Hubei Provincial Science & Technology Department in 2022. Pursuant to the Enterprise Income Tax Law of the PRC, the subsidiary is entitled to a reduced tax rate of 15% for the year (2023: 15%).

The Group's subsidiaries, Huaxin Cement Chongqing Fuling Co.,LTD, Huaxin Cement (Enshi) Co.,LTD, Huaxin Cement (Quxian) Co.,LTD, Huaxin Cement (Wanyuan) Co.,LTD, Huaxin Cement (Lijiang) Co.,LTD, Yunnan Huaxin Dongjun Cement Co.,LTD, Huaxin Guizhou Dingxiao Special Cement Co.,LTD, Huaxin Cement (Zhaotong) Co.,LTD, Huaxin Hongta Cement (Jinghong) Co.,LTD, Huaxin Cement (Jianchuan) Co.,LTD, Huaxin Cement (Kunming Dongchuan) Co.,LTD, Huaxin Cement (Lincang) Co.,LTD, Huaxin Cement (Honghe) Co.,LTD, Chongqing Huaxin Diwei Cement Co.,LTD, Chongqing Huaxin Cantian Cement Co.,LTD and Guizhou Shuicheng Rui An Cement Co.,LTD, Huaxin Cement (Fumin) Co.,LTD, Kunming Chongde Cement Co.,LTD and Huaxin Cement (Tibet) Co.,LTD Huaxin Cement (Diqing) Co.,LTD,Tibet Huaxin Building Materials Co.,LTD, Huaxin Cement (Yunlong) Co.,LTD, Panzhihua Huaxin Cement Co.,LTD, Chongqing Huaxin Yanjing Cement Co.,LTD, Chongqing Huaxin Phoenix Lake Concrete Co.,LTD, Huaxin New Building Materials (Kunming) Co., LTD, and Yunwei Baoshan Organic Chemical Co.,LTD are manufacturing enterprises established in the western development zone of the PRC. Pursuant to Cai Shui [2020] No. 23 Announcement on the Continuation of the Enterprise Income Tax Policy for Western China Development, the applicable enterprise income tax rate for these subsidiaries for the years 2021 to 2030 is reduced to 15%.

The Group's subsidiaries, Hainan Xinhongda Building Materials Co.,LTD, Hainan Baihuitong Supply Chain Technology Co.,LTD, and Hainan Huaxin Ronghui Concrete Co.,LTD, are enterprises established in the Hainan Province. Pursuant to Cai Shui [2020] No. 31 Announcement of Corporate Income Tax Relief Policy in the Hainan Free Trade Port, the applicable enterprise income tax rate for these subsidiaries for the years 2020 to 2024 is reduced to 15%.

IV. TAXATION *(continued)*

2. Tax concessions *(continued)*

2.1 Corporate income tax (continued)

The Group's subsidiary, Huaxin Environmental Engineering (Wuxue) Co.,LTD, is a qualified third-party enterprise engaged in pollution prevention and control. According to Announcement No. 38 of the Ministry of Finance of the People's Republic of China (2023), Announcement of the Ministry of Ecology and Environment of the State Development and Reform Commission on the Income Tax Policies of Third-party Enterprises engaged in Pollution Prevention, the subsidiary is subject to corporate income tax at a reduced rate of 15% from 2024 to 2027.

For the Group's subsidiaries engaged in the business of environmental engineering, their profits generated from the business of environmental protection and energy and water conservation are exempt from enterprise income tax in the first three years starting from the first year of generating revenue and followed by a 50% reduction from the fourth year to the sixth year.

The Group's subsidiaries, Huaxin Cement (Tibet) Co.,LTD and Tibet Huaxin Building Materials Co.,LTD are the key enterprises supported and encouraged by the development in the Tibet Autonomous Region. Pursuant to the "Measures for the Implementation of Enterprise Income Tax Policies in the Tibet Autonomous Region (Provisional)" issued by the Government of the People's Republic of China under No. 11 of the [2022], from 1 January 2022 to 31 December 2025, they are exempted from the local portion of the enterprise income tax.

2.2 VAT

Pursuant to Cai Shui [2015] No. 78, VAT Preferential Catalog of Products and Services Comprehensive Utilization of Resources, some subsidiaries of the Group are entitled to the preferential policy of immediate refund of VAT, with a 70% refund ratio.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

	31 December 2024	31 December 2023
Cash on hand	**1,192,015**	2,099,477
Cash at banks	**6,217,848,316**	5,319,976,718
Other cash and bank balances	**589,962,243**	527,389,156
Total	**6,809,002,574**	5,849,465,351
Including: Total amount of funds deposited overseas	**1,441,956,475**	1,216,250,877

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

2. Financial assets held for trading

	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss		
Equity investments	**1,704,908**	1,495,675
Money market fund	**30,000,000**	—
Total	**31,704,908**	1,495,675

3. Notes receivable

(1) Classification and presentation of notes receivable

	31 December 2024	31 December 2023
Bank acceptance bills	**202,597,711**	275,075,423
Less: Impairment allowance		—
Total	**202,597,711**	275,075,423

The Group considers that there is no material credit risk in the bank acceptance bills held by the Group and will not incur significant losses due to default by banks or other drawers.

(2) Pledged notes receivable

As at 31 December 2024, the Group had no pledged notes receivable (as at 31 December 2023: Nil).

(3) Notes endorsed or discounted but not yet matured at the balance sheet date

	31 December 2024		31 December 2023	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bill		**114,931,747**	—	200,844,348
Total		**114,931,747**	—	200,844,348

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable

(1) The ageing analysis of accounts receivable

	31 December 2024	31 December 2023
Within 6 months	**2,215,711,566**	1,774,340,469
6–12 months	**463,834,341**	327,137,999
1 to 2 years	**425,135,025**	228,421,668
2 to 3 years	**65,994,623**	41,812,808
Over 3 years	**117,966,856**	123,484,774
	3,288,642,411	2,495,197,718
Less: Impairment allowance	**318,842,528**	235,701,561
Total	**2,969,799,883**	2,259,496,157

(2) Disclosure by category of bad debt provision method

	31 December 2024				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion (%)	
Receivables for which bad debt provision is assessed on an individual basis	**106,726,884**	**3**	**98,804,119**	**93**	**7,922,765**
Receivables for which bad debt provision is assessed on a portfolio basis	**3,181,915,527**	**97**	**220,038,409**	**7**	**2,961,877,118**
Total	**3,288,642,411**		**318,842,528**		**2,969,799,883**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable *(continued)*

(2) Disclosure by category of bad debt provision method (continued)

	31 December 2023				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Receivables for which bad debt provision is assessed on an individual basis	134,004,127	5	110,292,647	82	23,711,480
Receivables for which bad debt provision is assessed on a portfolio basis	2,361,193,591	95	125,408,914	5	2,235,784,677
Total	2,495,197,718		235,701,561		2,259,496,157

As at 31 December 2024, receivables for which bad debt provision is assessed on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Client B	**11,491,305**	**11,491,305**	**100**	**All uncollectible**
Client A	**10,455,415**	**10,455,415**	**100**	**All uncollectible**
Others	**84,780,164**	**76,857,399**	**91**	**Partly uncollectible**
Total	**106,726,884**	**98,804,119**		

As at 31 December 2023, receivables for which bad debt provision is assessed on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Client A	15,380,800	15,380,800	100	All uncollectible
Client B	11,322,334	11,322,334	100	All uncollectible
Others	107,300,993	83,589,513	78	Partly uncollectible
Total	134,004,127	110,292,647		

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable *(continued)*

(2) Disclosure by category of bad debt provision method (continued)

Receivables for which bad debt provision is assessed on a portfolio basis are as follows:

Category of cement receivable:

	31 December 2024		
	Estimated gross carrying amount at default	**Expected credit loss rate (%)**	**Lifetime ECL**
Within 6 months	**457,784,375**	**4**	**16,472,449**
6–12 months	**32,085,779**	**5**	**1,617,996**
1–2 years	**29,172,421**	**15**	**4,289,857**
2–3 years	**2,352,165**	**99**	**2,326,061**
Over 3 years	**4,396,596**	**100**	**4,396,596**
Total	**525,791,336**		**29,102,959**

	31 December 2023		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECLs
Within 6 months	325,866,489	4	14,144,194
6–12 months	55,253,154	12	6,724,525
1–2 years	23,819,665	34	8,050,877
2–3 years	5,911	67	3,985
Over 3 years	4,453,387	95	4,236,199
Total	409,398,606		33,159,780

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Accounts receivable *(continued)*

(2) Disclosure by category of bad debt provision method (continued)

Category of concrete receivable:

	31 December 2024		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECL
Within 6 months	**1,531,379,191**	**3**	**44,510,581**
6 to 12 months	**376,678,830**	**3**	**12,760,766**
1 to 2 years	**292,878,125**	**15**	**44,255,217**
2 to 3 years	**42,677,200**	**45**	**19,225,964**
Over 3 years	**6,430,263**	**82**	**5,301,998**
Total	**2,250,043,609**		**126,054,526**

	31 December 2023		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECLs
Within 6 months	1,220,853,730	2	24,796,873
6 to 12 months	224,585,016	3	7,836,216
1 to 2 years	138,800,207	13	18,258,342
2 to 3 years	16,256,605	43	6,924,084
Over 3 years	6,295,847	74	4,672,266
Total	1,606,791,405		62,487,781

Category of other business:

	31 December 2024		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECL
Within 6 months	**225,758,400**	**6**	**13,018,954**
6 to 12 months	**53,963,771**	**7**	**3,954,080**
1 to 2 years	**88,761,890**	**18**	**16,000,817**
2 to 3 years	**13,677,303**	**58**	**7,987,855**
Over 3 years	**23,919,218**	**100**	**23,919,218**
Total	**406,080,582**		**64,880,924**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. Receivables financing

(1) Classification and presentation of financing receivables

	31 December 2024	31 December 2023
Bank acceptance bills	**511,791,354**	746,018,692

The Group endorsed or discounted bank acceptance bills based on its daily cash management needs. The business model for managing these bills aims both to collect contractual cash flows and to sell them. Therefore, these bank acceptance bills are classified as financial assets measured at fair value with changes recognised in other comprehensive income, and are presented as financing receivables.

(2) Pledged financing receivables

As at 31 December 2024, the Group had no bank acceptance bills pledged but not yet due (as at 31 December 2023: Nil).

(3) Bills endorsed or discounted but not yet due

	31 December 2024		31 December 2023	
	Derecognised	Not Derecognised	Derecognised	Not Derecognised
Bank acceptance bills	**2,280,249,072**		2,036,671,648	—
Total	**2,280,249,072**		2,036,671,648	—

6. Prepayments

(1) An ageing analysis of prepayments

	31 December 2024		31 December 2023	
	Balance of carrying amount	Proportion (%)	Balance of carrying amount	Proportion (%)
Within 1 year	**253,908,235**	**81**	382,702,940	91
1 to 2 years	**30,230,495**	**9**	24,587,858	6
2 to 3 years	**20,890,730**	**7**	3,910,239	1
Over 3 years	**9,858,515**	**3**	6,677,694	2
Total	**314,887,975**	**100**	417,878,731	100

At 31 December 2024, there was no significant prepayment with ageing above one year (as at 31 December 2023: Nil).

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Prepayments *(continued)*

(2) The top five amounts for prepayments

	31 December 2024	
	Balance of carrying amount	**Proportion (%)**
First	**11,385,769**	**4**
Second	**11,134,950**	**4**
Third	**10,170,300**	**3**
Fourth	**9,987,637**	**3**
Fifth	**9,909,209**	**3**
Total	**52,587,865**	**17**

	31 December 2023	
	Balance of carrying amount	Proportion (%)
First	64,000,000	15
Second	21,034,205	5
Third	17,002,670	4
Fourth	16,418,387	4
Fifth	15,343,406	4
Total	133,798,668	32

7. Other receivables

	31 December 2024	31 December 2023
Interests receivable	**8,692,908**	5,401,108
Dividends receivable	**41,073,612**	1,426,876
Other receivables	**1,187,735,988**	740,440,448
Total	**1,237,502,508**	747,268,432

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

(1) An ageing analysis of other receivables

	31 December 2024	31 December 2023
Within 1 year	**636,386,497**	449,223,204
1 to 2 years	**356,907,345**	156,857,056
2 to 3 years	**91,778,591**	40,796,405
Over 3 years	**168,796,269**	197,910,488
Less: Impairment allowance	**66,132,714**	104,346,705
Total	**1,187,735,988**	740,440,448

(2) Other receivables classified by nature

	31 December 2024	31 December 2023
Receivables from disposal of assets (Note V.54)	**697,542,989**	272,542,989
Loans and out-of-pocket expenses	**138,674,729**	212,161,594
Margin and deposits	**195,868,910**	220,557,318
Petty cash	**8,808,792**	6,059,314
Other	**212,973,282**	133,465,938
Total	**1,253,868,702**	844,787,153

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

(3) Bad debt provisions

Changes in impairment allowance recognised for the 12-month ECLs and lifetime ECLs on other receivables are as follows:

2024

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

(4) The top five amounts for other receivables

2024

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Other receivables *(continued)*

(4) The top five amounts for other receivables (continued)

2023

	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for bad debts
First	272,542,989	32%	Receivables from disposal of assets	Within 1 year	–
Second	50,240,000	6%	Margin and deposits	Within 1 year, 1–2 years, 2–3 years, over 3 years	–
Third	38,927,223	5%	Loans and out-of-pocket expenses	Over 3 years	38,927,223
Fourth	27,027,341	3%	Loans and out-of-pocket expenses	Over 3 years	27,027,341
Fifth	25,000,000	3%	Loans and out-of-pocket expenses	1–2 years	–
Total	413,737,553	49%			65,954,564

8. Inventories

(1) Classification of Inventories

	31 December 2024		
	Balance of carrying amount	Provision for impairment and provision for decline in value	Carrying value
Raw materials	**728,262,770**	**25,770,526**	**702,492,244**
Work in progress	**788,783,215**	**21,410,776**	**767,372,439**
Finished goods	**852,259,019**	**31,309,200**	**820,949,819**
Spare parts and turnover materials	**890,456,512**	**123,501,524**	**766,954,988**
Total	**3,259,761,516**	**201,992,026**	**3,057,769,490**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Inventories *(continued)*

(1) Classification of Inventories (continued)

	31 December 2023		
	Balance of carrying amount	Provision for write-down of inventories	Carrying value
Raw materials	1,105,785,922	66,501	1,105,719,421
Work in progress	891,703,251	56,736,368	834,966,883
Finished goods	874,538,962	23,924,403	850,614,559
Spare parts and turnover materials	798,465,639	126,828,337	671,637,302
Total	3,670,493,774	207,555,609	3,462,938,165

(2) The movements in provision for write-down of inventories

2024

	Opening balance	Provision	Decrease		Closing balance
			Reversal	Transferred and others	
Raw materials	**66,501**	**29,466,511**	**3,762,486**		**25,770,526**
Work in progress	**56,736,368**	**6,217,316**	**37,738,918**	**3,803,990**	**21,410,776**
Finished goods	**23,924,403**	**14,202,249**	**6,817,452**		**31,309,200**
Spare parts and turnover materials	**126,828,337**	**6,507,275**	**9,641,545**	**192,543**	**123,501,524**
Total	**207,555,609**	**56,393,351**	**57,960,401**	**3,996,533**	**201,992,026**

2023

	Opening balance	Provision	Decrease		Closing balance
			Reversal	Write-off and others	
Raw materials	248,377	—	91,389	90,487	66,501
Work in progress	165,122	56,571,246	—	—	56,736,368
Finished goods	—	23,924,403	—	—	23,924,403
Spare parts and turnover materials	112,285,876	32,367,091	17,824,630	—	126,828,337
Total	112,699,375	112,862,740	17,916,019	90,487	207,555,609

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9. Other current assets

	31 December 2024	31 December 2023
Input VAT to be credited	**533,342,789**	664,973,134
Prepaid income tax	**56,621,514**	54,975,857
Fixed deposit (Note)		681,571,424
Others	**26,586,317**	58,430,981
Total	**616,550,620**	1,459,951,396

Note: As at 31 December 2024, there were no fixed deposits in local commercial banks with maturity terms over three months but under a year (as at 31 December 2023, the annual interest rate was 6.25%.)

10. Long-term receivables

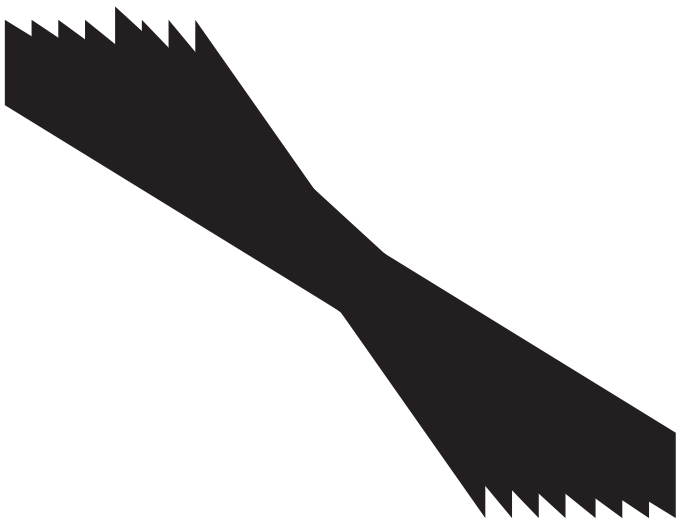
	31 December 2024		
	Balance of carrying amount	Impairment allowance	Carrying value
External Loans	**46,241,905**		**46,241,905**
Others	**476,280**		**476,280**
Total	**46,718,185**		**46,718,185**

	31 December 2023		
	Balance of carrying amount	Impairment allowance	Carrying value
External Loans	80,450,000	—	80,450,000
Others	526,447	—	526,447
Total	80,976,447	—	80,976,447

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. Long-term equity investments

2024



V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. Long-term equity investments *(continued)*

2023

	Opening balance	Increase in investment	Decrease in investment	Movements during the year: Investment profits or losses under equity method	Other changes in equity	Cash dividends declared	Other increase	Closing balance
Associates								
Tibet High-tech Building Materials Group Co.,LTD	345,368,185	–	–	17,150,803	(1,003,076)	–	–	361,515,912
Shanghai Wan'an Huaxin Cement Co.,LTD	90,786,053	–	–	(1,564,650)	–	–	–	89,221,403
Zhangjiajie Tianzi Concrete Co.,LTD	2,687,409	–	–	444,599	–	–	–	3,132,008
Chenfeng Intelligent Equipment Hubei Co.,LTD	45,000	–	(45,000)	–	–	–	–	–
Xinyang Xinxin Mining Co.,LTD	–	30,000,000	–	–	–	–	–	30,000,000
Mondi Oman LLC	–	–	–	4,172,918	–	(5,208,521)	30,029,631	28,994,028
Subtotal	438,886,647	30,000,000	(45,000)	20,203,670	(1,003,076)	(5,208,521)	30,029,631	512,863,351
Total	438,886,647	30,000,000	(45,000)	20,203,670	(1,003,076)	(5,208,521)	30,029,631	512,863,351

12. Other equity investments

	31 Dece be 2024	31 December 2023
Equity investment in non-listed companies 1	**39,986,790**	41,113,278
Equity investment in non-listed companies 2	**894,537,269**	923,520,621
Total	**934,524,059**	964,633,899

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. Other equity investments *(continued)*

31 December 2024

	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Accumulated gains recognised in other comprehensive income	Accumulated losses recognised in other comprehensive income	Dividend income for the year
Equity investment in non-listed companies 1		**1,126,488**	**28,262,124**		
Equity investment in non-listed companies 2		**28,983,352**		**105,462,731**	**41,073,612**
Total		**30,109,840**	**28,262,124**	**105,462,731**	**41,073,612**

31 December 2023

	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Gains accumulated in other comprehensive income	Losses accumulated in other comprehensive income	Dividend income for the year
Equity investment in non-listed companies 1	–	16,059,261	29,388,612	–	–
Equity investment in non-listed companies 2	–	32,157,163	–	76,479,379	–
Total	–	48,216,424	29,388,612	76,479,379	–

The Group's voting rights in equity investments in non-listed companies 1 and 2 are 1.4988% and 5.2173%, respectively. The Group does not participate in or influence their financial and operational decisions in any way, and the Group does not have significant influence on the above-mentioned companies. These investments are accounted for other equity instruments.

13. Fixed assets

	31 December 2024	31 December 2023 (restated)
Fixed assets	**28,398,029,574**	28,083,495,585
Disposal of fixed assets	**10,422,362**	11,990,805
Total	**28,408,451,936**	28,095,486,390

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

(1) Movement of fixed assets

2024

	Building	Machinery	Office equipment	Vehicle	Total
Cost					
Opening balance	21,705,931,735	25,792,398,525	340,049,873	482,046,979	48,320,427,112
Purchases	72,010,792	108,535,823	29,081,312	61,980,225	271,608,152
Transfers from construction in progress	696,630,038	1,858,813,094			2,555,443,132
Disposals or retirements	(111,443,489)	(434,919,111)	(23,553,936)	(41,815,782)	(611,732,318)
Exchange differences on foreign currency translation	84,351,353	227,388,575	14,656,260	46,726,848	373,123,036
Closing balance	22,447,480,429	27,552,216,906	360,233,509	548,938,270	50,908,869,114
Accumulated depreciation					
Opening balance	5,902,807,902	13,365,453,094	238,640,170	362,447,136	19,869,348,302
Depreciation provided during the year	769,099,959	1,709,780,383	28,597,072	57,435,566	2,564,912,980
Disposals or retirements	(87,065,733)	(417,811,126)	(19,811,721)	(39,562,592)	(564,251,172)
Exchange differences on foreign currency translation	37,007,750	113,325,111	10,593,065	35,982,219	196,908,145
Closing balance	6,621,849,878	14,770,747,462	258,018,586	416,302,329	22,066,918,255
Provision for impairment					
Opening balance	218,041,179	149,069,032	202,173	270,841	367,583,225
Impairment	60,276,467	11,563,056			71,839,523
Disposals or retirements	(3,409,673)	(4,793,985)			(8,203,658)
Exchange differences on foreign currency translation	5,147,087	7,555,108			12,702,195
Closing balance	280,055,060	163,393,211	202,173	270,841	443,921,285
Carrying amount					
At end of year	15,545,575,491	12,618,076,233	102,012,750	132,365,100	28,398,029,574
At beginning of year	15,585,082,654	12,277,876,399	101,207,530	119,329,002	28,083,495,585

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

(1) Movement of fixed assets (continued)

2023

	Buildings	Machinery	Office equipment	Vehicles	Total
Cost					
Opening balance	18,032,658,256	22,479,965,845	315,334,664	492,897,822	41,320,856,587
Purchases	17,312,805	1,692,044	25,021,595	27,706,095	71,732,539
Transfers from construction in progress	2,772,940,054	2,521,029,435	–	–	5,293,969,489
Business combinations (restated)	1,077,817,420	1,298,073,104	13,700,287	8,461,281	2,398,052,092
Disposals or retirements	(148,567,776)	(223,213,165)	(5,797,719)	(35,005,524)	(412,584,184)
Exchange differences on foreign currency translation	(46,229,024)	(285,148,738)	(8,208,954)	(12,012,695)	(351,599,411)
Closing balance	21,705,931,735	25,792,398,525	340,049,873	482,046,979	48,320,427,112
Accumulated depreciation					
Opening balance	5,243,882,654	12,282,713,922	231,270,797	349,234,190	18,107,101,563
Depreciation provided during the year	724,366,452	1,280,149,352	22,650,627	51,247,372	2,078,413,803
Disposals or retirements	(50,545,811)	(132,377,355)	(13,933,189)	(30,187,533)	(227,043,888)
Exchange differences on foreign currency translation	(14,895,393)	(65,032,825)	(1,348,065)	(7,846,893)	(89,123,176)
Closing balance	5,902,807,902	13,365,453,094	238,640,170	362,447,136	19,869,348,302
Provision for impairment					
Opening balance	291,349,159	208,532,555	200,334	264,658	500,346,706
Impairment	446,585	528,089	1,839	6,183	982,696
Disposals or retirements	(73,754,565)	(59,991,612)	–	–	(133,746,177)
Closing balance	218,041,179	149,069,032	202,173	270,841	367,583,225
Carrying amount					
At end of year	15,585,082,654	12,277,876,399	101,207,530	119,329,002	28,083,495,585
At beginning of year	12,497,426,443	9,988,719,368	83,863,533	143,398,974	22,713,408,318

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

(3) Fixed assets leased under operating leases

31 December 2024

	Building	Machinery	Office equipment	Vehicle	Total
Cost					
Original price	**1,713,873**	**2,270,989**	**93,589**	**54,201**	**4,132,652**
Lease out	**2,876,444**	**629,885**			**3,506,329**
Closing balance	**4,590,317**	**2,900,874**	**93,589**	**54,201**	**7,638,981**
Accumulated depreciation					
Depreciation provided during the year	**930,624**	**2,180,149**	**89,845**	**52,033**	**3,252,651**
Provision	**389,347**	**12,628**	**385**		**402,360**
Lease out	**1,574,253**	**592,062**			**2,166,315**
Closing balance	**2,894,224**	**2,784,839**	**90,230**	**52,033**	**5,821,326**
Carrying amount					
At end of year	**1,696,093**	**116,035**	**3,359**	**2,168**	**1,817,655**
At beginning of year	**783,249**	**90,840**	**3,744**	**2,168**	**880,001**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

(3) Fixed assets leased under operating leases (continued)

31 December 2023

	Buildings	Machinery	Office equipment	Vehicles	Total
Cost					
Original price	21,613,672	15,977,124	1,140,721	1,075,921	39,807,438
Lease out	(19,899,799)	(13,706,135)	(1,047,132)	(1,021,720)	(35,674,786)
Closing balance	1,713,873	2,270,989	93,589	54,201	4,132,652
Accumulated depreciation					
Depreciation provided during the year	11,763,455	15,270,258	1,100,944	1,032,885	29,167,542
Provision	1,059,013	35,246	2,678	–	1,096,937
Lease out	(11,891,844)	(13,125,355)	(1,013,777)	(980,852)	(27,011,828)
Closing balance	930,624	2,180,149	89,845	52,033	3,252,651
Carrying amount					
At end of year	783,249	90,840	3,744	2,168	880,001
At beginning of year	9,850,217	706,866	39,777	43,036	10,639,896

(4) Impairment test of fixed assets

The Group determines whether there is any indication that an asset may be impaired at the balance sheet date. If there is an indication of impairment, the Group estimates its recoverable amount and performs an impairment test. The recoverable amount is the higher of the fair value of the cash-generating unit, net of disposal costs, and the present value of the cash-generating unit's estimated future cash flows.

The Group recognised an impairment provision for long-term assets of RMB82,301,084 during the year. The reasons and methods used by the Group to make the impairment provision are set out below.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Fixed assets *(continued)*

(4) Impairment test of fixed assets (continued)

1) Recoverable amount is determined based on the present value of estimated future cash flows.

In the year ended 31 December 2024, due to the market environment and other factors, individual subsidiaries of the Group had underutilised their production capacity and suffered continuous operating losses, and there were obvious indications of impairment for these asset groups. These asset groups include fixed assets with a carrying value of RMB935,011,166 before impairment, intangible assets of RMB46,501,218, construction in progress of RMB76,316,437, and right-of-use assets of RMB1,502,365.

2) Recoverable amount is determined based on the fair value less costs of disposal.

Certain subsidiaries of the Group, in response to national policies, conducted capacity replacement within the Group. Among the production lines involved in capacity replacement, assets that cannot be reallocated within the Group show significant signs of impairment. This asset group includes fixed assets with a pre-impairment book value of RMB44,323,817.

The Group calculates the present value of future cash flows based on the economic life of the main equipment, using a forecast period ranging from 4 to 15 years and a pre-tax discount rate ranging from 10% to 18%. Other key assumptions adopted by the appraiser include the projected sales volume, future selling price, growth rate, expected gross profit margin, and expense ratio of the products related to the asset group. The Group determines these critical assumptions based on the historical operating performance of the asset group, industry standards, and forecasts of market development.

Based on the recoverable amounts determined by the present value of the estimated future cash flows as described above, the Group made impairment provisions of RMB71,839,523, RMB1,388,721, RMB9,072,840 for fixed assets, intangible assets, construction in progress, respectively, in respect of these asset groups during the year.

14. Construction in progress

	31 December 2024	31 December 2023
Construction in progress	**3,412,128,279**	3,509,006,781
Construction materials	**118,623,991**	105,807,649
Total	**3,530,752,270**	3,614,814,430

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. Construction in progress *(continued)*

(1) Construction in progress

	31 December 2024			31 December 20233		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Huaxin Huangshi Green Building Materials Billion Tons Machine-made Sand Project	**716,358,282**		**716,358,282**	621,398,818	–	621,398,818
Mozambique Nacala Factory Upgrade and Renovation Project	**476,041,388**		**476,041,388**	30,160,614	–	30,160,614
Huangshi Cement Supporting Project	**249,325,455**		**249,325,455**	328,067,382	–	328,067,382
Huaxin Environmental Engineering Series Project	**153,407,103**		**153,407,103**	384,179,550	–	384,179,550
Huaxin Integrated Series Project	**138,611,523**		**138,611,523**	166,606,258	–	166,606,258
Others	**1,686,987,698**	**8,603,170**	**1,678,384,528**	1,988,867,605	10,273,446	1,978,594,159
Total	**3,420,731,449**	**8,603,170**	**3,412,128,279**	3,519,280,227	10,273,446	3,509,006,781

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. Construction in progress *(continued)*

(2) Changes of major construction in progress (continued)

31 December 2023

	Progress of works	Accumulated amount of capitalised interest	Including: capitalised interest for the year	Capitalization rate of interest for the year
Huaxin Huangshi Green Building Materials Billion Tons Machine-made Sand Project	91%	72,106,668	646,886	3.37%
Huaxin Environmental Engineering Series Project	N/A	4,633,503	4,149,614	3.67%
Huaxin Aggregate Series Project	N/A	14,356,434	3,506,115	4.45%
Maweni Clinker Phase II Project	86%	6,174,817	6,174,817	5.13%
Total		97,271,422	14,477,432	

(3) Provision for impairment of construction in progress

2024

	Opening balance	**Increased during the year**	**Decreased during the year**	**Closing balance**	Reason for the provision
Project 1	**1,520,583**	**469,670**	**(1,990,253)**		Relocation
Project 2	**5,473,353**		**(5,473,353)**		Failure in planning stage
Project 3	**1,892,993**		**(1,892,993)**		Failure in obtaining the safe production permit
Project 4	**485,436**		**(485,436)**		Failure in planning stage
Project 5	**901,081**		**(901,081)**		Performance not meeting expectations
Project 6		**899,358**		**899,358**	Performance not meeting expectations
Project 7		**6,421,942**		**6,421,942**	Failure in planning stage
Project 8		**1,281,870**		**1,281,870**	Performance not meeting expectations
Total	**10,273,446**	**9,072,840**	**(10,743,116)**	**8,603,170**	

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. Construction in progress *(continued)*

(3) Provision for impairment of construction in progress (continued)

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for the provision
Project 1	1,520,583	—	—	1,520,583	Relocation
Project 2	5,473,353	—	—	5,473,353	Failure in planning stage
Project 3	1,892,993	—	—	1,892,993	Failure in obtaining the safe production permit
Project 4	485,436	—	—	485,436	Failure in planning stage
Project 5	897,165	3,916	—	901,081	Performance not meeting expectations
Total	10,269,530	3,916	—	10,273,446	

Construction materials

	31 December 2024			31 December 2023		
	Balance of carrying amount	Provision for impairment	Carrying value	Balance of carrying amount	Provision for impairment	Carrying value
Special equipment	**118,623,991**		**118,623,991**	105,807,649	—	105,807,649
Total	**118,623,991**		**118,623,991**	105,807,649	—	105,807,649

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

15. Right-of-use assets

31 December 2024

	Land use rights	Buildings and related facilities	Machinery	Vehicles	Total
Cost					
Opening balance	763,001,547	569,842,287	702,664,992	25,246,209	2,060,755,035
Addition	112,073,473	154,059,159	163,692,412		429,825,044
Disposals	(190,299,136)	(87,817,417)	(72,693,710)		(350,810,263)
Closing balance	684,775,884	636,084,029	793,663,694	25,246,209	2,139,769,816
Accumulated depreciation					
Opening balance	158,729,330	118,647,788	102,373,985	296,475	380,047,578
Depreciation provided during the year	112,413,236	95,259,643	106,999,233	3,382,504	318,054,616
Decrease	(51,282,083)	(16,059,409)	(5,696,747)		(73,038,239)
Closing balance	219,860,483	197,848,022	203,676,471	3,678,979	625,063,955
Carrying amount					
At end of year	464,915,401	438,236,007	589,987,223	21,567,230	1,514,705,861
At beginning of year	604,272,217	451,194,499	600,291,007	24,949,734	1,680,707,457

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Intangible assets *(continued)*

31 December 2023

	Land use rights	Mining rights	Mine restoration fees	Concession rights	Software use rights and others	Total
Cost						
Opening balance	3,500,417,326	12,694,047,327	565,426,793	168,200,597	294,634,392	17,222,726,435
Purchases	158,622,428	67,069,515	326,312,844	1,187,234	1,298,195	554,490,216
Transferred from construction in progress	104,493,748	295,701,845	–	4,798,072	15,719,485	420,713,150
Business combinations not involving entities under common control (restated)	48,410,020	312,289,683	–	–	4,124,089	364,823,792
Disposals	(26,297,999)	(2,752,262)	–	–	(4,652,160)	(33,702,421)
Exchange differences on foreign currency translation	(49,720,065)	(91,834,694)	(4,838)	–	(592,248)	(142,151,845)
Closing balance	3,735,925,458	13,274,521,414	891,734,799	174,185,903	310,531,753	18,386,899,327
Accumulated amortization						
Opening balance	613,848,915	937,427,857	149,467,615	63,778,064	226,209,726	1,990,732,177
Amortisation provided during the year	76,727,385	1,161,645,068	53,970,283	17,374,146	26,106,407	1,335,823,289
Disposals	(3,956,045)	(892,626)	–	–	(2,176,802)	(7,025,473)
Exchange differences on foreign currency translation	(62,866)	(1,498,878)	–	–	(243,461)	(1,805,205)
Closing balance	686,557,389	2,096,681,421	203,437,898	81,152,210	249,895,870	3,317,724,788
Provision for impairment						
Opening balance	6,102,538	23,524,969	–	–	19,615,238	49,242,745
Impairment	318,981	–	–	–	916,731	1,235,712
Closing balance	6,421,519	23,524,969	–	–	20,531,969	50,478,457
Carrying amount						
At end of the year	3,042,946,550	11,154,315,024	688,296,901	93,033,693	40,103,914	15,018,696,082
At beginning of the year	2,880,465,873	11,733,094,501	415,959,178	104,422,533	48,809,428	15,182,751,513

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Goodwill

(1) Carrying amount of goodwill

2024

	Opening balance	Increase Business combination	Closing balance
Huaxin Cement (Daye) Co.,LTD	**189,057,605**		**189,057,605**
Natal Portland Cement Company (Pty) Ltd. (Note XV. 3)	**567,704,407**		**567,704,407**
Cambodian Cement Chakrey Ting Factory Co.,LTD	**125,767,908**		**125,767,908**
Huaxin Jinlong Cement (Yunxian) Co.,LTD	**101,685,698**		**101,685,698**
CHILANGA Cement PLC	**87,794,908**		**87,794,908**
Hainan Xinhongda Building Materials Co.,LTD	**79,313,263**		**79,313,263**
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	**69,557,768**		**69,557,768**
Yuzhno-Kyrgyzskyi Cement CJSC	**59,573,587**		**59,573,587**
Huaxin Cement (E'zhou) Co.,LTD	**21,492,135**		**21,492,135**
Hainan Huaxin Dacheng Fuli Concrete Co.,LTD	**16,533,093**		**16,533,093**
Hainan Huaxin Ful Concrete Co.,LTD	**21,944,066**		**21,944,066**
Yueyang Yonggu Concrete Co.,LTD	**8,119,042**		**8,119,042**
Hainan Huaxin Ronghui Concrete Co.,LTD	**5,809,669**		**5,809,669**
Huaxin Concrete (Ezhou Huaron) Co.,LTD		**25,017,823**	**25,017,823**
Total	**1,354,353,149**	**25,017,823**	**1,379,370,972**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Goodwill *(continued)*

(1) Carrying amount of goodwill (continued)

2023

	Opening balance	Increase Business combinations (restated)	Closing balance
Huaxin Cement (Daye) Co.,LTD	189,057,605	—	189,057,605
Natal Portland Cement Company (Pty) Ltd. (Note XV. 3)	—	567,704,407	567,704,407
Cambodian Cement Chakrey Ting Factory Co.,LTD	125,767,908	—	125,767,908
Huaxin Jinlong Cement (Yunxian) Co.,LTD	101,685,698	—	101,685,698
CHILANGA Cement PLC	87,794,908	—	87,794,908
Hainan Xinhongda Building Materials Co.,LTD	79,313,263	—	79,313,263
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	69,557,768	—	69,557,768
Yuzhno-Kyrgyzskyi Cement CJSC	59,573,587	—	59,573,587
Huaxin Cement (E'zhou) Co.,LTD	21,492,135	—	21,492,135
Hainan Huaxin Dacheng Concrete Co.,LTD	—	16,533,093	16,533,093
Hainan Huaxin Fuli Concrete Co.,LTD	—	21,944,066	21,944,066
Yueyang Yonggu Concrete Co.,LTD	8,119,042	—	8,119,042
Hainan Huaxin Ronghui Concrete Co.,LTD	5,809,669	—	5,809,669
Total	748,171,583	606,181,566	1,354,353,149

(2) The movements in provision for impairment of goodwill

2024

	Opening balance	Increase Provision	Closing balance
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	**69,557,768**		**69,557,768**
Huaxin Cement (E'zhou) Co.,LTD	**21,492,135**		**21,492,135**
Hainan Xinhongda Building Materials Co.,LTD	**79,313,263**		**79,313,263**
Total	**170,363,166**		**170,363,166**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Goodwill *(continued)*

(2) The movements in provision for impairment of goodwill (continued)

2023

	Opening balance	Increase Provision	Closing balance
Success Eagle Cement (Hong Kong) Limited and its subsidiaries	69,557,768	—	69,557,768
Huaxin Cement (E'zhou) Co.,LTD	21,492,135	—	21,492,135
Hainan Xinhongda Building Materials Co.,LTD	38,578,269	40,734,994	79,313,263
Total	129,628,172	40,734,994	170,363,166

The cash-generating units containing goodwill above are constituted by each subsidiary and the cash flow generated is basically independent of other asset groups. There have been no changes in the cash-generating units containing goodwill this year.

The recoverable amount was determined based on the higher of the net amount of the fair value of the assets group less costs to sell and the present value of the estimated future cash flows of the asset group.

The estimated future cash flows of the asset group are based on the five-year financial budget approved by the management at a discount rate of 12%–24% before tax (2023: 13%–30%). The estimated cash flows of these asset groups beyond five years are determined at a fixed growth rate of 0% (2023: 0%) per annum. Other key assumptions adopted during the evaluation include estimated production capacity, future selling price, growth rate, expected gross profit margin and relevant expenditures of the asset product portfolio, and the above assumptions are based on the previous performance of these asset groups, industry standards and the management's expectations of market development.

18. Long-term prepaid expenses

2024

	Opening balance	Increased during the year	Amortised during the year	Decreased during the year	Closing balance
Mine development cost	**327,976,328**	**53,807,110**	**(42,108,598)**		**339,674,840**
Relocation expenses	**570,302,628**	**10,696,823**	**(61,080,446)**		**519,919,005**
Others	**58,492,030**	**78,117,178**	**(15,189,553)**		**121,419,655**
Total	**956,770,986**	**142,621,111**	**(118,378,597)**		**981,013,500**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Long-term prepaid expenses *(continued)*

2023

	Opening balance	Increase during the year	Amortization during the year	Impairment during the year	Closing balance
Mine development cost	222,208,181	159,415,909	(53,647,762)	—	327,976,328
Relocation expenses	544,020,810	76,370,835	(50,089,017)	—	570,302,628
Others	51,188,312	23,734,959	(16,406,525)	(24,716)	58,492,030
Total	817,417,303	259,521,703	(120,143,304)	(24,716)	956,770,986

19. Deferred tax assets/Deferred tax liabilities

(1) Deferred income tax assets not eliminated

	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences (restated)	Deferred income tax assets (restated)
Provision for impairment of assets	**589,008,281**	**145,511,759**	595,507,164	144,491,345
Difference between the fair value and the tax cost of identifiable assets of business combination	**823,255,876**	**206,522,016**	1,011,320,512	228,817,495
Temporary differences arising from expense recognition	**313,544,740**	**69,348,327**	305,175,856	60,290,071
Unrealized profits of internal transactions	**307,948,536**	**76,987,134**	255,311,951	63,827,988
Deductible losses	**1,125,382,375**	**279,225,599**	660,563,902	162,448,915

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Deferred tax assets/Deferred tax liabilities *(continued)*

(2) Deferred income tax liabilities not eliminated

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences (restated)	Deferred income tax liabilities (restated)
Capitalization of interest on borrowings	**113,245,421**	**28,311,355**	121,169,086	30,292,272
Changes in fair value of other equity instrument investments	**28,262,124**	**7,065,531**	29,388,612	7,347,153
Changes in fair value of other non-current assets	**33,993,044**	**8,498,261**	22,946,195	5,736,549
Valuation appreciation on assets in business combination not involving enterprises under common control	**1,705,074,373**	**393,429,315**	1,856,067,450	448,333,976
Depreciation difference of fixed assets between accounting and tax basis	**2,284,181,594**	**490,536,258**	1,920,460,896	376,136,308
Lease	**1,336,568,126**	**324,966,067**	1,680,164,719	420,041,180
Intangible assets for Mine restoration	**709,355,995**	**142,596,010**	665,678,087	130,218,406
Others	**1,059,732,622**	**292,020,626**	594,392,969	174,878,274
Total	**7,270,413,299**	**1,687,423,423**	6,890,268,014	1,592,984,118

(3) Deferred income tax assets and deferred income tax liabilities eliminated

	31 December 2024		31 December 2023	
	Offset Amount	Balance after offset	Offset Amount	Balance after offset (restated)
Deferred income tax assets	**577,980,834**	**832,960,280**	631,427,595	683,041,510
Deferred income tax liabilities	**577,980,834**	**1,109,442,589**	631,427,595	961,556,523

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Deferred tax assets/Deferred tax liabilities *(continued)*

(4) Deductible losses and temporary differences of unrecognised deferred income tax assets

	31 December 2024	31 December 2023
Deductible temporary differences	**2,349,885,088**	2,164,272,028
Deductible losses	**1,937,776,451**	1,355,826,505
Total	**4,287,661,539**	3,520,098,533

(5) The deductible losses that are not recognised as deferred income tax assets will expire in the following years

	31 December 2024	31 December 2023
2024		76,671,934
2025	**28,350,238**	41,370,682
2026	**35,330,367**	81,192,190
2027	**347,272,571**	382,399,568
2028	**331,311,871**	488,882,675
2029	**844,261,572**	127,674,191
2030	**153,626,850**	129,211,932
2031	**151,645,336**	—
2032	**2,129,471**	5,745,083
2033	**29,879,931**	22,678,250
2034	**13,968,244**	—
Total	**1,937,776,451**	1,355,826,505

20. Assets with restricted titles or right to use

31 December 2024

	Carrying Amount	**Carrying Value**
Cash and bank balances (Note 1)	**589,962,243**	**589,962,243**
Fixed assets (Note 2)	**5,134,693**	**5,134,693**
Intangible assets (Note 3)	**5,563,022**	**5,563,022**
Total	**600,659,958**	**600,659,958**

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

20. Assets with restricted titles or right to use *(continued)*

31 December 2023

	Carrying Amount	Carrying Value
Cash and bank balances (Note 1)	479,349,366	479,349,366
Fixed assets (Note 2)	5,325,242	5,325,242
Intangible assets (Note 3)	5,735,966	5,735,966
Total	490,410,574	490,410,574

Note 1: For restricted cash and bank balances, refer to Note V.60.

Note 2: As at 31 December 2024, the Group obtained short-term borrowings by pledging buildings with a carrying value of RMB5,134,693 (31 December 2023: RMB5,325,242). For details on short-term borrowings, please refer to Note V.21.

Note 3: As at 31 December 2024, the Group obtained short-term borrowings by pledging land use rights with a carrying value of RMB5,563,022 (31 December 2023: RMB5,735,966). For details on short-term borrowings, please refer to Note V.21.

21. Short-term borrowings

	31 December 2024	31 December 2023
Mortgaged borrowings (Note 1)	**10,000,000**	13,000,000
Credit borrowings	**174,557,055**	191,021,027
Guaranteed borrowings (Note 2)	**112,250,000**	440,312,901
Total	**296,807,055**	644,333,928

Note 1: As at 31 December 2024 and 31 December 2023, the details and carrying value of collateral corresponding to the mortgaged borrowings of the Group are set out in Note V. 20.

Note 2: As at 31 December 2024 and 31 December 2023, the guaranteed borrowings were guaranteed by entities within the Group.

As at the balance sheet date, the Group had no overdue borrowings.

22. Notes payable

	31 December 2024	31 December 2023
Bank acceptance bills	**675,782,946**	935,465,582
Total	**675,782,946**	935,465,582

As at 31 December 2024, there were no outstanding notes payable (As at 31 December 2023: Nil).

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

23. Accounts payable

Accounts payable are non-interest bearing and shall generally be paid within 30 to 360 days.

	31 December 2024	31 December 2023
Within 1 year (inclusive of 1 year)	**6,245,643,368**	6,279,191,709
1 to 2 years (inclusive of 2 years)	**467,761,605**	747,849,708
2 to 3 years (inclusive of 3 years)	**466,097,379**	481,044,971
Over 3 years	**564,523,976**	318,917,850
Total	**7,744,026,328**	7,827,004,238

The ageing of accounts payable is calculated from the date of receipt of goods delivered by the suppliers or rendering of services from the suppliers.

As at 31 December 2024, there were no significant overdue accounts payable (As at 31 December 2023: Nil).

24. Contract liabilities

	31 December 2024	31 December 2023
Advance on sales of goods	**715,946,303**	717,019,466
Total	**715,946,303**	717,019,466

As at 31 December 2024, there was no significant contract liability aged over one year (as at 31 December 2023: Nil).

The Group will perform the obligations and recognise revenue within three months after receiving the advance on the sale of goods.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25. Employee benefits payable

(1) Employee benefits payable

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term remunerations	**298,288,849**	**2,595,712,329**	**2,630,965,299**	**263,035,879**
Post-employment benefits (defined contribution plan)	**4,496,785**	**246,983,668**	**249,281,514**	**2,198,939**
Other benefits due within 1 year	**23,030,525**	**17,590,447**	**24,963,481**	**15,657,491**
Total	**325,816,159**	**2,860,286,444**	**2,905,210,294**	**280,892,309**

2023

	Opening balance	Increase during the year (restated)	Decrease during the year	Closing balance
Short-term remunerations	114,692,740	2,421,389,156	2,237,793,047	298,288,849
Post-employment benefits (defined contribution plan)	4,008,374	261,798,590	261,310,179	4,496,785
Other benefits due within 1 year	12,380,605	60,475,227	49,825,307	23,030,525
Total	131,081,719	2,743,662,973	2,548,928,533	325,816,159

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25. Employee benefits payable *(continued)*

(2) Short-term remuneration

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	**256,997,485**	**1,999,014,963**	**2,063,035,602**	**192,976,846**
Staff welfare	**3,497,912**	**261,090,556**	**228,194,164**	**36,394,304**
Social insurance	**10,278,199**	**150,396,583**	**157,888,911**	**2,785,871**
Including: Medical insurance	**9,804,213**	**135,503,241**	**143,048,071**	**2,259,383**
Work injury insurance	**324,930**	**14,255,174**	**14,240,357**	**339,747**
Maternity insurance	**149,056**	**638,168**	**600,483**	**186,741**
Housing funds	**540,876**	**142,031,366**	**142,379,107**	**193,135**
Union fund and employee education fund	**26,974,377**	**43,178,861**	**39,467,515**	**30,685,723**
Total	**298,288,849**	**2,595,712,329**	**2,630,965,299**	**263,035,879**

2023

	Opening balance	Increase during the year (restated)	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	82,720,628	1,821,541,776	1,647,264,919	256,997,485
Staff welfare	354,218	226,923,698	223,780,004	3,497,912
Social insurance	2,986,055	180,411,971	173,119,827	10,278,199
Including: Medical insurance	2,448,964	165,827,002	158,471,753	9,804,213
Work injury insurance	468,612	14,091,936	14,235,618	324,930
Maternity insurance	68,479	493,033	412,456	149,056
Housing funds	1,911,908	151,432,977	152,804,009	540,876
Union fund and employee education fund	26,719,931	41,078,734	40,824,288	26,974,377
Total	114,692,740	2,421,389,156	2,237,793,047	298,288,849

As at the balance sheet date, there was no employee benefits payable in arrears.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Other payables

	31 December 2024	31 December 2023 (restated)
Interests payable	**48,543,388**	49,499,727
Dividends payable	**36,835,493**	33,527,121
Other payables	**926,108,538**	963,282,455
Total	**1,011,487,419**	1,046,309,303
Interest payable		
Interests of corporate bonds	**28,848,781**	38,363,669
Interests on borrowings	**19,694,607**	11,136,058
Total	**48,543,388**	49,499,727
Dividend payable		
Dividends on ordinary share	**23,408,183**	19,421,582
Dividends on non-controlling shareholders		
— CHILANGA Cement PLC	**13,427,310**	14,105,539
	36,835,493	33,527,121
Other payable		
Deposits	**422,856,081**	426,704,051
Non-controlling shareholders' borrowings and others	**191,475,403**	189,981,444
Payables for equity acquisition and others	**104,462,234**	178,253,595
Amounts collected on behalf and temporary receipts	**9,098,117**	5,213,855
Government borrowings	**5,000,000**	5,000,000
Others	**193,216,703**	158,129,510
	926,108,538	963,282,455
Total	**1,011,487,419**	1,046,309,303

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Other payables *(continued)*

(1) Significant other payables of the Group ageing over one year

31 December 2024

	Closing balance	Reasons for non-repayment
Non-controlling shareholders' borrowings and others	**189,641,456**	Shareholders have not yet requested payment
Payables for equity acquisition and others	**103,462,234**	Unsettled
Total	**293,103,690**	

31 December 2023

	Closing balance	Reasons for non-repayment
Non-controlling shareholders' borrowings and others	176,739,244	Shareholders have not yet requested payment
Payables for equity acquisition and others	122,724,134	Unsettled
Total	299,463,378	

28. Current portion of non-current liabilities

	31 December 2024	31 December 2023
Bonds payable due within one year (Note:V.30)	**2,547,073,585**	1,299,459,200
Long-term borrowings due within one year (Note:V.29)	**3,092,145,165**	2,362,002,247
Long-term payables due within one year (Note:V.32)	**637,661,438**	2,805,780,537
Lease liabilities due within one year (Note:V.31)	**342,164,056**	253,660,911
Total	**6,619,044,244**	6,720,902,895

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

29. Long-term borrowings

	31 December 2024	31 December 2023
Guaranteed borrowings (Note 1)	**8,591,443,197**	7,673,321,341
Credit borrowings	**3,969,692,679**	3,291,140,621
Pledged borrowings (Note 2)	**129,780,000**	20,560,000
Less: Long-term borrowings due within one year		
Guaranteed borrowings	**2,639,427,349**	1,837,541,747
Credit borrowings	**414,937,816**	514,180,500
Pledged borrowings	**37,780,000**	10,280,000
Total	**9,598,770,711**	8,623,019,715

As at 31 December 2024, the annual interest rates of the borrowings above were 1.35% to 11.19% (31 December 2023: 1.65% to 20.60%).

Note 1: As at 31 December 2024 and 31 December 2023, the guaranteed borrowings of the Group were guaranteed by entities within the Group.

Note 2: As at 31 December 2024 and 31 December 2023, the details and carrying value of collateral corresponding to pledged borrowings of the Group are set out in Note V. 20.

As at the balance sheet date, an analysis on maturity of long－term borrowings (including the portion due within one year) is as follows:

	31 December 2024	31 December 2023
Within 1 year	**3,092,145,165**	2,362,002,247
1–2 years	**3,412,692,610**	3,403,929,002
2–5 years	**5,779,719,351**	4,497,586,168
Over 5 years	**406,358,750**	721,504,545
Total	**12,690,915,876**	10,985,021,962

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30. Bonds payable

(1) Bonds payable

	31 December 2024	31 December 2023
Overseas bond issued in 2020 (Note 1)		2,118,883,795
Company bonds issued in 2022(Low-carbon transition-linked bonds) (Phase I) (Note 2)	**399,823,745**	898,886,009
Preference shares of subsidiary (Note 3)	**149,725,053**	147,690,327
Bonds issued in 2023 (Note 4)	**799,354,497**	799,018,899
Bonds issued in 2024 (Note 5)	**1,096,841,740**	—
Total	**2,445,745,035**	3,964,479,030

Note 1: As filed by Fa Gai Ban Wai Zi Bei [2020] No. 160 issued by the National Development and Reform Commission of China, the Company issued corporate bonds totalling USD300 million on the Singapore Exchange (SGX) on 19 November 2020 at a coupon rate of 2.25%. The corporate bonds are calculated with simple monthly interest which is paid on a half-year basis and with a period of five years.

Note 2: According to the document of China Securities Regulatory Commission (CSRC) No. 2628, on 19 July 2022, the Group issued the Low Carbon Transformation Linked Bond I of RMB500 million corporate bonds with a term of three years. The coupon rate is calculated at a fixed interest rate of 2.99% for the first two years, and the coupon rate for the third year is determined according to the evaluation results of the Low Carbon Transformation Goals, which is linked to the preset key performance indicators of the enterprise and the completion of the Low Carbon Transformation Performance Goals. On the same day, RMB400 million of corporate bonds were issued as Low Carbon Transformation Linked Bond II, with a term of five years. The coupon rate was fixed 3.39% in the first four years, and the coupon rate in the fifth year was determined according to the evaluation results of low carbon transformation objectives, which was linked to the preset key performance indicators and the completion of low carbon transformation performance objectives of enterprises.

Note 3: In August 2021, the Group's subsidiary Huaxin Hong Kong (Tanzania) Investment Limited entered into a subscription agreement with China-Africa Fund Limited, pursuant to which the Group's subsidiary issued 19.25 million preference shares at a price of USD1 per share for a total cash consideration of USD19.25 million. These preference shares were issued and paid up in August 2021. The Company's management accounts for preferred shares in financial liabilities and measures them at fair value.

Note 4: Approved by the Zheng Jian Xu Ke [2023] No. 1069 of the China Securities Regulatory Commission, the Company issued "Belt and Road" Science and Technology Innovation Corporate Bond (First Issue) (Variety I) with a total amount of RMB800 million on 5 December 2023 at a coupon rate of 3.12%. The corporate bonds are calculated with simple interest which is paid annually and have a maturity period of three years.

Note 5: Approved by the Zheng Jian Xu Ke [2023] No. 1069 of the China Securities Regulatory Commission, the Company issued Science and Technology Innovation Corporate Bond (First Issue) with a total amount of RMB1,100 million on 14 August 2024 at a coupon rate of 2.49%. The corporate bonds are calculated with simple interest which is paid annually and have a maturity period of five years.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30. Bonds payable *(continued)*

(2) Changes in bonds payable

As at 31 December, 2024, the balance of bonds payable is as follows:

Bond Name	Par value	Coupon rate(%)	Issue date	Term	Issue amount	Opening balance	Increase in current year	Interest accrued at face value	Reduction in current year	Gain and loss from changes in fair value	Reclassified to current portion	Closing balance	Balance of bonds payable
Issuance of overseas bonds in 2020	100	2.25%	2020/11/19	5 years	1,973,460,000	2,118,883,795		3,139,275	106,227,360	31,498,193	2,047,293,903		2,201,814
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety I	100	2.99%	2022/7/19	3 years	500,000,000	499,381,116		398,566			499,779,682		7,475,000
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety II	100	3.39%	2022/7/19	5 years	400,000,000	399,504,893		318,852				399,823,745	6,780,000
Public Offering of "Belt and Road" Science and Technology Innovation Corporate Bonds for Professional Investors in 2023 (First Issue)	100	3.12%	2023/12/5	3 years	800,000,000	799,018,899		335,598				799,354,497	
Public Offering of Science and Technology Innovation Corporate Bonds for Professional Investors in 2024 (First Issue)	100	2.49%	2024/8/14	5 years	1,100,000,000		1,096,390,560	451,180				1,096,841,740	10,271,250
Total					4,773,460,000	3,816,788,703	1,096,390,560	4,643,471	106,227,360	31,498,193	2,547,073,585	2,296,019,982	26,728,064

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30. Bonds payable *(continued)*

(2) Changes in bonds payable (continued)

As at 31 December, 2023, the balance of bonds payable is presented below:

Bond Name	Par value	Coupon rate(%)	Issue date	Term	Issuance amount	Opening balance	Issuance amount during the year	Amortization of discount premium	Repayment during the year	Gains and losses from currency	Reclassified due within one year	Closing balance	Balance of interests payable
Issuance of overseas bonds in 2020	100	2.25%	2020/11/19	5 years	1,973,460,000	2,080,547,640	–	3,097,822	–	35,238,333	–	2,118,883,795	5,577,626
Public Offering of Bonds for Professional Investors (Phase I), 2021	100	3.26%	2021/8/25	3 years	1,300,000,000	1,298,627,200	–	832,000	–	–	1,299,459,200	–	14,833,000
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety I	100	2.99%	2022/7/19	3 years	500,000,000	498,982,550	–	398,566	–	–	–	499,381,116	7,475,000
2022 Issuance of Corporate Bonds (Low Carbon Transition Linked Bonds) in 2022 (Phase I) Variety II	100	3.39%	2022/7/19	5 years	400,000,000	399,186,041	–	318,852	–	–	–	399,504,893	6,780,000
Public Offering of "Belt and Road" Science and Technology Innovation Corporate Bonds for Professional Investors in 2023 (First Issue)	100	3.12%	2023/12/5	3 years	800,000,000	–	798,993,208	25,691	–	–	–	799,018,899	–
Total					4,973,460,000	4,277,343,431	798,993,208	4,672,931	–	35,238,333	1,299,459,200	3,816,788,703	34,665,626

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Long-term payables

	31 December 2024	31 December 2023
Long-term payables	**836,919,326**	330,821,706

	31 December 2024	31 December 2023
Mining rights paid in instalments	**1,332,878,585**	3,072,820,053
Finance lease back payable	**141,702,179**	63,782,190
Less: Mining rights paid by instalments due within one year	**574,589,471**	2,784,520,323
Finance lease payable due within 1 year	**63,071,967**	21,260,214
Total	**836,919,326**	330,821,706

Analysis of maturity of long-term payables:

	31 December 2024	31 December 2023
Within 1 year (inclusive of 1 year)	**637,661,438**	2,805,780,537
1 to 2 years (inclusive of 2 years)	**382,728,954**	74,405,687
2 to 5 years (over 2 years and inclusive of 5 years)	**432,642,003**	236,844,919
Over 5 years	**21,548,369**	19,571,100
Total	**1,474,580,764**	3,136,602,243

33. Long-term employee benefits payable

	31 December 2024	31 December 2023
Net liabilities of defined benefit plan (Note 1)	**73,572,543**	81,874,646
Less: Due within one year	**15,657,491**	23,030,525
Total	**57,915,052**	58,844,121

Note 1: The Group's defined benefit plans are various supplementary benefit plans targeting those employees retiring before the designated dates and retired employees. These plans are impacted by interest rate risk and changes in the life expectancy of pension beneficiaries.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34. Provisions

2024

	Opening balance	**Increased during the year**	**Decreased during the year**	**Closing balance**
Mine restoration fees (Note 1)	**756,554,644**	**121,578,200**	**37,865,753**	**840,267,091**
Others (Note 2)	**35,043,844**	**41,695,552**		**76,739,396**
Total	**791,598,488**	**163,273,752**	**37,865,753**	**917,006,487**

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Mine restoration fees (Note 1)	441,260,626	366,823,714	51,529,696	756,554,644
Others (Note 2) (restated)	1,000,000	34,043,844	—	35,043,844
Total	442,260,626	400,867,558	51,529,696	791,598,488

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

36. Other non-current liabilities

	31 December 2024	31 December 2023
Advance on sales of goods	**99,693,000**	99,693,000
Total	**99,693,000**	99,693,000

37. Share capital

31 December 2024

	31 December 2024	Increase/ decrease during the year Write off	31 December 2024
Shares subject to lock-up restriction			
RMB ordinary shares	**1,344,275,649**	—	1,344,275,649
Overseas listed ordinary shares	**734,720,000**	—	734,720,000
Total	**2,078,995,649**	—	2,078,995,649

31 December 2023

	31 December 2023	Increase/ decrease during the year Write off	31 December 2023
Shares subject to lock-up restriction			
RMB ordinary shares	1,361,879,855	(17,604,206)	1,344,275,649
Overseas listed ordinary shares	734,720,000	—	734,720,000
Total	2,096,599,855	(17,604,206)	2,078,995,649

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. Other comprehensive income *(continued)*

Occurrence of other comprehensive income:

31 December 2024

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company	Attributable to non-controlling shareholders
Other comprehensive income not allowed to be reclassified to profit or loss				
Changes in fair value of investment in other equity instruments	**(30,109,840)**	**7,527,460**	**(22,582,380)**	
Other comprehensive income to be reclassified into profit or loss				
Exchange differences on foreign currency translation	**113,410,966**		**86,437,896**	**26,973,070**
Total	**83,301,126**	**7,527,460**	**63,855,516**	**26,973,070**

31 December 2023

	Amount before tax	Less: Income tax	Attributable to the shareholders of the parent company	Attributable to non-controlling shareholders
Other comprehensive income not allowed to be reclassified to profit or loss				
Changes in fair value of investment in other equity instruments	(48,216,424)	12,054,105	(36,162,319)	—
Other comprehensive income to be reclassified into profit or loss				
Exchange differences on foreign currency translation	(386,141,130)	—	(337,327,122)	(48,814,008)
Total	(434,357,554)	12,054,105	(373,489,441)	(48,814,008)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. Unappropriated profit

	31 December 2024	31 December 2023
Unappropriated profit as at the beginning of the year	**24,703,292,620**	23,009,600,343
Net profit attributable to the shareholders of the parent company	**2,416,280,487**	2,762,116,715
Less: Cash dividends payable	**1,101,867,694**	1,068,424,438
Unappropriated profit at the end of the year	**26,017,705,413**	24,703,292,620

Upon the approval at the 2023 annual general meeting of the Company convened on 21 May 2024, the profit distribution for the year 2023 was calculated based on 2,078,995,649 shares, with the distribution of a cash dividend of RMB0.53 per share (tax inclusive).

44. Operating revenue and costs

(1) Operating revenue and costs

	2024		2023	
	Revenue	Cost	Revenue	Cost
Principal operations	**33,977,483,125**	**25,620,387,195**	33,460,262,641	24,528,047,754
Other operations	**239,864,602**	**150,134,646**	296,824,631	213,366,973
Total	**34,217,347,727**	**25,770,521,841**	33,757,087,272	24,741,414,727

In 2024 and 2023, there is no revenue from a single customer exceeding 10% of the Group's revenue.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44. Operating revenue and costs *(continued)*

(2) Disaggregation of revenue from contracts with customers

	2024	2023
Timing of revenue recognition		
At a point in time	**33,526,111,747**	33,097,148,643
Over time	**675,498,303**	645,829,991
Operating lease	**15,737,677**	14,108,638
Total	**34,217,347,727**	33,757,087,272
Types of major product		
Sales of cement	**18,030,536,669**	18,331,734,881
Sales of concrete	**8,415,290,740**	7,652,223,198
Sales of aggregate	**5,641,834,160**	5,363,828,939
Sales of clinker	**760,340,715**	947,002,919
Others	**1,353,607,766**	1,448,188,697
Operating lease	**15,737,677**	14,108,638
Total	**34,217,347,727**	33,757,087,272

(3) Disaggregation of cost

	2024	2023
Timing of revenue recognition		
At a point in time	**25,435,001,377**	24,295,454,164
Over time	**331,845,574**	442,516,981
Operating lease	**3,674,890**	3,443,582
Total	**25,770,521,841**	24,741,414,727
Main types of product		
Sales of cement	**13,747,789,064**	13,425,727,572
Sales of concrete	**7,403,984,329**	6,467,900,216
Sales of aggregate	**2,938,072,733**	2,902,999,002
Sales of clinker	**652,028,441**	843,819,065
Others	**1,024,972,384**	1,097,525,290
Operating lease	**3,674,890**	3,443,582
Total	**25,770,521,841**	24,741,414,727

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44. Operating revenue and costs *(continued)*

(4) Performance obligations

The amount of revenue recognised from:

	2024	2023
Carrying amount of contract liabilities at the beginning of the year	**585,341,505**	642,914,995
Total	**585,341,505**	642,914,995

Other information:

The business activities of the Group include manufacturing and selling cement, clinker, aggregate, concrete, new building materials and waste disposal etc.

Selling cement and other building materials

Revenue is recognised at a point in time in accordance with the contractual performance obligations, using the transfer of control as the criterion for revenue recognition. The Group settles with its customers on a cash-on-delivery basis and on a cash-on-delivery basis, whereby cash-on-delivery is made on credit to customers in accordance with the customers' credit ratings and credit limits approved by the Group, and the customers make payments in accordance with the agreed-upon billing periods.

Rendering services

The performance obligation is satisfied over time as services are rendered and payment is generally settled on a timely basis. The group recognize the revenue upon completion of progress.

Information relating to the transaction price allocated to the remaining performance obligation:

As at 31 December 2024, the amount of revenue corresponding to contracts entered into but not yet fulfilled or earlier performance obligations amounted to RMB715,946,303, which is recognised as revenue within the next 2 years (At as 31 December 2023: RMB717,019,466, which is recognised as revenue within the next 2 years).

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

45. Tax and surcharges

	2024	2023
City maintenance and construction tax	**63,683,691**	74,651,338
Education surcharges	**53,704,073**	53,179,525
Resource tax	**405,778,916**	391,613,143
Property tax	**56,734,902**	48,539,811
Land-use tax	**63,675,415**	58,086,727
Environment protection tax	**38,886,229**	48,244,759
Excise tax	**92,156,594**	35,003,953
Others	**34,864,258**	35,609,715
Total	**809,484,078**	744,928,971

46. Selling expenses

	2024	2023
Consumption of materials	**479,106,730**	519,462,950
Employee remunerations	**408,269,238**	401,326,075
Depreciation and amortization expenses	**114,099,543**	123,522,458
Electric expenses	**110,340,595**	106,735,024
Repair expenses	**44,959,933**	42,086,901
Sales expenses	**174,121,902**	186,663,415
Others	**168,842,361**	139,094,196
Total	**1,499,740,302**	1,518,891,019

47. Administrative expenses

	2024	2023
Employee remunerations	**992,225,809**	915,426,617
Depreciation and amortization expenses	**173,501,655**	241,750,003
Agency fees	**119,247,279**	86,719,903
Office expenses	**267,750,918**	282,876,819
Environmental protection expenses	**70,638,253**	65,489,157
Property insurance expenses	**26,412,236**	20,890,843
Rental expenses	**6,996,186**	4,294,164
Others	**223,249,632**	201,857,550
Total	**1,880,021,968**	1,819,305,056

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Credit impairment losses

	2024	2023
Losses on impairment of account receivables	**92,511,942**	62,286,148
Losses on impairment of other receivables	**(1,266,229)**	5,654,767
Total	**91,245,713**	67,940,915

53. Impairment losses on assets

	2024	2023
Losses on impairment of goodwill		40,734,994
Losses on impairment of fixed assets	**71,839,523**	982,696
Losses on impairment of intangible assets	**1,388,721**	1,235,712
Losses on decline in value of inventory	**(1,567,050)**	94,946,721
Losses on impairment of construction in process	**9,072,840**	3,916
Losses on impairment of long-term prepaid expenses		24,716
Total	**80,734,034**	137,928,755

54. Gains on disposal of assets

	2024	2023
Gains on disposal of long-term assets	**749,842,510**	426,528,369
Total	**749,842,510**	426,528,369

In 2024, the Changshui Neighborhood Office of the People's Government of Guandu District, Kunming City, Yunnan Province signed the Acquisition Compensation Agreement of Dongjun Company with Huaxin Cement to expropriate the plant area of Huaxin Cement located in Changshui Neighborhood, Guandu District, Kunming City, totalling 290,617.42 square meters, with an overall amount of compensation of RMB850,000,000.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

55. Non-operating income

	2024	2023	Recognised in non-recurring profit and loss for 2024
Government grants not related to daily operation		476,797	—
Gains on disposal of fixed assets	**1,120,764**	1,525,715	1,120,764
Negative goodwill		41,441,891	—
Others	**28,507,968**	19,342,280	20,645,200
Total	**29,628,732**	62,786,683	21,765,964

56. Non-operating expenses

	2024	2023	Recognised in non-recurring profit and loss for 2024
Losses on disposal of fixed assets	**8,767,985**	10,488,733	8,767,985
Expenses on charity donation	**14,591,892**	20,830,307	14,591,892
Expenses on compensation	**40,000,000**	3,508,957	40,000,000
Others	**78,149,458**	53,212,167	68,263,966
Total	**141,509,335**	88,040,164	131,623,843

57. Income tax expense

	2024	2023
Current income tax expense	**1,131,158,909**	1,180,013,990
Deferred income tax expense	**27,279,313**	(71,864,955)
Total	**1,158,438,222**	1,108,149,035

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

57. Income tax expense *(continued)*

A reconciliation of income tax expense and total profit is set out as follows:

	2024	2023
Profit before tax	**4,111,907,292**	4,326,247,137
Income tax expense at the rate of 25%	**1,027,976,823**	1,081,561,784
Effect of different tax rates applicable to subsidiaries	**(143,822,327)**	(166,616,118)
Effect of non-taxable income	**(15,345,242)**	(6,047,761)
Expenses non-deductible costs, expenses and loses	**26,585,088**	28,395,848
Effect of additional deductions for research and development expenses	**(13,377,727)**	(16,741,936)
Effect of utilization of deductible losses and temporary differences not recognised in previous years	**(34,986,276)**	(23,043,729)
Effect of deductible temporary difference and deductible losses not recognised	**246,022,794**	152,676,943
Withholding income tax on expected distribution of retained earnings of overseas subsidiaries	**54,857,329**	56,289,852
Others	**10,527,760**	1,674,152
Income tax expense at the effective tax rate of the Group	**1,158,438,222**	1,108,149,035

Note: Income tax expenses in Mainland China are calculated based on profits and tax rates in Mainland China, while income tax expenses in other regions are calculated based on the country of operation or profits and tax rates.

Note: As at 31 December 2024, Pillar II has not yet been legislated in jurisdictions in which the Group operates. As more countries prepare to enact Pillar 2 rules, the Group will continue to monitor developments in Pillar 2 legislation to assess its potential future impact on the financial statements.

58. Earnings per share

	2024	2023
	RMB/share	RMB/share
Basic earnings per share		
Continuing operations	**1.16**	1.33
Diluted earnings per share		
Continuing operations	**1.13**	1.32

The calculation of the basic earnings per share is based on the net profit for the period attributable to ordinary shareholders of the Company (after deducting the cash dividends expected to be unlocked by holders of restricted stocks in the future) divided by the weighted average number of outstanding ordinary shares in issue.

The diluted earnings per share is determined by current net profit attributable to the Company's ordinary shareholders, adjusted for dilutive potential ordinary shares.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

58. Earnings per share *(continued)*

The denominator of diluted earnings per share is equal to the sum of: (1) the weighted average of the parent company's issued ordinary shares in basic earnings per share; and (2) the weighted average number of additional ordinary shares assuming conversion of dilutive potential common shares into common shares.

In calculating the weighted average number of the additional shares of ordinary stock resulting from conversion of dilutive potential ordinary stock into outstanding ordinary stock, dilutive potential ordinary stock issued in prior periods, assuming conversion at the beginning of the current period; Dilutive potential ordinary stock issued in the current period, assuming conversion on the issue date.

Basic and diluted earnings per share are calculated as follows：

	2024	2023
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company	**2,416,280,487**	2,762,116,715
Less：Cash dividends expected to be unlocked in the future for holders of restricted stock	**1,082,421**	427,379
	2,415,198,066	2,761,689,336
Add：Cash dividends expected to be unlocked in the future for holders of restricted stock	**1,082,421**	427,379
Less：Dilutive effect of preferred shares of subsidiaries	**64,761,040**	26,694,823
Adjusted net profit attributable to the Company's ordinary shareholders for the period	**2,351,519,447**	2,735,421,892
Attributed to：		
Continuing operations	**2,351,519,447**	2,735,421,892

	2024	2023
Shares		
Weighted average number of ordinary shares issued by the Company	**2,074,905,969**	2,074,039,458
Dilution effect- the weighted average of ordinary shares Restricted stock	**1,928,967**	848,093
The adjusted weighted average of ordinary shares issued by the Company	**2,076,834,936**	2,074,887,551

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

59. Notes to items of statement of cash flows

(1) Cash related to operating activities

	2024	2023
Cash received from other operating activities		
Government grants	**177,264,074**	112,342,037
Deposit and petty cash received	**116,966,548**	109,625,541
Interest income	**146,488,838**	127,434,613
Others	**97,881,330**	21,878,035
Total	**538,600,790**	371,280,226
Cash paid for other operating activities		
Selling and administrative expenses etc. paid	**1,236,121,368**	1,152,007,475
Petty cash and deposits	**227,579,425**	162,546,352
Other current accounts	**37,405,829**	294,505,103
Total	**1,501,106,622**	1,609,058,930

(2) Cash related to investing activities

	2024	2023
Cash received from important investing activities		
Investment in funds	**1,030,000,000**	3,207,547,225
Total	**1,030,000,000**	3,207,547,225
Cash paid for important investing activities		
Investment in funds	**1,060,000,000**	3,200,000,000
Total	**1,060,000,000**	3,200,000,000

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

59. Notes to items of statement of cash flows *(continued)*

(2) Cash related to investing activities (continued)

	2024	2023
Cash received from other investing activities		
Mining right cash deposit received		100,003,372
Loans and out-of-pocket expenses received	**43,600,000**	115,715,040
Cash deposit refund for equity acquisition received		54,700,000
Total	**43,600,000**	270,418,412
Cash paid for other investing activities		
Payment of borrowings	**180,716,376**	25,000,000
Total	**180,716,376**	25,000,000

(3) Cash related to financing activities

	2024	2023
Cash received from other financing activities		
After sale finance lease payment and cash deposit received	**125,334,080**	60,000,000
Receipts of disposing minority interest	**7,801,294**	15,202,606
Others	**3,285,032**	36,616,748
Total	**136,420,406**	111,819,354
Cash paid to other financing activities		
Payment of rental	**398,977,082**	350,475,832
Payment of purchasing non-controlling shares	**5,294,851**	133,288,720
Payment of repurchasing shares	**39,165,403**	19,014,864
Payment of cash borrowed	**45,039,896**	2,993,722
Total	**488,477,232**	505,773,138

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

59. Notes to items of statement of cash flows *(continued)*

(3) Cash related to financing activities (continued)

The movements in liabilities generated from financing activities are as follows:

	Opening balance	Decreased during the current year: Closing balance	Decreased during the current year: Cash changes	Increased during the current year: Non-cash changes	Increased during the current year: Cash changes	Closing balance
Short-term borrowings	644,333,928	781,254,223	–	433,727,350	–	296,807,055
Tax payable	27,358,455	69,754,879	–	–	51,831,253	9,434,829
Other payables	291,746,392	2,542,742,618	58,909,482	–	2,602,498,091	292,592,383
Non-current liabilities due within one year	3,936,382,572	4,928,556,456	–	–	7,036,628,657	6,044,454,773
Long-term borrowings	8,623,019,715	–	3,939,002,878	4,905,660,702	9,093,172	9,598,770,711
Bonds payable	3,964,479,030	106,227,360	2,513,540,667	1,096,390,560	4,643,472	2,445,745,035
Lease liabilities	1,348,727,671	–	721,935,056	–	501,838,450	1,128,631,065
Long-term payable	42,521,976	20,779,682	74,188,237	125,334,080	5,742,075	78,630,212
Total	18,878,569,739	8,449,315,218	7,307,576,320	6,561,112,692	10,212,275,170	19,895,066,063

(4) Significant non-cash activities during the year

	2024	2023
Bank acceptance bills endorsed for payment of goods and services	**5,023,915,864**	4,948,144,317
Bank acceptance bills endorsed for payment of construction work	**1,357,591,191**	1,060,736,200

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

60. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of profit to cash flows from operating activities:

	2024	2023
Net profit	**2,953,469,070**	3,218,098,102
Add: Provision for impairment of assets	**80,734,034**	137,928,755
Credit impairment losses	**91,245,713**	67,940,915
Depreciation of fixed assets	**2,564,912,980**	2,078,413,803
Depreciation of right-of-use assets	**318,054,616**	261,876,024
Amortization of intangible assets	**903,607,521**	1,335,823,289
Amortization of long-term amortised expenses	**118,378,597**	120,143,304
Amortization of deferred income	**(30,709,649)**	(35,349,992)
Gain on disposal of fixed assets, intangible assets and other long-term assets	**(749,842,510)**	(426,528,369)
Loss on retirement of fixed assets	**7,647,221**	8,963,018
Gain on change in fair value	**(11,046,850)**	36,444,365
Financial expenses	**812,301,102**	768,052,993
Investment income	**(79,875,448)**	(59,287,160)
Decrease in deferred income tax assets	**(157,446,230)**	(107,270,761)
Increase in deferred income tax liabilities	**184,725,543**	35,405,806
Decrease in inventory	**406,735,725**	376,206,526
Decrease in operating receivables	**(1,603,680,331)**	(2,096,121,332)
Increase in operating payables	**168,106,129**	514,815,785
Net cash flows from operating activities	**5,977,317,233**	6,235,555,071

Significant non-cash investing and financing activities:

	2024	2023
Bank acceptance bills endorsed for payment of construction work	**1,357,591,191**	1,060,736,200
Total	**1,357,591,191**	1,060,736,200

Net change in cash and cash equivalents:

	2024	2023
Balance of cash at the end of the year	**6,219,040,331**	5,370,115,985
less：Balances of cash equivalents at the beginning of the year	**5,370,115,985**	6,616,021,778
Net increase in cash and cash equivalents	**848,924,346**	(1,245,905,793)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

60. Supplementary information to the statement of cash flows *(continued)*

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

61. Foreign currency monetary items

"Foreign currency" means a currency other than the basic accounting currency of each company within the Group.

	31 December 2024			31 December 2023		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	As RMB
Cash and bank balances						
USD	227,785,004	7.1884	1,637,409,720	75,690,431	7.0827	536,092,617
CNY	4,600,095	1.0000	4,600,095	9,490,385	1.0000	9,490,385
EUR	9,958,383	7.5257	74,943,801	2,743,534	7.8592	21,561,983
HKD	179,117	0.9260	165,870	237,388	0.9062	215,121
ZAR	2,187,232	0.3844	840,794	29,617	0.3819	11,312
ZMW	3,787	0.2630	996	3,787	0.2775	1,051
KES	5,245	0.0564	296	5,245	0.0454	238
TZS	69,300	0.0031	211	69,300	0.0028	196
CHF	11	7.9977	85	11	8.0909	89
RUB	182	0.0661	12	182	0.0824	15
SGD	2	5.3214	11	2	5.5000	11
MZN	4,770	0.1154	550	4,770	0.0159	76
KZT				444,500	0.0157	6,992
Accounts receivable						
USD	1,985,899	7.1884	14,275,438	1,730,057	7.0827	12,253,474
Other receivables						
USD	2,068	7.1884	14,863	220,683	7.0827	1,563,031
Accounts payable						
USD	10,707,017	7.1884	76,966,320	70,486	7.0827	499,230
EUR	610,343	7.5257	4,593,259	–	–	–
CNY	17,296,430	1.0000	17,296,430	5,448,945	1.0000	5,448,945
ZAR	1,008,461	0.3844	387,663	–	–	–
CHF	82,849	7.9977	662,601	58,049	8.4184	488,679
Other payables						
CNY	7,422,454	1.0000	7,422,454	4,935,178	1.0000	4,935,178
USD	45,000	7.1884	323,478	–	–	–
ZAR				214,645	0.3819	81,979
EUR				91,038	28.4124	2,586,607
CHF				22,568	8.4184	189,986
HKD	14,030,340	0.9260	12,992,656	14,030,340	0.9062	12,714,294
Interest payable						
USD	1,232,886	7.1884	8,862,477	1,088,060	7.0827	7,706,402
Bonds payable						
USD	19,250,000	7.1884	138,376,700	19,250,000	7.0827	136,341,976
Current portion of non-current liabilities						
USD	61,470,000	7.1884	441,870,948	38,020,000	7.0827	269, 284, 256
Long-term borrowings						
USD	29,180,000	7.1884	209,757,512	77,400,000	7.0827	548,200,980

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

62. Lease

(1) As a lessee

	2024	2023
Interest expense of lease liabilities	**72,013,406**	72,347,746
Lease expenses recognised in profit or loss under the		

VI. RESEARCH AND DEVELOPMENT EXPENSES

1. Research and development expenses by nature

	2024	2023
Material consumption	**88,963,997**	130,101,855
Employee remuneration and labour costs	**109,673,002**	122,054,996
Depreciation and amortization expense	**13,286,672**	25,802,010
Others	**28,979,769**	46,935,744
Total	**240,903,440**	324,894,605
Including: Expensed research and development expenditure	**238,744,439**	301,098,955
Capitalised research and development expenditure	**2,159,001**	23,795,650

2. Development expenditures of Research and development projects eligible for capitalisation

	Opening balance	Increase during the year — Internal development	Decrease during the year — Transfer to profit or loss	Closing balance
Project 1	36,856,342	—	—	36,856,342
Project 2	32,368,390	—	10,448,991	21,919,399
Project 3	108,463	—	108,463	—
Project 4	—	2,159,001	—	2,159,001
Total	69,333,195	2,159,001	10,557,454	60,934,742

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Information of the Company's major subsidiaries

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding(%) Direct	Indirect
Subsidiaries acquired through establishment or investment, etc.							
Huaxin Cement (Yangxin) Co.,LTD	Yangxin	Yangxin	Manufacture and sale of building materials	Limited Liability Company ("LLC")	50,000	100	–
Huaxin Cement (Wuxue) Co., LTD	Wuxue	Wuxue	Manufacture and sale of building materials	LLC	30,000	100	–
Huaxin Cement (Chibi) Co., LTD	Chibi	Chibi	Manufacture and sale of building materials	LLC	14,000	100	–
Huaxin Cement (Yichang) Co., LTD	Yichang	Yichang	Manufacture and sale of building materials	LLC	15,000	100	–
Huaxin Cement (Xiangyang) Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of building materials	LLC	14,000	100	–
Huaxin Cement (Enshi) Co., LTD	Enshi	Enshi	Manufacture and sale of building materials	LLC	6,000	67	33
Huaxin Cement (Zhaotong) Co., LTD	Zhaotong	Zhaotong	Manufacture and sale of building materials	LLC	10,000	60	40
Huaxin Cement (Tibet) Co., LTD	Tibet	Tibet	Manufacture and sale of building materials	LLC	5,000	79	–
Huaxin Cement (Wuhan) Co., LTD	Wuhan	Wuhan	Manufacture and sale of building materials	LLC	6,000	70	30
Wuhan Ganghua Cement Co., LTD	Wuhan	Wuhan	Manufacture and sale of building materials	LLC	4,000	50	–
Huaxin Cement (Xiantao) Co., LTD	Xiantao	Xiantao	Manufacture and sale of building materials	LLC	2,390	80	–
Huaxin Cement (Yueyang) Co., LTD	Yueyang	Yueyang	Manufacture and sale of building materials	LLC	8,700	68	32
Huaxin Concrete (Wuhan) Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	19,830	100	–
Huaxin Concrete (Huangshi) Co., LTD	Huangshi	Huangshi	Manufacture and sale of concrete	LLC	2500	–	100
Huaxin Cement (Henan Xinyang) Co., LTD	Xinyang	Xinyang	Manufacture and sale of building materials	LLC	20,000	100	–
Huangshi Huaxin Cement Research and Design Co., LTD	Huangshi	Huangshi	Engineering and design of building materials	LLC	100	99	–
Hubei Dailing Future Environmental Protection Packaging Technology Co., LTD	Huangshi	Huangshi	Manufacture and sale of cement bags	LLC	6,000	100	–
Huaxin Cement (Zigui) Co., LTD	Zigui	Zigui	Manufacture and sale of building materials	LLC	24,000	100	–

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Cement (Zhuzhou) Co., LTD	Zhuzhou	Zhuzhou	Manufacture and sale of building materials	LLC	34,000	100	–
Huaxin Cement (Chenzhou) Co., LTD	Chenzhou	Chenzhou	Manufacture and sale of building materials	LLC	22,000	100	–
Huaxin Cement (Macheng) Co., LTD	Macheng	Macheng	Manufacture and sale of building materials	LLC	6,500	100	–
Huaxin Environmental Engineering (Wuxue) Co., LTD	Wuxue	Wuxue	Environmental design, construction, and waste disposal	LLC	6,000	–	100
Huaxin Chibi Packaging Co., LTD	Chibi	Chibi	Manufacture and sale of cement bags	LLC	320	–	100
Huaxin Cement Technology Management (Wuhan) Co., LTD	Wuhan	Wuhan	Technology development and consulting services	LLC	2,000	100	–
Huaxin Ezhou Packaging Co., LTD	Ezhou	Ezhou	Manufacture and sale of cement bags	LLC	3,400	–	100
Huaxin Cement (Huangshi) Bulk Storage & Transportation Co., LTD	Huangshi	Huangshi	Loading and unloading, warehousing and other services	LLC	2,000	100	–
Huaxin Cement Xiangyang Xiangcheng Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of building materials	LLC	4,000	100	–
Huaxin Cement (Quxian) Co., LTD	Quxian	Quxian	Manufacture and sale of building materials	LLC	24,000	100	–
Huaxin Cement (Wanyuan) Co., LTD	Wanyuan	Wanyuan	Manufacture and sale of building materials	LLC	20,200	94	6
Huaxin Cement Chongqing Fuling Co., LTD	Fuling	Fuling	Manufacture and sale of building materials	LLC	20,000	100	–
Huaxin Cement (Daoxian) Co., LTD	Daoxian	Daoxian	Manufacture and sale of building materials	LLC	18,000	100	–
Huaxin Cement (Kunming Dongchuan) Co., LTD	Kunming	Kunming	Manufacture and sale of building materials	LLC	14,000	100	–
Huaxin Cement (Lengshuijiang) Co., LTD	Leng shuijiang	Leng shuijiang	Manufacture and sale of building materials	LLC	20,000	90	–
Huaxin Environmental Engineering Co., LTD	Wuhan	Wuhan	Environmental design, construction and waste disposal	LLC	100,000	100	–
Huaxin Aggregate (Yangxin) Co., LTD	Yangxin	Yangxin	Manufacture and sale of construction aggregates	LLC	14,000	–	100
Huaxin Central Asia Investment (Wuhan) Co., LTD	Wuhan	Wuhan	Investment	LLC	40,000	100	–
Xinyang Huaxin Concrete Co., LTD	Xinyang	Xinyang	Manufacture and sale of concrete	LLC	2,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Cement (Huangshi) Equipment Manufacturing Co., LTD	Huangshi	Huangshi	Manufacture, repair and installation of electromechanical equipment	LLC	13,000	–	100
Huaxin Zhuzhou Packaging Co., LTD	Zhuzhou	Zhuzhou	Manufacture and sale of cement bags	LLC	500	–	100
Nanzhang Huaxin Xinrui Hotel Management Co., LTD	Nanzhang	Nanzhang	Accommodation services	LLC	50	–	99
Huaxin Environmental Engineering (Huangshi) Co., LTD	Huangshi	Huangshi	Environmental design and construction, waste disposal, etc.	LLC	720	–	100
Tibet Huaxin Building Materials Co., LTD	Tibet	Tibet	Manufacture and sale of concrete	LLC	3,500	–	56
Huaxin Quxian Packaging Co., LTD	Quxian	Quxian	Manufacture and sale of cement bags	LLC	500	–	100
Huaxin Cement (Sangzhi) Co., LTD	Sangzhi	Sangzhi	Manufacture and sale of building materials	LLC	15,000	80	–
Huaxin Concrete (Wuhan Caidian) Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	2,500	–	100
Nantong Huaxin Shengyuan Concrete Co., LTD	Nantong	Nantong	Manufacture and sale of concrete	LLC	3,000	–	100
Changsha Huaxin Commercial Concrete New Materials Co., LTD	Changsha	Changsha	Manufacture and sale of concrete	LLC	3,500	–	100
Zhangjiagang Huaxin Southeast Concrete Co., LTD	Zhang jiagang	Zhang jiagang	Manufacture and sale of concrete	LLC	3,000	–	100
Changshu Huaxin Jinlong Concrete Co., LTD	Changshu	Changshu	Manufacture and sale of concrete	LLC	3,000	–	100
Zhangjiagang Huaxin Xinggang Concrete Co., LTD	Zhang jiagang	Zhang jiagang	Manufacture and sale of concrete	LLC	3,000	–	100
Taicang Huaxin Longhe Concrete Co., LTD	Taicang	Taicang	Manufacture and sale of concrete	LLC	3,000	–	100
Changzhou Huaxin Tongjin Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Changzhou Huaxin Tongxin Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Nantong Huaxin Jinlong Concrete Co., LTD	Nantong	Nantong	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Concrete (Wuhan Jiangxia) Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	2,500	–	100
Changzhou Huaxin Boai Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Jiujiang Huaxin Concrete Co., LTD	Jiujiang	Jiujiang	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Concrete (Xiaogan) Co., LTD	Xiaogan	Xiaogan	Manufacture and sale of concrete	LLC	2,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Concrete Co., LTD	Wuhan	Wuhan	Investments	LLC	13,500	100	–
Huaxin Concrete Xiangyang Fancheng District Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of concrete	LLC	2,550	–	100
Huaxin Building Materials Xiangyang Xiangcheng District Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of concrete	LLC	1,410	–	100
Nanchong Huaxin New Building Materials Co., LTD	Nanchong	Nanchong	Manufacture and sale of building materials	LLC	1,000	–	100
Huaxin New Building Materials (Wuding) Co., LTD	Wuding	Wuding	Manufacture and sale of building materials	LLC	2,500	–	100
Changshu Huaxin Shunfeng Concrete Co., LTD	Changshu	Changshu	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Logistics (Changyang) Co., LTD	Changyang	Changyang	Logistics services	LLC	500	–	100
Abra Holdings Ltd	Mauritius	Mauritius	Investments	LLC	USD 40 million	–	100
Shanghai Huaxin Runshen Concrete Co., LTD	Shanghai	Shanghai	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Concrete (Ezhou Gedian Economic and Technological Development) Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Wuhan Building Materials Trading Co., LTD	Wuhan	Wuhan	Manufacture and sale of building materials	LLC	1,000	–	100
Chenzhou Huaxin New Building Materials Co., LTD	Chenzhou	Chenzhou	Manufacture and sale of building materials	LLC	300	–	100
Tianjin Baihuitong Supply Chain Technology Co., LTD	Tianjin	Tianjin	Logistics services	LLC	1,000	–	100
Quxian Huaxin New Building Material Co., LTD	Quxian	Quxian	Manufacture and sale of building materials	LLC	500	–	100
Taizhou Huaxin Tianhou Concrete Co., LTD	Taizhou	Taizhou	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Aggregate Co., LTD	Wuhan	Wuhan	Investments	LLC	5,000	100	–
Huaxin New Building Materials Co., LTD	Wuhan	Wuhan	Manufacture and sale of new materials	LLC	9,000	100	–
Huaxin Environmental Engineering (Zhuzhou) Co., LTD	Zhuzhou	Zhuzhou	Environmental design, construction and waste disposal	LLC	2,400	–	100
Huaxin Environmental Engineering (Xinyang) Co., LTD	Xinyang	Xinyang	Environmental design, construction, and waste disposal	LLC	5,000	–	100
Huaxin Equipment Engineering Co., LTD	Huangshi	Huangshi	Manufacture and repair of electromechanical equipment	LLC	19,000	100	–

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Name	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Environmental Engineering Fengjie County Co., LTD	Fengjie	Fengjie	Environmental design, construction, and waste disposal	LLC	2,000	–	100
Huaxin (Hong Kong) International Holdings Ltd.	Hong Kong	Hong Kong	Investment	LLC	2,545	100	–
Huaxin Environmental Engineering Nanzhang Co., LTD	Nanzhang	Nanzhang	Environmental design, construction and waste disposal	LLC	1,500	–	100
Huaxin Environmental Engineering (Zhuhai) Co., LTD	Zhuhai	Zhuhai	Environmental design, construction, and waste disposal	LLC	6,000	–	80
Huaxin Concrete (Zhuzhou) Co., LTD	Zhuzhou	Zhuzhou	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Environmental Engineering (Fangxian) Co., LTD	Fangxian	Fangxian	Environmental design, construction and waste disposal	LLC	1,000	–	100
Huaxin Concrete (Enshi) Co., LTD	Enshi	Enshi	Manufacture and sale of concrete	LLC	1,200	–	100
Huaxin Environmental Engineering (Ezhou) Co., LTD	Ezhou	Ezhou	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin Environmental Engineering (Yingcheng) Co., LTD	Yingcheng	Yingcheng	Environmental design, construction and waste disposal	LLC	2,500	–	100
Huaxin Concrete (Ezhou) Co., LTD	Ezhou	Ezhou	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Concrete (Jianli) Co., LTD	Jianli	Jianli	Manufacture and sale of concrete	LLC	2,500	–	100
Enping Huaxin Environmental Engineering Co., LTD	Enping	Enping	Environmental design, construction and waste disposal	LLC	500	–	80
Huaxin Concrete (Yichang) Co., LTD	Yichang	Yichang	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Concrete (Daoxian) Co., LTD	Daoxian	Daoxian	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Environmental Engineering (Zigui) Co., LTD	Zigui	Zigui	Environmental design, construction and waste disposal	LLC	2,100	–	100
Huaxin Environmental Engineering (Youxian) Co., LTD	Youxian	Youxian	Environmental design, construction and waste disposal	LLC	2,900	–	100
Huaxin Hong Kong (Cambodia) Investment Co., LTD	Hong Kong	Hong Kong	Investment	LLC	HKD10,000	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Xiangyang Huaxin Logistics Co., LTD	Xiangyang	Xiangyang	Loading and unloading, storage and other services	LLC	100	–	100
Huaxin Hong Kong (Central Asia) Investment Co., LTD	Hong Kong	Hong Kong	Investments	LLC	HKD10,000	–	51
Huaxin Environmental Engineering (Wanyuan) Co., LTD	Wanyuan	Wanyuan	Environmental design, construction and waste disposal	LLC	1,000	–	100
Huaxin Environmental Engineering (Zhaotong) Co., LTD	Zhaotong	Zhaotong	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin Environmental Engineering (Daye) Co., LTD	Daye	Daye	Environmental design, construction and waste disposal	LLC	60	–	100
Huaxin Environmental Engineering (Loudi) Co., LTD	Loudi	Loudi	Environmental design, construction and waste disposal	LLC	4,000	–	100
Huaxin Environmental Engineering Yunyang County Co., LTD	Yunyang	Yunyang	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin Narayani Investment (Shanghai) Co., LTD	Shanghai	Shanghai	Investment	LLC	100	100	–
Wuhan Longwangzui Huaxin Environmental Engineering Co., LTD	Wuhan	Wuhan	Environmental design, construction and waste disposal	LLC	1,200	–	100
Huaxin Environmental Engineering (Yidu City) Co., LTD	Yidu	Yidu	Environmental design, construction and waste disposal	LLC	3,000	–	100
WuhanNan Taizihu Huaxin Environmental Engineering Co., LTD	Wuhan	Wuhan	Environmental design, construction and waste disposal	LLC	1,000	–	100
Huaxin (Zigui) Logistics Co., LTD	Zigui	Zigui	Loading and unloading, storage and other services	LLC	500	–	100
Chongqing Fuling Huaxin Environmental Engineering Co., LTD	Chongqing	Chongqing	Environmental design, construction and waste disposal	LLC	100	–	100
Huaxin (Jianchuan) Environmental Engineering Co., LTD	Jianchuan	Jianchuan	Environmental design, construction and waste disposal	LLC	1,500	–	100
Huaxin (Lijiang) Environmental Engineering Co., LTD	Lijiang	Lijiang	Environmental design, construction and waste disposal	LLC	1,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Environmental Engineering (Yichang) Co., LTD	Yichang	Yichang	Environmental design, construction and waste disposal	LLC	2,000	100	–
Chongqing Huaxin New Building Materials Co., LTD	Chongqing	Chongqing	Manufacture and sale of new materials	LLC	500	–	100
Huaxin Environmental (Shiyan) Renewable Resources Utilization Co., LTD	Shiyan	Shiyan	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin New Material (Changyang) Co., LTD	Changyang	Changyang	Manufacture and sale of new materials	LLC	39,300	–	100
Huaxin Cement (Huangshi) Co., LTD	Huangshi	Huangshi	Manufacture and sale of building materials	LLC	111,600	80	14
Huaxin New Building Materials (Fumin) Co., LTD	Fumin	Fumin	Manufacture and sale of new materials	LLC	3,000	–	65
Zhuzhou Huaxin Logistics Co., LTD	Zhuzhou	Zhuzhou	Loading and unloading, storage and other services	LLC	200	–	100
Zhuzhou Huaxin Environmental Hazardous Waste Disposal Co., LTD	Zhuzhou	Zhuzhou	Environmental design, construction and waste disposal	LLC	1,300	–	80
Huaxin (Nanzhang) Renewable Resources Utilization Co. LTD	Nanzhang	Nanzhang	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin Environmental (Yangxin) Renewable Resources Utilization Co. LTD	Yangxin	Yangxin	Environmental design, construction and waste	LLC	1,500	–	100
Wuhan Huaxin Changshankou Logistics Co., LTD	Wuhan	Wuhan	Loading and unloading, warehousing and other services	LLC	1,000	–	100
Huaxin Concrete (Yangxin) New Material Co., LTD	Yangxin	Yangxin	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Environmental Engineering (Badong) Co., LTD	Badong	Badong	Environmental design, construction and waste disposal	LLC	2,000	–	100
Huaxin New Building Materials Xiangyang Co., LTD	Xiangyang	Xiangyang	Manufacture and sales of new materials	LLC	3,000	–	100
Huaxin Anti-seepage and Energy-saving Special New Material (Fumin) Co., LTD	Fumin	Fumin	Manufacture and sale of new materials	LLC	500	–	86
Huaxin Aggregate (Zhuzhou) Co., LTD	Zhuzhou	Zhuzhou	Manufacture and sale of construction aggregates	LLC	10,000	–	70

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Na e f ig ific b idia ie	Place f ci al b ie	Place f ci al egi a i	B ie Na e	Ca eg ie f Legal E i ie	Regi ed ca i al RMB0'000	Pe ce age f ha eh ld g(%) Di ec di ec	
Huaxin (Huangshi) Logistics Co., LTD	Huangshi	Huangshi	Loading and unloading, warehousing and other services	LLC	2,000	100	–
Huaxin (Lijiang) Environmental Protection New Material Co., LTD	Lijiang	Lijiang	Manufacture and sale of new materials	LLC	6,000	–	70
Shannan Huaxin Environmental Engineering Co., LTD	Shannan	Shannan	Environmental design, construction and waste disposal	LLC	3,000	–	79
Wuhan Changshankou Huaxin Environmental Engineering Co., LTD	Wuhan	Wuhan	Environmental design, construction and waste disposal	LLC	10,000	–	100
Huaxin Hong Kong Tanzania Co., LTD	Hong Kong	Hong Kong	Investment	LLC	HKD 30.25 million	–	100
Hubei Huaxin Environmental Logistics Co., LTD	Huangshi	Huangshi	Loading and unloading, warehousing, transportation, etc.	LLC	1,000	–	100
Huaxin Jiaotou (Chibi) New Building Materials Co., LTD	Chibi	Chibi	Manufacture and sale of new materials	LLC	10,000	–	51
Huaxin Environmental Engineering (Yunnan) Co., LTD	Kunming	Kunming	Environmental design, construction and waste	LLC	3,000	–	100
Huaxin Chaokolong New Building Material Technology (Huangshi) Co., LTD	Huangshi	Huangshi	Manufacture and sale of new materials	LLC	5,000	–	100
HX International (Tanzania) Limited.	Tanzania	Tanzania	Investments	LLC	TSZ 10 million	–	100
Huaxin Concrete (Xianning) Co., LTD	Xianning	Xianning	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Cement (Songming) Co., LTD	Kunming	Kunming	Manufacture and sale of building materials	LLC	30,000	–	100
Huaxin Environmental Engineering (Changyang) Co., LTD	Changyang	Changyang	Environmental design, construction and waste disposal	LLC	3,000	–	100
Huaxin (Changyang) Renewable Resources Utilization Co. LTD	Changyang	Changyang	Environmental design, construction and waste disposal	LLC	3,000	–	100
Huangshi Huaxin Green Building Material Industry Co., LTD	Huangshi	Huangshi	Manufacture and sale of construction aggregates	LLC	430,000	58	–
Huaxin Concrete (Huanggang) Co., LTD	Huanggang	Huanggang	Manufacture and sale of concrete	LLC	2,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Concrete (Macheng) Co., LTD	Macheng	Macheng	Manufacture and sale of concrete	LLC	2,500	–	100
Chongqing Huaxin Renewable Resources Utilization Co., LTD	Chongqing	Chongqing	Industrial Solid Waste	LLC	4,000	–	100
Huaxin Environmental Engineering (Hefeng) Co., LTD	Hefeng	Hefeng	Environmental design, construction and waste disposal	LLC	1,000	–	2TjETEMC /Span Lang (en-GB)/MCD 17
Huaxin New Building Materials (Luonan) Co., LTD	Luonan	Luonan	Manufacture and sale of new building materials	LLC			

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding(%) Direct	Indirect
Fumin Park New Building Materials Co., LTD	Fumin	Fumin	Manufacture and sale of new materials	LLC	10,000	–	70
Huaxin Concrete (zigui) Co., LTD	Zigui	Zigui	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Concrete (Qianjiang) Co., LTD	Qianjiang	Qianjiang	Manufacture and sale of concrete	LLC	2,500	–	100
Nanjing Huaxin Concrete Co., LTD	Nanjing	Nanjing	Manufacture and sale of concrete	LLC	5,000	–	100
Huaxin New Materials Concrete Xiangyang Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Zhongnan (Wuhan) Environmental Technology Co., LTD	Wuhan	Wuhan	Environmental design, construction and waste disposal	LLC	500	–	55
Huaxin Environmental Engineering (Chongqing) Co., LTD	Chongqing	Chongqing	Environmental design, construction and waste disposal	LLC	4,100	–	100
Jingjiang Huaxin Concrete Co., LTD	Jingjiang	Jingjiang	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Fortress New Building Materials (Daye) Co., LTD	Daye	Daye	Manufacture and sale of new materials	LLC	3,000	–	100
Huaxin Concrete (Yangxin) Co., LTD	Yangxin	Yangxin	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Concrete (Daye) Co., LTD	Daye	Daye	Manufacture and sale of concrete	LLC	2,500	–	100
Changzhou Huaxin Tongchuang Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin (Zhuzhou) New Material Technology Co., LTD	Zhuzhou	Zhuzhou	Manufacture and sale of new materials	LLC	3,500	–	100
Huaxin Concrete (Tianmen) Co., LTD	Tianmen	Tianmen	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin New Material (Zigui) Co., LTD	Zigui	Zigui	Manufacture and sale of new materials	LLC	10,000	–	100
Zhenjiang Huaxin Jingfa Concrete Co., LTD	Zhenjiang	Zhenjiang	Manufacture and sale of concrete	LLC	3,000	–	100
Changzhou Huaxin Tonghe Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Changzhou Huaxin Tongli Concrete Co., LTD	Changzhou	Changzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Green Building Materials (Wuxue) Co., LTD	Wuxue	Wuxue	Manufacture and sale of building materials	LLC	50,000	–	59
Huaxin Environmental Engineering (Hunan) Co., LTD	Changsha	Changsha	Environmental design, construction and waste disposal	LLC	1,000	–	100
Huaxin Concrete Xiangyang Xiangcheng District Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of concrete	LLC	2,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin New Building Materials (Huangshi) Co., LTD	Huangshi	Huangshi	Manufacture and sale of new materials	LLC	5,000	100	–
Huaxin New Building Materials (Honghe) Co., LTD	Honghe	Honghe	Manufacture and sale of new materials	LLC	2,500	–	100
Nantong Huaxin Chunfa Concrete Co., LTD	Nantong	Nantong	Manufacture and sale of concrete	LLC	3,000	–	100
Taicang Huaxin Xinyang Concrete Co., LTD	Taicang	Taicang	Manufacture and sale of concrete	LLC	2,500	–	100
Nantong Taisheng Huaxin Concrete Co., LTD	Nantong	Nantong	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Concrete (Hanchuan) Co., LTD	Hanchuan	Hanchuan	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Gayur Cement LLC (Note 2)	Tajikistan	Tajikistan	Manufacture and sale of building materials	LLC	2,000	–	38
Huaxin Gayur (Sogd) Cement LLC (Note 3)	Tajikistan	Tajikistan	Manufacture and sale of building materials	LLC	TJS 223.04 million	–	36
Huaxin Cement Narayani Co., LTD	Nepal	Nepal	Manufacture and sale of building materials	LLC	USD 28 million	–	100
Cambodian Chakrey Ting Packaging Co., LTD	Cambodia	Cambodia	Manufacture and sale of cement bags	LLC	USD 5 million	–	68
Huaxin Cement Jizzakh LLC	Uzbekistan	Uzbekistan	Manufacture and sale of building materials	LLC	USD 30 million	–	100
Huaxin Cambodia Trading Co., LTD	Cambodia	Cambodia	Import and export trade of cement	LLC	USD 600 thousand	–	100
Huaxin Gayur New Building Materials Co., LTD(Note 3)	Tajikistan	Tajikistan	Manufacture and sale of new materials	LLC	TJS 28 million	–	32
Jiangsu Huaxin Supply Chain Co., LTD	Changzhou	Changzhou	Logistics services	LLC	1000	–	100
Xinyang Xinxin Green Building Materials Co., LTD	Xinyang	Xinyang	Manufacture and sale of construction aggregates	LLC	10000	–	51
Nantong Huaxin Xincheng Concrete Co., LTD	Nantong	Nantong	Manufacture and sale of concrete	LLC	2500	–	100
Wuhan Baihuitong Supply Chain Technology Co., LTD	Wuhan	Wuhan	Logistics services	LLC	5000	–	100
Huaxin Solid Waste Disposal (Changyang) Co., LTD	Changyang	Changyang	Industrial solid waste	LLC	1,600	–	100
Huaxin Cement International Finance Co., LTD	Hong Kong	Hong Kong	Investment	LLC	USD 10 thousand	–	100
Cambodia Concrete Chakrey Ting Co., LTD	Cambodia	Cambodia	Manufacture and sale of concrete	LLC	USD 600 thousand	–	68
Hua Tech Engineering Limited	Zambia	Zambia	Manufacture and repair of electromechanical equipment	LLC	ZMK 20 thousand	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of subsidiaries	Place of principal business	Place of registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Zimbabwe Industries (Private) Limited	Zimbabwe	Zimbabwe	Manufacture and sale of building materials	LLC	USD 2 million	–	100
Yellow Stone Engineering Construction SPC	Oman	Oman	Manufacture and repair of electromechanical equipment	LLC	OMR 250 thousand	–	100
Giant Stone Engineering Construction Limited Liability Company Pty LTD	South Africa	South Africa	Manufacture and repair of electromechanical equipment	LLC	ZAR 2.23 million	–	100
Changshu Huaxin Changling Concrete Co., LTD	Changshu	Changshu	Manufacture and sale of concrete	LLC	3000	–	100
Zhenjiang Huaxin Mingxing Concrete Co., LTD	Zhenjiang	Zhenjiang	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Xijiesi Building Material Technology (Huangshi) Co., LTD	Huangshi	Huangshi	Manufacture and sale of building materials	LLC	2,800	–	70
Hainan Huaxin Pan Africa Investment Co., Ltd.	Haikou	Haikou	Investments	LLC	1000	–	100
Suzhou Industrial Park Huaxin Concrete Co., Ltd.	Suzhou	Suzhou	Manufacture and sale of concrete	LLC	2500	–	100
Changyang Xinzhida Logistics Co., Ltd.	Yichang	Yichang	Logistics services	LLC	2000	–	100
Huaxin New Building Materials (Chibi) Co., LTD	Chibi	Chibi	Manufacture and sale of building materials	LLC	3000	–	100
Subsidiaries acquired through business combinations under non-common control							
Huaxin Cement (Hefeng) National Building Materials Co., LTD	Hefeng	Hefeng	Manufacture and sale of building materials	LLC	4,764	51	–
Huaxin Hongta Cement (Jinghong) Co., LTD	Jinghong	Jinghong	Manufacture and sale of building materials	LLC	17,961	51	–
Huaxin Cement (Changyang) Co., LTD	Changyang	Changyang	Manufacture and sale of building materials	LLC	24,900	100	–
Huaxin Cement (Jingzhou) Co., LTD	Jingzhou	Jingzhou	Manufacture and sale of building materials	LLC	8,080	88	12
Huaxin Cement (Fangxian) Co., LTD	Fangxian	Fangxian	Manufacture and sale of building materials	LLC	8,000	70	–
Huaxin Cement (Danjiangkou) Co., LTD	Dan jiangkou	Dan jiangkou	Manufacture and sale of building materials	LLC	2,450	–	70
Huaxin Cement (Diqing) Co., LTD	Diqing	Diqing	Manufacture and sale of building materials	LLC	9,500	69	–
Huaxin Jinlong Cement (Yunxian) Co., LTD	Yunxian	Yunxian	Manufacture and sale of building materials	LLC	8,000	80	–
Huaxin Cement Suizhou Co., LTD	Suizhou	Suizhou	Manufacture and sale of building materials	LLC	4,100	60	–

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Concrete Jingmen Co., LTD	Jingmen	Jingmen	Manufacture and sale of concrete	LLC	2,500	–	100
Hainan Huaxin Dacheng Concrete Co., LTD	Haikou	Haikou	Manufacture and sale of concrete	LLC	3,000	–	70
Hainan Huaxin Fuli Concrete Co., LTD	Haikou	Haikou	Manufacture and sale of concrete	LLC	2,800	–	70
Nanjing Huaxin Pingda Building Material Technology Co., LTD	Nanjing	Nanjing	Manufacture and sale of concrete	LLC	3,000	–	100
Huanggang Jiamei New Material Technology Co., LTD	Huanggang	Huanggang	Manufacture and sale of concrete	LLC	2,500	–	100
Yangzhou Huaxin Jiangyang Concrete Co., LTD	Yangzhou	Yangzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Tianbang Concrete (Wuhan Hanyang) Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	2,500	–	100
Xishui County Concrete Sheng Building Material Co., LTD	Xishui	Xishui	Manufacture and sale of building materials	LLC	2,500	–	100
Suzhou Liangxing Concrete Co., LTD	Suzhou	Suzhou	Manufacture and sale of concrete	LLC	3,000	–	100
Huaxin Concrete Xianning Co., LTD	Xianning	Xianning	Manufacture and sale of concrete	LLC	4,200	–	100
Zaoyang Huaxin Concrete Co., LTD	Zaoyang	Zaoyang	Manufacture and sale of concrete	LLC	2,500	–	84
Huaxin Cement(Daye) Co., LTD	Daye	Daye	Manufacture and sale of concrete	LLC	32,700	70	–
Huaxin Cement (Ezhou) Co., LTD	Ezhou	Ezhou	Manufacture and sale of building materials	LLC	5,000	70	–
Hubei Zhushen Building Materials Co., LTD	Wuhan	Wuhan	Manufacture and sale of concrete	LLC	2,500	–	84
Huaxin Concrete (Chongyang) Co., LTD	Xianning	Xianning	Manufacture and sale of concrete	LLC	2,588	–	51
Saltec Golden Eagle Cement (Hong Kong) Co., LTD	Hong Kong	Hong Kong	Investments	LLC	HKD10,000	–	65
Huaxin Cement (Enping) Co., LTD	Enping	Enping	Manufacture and sale of building materials	LLC	HKD 280 million	–	65
Huaxin Concrete Xiangyang Co., LTD	Xiangyang	Xiangyang	Manufacture and sale of concrete	LLC	19,500	–	84
Huaxin Environmental Engineering (Shiyan) Co., LTD	Shiyan	Shiyan	Environmental design, construction and waste disposal	LLC	5,000	–	100
Huaxin Cement (Fumin) Co., LTD	Fumin	Fumin	Manufacture and sale of building materials	LLC	39,000	–	100
Yunnan Huaxin Dongjun Cement Co., LTD	Kunming	Kunming	Manufacture and sale of building materials	LLC	26,000	–	100
Huaxin Cement (Lijiang) Co., LTD	Lijiang	Lijiang	Manufacture and sale of building materials	LLC	10,000	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Cement (Honghe) Co., LTD	Honghe	Honghe	Manufacture and sale of building materials	LLC	50,000	–	100
Huaxin Cement (Chuxiong) Co., LTD	Chuxiong	Chuxiong	Manufacture and sale of building materials	LLC	3,260	–	100
Yanshan Yuanda Red River Cement Co., LTD	Honghe	Honghe	Manufacture and sale of building materials	LLC	300	–	100
Huaxin Cement (Jianchuan) Co., LTD	Jianchuan	Jianchuan	Manufacture and sale of building materials	LLC	27,000	–	100
Huaxin Cement (Yunlong) Co., LTD	Yunlong	Yunlong	Manufacture and sale of building materials	LLC	30,000	–	100
Huaxin Cement (Lincang) Co., LTD	Lincang	Lincang	Manufacture and sale of building materials	LLC	36,090	–	100
Kunming Chongde Cement Co., LTD	Kunming	Kunming	Manufacture and sale of building materials	LLC	38,200	–	100
Yunnan Huaxin Building Materials Investment Co., LTD	Kunming	Kunming	Investment	LLC	305,883	100	–
Kunming Huaxin Logistics Co., LTD	Kunming	Kunming	Loading and unloading, warehousing and other services	LLC	1,000	–	100
Yunnan State Capital Cement Kunming Co., LTD	Kunming	Kunming	Manufacture and sale of building materials	LLC	13,038	–	100
Chongqing Huaxin Yanjing Cement Co., LTD	Chongqing	Chongqing	Manufacture and sale of building materials	LLC	21,000	100	–
Chongqing Huaxin Diwei Cement Co., LTD	Chongqing	Chongqing	Manufacture and sale of building materials	LLC	45,268	96	–
Chongqing Huaxin Cantian Cement Co., LTD	Chongqing	Chongqing	Manufacture and sale of building materials	LLC	27,000	100	–
Huaxin Guizhou Top Effect Special Cement Co., LTD	Guizhou	Guizhou	Manufacture and sale of building materials	LLC	23,107	–	100
Guizhou Shucheng Rui'an Cement Co., LTD	Guizhou	Guizhou	Manufacture and sale of building materials	LLC	20,000	–	70
Chongqing Huaxin Logistics Co., LTD	Chongqing	Chongqing	Loading and unloading, warehousing and other services	LLC	50	–	98
Chongqing Huaxin Phoenix Lake Concrete Co., LTD	Chongqing	Chongqing	Manufacture and sale of concrete	LLC	5,107	100	–
Chongqing Huaxin Tiancheng Concrete Co., LTD	Chongqing	Chongqing	Manufacture and sale of concrete	LLC	3,250	100	–
Yunwei Baoshan Organic Chemical Co., LTD	Baoshan	Baoshan	Manufacture and sale of building materials	LLC	10,000	–	80
Hainan Xinhongda Building Materials Co., LTD	Haikou	Haikou	Manufacture and sale of new materials	LLC	1,500	–	100
Yidu Honghua Xintong Logistics Co., LTD	Yidu	Yidu	Loading and unloading, warehousing and other services	LLC	4,500	–	100

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of principal registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Huaxin Concrete (Huangmei) Co., LTD	Huangmei	Huangmei	Manufacture and sale of concrete	LLC	2,600	–	100
Hainan Huaxin Ronghui Concrete Co., LTD	Haikou	Haikou	Manufacture and sale of concrete	LLC	3,000	–	70
Nantong Tongchang Building Material Co., LTD	Nantong	Nantong	Manufacture and sale of building materials	LLC	3,000	–	100
Yueyang County Yonggu Concrete Co., LTD	Yueyang	Yueyang	Manufacture and sale of concrete	LLC	3,350	–	100
Yangzhou Huaxin Dingli Concrete Co., LTD	Yangzhou	Yangzhou	Manufacture and sale of concrete	LLC	2,500	–	100
Oman Cement Company SAOG	Oman	Oman	Manufacture and sale of building materials	LLC	OMR 33 million	–	65
Cambodian Cement Chakrey Ting Factory Co., LTD	Cambodia	Cambodia	Manufacture and sale of building materials	LLC	USD 60 million	–	68
Yuzhno-Kyrgyzskyi Cement CJSC	Kyrgyzstan	Kyrgyzstan	Manufacture and sale of building materials	LLC	KGS 528 million	–	100
Stone Group LLL	Kyrgyzstan	Kyrgyzstan	Management and staffing services	LLC	KGS 1000	–	100
Power Assets LLL	Kyrgyzstan	Kyrgyzstan	Land and Building Rental Services	LLC	KGS 1000	–	100
Maweni limestone limited	Tanzania	Tanzania	Manufacture and sale of building materials	LLC	TZS 1 million	–	100
Chilanga Cement PLC	Zambia	Zambia	Manufacture and sale of building materials	LLC	ZMW 10 million	–	80
Portland Cement (Malawi) Limited	Malawi	Malawi	Manufacture and sale of building materials	LLC	MWK 15.79 million	–	100
Natal Portland Cement Company (Pty) LTD	South Africa	South Africa	Manufacture and sale of building materials	LLC	ZAR 644 million	–	100
SOMMERSET INVESTMENTS LIMITED	Mauritius	Mauritius	Investment	LLC	USD 177.41 million	100	–
Panzhihua Huaxin New Materials Co., LTD	Panzhihua	Panzhihua	Manufacture and sale of building materials	LLC	1,000	–	100
InterCement South Africa Proprietary Limited	South Africa	South Africa	Manufacture and sale of building materials	LLC	–	–	100
NPC Intercement (RF) Proprietary Limited	South Africa	South Africa	Manufacture and sale of building materials	LLC	ZAR 509.13 million	–	74
NPC Concrete Proprietary Limited	South Africa	South Africa	Manufacture and sale of concrete	LLC	ZAR 100	–	74
South Coast Stone Crushers Proprietary Limited	South Africa	South Africa	Manufacture and sale of building materials	LLC	ZAR 100	–	55
Sterkspruit Aggregates Proprietary Limited	South Africa	South Africa	Manufacture and sale of building materials	LLC	ZAR 100	–	55
Cimentos de Mozambique, S.A.	Mozambique	Mozambique	Manufacture and sale of building materials	LLC	MZN 6.285 billion	–	96

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(1) Information of the Company's major subsidiaries (continued)

Name of significant subsidiaries	Place of principal business	Place of registration	Business Nature	Category of Legal Entities	Registered capital RMB0'000	Percentage of shareholding (%) Direct	Indirect
Hunan Junpu Building Materials Co., LTD	Changsha	Changsha	Manufacture and sale of concrete	LLC	2,500	–	100
Huaxin Concrete (Ezhou Huarong) Co., LTD	Ezhou	Ezhou	Manufacture and sale of concrete	LLC	2,500	–	100
Yangxin Tainaoyicheng Building Materials Co., LTD	Yangxin	Yangxin	Manufacture and sale of building materials	LLC	2,600	–	100
Huangshi Huaxin Guanggu East New Building Materials Co., LTD	Huangshi	Huangshi	Manufacture and sale of construction aggregates	LLC	15,000	–	100
Huaxin Xijiesi Building Material Technology (Changsha) Co., LTD	Changsha	Changsha	Manufacture and sale of new materials	LLC	1,200	–	70
Suzhou Huaxin Kanghong Concrete Co., LTD	Suzhou	Suzhou	Manufacture and sale of concrete	LLC	2500	–	100
NETNIX LTD Cyprus Investment Entity	Cyprus	Cyprus	Investments	LLC	Euro 10000	–	100
Xianning Huaxin Tuoxin Concrete Co., LTD	Xianning	Xianning	Manufacture and sale of concrete	LLC	2,500	–	100

The basis for holding half or less of the voting rights directly and indirectly but controlling the investee:

Note 1: The main operating activities of Huaxin Chunjin Building Materials (Wuxue) Co.,LTD are decided by the board of directors, which adopts the simple majority principle when making decisions. There are three members in the board of directors and the Group has the right to appoint two directors, with 67% of the voting rights. Therefore, the Group has control over Huaxin Chunjin Building Materials (Wuxue) Co.,LTD.

Note 2: The main operating activities of Huaxin Gayur Cement LLC are decided by the board of directors, which adopts the simple majority principle when making decisions. There are four members in the board of directors and the Group has the right to appoint three directors, with 75% of the voting rights. Therefore, the Group has control over Huaxin Gayur Cement LLC.

Note 3: The Group has control over Huaxin Gayur Cement LLC and Huaxin Gayur Cement LLC holds 95% and 85% of the shares of Huaxin Gayur (Sogd) Cement LLC and New Gayur New Building Materials Co.,LTD 95% and 85%, respectively. Therefore, the Group has control over Huaxin Gayur (Sogd) Cement LLC and New Gayur New Building Materials Co.,LTD.

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(2) Subsidiaries with significant minority interests

2024

	Percentage of minority shareholding	Profit or loss attributable to minority shareholders	Dividend payment to minority shareholders	Accumulated equity attributable to minority shareholders at the end of the year
Huangshi Huaxin Green Building Material Industry Co.,LTD	**42%**	**(28,535,285)**		**1,074,176,567**
Huaxin Green Building Materials (Wuxue) Co.,LTD	**41%**	**183,598,742**	**113,570,000**	**455,492,362**
Oman Cement Company SAOG	**35%**	**73,419,434**	**272,392,381**	**828,368,784**

2023

	Percentage of minority shareholding	Profit or loss attributable to minority shareholders	Dividend payment to minority shareholders	Accumulated equity attributable to minority shareholders at the end of the year
Huangshi Huaxin Green Building Material Industry Co.,LTD	42%	(8,950,545)	—	674,396,379
Huaxin Green Building Materials (Wuxue) Co.,LTD	41%	139,395,180	—	385,463,620
Oman Cement Company SAOG	35%	26,833,566	—	994,197,750

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

(3) The major financial information of subsidiaries with significant minority interests

	2024			2023		
	Hangzhou Haijian Building Material Industry Co.,LTD	Haijian Building Material (Wuxue) Co.,LTD	Oman Cement Company SAOG	Huangshi Huaxin Green Building Material Industry Co.,LTD	Huaxin Green Building Materials (Wuxue) Co.,LTD	Oman Cement Company SAOG (Note)
Current assets	**783,395,410**	**828,016,153**	**1,041,347,020**	969,592,535	692,318,930.2181 Tm(Huangshi)TjETEMC /Span <</MCLa	

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

2. Interests in joint ventures and associates *(continued)*

The summarised financial information for joint ventures and associates that are individually immaterial to the Group is as follows:

	2024	2023
Joint ventures		
Total carrying value of investments	**20,291,611**	—
Total amount calculated based on shareholding		
Profit	**4,991,611**	—
Total comprehensive income	**4,991,611**	—
Associates		
Total carrying value of investments	**564,460,843**	512,863,351
Total amount calculated based on shareholding		
Profit	**26,905,121**	20,203,670
Total comprehensive income	**26,905,121**	20,203,670

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS

1. Risks of financial instruments

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk.

The board of directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyse the risks faced by the Group. These risk management policies specify specific risks and cover a wide range of areas such as market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operations to determine whether to update the risk management policies and systems. The Group's risk management is carried out by the Risk Management Committee in accordance with the policies approved by the board of directors. The Risk Management Committee identifies, evaluates and avoids relevant risks by working closely with other business units of the Group. The Group's internal audit department conducts regular audits on risk management controls and procedures and reports the results of the audits to the Group's Audit Committee.

The Group diversifies its exposure to financial instruments through an appropriately diversified portfolio of investments and businesses, and reduces the risk of concentration in any single industry, in a particular geographic region or with a particular counterparty by establishing appropriate risk management policies.

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

1. Risks of financial instruments *(continued)*

(1) Credit risk

The Group only transacts with accredited, reputable third parties. In accordance with the Group's policy, credit checks are required to be performed on all customers who request to transact on credit. In addition, the Group monitors its accounts receivable balances on an ongoing basis to ensure that the Group is not exposed to significant risk of bad debts. The Group does not provide credit transaction terms for transactions that are not settled in the local currency of account of the relevant operating unit, unless specifically approved by the Group's credit control department.

Cash and bank balances, bank acceptance bills and derivative financial instruments are subject to low credit risk because the counterparties to these instruments are reputable banks with high credit ratings.

The Group's other financial assets include accounts receivable, other receivables, long-term receivables and debt investments, which are subject to credit risk arising from default of the counterparties, with the maximum exposure equal to the carrying amount of these instruments.

The maximum exposure to credit risk of the Group at each balance sheet date is the total amount charged to the customers less the amount of the impairment provision

No collateral is required as the Group only transacts with recognised and reputable third parties. Credit risk concentrations are managed by customer/counterparty, geographical area and industry. There are no significant concentrations of credit risk within the Group as the customer base of the Group's accounts receivable is widely dispersed across different sectors and industries. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances.

Criteria for judging significant increase in credit risk

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. In determining whether the credit risk has significantly increased since initial recognition, the Group's key criterion is when days past due exceed 30 days, or the following indicators of debtors occur significant changes: the operating environment, internal and external credit ratings and the significant adverse change of actual or predicted operating results.

Definition of credit-impaired assets

The Group's key criterion for determining that credit impairment has occurred is when the number of days past due exceeds 180 days. However, in some cases, the Group also considers credit impairment to have occurred if internal or external information indicates that full recovery of the contractual amount may not be possible before taking into account any credit enhancements held.

The credit impairment of a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

1. Risks of financial instruments *(continued)*

(2) Liquidity risk

The Group aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations and other borrowings.

The liquidity of the Group is primarily dependent on adequate cash inflows from operations to meet its debt obligations as they fall due and external financing to fulfil its committed future capital expenditure requirements.

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

1. Risks of financial instruments *(continued)*

(3) Market risk (continued)

Currency risk (continued)

31 December 2024

	Increase/ (decrease) in exchange rate%	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other net comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
TZS depreciated against USD	5	(38,284,490)		(38,284,490)
TZS appreciated against USD	(5)	38,284,490		38,284,490
NPR depreciated against USD	5	(60,850,065)		(60,850,065)
NPR appreciated against USD	(5)	60,850,065		60,850,065
RMB depreciated against USD	5	32,617,487	467,661	33,085,148
RMB appreciated against USD	(5)	(32,617,487)	(467,661)	(33,085,148)

31 December 2023

	Increase/ (decrease) in exchange rate%	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other net comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
TZS depreciated against USD	5	(62,103,250)	–	(62,103,250)
TZS appreciated against USD	(5)	62,103,250	–	62,103,250
NPR depreciated against USD	5	(58,469,752)	–	(58,469,752)
NPR appreciated against USD	(5)	58,469,752	–	58,469,752
RMB depreciated against USD	5	44,113,748	588,363	44,702,111
RMB appreciated against USD	(5)	(44,113,748)	(588,363)	(44,702,111)

2. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and to maintain an optimal capital structure.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to owners, return capital to owners or issue new shares. No changes in the objectives, policies or processes for managing capital were made during the years ended 31 December 2024 and 31 December 2023.

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

2. Capital management *(continued)*

The Group monitors capital using a debt-to-asset ratio, which is calculated by dividing the total debts of the business by the total assets. The Asset-liability ratio of the Group as at the balance sheet date was as follows:

	31 December 2024	31 December 2023 (restated)
Total liabilities	**34,614,884,740**	35,432,552,822
Total assets	**69,512,689,187**	68,747,865,736
Asset-liability ratio	**50%**	52%

3. Transfer of financial assets

Transfer method	Nature of transferred financial asset	Amount of transferred financial asset	Basis of derecognition	Basis for derecognition
Endorsed/Discounted Bills	Notes receivable	114,931,747	Not derecognised	Retained substantially all the risks and rewards, including default risks associated
Endorsed/Discounted Bills	Receivables financing	2,280,249,072	Derecognised	Transferred substantially all the risks and rewards
Factoring	Accounts receivable	219,400,703	Derecognised	Transferred substantially all the risks and rewards
Total		2,614,581,522		

As 31 December 2024, the financial assets derecognised due to transfer are as follows:

	Transfer method of financial asset	Amount of financial asset derecognised	Related derecognition loss
Receivables financing	Endorsed/Discounted Bills	2,280,249,072	—
Accounts receivable	Factoring	219,400,703	1,293,787
Total		2,499,649,775	1,293,787

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

3. Transfer of financial assets *(continued)*

At 31 December 2024, the transferred financial assets that continued to be involved in the transfer are as follows:

	Amount of financial assets that have been derecognised	Amount of financial liabilities that have been derecognised
Notes receivable	Endorsed bills	114,931,747	114,931,747
Total		114,931,747	114,931,747

Transferred financial assets that are not derecognised in their entirety

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks (the "Endorsed Bills") with a carrying amount of RMB114,931,747 (31 December 2023: RMB469,469,687) to certain of its suppliers in order to settle the accounts payable due to such suppliers. In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated accounts payable settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the accounts payable settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB114,931,747 (31 December 2023: RMB469,469,687).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks (the "Derecognised Bills") to certain of its suppliers in order to settle the accounts payable due to such suppliers with a carrying amount in aggregate of RMB2,280,249,072 (31 December 2023: RMB5,539,410,830). The Derecognised Bills had a maturity of 1 to 12 months at 31 December 2024. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the Derecognised Bills regardless of the order of precedence (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated amounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

IX. FINANCIAL INSTRUMENTS AND RELATED RISKS *(continued)*

3. Transfer of financial assets *(continued)*

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists (continued)

As part of its normal business operations, the Group entered into an accounts receivable factoring arrangement (the "Arrangement") with some supply chain financial platforms and transferred certain accounts receivable to the Group's creditors in the supply chain platforms or discounted the accounts receivable to a bank. The Group is not exposed to the risk of default of the debtors of the receivables after the transfer. Subsequent to the transfer or discount, the Group did not retain any rights to use the accounts receivable, including the sale, transfer or pledge of the accounts receivable to any other third parties. The carrying value of the receivables transferred under the Arrangement amounted to RMB160,849,602 (31 December 2023: RMB60,574,547). The carrying value of the receivables discounted under the Arrangement amounted to RMB58,551,101 (31 December 2023: RMB116,812,582).

During the year ended 31 December 2024, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

X. FAIR VALUE

1. Assets and liabilities measured at fair value

31 December 2024

	Quoted price in active market (Level 1)	Fair value measurement using Significant observable input (Level 2)	Significant unobservable input (Level 3)	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss	**69,848,646**			**69,848,646**
1. Financial assets held for trading	**31,704,908**			**31,704,908**
2. Other non-current financial assets	**38,143,738**			**38,143,738**
Receivables financing		**511,791,354**		**511,791,354**
Other equity investments			**934,524,059**	**934,524,059**
Total	**69,848,646**	**511,791,354**	**934,524,059**	**1,516,164,059**

X. FAIR VALUE *(continued)*

1. Assets and liabilities measured at fair value *(continued)*

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Bonds payable – preferred shares			**149,725,053**	**149,725,053**
Total			**149,725,053**	**149,725,053**

31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss	28,303,595	–	–	28,303,595
1. Financial assets held for trading	1,495,675	–	–	1,495,675
2. Other non-current financial assets	26,807,920	–	–	26,807,920
Receivables financing	–	746,018,692	–	746,018,692
Other equity investments	–	–	964,633,899	964,633,899
Total	28,303,595	746,018,692	964,633,899	1,738,956,186

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Bonds payable – preferred shares	–	–	147,690,327	147,690,327
Total	–	–	147,690,327	147,690,327

2. Quoted prices in active markets (Level 1)

The fair value of listed equity investments is measured using quoted market prices.

X. FAIR VALUE *(continued)*

3. Level 2 fair value measurements

The Group has entered into derivative financial instrument contracts with various counterparties, mainly financial institutions with high credit ratings. Derivative financial instruments, including interest rate swaps, are measured using valuation techniques such as forward pricing and swap models and present value methods. These models cover multiple inputs observable in markets, including counterparty's credit quality, spot and forward rates and interest rate curves. The carrying value of interest rate swaps is the same as the fair value. The mark to market value of derivative financial assets is the net value after offsetting the credit valuation adjustment attributable to the default risk of derivative instrument counterparties. Changes in counterparty's credit risk have no significant impact on the evaluation of hedging effectiveness of designated derivative instruments in hedging relationship and other financial instruments measured at fair value.

4. Level 3 fair value measurements

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each balance sheet date, the finance department analyses the changes in the values of financial instruments and determines the major inputs applicable to the valuation. The valuation is reviewed and approved by the chief financial officer.

The Group's financial assets that have adopted Level 3 fair value measurements include equity investment in non-listed company 1 and equity investment in non-listed company 2. The valuation methodology adopted by the Group for equity investment in non-listed company 1 is the comparable company method, and the key parameters mainly include the liquidity discount, and the changes in the parameters of equity investment in non-listed company 1 have less impact on the Group due to the small overall balance of the item; when assessing the fair value of equity investment in non-listed company 2, the Group split the investee company into significant assets or asset groups for fair value assessment, and adopted valuation methods including the asset-based method and the market method and the income method. In assessing the fair value of equity investment in non-listed company 2, the Group split the investee company into significant assets or groups of assets for fair value assessment, and the valuation methods adopted included asset base method, market method and income method, and the Group was required to make an estimation of the key parameters used in the valuation process.

Among the financial assets, the fair value of the investee company's mining rights and long-term equity investments held by the investee company had a significant impact on the Group. The valuation methodology and significant unobservable inputs during the valuation process mainly included: 1) When evaluating the investee company's mining rights, the valuation methodology was the discounted cash flow method, and the key unobservable inputs were the weighted average cost of capital and gross profit margin; 2) When evaluating the investee company's long-term equity investments held by the investee company, the valuation method is the market capitalization method and the comparable company method, and the main unobservable input is the liquidity discount.

The following is a sensitivity analysis of significant unobservable inputs for the equity investment in non-listed company 2:

X. FAIR VALUE *(continued)*

5. Adjustment of fair value measurements *(continued)*

2023

	Opening balance	Total gains or losses for the current period: Included in profit or loss	Total gains or losses for the current period: Included in other comprehensive income	Purchase	Sale	Closing balance	Changes in unrealised gains or losses included in profit or loss for assets held at end of year
Equity instrument investments	1,012,850,323	–	(48,216,424)	–	–	964,633,899	–
Bonds payable – preference shares	148,943,421	(1,253,094)	–	–	–	147,690,327	–

XI. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS

1. Major shareholders of the Company

	Registered office	Business nature	Registered capital	Percentage of shareholding (%)	Percentage of voting right (%)
Holchin B.V.	Amsterdam, Netherlands	Establishment of companies and other enterprises; acquisition, management, supervision and transfer of shares and other interests in legal persons, companies and enterprises	EUR100,000	40.19	41.81
Huaxin Group Limited	Huangshi City, Hubei Province	Manufacture and sale of cement products, machinery parts, real estate development, commerce, services, etc.	RMB340,000,000	16.26	16.26

Holchin B.V. is the Company's largest shareholder and its ultimate holding shareholder is Holcim Ltd. Holpac Limited, the person acting in concert of Holchin B.V., holds 1.62% of equity in the Company. Therefore, Holchin B.V. maintains 41.81% of voting rights in the Company.

2. Subsidiaries

For details on the subsidiaries, please refer to Note VIII. 1. Interests in the subsidiaries.

3. Joint ventures and associates

For details on the joint ventures and associates, please refer to Note VIII. 2. Interests in joint ventures and associates.

XI. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS *(continued)*

4. Other related parties

	Relationship with Related Parties
LAFARGE ASIA SDN BHD	Controlled by Holcim Ltd.
Mbeya Cement Company	Controlled by Holcim Ltd.
Lafarge Cement Zimba bwe Limited	Controlled by Holcim Ltd.
Hima Cement Ltd.	Controlled by Holcim Ltd.
Bamburi Cement Limited	Controlled by Holcim Ltd.
Holcim Group Services	Controlled by Holcim Ltd.
LAFARGE SA	Controlled by Holcim Ltd.
Holcim Trading Ltd.	Controlled by Holcim Ltd.
Holcim Technology Co., LTD	Controlled by Holcim Ltd.
Lafarge Industries South Africa (Pty) Co., LTD	Controlled by Holcim Ltd.
Dujiangyan Lafarge Cement Co., LTD	Controlled by Holcim Ltd.
Xinyang Xinxin Mining Co., LTD	Associate of the Group
Mondi Oman LLC	Associate of the Group
Shanghai Wanan Huaxin Cement Co., LTD	Associate of the Group
Tibet Huaxin New Aggregate Co., LTD	Joint Venture of the Group
Tibet Rikaze Hi-Tech Xuelian Cement Co., LTD	Subsidiary of the Group's associate
Rikaze High-Tech Environmental Engineering Co., LTD	Subsidiary of the Group's associate
Huangshi State-owned Assets Operation Co., Ltd.	Parent company of a shareholder with significant influence on the company

5. Major transactions of the Group with related parties

(1) Transactions concerning goods and services with related parties

Purchases of goods and receipts of services from related parties

	Content of transaction	2024	2023
Mondi Oman LLC	Procurement of materials/ equipment	**37,247,556**	—
Xinyang Xinxin Mining Co., LTD	Procurement of materials/ equipment	**9,486,129**	—
Tibet Huaxin New Aggregate Co., LTD	Procurement of materials/ equipment	**5,369,383**	—
Total		**52,103,068**	—

XI. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS *(continued)*

5. Major transactions of the Group with related parties *(continued)*

(1) Transactions concerning goods and services with related parties (continued)

Sales of goods and services to related parties

	Content of transaction	2024	2023
Tibet Rikaze Hi-Tech Xuelian Cement Co., LTD	Sales of goods	**15,010,472**	18,671,150
Tibet Rikaze Hi-Tech Xuelian Cement Co., LTD	Service fees, etc.	**5,181,347**	2,791,155
Tibet Huaxin New Aggregate Co., LTD	Sales of goods	**2,970,392**	—
Tibet Huaxin New Aggregate Co., LTD	Service fees, etc.	**2,341,072**	—
Rikaze High-Tech Environmental Engineering Co., LTD	Sales of goods	**755,047**	—
Dujiangyan Lafarge Cement Co., LTD	Sales of goods	**627,496**	8,201,248
Huaxin Group Co., LTD	Sales of goods	**69,005**	—
Huaxin Group Co., LTD	Service fees, etc.	**49,032**	47,170
Rikaze High-Tech Environmental Engineering Co., LTD	Service fees, etc.	**4,755**	—
Total		**27,008,618**	29,710,723

The Group's purchases/sales of goods and receipt/provision of services from/to related parties are based on negotiated market prices and executed in accordance with the terms of the agreements entered into between the Group and the related parties.

6. Amounts due from/to related parties

(1) Accounts receivable

	31 December 2024	31 December 2023
Shanghai Wanan Huaxin Cement Co.,LTD	**1,000,000**	1,000,000
Rikaze High-Tech Environmental Engineering Co.,LTD	**854,445**	88
Tibet Rikaze Hi-Tech Xuelian Cement Co.,LTD	**109,235**	72,498
Lafarge Cement Zimbabwe Limited	**28,268**	27,445
Dujiangyan Lafarge Cement Co.,LTD	**16,877**	1,781,821
Total	**2,008,825**	2,881,852

XI. RELATED PARTY RELATIONSHIPS AND THEIR TRANSACTIONS *(continued)*

6. Amounts due from/to related parties *(continued)*

(2) Accounts payable

	31 December 2024	31 December 2023
Xinyang Xinxin Mining Co.,LTD	**5,813,332**	—
Tibet Huaxin New Aggregate Co.,LTD.	**3,586,718**	—
Hima Cement Ltd.	**1,244,117**	2,677,568
Bamburi Cement Limited	**569,979**	553,377
Holcim Group Services		493,088
LAFARGE SA		433,579
Holcim Trading Ltd.		23,974
Holcim Technology Ltd.		701
Lafarge Industries South Africa (Pty) Ltd.		597
Total	**11,214,146**	4,182,884

(3) Other accounts payable — dividends receivable

	31 December 2024	31 December 2023
Huangshi State-owned Assets Operation Co., Ltd.	**41,073,612**	—
Total	**41,073,612**	—

(4) Other accounts payable

	31 December 2024	31 December 2023
Lafarge Asia SDN BHD	**409,394**	409,394
Tibet Rikaze Hi-Tech Xuelian Cement Co., LTD	**277,833**	531,955
Mbeya Cement Company	**77,440**	—
Total	**764,667**	941,349

XII. SHARE-BASED PAYMENT

1. Equity Instruments

Employee Stock Ownership Plan 2023–2025

On 20 July 2023, the Group's general meeting approved the Company's 2023–2025 Core Employee Stock Ownership Plan (Draft) (the "2023 Employee Stock Ownership Plan"). Under this plan, zero-priced restricted stocks will be granted to the board of directors, supervisors, and senior management. The restricted shares granted under the Plan are subject to a lock-up period. The planned shares acquired under the 2023 Employee Stock Ownership Plan will be unlocked in three phases (meeting the performance conditions), with the unlocking points being 12, 24 and 36 months respectively from the date of the Company's announcement of the last transfer of the underlying shares to the name of the account of the current shareholding plan, The percentage of unlocking for each phase will be 30%, 30% and 40% of the shares attributable to the shareholding, respectively. On May 21, 2024, the Group's board of directors approved the proposal on the grant results of the "First Phase (2023) of the Company's 2023–2025 Core Employee Stock Ownership Plan." A total of 241,764 shares under the first phase (2023) core employee stock ownership plan were not allocable, and the actual final grant was 2,675,813 shares.

The equity instruments granted are as follows:

	Granted during the year	Unlocked during the year	Lapsed during the year
Management staff	2,681,392	1,355,767	202,290
Sales staff	363,802	182,880	21,759
Research staff	183,818	60,250	11,269
Production staff	61,213	41,748	6,446
Total	3,290,225	1,640,645	241,764

As at 31 December 2024, the equity instruments granted are as follows:

	Quantity
Management staff	4,224,784
Sales staff	575,556
Research staff	265,561
Production staff	97,491
Total	5,163,392

XII. SHARE-BASED PAYMENT *(continued)*

2. The equity-settled share-based payments

	2024
Method of determining the fair value of equity instruments at the grant date	Market closing price on grant date
Basis for determining the number of equity instruments for which options are exercisable	The basis is determined by the number held by incentive objects that meet the assessment objectives of company's financial performance indicators and individual performance indicators of the year
The cumulative amounts of equity-settled share-based payments recognised into capital reserves	25,506,687

3. Share-based payment expenses incurred during the year are as follows:

	Expenses for Equity-settled share-based payments
Management staff	21,494,934
Sales staff	3,414,898
Research staff	1,542,892
Production staff	519,615
Total	26,972,339

XIII. COMMITMENTS AND CONTINGENCIES

1. Commitments

	Closing balance	Opening balance
Contracts entered into but not completed		
Capital commitments	**2,199,237,536**	2,146,285,645
Investment commitments	**7,366,169,132**	—
Total	**9,565,406,668**	2,146,285,645

XIV. EVENTS AFTER THE BALANCE SHEET DATE

1. On 26 March 2025, the board of directors of the Company convened a meeting and proposed the profit distribution plan for the year 2024, distributing a cash dividend of RMB0.46 per share (tax inclusive) based on the total shares capital of the Company of 2,078,995,649 at the year end of 2024, deducting the number of shares in the Company's special securities account for repurchasing shares on the share registration date at the time of the implementation of year 2024 annual dividend distribution, and the remaining balance was carried forward to unappropriated profits. The above proposal is subject to approval by the General Meeting of Shareholders.

2. On 14 January 2025, the Company issued "Belt and Road" Science and Technology Innovation Corporate Bonds (High-growth industrial bonds) (Phase I) to professional investors, with a total amount of RMB1,100 million.

3. In December 2024, the Group entered into a share purchase agreement with a third party to acquire 100% of the shares of ITATUBA PARTICIPACOES LTD and 40.25% of the shares of EMBU S. AENGENHARIA E COMERCIO (ITATUBA PARTICIPACOES LTD holds 59.75% of its shares) in Brazil. The estimated total purchase price is USD186.6 million. In March 2025, the Group completed the acquisition and an initial consideration of USD176.9 million was paid.

XV. OTHER SIGNIFICANT MATTERS

1. Remuneration for key management personnel

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Section 161 of the Hong Kong Companies Ordinance, was as follows:

	2024	2023
Fees	**3,228,000**	3,223,355
Salaries and bonus	**13,606,398**	13,448,714
Social insurance and housing funds	**1,160,165**	1,272,642
Share-based payments	**2,731,809**	2,799,662
Total	**20,726,372**	20,744,373

XV. OTHER SIGNIFICANT MATTERS *(continued)*

1. Remuneration for key management personnel *(continued)*

(1) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2024	2023
Independent non-executive directors		
Mr. Wong Kun Kau	**360,000**	360,000
Mr. Zhang Jiping	**360,000**	360,000
Mr. Jiang Hong	**360,000**	360,000
Total	**1,080,000**	1,080,000

No other remuneration should be paid to independent non-executive directors for the year (2023: Nil).

(2) Executive directors

2024

	Fee	Salaries and bonus	Social insurance and housing funds	Share-based Payments	Total
Executive directors					
Mr. Li Yeqing		**5,310,293**	**273,017**	**1,073,442**	**6,656,752**
Mr. Liu Fengshan		**2,263,860**	**181,010**	**494,674**	**2,939,544**
Total		**7,574,153**	**454,027**	**1,568,116**	**9,596,296**

2023

	Fees	Salaries and bonus	Social insurance and housing funds	Share-based Payments	Total
Executive directors					
Mr. Li Yeqing	—	4,941,820	326,636	1,314,116	6,582,572
Mr. Liu Fengshan	—	2,262,860	203,979	609,476	3,076,315
Total	—	7,204,680	530,615	1,923,592	9,658,887

XV. OTHER SIGNIFICANT MATTERS *(continued)*

1. Remuneration for key management personnel *(continued)*

(4) Supervisors (continued)

2023

	Fees	Salaries and bonus	Social insurance and housing funds	Share-based Payments	Total
Mr. Yang Xiaobing	—	455,933	117,505	49,919	623,357
Mr. Liu Weisheng	—	753,490	130,105	84,691	968,286
Mr. Zhang Lin	—	1,305,280	156,536	287,019	1,748,835
Mr. Zhu Yaping	—	1,617,131	141,095	221,875	1,980,101
Mr. Ming Jinhua	—	2,112,200	196,786	232,566	2,541,552
Total	—	6,244,034	742,027	876,070	7,862,131

Note 1: In May 2024, Mr. Zhu Yaping resigned from the position of supervisor of the Group.

Note 2: In May 2024, Mr. Liu Sheng was appointed as a supervisor of the Group.

(5) Five highest paid employees

The remuneration details of the five highest paid employees for the year are as follows:

	2024	2023
Salaries and bonus	**14,453,893**	14,264,781
Social insurance and housing funds	**998,109**	1,152,665
Share-based payments	**3,060,382**	3,829,999
Total	**18,512,384**	19,247,445

The remuneration distribution of the non-director highest paid employees was as follows:

Remuneration amount of employees	**2024**	2023
Less than HKD2,500,000 (RMB2,282,000)		—
HKD2,500,001–3,000,000 (RMB2,282,000–2,738,000)		—
HKD3,000,001–6,000,000 (RMB2,738,000–5,476,000)	**5**	5
Total	**5**	5

XV. OTHER SIGNIFICANT MATTERS *(continued)*

2. Segment reporting

Operating segment

For management purposes, the Group is organised into business units based on geographical locations and has two segments:

The Domestic segment is mainly engaged in business activities in China, including the manufacture and sale of cement, concrete, aggregates, clinker and other construction materials.

The Overseas segment is mainly engaged in business activities outside China, including the production and sale of cement, concrete, aggregates, clinker and other construction materials.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is measured consistent with the Group's total profit from continuing operations.

Segment assets exclude deferred tax assets, and segment liabilities exclude deferred tax liabilities.

Pricing for transfers between operating segments is agreed upon by the parties involved with reference to the fair price quoted in transactions with third parties.

2024

	Domestic segment	Overseas segment	Unallocated amount	Eliminations between segments	Total
Segment revenue	27,191,146,267	7,984,035,208		(957,833,748)	34,217,347,727
Revenue from inter-segment	957,833,748			(957,833,748)	
Revenue from external customers	26,233,312,519	7,984,035,208			34,217,347,727
Segment costs	21,204,619,774	5,350,305,226		(784,403,159)	25,770,521,841
Costs to inter-segment	784,403,159			(784,403,159)	
Costs to external customers	20,420,216,615	5,350,305,226			25,770,521,841
Investment income from investments in joint ventures and associates	28,592,509	3,304,223			31,896,732
Impairment losses of assets	75,359,710	5,374,324			80,734,034
Credit Impairment losses	88,029,141	3,216,572			91,245,713
Profit before taxes	2,605,787,115	1,604,502,645		(98,382,468)	4,111,907,292
Income tax expenses	807,255,391	351,182,831			1,158,438,222
Profit	1,798,531,724	1,253,319,814		(98,382,468)	2,953,469,070
Total assets	64,395,867,064	12,991,785,734	832,960,280	(8,707,923,891)	69,512,689,187
Total liabilities	31,686,543,659	4,892,204,579	1,109,442,589	(3,073,306,087)	34,614,884,740
Total non-current assets	42,250,630,023	9,618,105,879			51,868,735,902
Depreciation and amortisation	3,212,940,151	692,013,563			3,904,953,714
Long-term equity investments in joint ventures and associates	557,627,670	27,124,784			584,752,454
Increase in other non-current assets, excluding long- term equity investments	(497,058,301)	528,587,162			31,528,861

Note: The non-current assets exclude debt investments, other equity investments, other non-current financial assets, long-term receivables and deferred tax assets.

XV. OTHER SIGNIFICANT MATTERS *(continued)*

2. Segment reporting *(continued)*

Operating segment (continued)

2023

	Domestic segment	Oversea segment	Unallocated amounts	Elimination between segments	Total
Segment revenue	29,045,372,829	5,438,705,810	–	(726,991,367)	33,757,087,272
Revenue from inter-segment	726,991,367	–	–	(726,991,367)	–
Revenue from external customers	28,318,381,462	5,438,705,810	–	–	33,757,087,272
Segment costs	22,212,911,598	3,125,054,576	–	(596,551,447)	24,741,414,727
Costs to inter-segment	596,551,447	–	–	(596,551,447)	–
Costs to external customers	21,616,360,151	3,125,054,576	–	–	24,741,414,727
Investment income from investments in joint ventures and associates	17,135,630	4,172,918	–	–	21,308,548
Impairment losses of assets	104,829,302	33,099,453	–	–	137,928,755
Credit Impairment losses	49,809,980	18,130,935	–	–	67,940,915
Profit before taxes	3,073,578,214	1,310,465,729	–	(57,796,806)	4,326,247,137
Income tax expenses	801,041,283	307,107,752	–	–	1,108,149,035
Profit	2,272,536,931	1,003,357,977	–	(57,796,806)	3,218,098,102
Total assets (restated)	63,346,119,801	12,880,996,923	683,041,510	(8,162,292,498)	68,747,865,736
Total liabilities (restated)	32,558,643,656	4,641,626,689	961,556,522	(2,729,274,045)	35,432,552,822
Total non-current assets (restated)	42,674,135,174	9,091,182,764	–	–	51,765,317,938
Depreciation and amortisation	3,172,073,666	624,182,754	–	–	3,796,256,420
Long-term equity investments in joint ventures and associates	484,074,520	28,788,831	–	–	512,863,351
Increase in other non-current assets, excluding long-term equity investments (restated)	1,107,878,436	2,356,526,134	–	–	3,464,404,570

Note: The non-current assets exclude debt investments, other equity investments, other non-current financial assets, long-term receivables and deferred tax asset

XV. OTHER SIGNIFICANT MATTERS *(continued)*

3. Natal Portland Cement Company Proprietary Limited PPA allocation

(1) Adjustment of allocation of consideration for acquisition of enterprise equity

On 31 December 2023, a wholly-owned subsidiary of the Group, Huaxin (Hong Kong) International Holdings Limited, acquired 100% equity in Natal Portland Cement Company Proprietary Limited (hereinafter referred to as "NPC"), which is accounted for as a subsidiary. As of 31 December 2023, due to the ongoing evaluation process, the fair values of NPC's identifiable assets and liabilities could only be provisionally determined. In accordance with Article 16 of the Accounting Standards for Business Enterprises No. 20 — Business Combinations, the Group recognised and measured the identifiable net assets of the investee based on the provisional values determined as of 31 December 2023. The Group intends to adjust the recognised provisional values within 12 months from the acquisition date, treating these adjustments as if they were recognised and measured on the acquisition date. The financial statements for the current year have been adjusted in accordance with the relevant standards for the provisional values of the related items, and the relevant statements have been restated. Due to differences between the fair values of the identifiable assets and liabilities of the investee at the acquisition date as confirmed by the evaluation and the provisional values recognised, the relevant items in the Group's consolidated balance sheet as of 31 December 2023, have been retrospectively adjusted based on these differences. For details, please refer to Note 15, 3.(2).

(2) Comparative data

As described in Note XV. 3. (1), the Group has restated the comparative data for the adjustment of allocation of consideration for the equity acquisition of the enterprise in the current year.

The retrospective adjustments to the main items in the Group's consolidated balance sheet for 2023 are as follows:

	Previously stated 2023/12/31	Adjustments	Restated 2023/12/31
Fixed assets	27,752,373,906	343,112,484	28,095,486,390
Intangible assets	15,957,837,101	(939,141,019)	15,018,696,082
Goodwill	769,271,896	414,718,087	1,183,989,983
Deferred tax assets	554,133,589	128,907,921	683,041,510
Other assets	23,766,651,771	—	23,766,651,771
Deferred tax liabilities	1,123,626,046	(162,069,523)	961,556,523
Other liabilities	34,381,759,775	89,236,524	34,470,996,299
Total equity attributable to shareholders of the Company	28,932,949,847	—	28,932,949,847
Non-controlling interests	4,361,932,595	20,430,472	4,382,363,067

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. Accounts receivable *(continued)*

(2) Disclosure by bad debt provision method (continued)

	31 December 2023				
	Balance of carrying amount		Provision for bad debts		Carrying value
	Amount	Proportion (%)	Amount	Proportion of provision (%)	
Receivables for which bad debt provision is assessed on an individual basis	765,271,322	98	17,206,395	2	748,064,927
Receivables for which bad debt provision is assessed on a portfolio basis	13,275,180	2	968,119	7	12,307,061
Total	778,546,502		18,174,514		760,371,988

As at 31 December 2024, receivables for which bad debt provision is assessed on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Customer B	**11,491,305**	**11,491,305**	**100**	**All uncollectible**
Others	**670,111,705**	**5,863,774**	**1**	**Partly uncollectible**
Total	**681,603,010**	**17,355,079**		

As at 31 December 2023, receivables for which bad debt provision is assessed on an individual basis are as follows:

	Carrying amount	Provision for bad debts	Expected credit loss rate (%)	Reasons for provision
Customer B	11,322,334	11,322,334	100	All uncollectible
Others	753,948,988	5,884,061	1	Partly uncollectible
Total	765,271,322	17,206,395		

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. Accounts receivable *(continued)*

(2) Disclosure by bad debt provision method (continued)

Receivables for which bad debt provision is assessed on a portfolio basis are as follows:

Category of cement receivables:

	31 December 2024		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECL
Within 6 months			
6 to 12 months			
1 to 2 years			
2 to 3 years			
Over 3 years	**5,911**	**100**	**5,911**
Total	**5,911**		**5,911**

	31 December 2023		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECLs
Within 6 months	—	—	—
6 to 12 months	—	—	—
1 to 2 years	—	—	—
2 to 3 years	5,911	67	3,961
Over 3 years	—	—	—
Total	5,911		3,961

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. Accounts receivable *(continued)*

(2) Disclosure by bad debt provision method (continued)

Category of other business receivables:

	31 December 2024		
	Estimated gross carrying amount at default	**Expected credit loss rate (%)**	**Lifetime ECL**
Within 6 months	**1,262,216**	**5**	**63,112**
6 to 12 months			
1 to 2 years	**8,956,386**	**18**	**1,612,149**
2 to 3 years	**384,960**	**58**	**223,277**
Over 3 years	**503,668**	**100**	**503,668**
Total	**11,107,230**		**2,402,206**

	31 December 2023		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECLs
Within 6 months	431,977	2	8,640
6 to 12 months	9,943,308	5	497,165
1 to 2 years	2,389,096	12	286,691
2 to 3 years	504,888	34	171,662
Over 3 years	—	—	—
Total	13,269,269		964,158

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. Accounts receivable *(continued)*

(3) Details of bad debt provisions

The movements in the impairment allowance for accounts receivable are as follows:

	Opening balance	Provision	Recovered or reversal	Write-off	Closing balance
2024	**18,174,514**	**1,693,737**	**(94,019)**	**(11,036)**	**19,763,196**
Total	**18,174,514**	**1,693,737**	**(94,019)**	**(11,036)**	**19,763,196**

	Opening balance	Provision	Recovered or reversal	Write-off	Closing balance
2023	24,608,187	156,502	(6,583,217)	(6,958)	18,174,514
Total	24,608,187	156,502	(6,583,217)	(6,958)	18,174,514

(4) Top five amounts of accounts receivable

	31 December 2024			
	Closing balance of accounts receivable	Percentage of total closing balance of accounts receivable (%)	Closing balance of bad debt provision of accounts receivable	Closing value of accounts receivable
First	**294,807,262**	**43**		**294,807,262**
Second	**52,750,055**	**8**		**52,750,055**
Third	**27,786,346**	**4**		**27,786,346**
Fourth	**24,321,294**	**4**		**24,321,294**
Fifth	**16,594,062**	**2**		**16,594,062**
Total	**416,259,019**			**416,259,019**

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. Accounts receivable *(continued)*

(4) Top five amounts of accounts receivable (continued)

	31 December 2023			
	Closing balance of accounts receivable	Percentage of the total closing balance of accounts receivable (%)	Closing balance of bad debt provision for accounts receivable	Closing net value of accounts receivable
First	135,390,710	17	—	135,390,710
Second	42,093,188	5	—	42,093,188
Third	39,127,666	5	—	39,127,666
Fourth	37,010,476	5	—	37,010,476
Fifth	33,561,845	4	—	33,561,845
Total	287,183,885		—	287,183,885

2. Other receivables

	31 December 2024	31 December 2023
Interest receivables	**170**	170
Dividends receivable	**514,173,613**	361,526,876
Other receivables	**7,930,488,793**	6,600,237,713
Total	**8,444,662,576**	6,961,764,759

(1) Ageing analysis of other receivables

	31 December 2024	31 December 2023
Within 1 year	**2,356,325,716**	3,078,123,834
1 to 2 years	**2,440,831,954**	912,848,873
2 to 3 years	**886,373,344**	545,436,437
Over 3 years	**2,293,140,487**	2,110,633,024
Less: Impairment allowance	**46,182,708**	46,804,455
Total	**7,930,488,793**	6,600,237,713

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. Other receivables *(continued)*

(2) Other receivables classified by nature

	31 December 2024	31 December 2023
Amounts due from subsidiaries and related parties	**7,915,548,609**	6,583,437,295
Margin and deposits	**51,610,505**	55,176,211
Others	**9,512,387**	8,428,662
Total	**7,976,671,501**	6,647,042,168

(3) Bad debt provisions

Changes in the impairment allowance for other receivables are as follows:

	31 December 2024	31 December 2023
Opening balance	**46,804,455**	47,087,295
Accrual	**6,832**	461,612
Reversal	**(628,579)**	(744,452)
Closing balance	**46,182,708**	46,804,455

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. Other receivables *(continued)*

(4) Top five amounts of other receivables

31 December 2024

	Closing balance	Percentage of total closing balance of receivables (%)	Nature	Ageing	Closing balance of provision for bad debts
First	2,055,866,300	26	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	
Second	1,050,407,593	13	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	
Third	603,036,417	8	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	
Fourth	507,846,159	6	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years, Over 3 years	
Fifth	450,113,090	6	Amounts due from subsidiaries	Within 1 year, 1 to 2 years, 2 to 3 years	
Total	4,667,269,559	59			

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. Other receivables *(continued)*

(4) Top five amounts of other receivables (continued)

31 December 2023

	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature	Ageing	Closing balance of Provision for bad debts
First	1,406,062,605	21	Amounts due from subsidiaries	Within 1 year	—
Second	853,775,585	13	Amounts due from subsidiaries	Within 1 year、1–2 years、2–3 years、Over 3 years	—
Third	555,953,758	8	Amounts due from subsidiaries	Within 1 year、1–2 years、2–3 years、Over 3 years	—
Fourth	493,514,228	7	Amounts due from subsidiaries	Within 1 year、1–2 years、2–3 years、Over 3 years	—
Fifth	419,838,243	6	Amounts due from subsidiaries	Within 1 year、1–2 years、2–3 years、Over 3 years	—
Total	3,729,144,419	55			—

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

3. Long-term equity investments

Cost method:

	Investment cost	Opening balance	Increase/decrease in the current period	Closing balance	Closing balance of impairment provision	Percentage of shareholding (%)	Percentage of voting rights	Cash dividends declared in the current period
Huaxin Cement (Yangxin) Co.,LTD	653,713,479	653,713,479	–	653,713,479	–	100%	100%	–
Huaxin Cement (Wuxue) Co.,LTD	300,000,000	300,000,000	–	300,000,000	–	100%	100%	800,000,000
Huaxin Cement (Chibi) Co.,LTD	140,000,000	140,000,000	–	140,000,000	–	100%	100%	30,000,000
Huaxin Cement (Yichang) Co.,LTD	505,589,562	505,589,562	–	505,589,562	–	100%	100%	100,000,000
Huaxin Cement (Xiangyang) Co.,LTD	140,000,000	140,000,000	–	140,000,000	–	100%	100%	120,000,000
Huaxin Cement (Enshi) Co.,LTD	40,200,000	40,200,000	–	40,200,000	–	67%	67%	–
Huaxin Cement (Zhaotong) Co.,LTD	60,000,000	60,000,000	–	60,000,000	–	60%	60%	37,800,000
Huaxin Cement (Tibet) Co.,LTD	50,000,000	50,000,000	–	50,000,000	–	79%	79%	79,000,000
Huaxin Cement (Wuhan) Co.,LTD	42,000,000	42,000,000	–	42,000,000	42,000,000	70%	70%	–
Wuhan Ganghua Cement Co.,LTD	20,000,000	20,000,000	–	20,000,000	–	50%	50%	–
Huaxin Cement (Xiantao) Co.,LTD	14,658,136	14,658,136	–	14,658,136	–	80%	80%	–
Huaxin Cement (Yueyang) Co.,LTD	59,500,000	59,500,000	–	59,500,000	–	68%	68%	–
Huaxin Concrete (Wuhan) Co.,LTD	568,802,159	568,802,159	–	568,802,159	–	100%	100%	–
Huaxin Cement (Henan Xinyang) Co.,LTD	200,000,000	200,000,000	–	200,000,000	–	100%	100%	–
Huangshi Huaxin Cement Research and Design Co.,LTD	990,000	990,000	–	990,000	–	99%	99%	–
Hubei Dailing Future Environmental Protection Packaging Technology Co.,LTD	60,229,648	60,229,648	–	60,229,648	–	100%	100%	–
Huaxin Cement (Zigui) Co.,LTD	240,000,000	240,000,000	–	240,000,000	–	100%	100%	30,000,000
Huaxin Cement (Zhuzhou) Co.,LTD	340,000,000	340,000,000	–	340,000,000	–	100%	100%	–
Huaxin Cement (Chenzhou) Co.,LTD	220,000,000	220,000,000	–	220,000,000	–	100%	100%	30,000,000
Huaxin Cement (Macheng) Co.,LTD	65,000,000	65,000,000	–	65,000,000	–	100%	100%	–
Huaxin Cement (Hefeng) National Building Materials Co.,LTD	44,700,483	44,700,483	–	44,700,483	–	51%	51%	–
Huaxin Cement Technology Management (Wuhan) Co.,LTD	20,000,000	20,000,000	–	20,000,000	–	100%	100%	–
Huaxin (Huangshi) Logistics Co.,LTD	20,000,000	20,000,000	–	20,000,000	–	100%	100%	–
Huaxin Cement Xiangyang Xiangcheng Co.,LTD	40,000,000	40,000,000	–	40,000,000	–	100%	100%	10,000,000
Huaxin Cement (Quxian) Co.,LTD	240,000,000	240,000,000	–	240,000,000	–	100%	100%	120,000,000
Huaxin Cement (Wanyuan) Co.,LTD	190,000,000	190,000,000	–	190,000,000	–	94%	94%	50,000,000
Huaxin Cement Chongqing Fuling Co.,LTD	200,000,000	200,000,000	–	200,000,000	–	100%	100%	40,000,000
Huaxin Hongta Cement (Jinghong) Co.,LTD	91,601,080	91,601,080	–	91,601,080	–	51%	51%	23,389,318
Huaxin Cement (Changyang) Co.,LTD	197,590,806	197,590,806	–	197,590,806	–	100%	100%	–
Huaxin Cement (Dao xian) Co.,LTD	180,000,000	180,000,000	–	180,000,000	–	100%	100%	–
Huaxin Cement (Kunming Dongchuan) Co.,LTD	140,000,000	140,000,000	–	140,000,000	–	100%	100%	10,000,000
Huaxin Cement (Jingzhou) Co.,LTD	70,800,000	70,800,000	–	70,800,000	–	88%	88%	–
Huaxin Cement (Fangxian) Co.,LTD	30,124,664	30,124,664	–	30,124,664	–	70%	70%	–
Huaxin Cement (Lengshuijiang) Co.,Ltd.	180,000,000	180,000,000	–	180,000,000	–	90%	90%	54,900,000
Huaxin Cement (Diqing) Co.,LTD	65,550,000	65,550,000	–	65,550,000	–	69%	69%	13,800,000
Huaxin Environmental Engineering Co.,LTD	1,000,000,000	1,000,000,000	–	1,000,000,000	–	100%	100%	–
Huaxin Jinlong Cement (Yunxian) Co.,LTD	363,802,268	363,802,268	–	363,802,268	–	80%	80%	8,000,000

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

3. Long-term equity investments *(continued)*

Equity method:

	Opening balance	Movements during the year: Increase/decrease in investment income recognised under the equity method	Other changes in equity	Closing balance	Provision for impairment
Associates					
Tibet High-tech Building Materials Group Co.,LTD	361,515,912	20,322,712	(134,163)	381,704,461	—
Shanghai Wan'an Huaxin Cement Co.,LTD	89,221,403	(11,053)	—	89,210,350	—
Total	450,737,315	20,311,659	(134,163)	470,914,811	—

4. Operating revenue and cost

	2024		2023	
	Revenue	**Cost**	Revenue	Cost
Principal operations	**579,159,802**	**506,643,388**	641,832,013	482,011,332
Other operations	**1,814,071,378**	**1,624,814,440**	2,688,003,688	2,534,309,151
Total	**2,393,231,180**	**2,131,457,828**	3,329,835,701	3,016,320,483

5. Investment income

	2024	2023
Gains from long-term equity investments under the cost method	**2,021,889,318**	2,572,726,587
Investment gains from held for trading financial assets during the holding period	**2,850,682**	35,762,494
Dividend income from holding other non-current financial assets	**1,431,246**	1,426,876
Dividend income from holding investments in other equity instruments	**41,073,612**	—
Gains from long-term equity investments under the equity method	**20,311,659**	15,586,153
Total	**2,087,556,517**	2,625,502,110

XVI. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

6. Supplemental information to the statement of cash flows

Reconciliation of profit to net cash flows from operating activities:

	2024	2023
Profit	**1,928,498,891**	2,482,299,167
Add: Provision for impairment of assets	**73,760**	376,574
Credit impairment losses	**977,971**	(6,709,555)
Depreciation of fixed assets	**(2,108,809)**	58,029,377
Depreciation of right-of-use assets	**11,066,059**	11,153,683
Amortization of intangible assets	**2,918,122**	2,930,782
Amortization of long-term deferred expenses	**5,870**	2,218,730
Amortization of deferred income	**(1,541,666)**	(1,541,667)
Gains on disposal of fixed assets, intangible assets and other long-term assets	**(3,443,048)**	(791,860)
Loss on retirement of fixed assets	**216,554**	(13,787)
Gains on changes in fair value	**(11,046,850)**	39,970,883
Financial expenses	**53,996,140**	115,205,398
Investment income	**(2,087,556,517)**	(2,625,502,110)
Decrease in deferred tax assets	**(54,881,001)**	(52,607,411)
Decrease in inventories	**(73,887,351)**	149,423,607
Decrease in operating receivables	**357,340,529**	295,655,922
Increase in operating payables	**(96,807,650)**	538,799,397
Net cash flows from operating activities	**23,821,004**	1,008,897,130

Net changes in cash and cash equivalents:

	2024	2023
Balance of cash at the end of the year	**2,511,259,172**	2,706,295,387
Less: Balances of cash equivalents at the beginning of the year	**2,706,295,387**	3,365,759,060
Net increase in cash and cash equivalents	**(195,036,215)**	(659,463,673)

XVII. SUPPLEMENTAL INFORMATION

1. Breakdown of non-recurring profit and loss

	2024
Profit or loss from disposal of non-current assets	**742,195,289**
Government grants recognised through profit or loss for the current period (excluding those closely related to the Group's ordinary business operations, in line with national policies and entitled in accordance with established standard, and having a continuous impact on profit or loss	**162,660,260**
Profit or loss from change in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or losses from disposal of financial assets and financial liabilities, other than effective hedging business relating to the ordinary business operations of the Group	**17,951,953**
Reversal of provisions for impairment of receivables that are individually tested for impairment	**12,431,506**
The gain raised from acquisition when the cost of investments in subsidiaries, associates and joint ventures acquired is less than its share of the fair value in the investee's identifiable net assets	
Other non-operating income and expenses other than the above items	**(102,210,658)**
Total non-recurring profit and loss	**833,028,350**
Less: Impact of income tax	**199,304,795**
Less: Impact of non-controlling interests	**1,871,792**
Total	**631,851,763**

2. Return on net assets and earnings per share

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to ordinary shareholders of the Company	**8.16**	**1.16**	**1.13**
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	**6.02**	**0.86**	**0.83**

DIRECTORY OF DOCUMENTS FOR REFERENCE

1. Financial statements with the signatures and seals of the legal representative, the person in charge of accounting and the person in charge of the agency.

2. Original of the auditor`s report with the seal of the accounting firm and the signature and seal of the certified public accountant.

3. Originals of all corporate documents and announcements that have been publicly disclosed in newspapers designated by CSRC during the Reporting Period.

4. Annual report of the Company published on the SEHK website.

WRITTEN ACKNOWLEDGEMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT REGARDING THE COMPANY'S 2024 ANNUAL REPORT

According to the relevant stipulations in the *Securities Law*, Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.2 — Content and Format of Annual Reports issued by CSRC and *SSE Listing Rules*, after a comprehensive understanding and reviewing of the 2024 Annual Report of the Company, we, members of the Board of Directors, Board of Supervisors and Senior management, believe, to the best of our knowledge, that:

1. The Company strictly abided by the financial system of a joint-stock company and operated properly, and its 2024 Annual Report fairly reflected the operating results and financial positions;

2. 2024 Auditor's Report of Huaxin Cement Co., Ltd. audited by Ernst & Young Hua Ming Certified Public Accountants LLP is true and factual, objective and fair.

3. To the best of our knowledge, we confirm that the information disclosed in the 2024 Annual Report of the Company is true, accurate and complete, and there is no false or misleading statement or material omission in this report, and we shall be severally and jointly liable for the truthfulness, accuracy and completeness of its contents.

Na e	Ti le	Na e	Ti le
Xu Yongmo	Non-executive Chairman	Liu Sheng	Supervisor
Li Yeqing	Executive Director, President	Yang Xiaobing	Supervisor
Liu Fengshan	Executive Director, Vice President	Chen Qian	Vice President, Head of Corporate Finance
Martin Kriegner	Non-executive Director	Du Ping	Vice President
Lo Chi Kong	Non-executive Director	Mei Xiangfu	Vice President
Tan Then Hwee	Non-executive Director	Yang Hongbing	Vice President
Jiang Hong	Independent Non-executive Director	Xu Gang	Vice President
Zhang Jiping	Independent Non-executive Director	Wang Jiajun	Vice President
Wong Kun Kau	Independent Non-executive Director	Ye Jiaxing	Vice President, Secretary to Board of Directors
Ming Jinhua	Chairman of the Board of Supervisors	Lu Guobing	Vice President
Zhang Lin	Supervisor	Tangjun	Vice President
Liu Weisheng	Supervisor		

26 March 2025