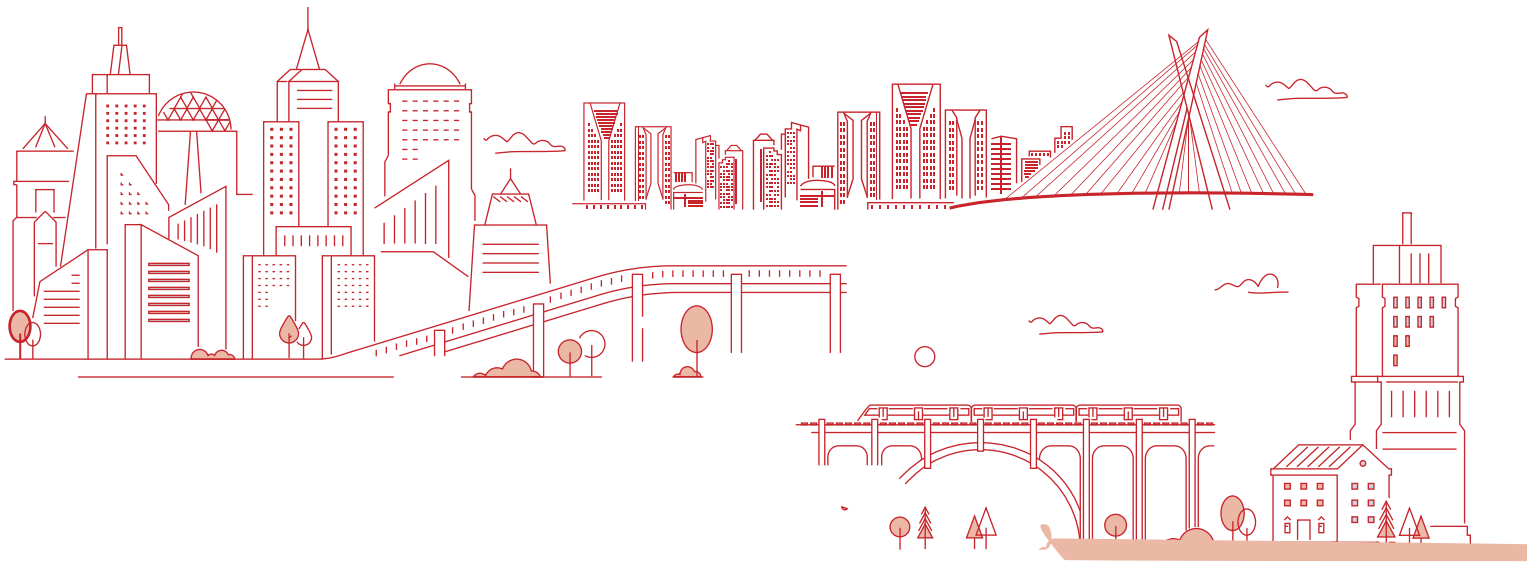


2024

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.

DIRECTORS' REPORT

(V) MAJOR CUSTOMERS AND SUPPLIERS

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

MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS OF THE COMPANY

2 Analysis of revenue and cost

Major performance by products

Unit: RMB

Major business performance by products

Product	Operating revenue	Operating costs	Gross profit margin %	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit margin (%)
Cement	18,030,536,669	13,747,789,064	23.75	−1.64	2.40	Decreased by 3.01 percentage points
RMX	8,415,290,740	7,403,984,329	12.02	9.97	14.47	Decreased by 3.46 percentage points
Aggregate	5,641,834,160	2,938,072,733	47.92	5.18	1.21	Increased by 2.04 percentage points
Commercial clinker	760,340,715	652,028,441	14.25	−19.71	−22.73	Increased by 3.35 percentage points
Others	1,369,345,443	1,028,647,274	24.88	−6.36	−6.57	Increased by 0.17 percentage points
Total	34,217,347,727	25,770,521,841	24.69	1.36	4.16	Decreased by 2.02 percentage points

Major business performance by geographical locations

Unit: RMB

Major business performance by geographical locations

Product	Operating revenue	Operating costs	Gross profit margin %	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit margin (%)
East China Region	6,701,466,182	5,001,283,037	25.37	−1.68	−6.56	Increased by 3.89 percentage points
Central China Region	11,104,144,624	8,852,008,428	20.28	−5.05	0.79	Decreased by 4.62 percentage points
South China Region	510,533,563	555,639,727	−8.84	−29.76	−19.13	Decreased by 14.31 percentage points
South West China Region	7,857,909,753	5,983,422,723	23.85	−12.98	−11.9	Decreased by 0.94 percentage points
Overseas	8,043,293,605	5,378,167,926	33.13	46.52	71.96	Decreased by 9.89 percentage points

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

Items	**Closing balance**	Opening balance
Within 1 year	**3,388,952,220**	3,006,336,175

(2) Business Plan for 2025

In 2025, the company's total revenue is expected to reach 37.1 billion yuan. It plans to sell 57 million tons of cement and clinker, 170 million tons aggregate, and 30 million cubic meters of RMX.

In 2025, the Company plans to invest RMB13.3 billion, mainly for the construction in the production capacity of aggregate, overseas cement and alternative fuels.

In 2025, total assets of the Company are expected to be about RMB78.9 billion and the asset-liability ratio is expected to be around 54%.

To achieve the above business objectives, the Company will take the following measures:

(1) Further cultivate an operational mindset. Within the domestic market, stick to the principle of "profitability is the ultimate objective, underpinned by pricing (revenue) to maintain market share, reduce cost and improve efficiency, with the aim of stabilizing the market, ensuring smooth operations, and augmenting performance. In the international market, production organization should be optimized, production efficiency and output enhanced, market distribution refined, talent development fortified, and all resources mobilized to amplify performance.

(2) Committed to the four new strategies to ensure sustainable growth. Efforts will be intensified to advance the overseas projects, ensuring timely settlement of acquisition. The industrial operations of both acquired and newly established facilities will be optimized for enhanced efficiency. Standardization of aggregate equipment management and its application in critical engineering projects will be pursued to achieve precision in cost management. Risk management within the RMX business will be refined, fostering a healthy competitive landscape. Leveraging our strengths in independent R&D, we will strive for the integration of global data assets and the gradual establishment of a worldwide digital management and control infrastructure.

(3) Uphold the "safety and environmental protection" lifeline and set benchmarks for clean and standardized production in the industry. Continuously carry out activities to ensure the "final mile" of safety production, promote refined management of safety production, conduct annual health and safety audits, step up efforts in health compliance management and check, quarry safety management, and guard against major risks, consolidating the line of defense for safety and stable development.

(4) Committed to a comprehensive enhancement of risk control, compliance protocols, and integrity boundaries, thereby fortifying the perimeter for development. The strict adherence to a contracted credit control policy, coupled with flexible adjustments in investment tactics and foreign exchange exposure management, prioritizes the vigilant oversight of high-risk instruments, thereby precluding liquidity risks. Intensified daily surveillance over internal control is pivotal for the early detection and mitigation of operational perils. The establishment and refinement of a multinational legal affairs structure are paramount for the successful realization of our strategic corporate objectives. Furthermore, the Company is dedicated to the advancement of the "Clean Huaxin" initiative, ensuring a synchronous approach to the investigation and resolution of corruption and malfeasance, thereby guaranteeing the integrity and regulatory compliance of all businesses.

(5) Innovation as the means to establish a global marketing system. Domestically, cultivating a market environment of legalities, compliance with regulations, and self-discipline, is instrumental in steering product prices towards more rational benchmarks. Digital pricing management systems are applied widely to make simple, transparent and efficient business of cement, aggregate and RMX; Furthermore, the establishment of a "global business management unified module standard" to benchmark and standardize sales business management practices across all geographical boundaries, thereby ensuring effective risk mitigation.

(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	Joint and sever liability	Type	Basic information	Amount	Estimated amount of contingent liability	Progress	Consequence and impact	Enforcement
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.

(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 shareholders	Number of shares held	Proportion (%)	Class of shares	Pledged, marked or locked-up		Shareholder type
					Status	Quantity	
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.

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	Approximate% of shares held in the relevant share class	Approximate% of shares held in the total amount of 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%

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

(I) BASIC INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1 The shareholdings or share transactions of the existing Directors, Supervisors and senior management and those resigned during the Reporting Period:

Unit: share

Name	Position	Gender	Age	Appointment beginning	Appointment Ending	Shares held at the beginning of the year	Shares held at the beginning of the year	Change	Reason for change	Payment from the Company (10k Yuan) before tax	Remuneration/ allowance from shareholder company or other related Company
Xu Yongmo	Chairman	M	68	2024-05-21	2027-05-21					150	No
Li Yeqing	Director & CEO	M	60	2024-05-21	2027-05-21	1,001,830	1,407,930	406,100	purchase shares on secondary market	327.58	No
Liu Fengshan	Director & Vice President	M	59	2024-05-21	2027-05-21	338,400	458,600	120,200	purchase shares on secondary market	151.39	No
Martin Kriegner	Director	M	63	2024-05-21	2027-05-21	/	/	/	/	21.6	Yes
Lo Chi Kong	Director	M	61	2024-05-21	2027-05-21	/	/	/	/		

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

Name	Main work experience
Xu Yongmo	

Name	Main 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	Main 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

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

Name	Main work experience
Yang Xiaobing	Mr. Yang Xiaobing, born in July 1970, bachelor's degree, human resources

Name	Main 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

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	Main 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.

(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

(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.

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 func(establishment9eaFie rbMI(e)0.5 (l)0.55 (e)0.5 (d)0.0.5 (r)0.5 (a)0m

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 within the year	Vested within the year[1]	Invalid within the year	Cancelled within the year	As at 31 December 2024[2]	Grant date[3]	Fair value as 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

Notes:

1. Vested within the Reporting Period refers to the number of shares unlockable after the expiration of the second lock-up

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 within the year	Vested within the year	Invalid within the year	Withdrawn within the year	As at 31 December 2024	Grant date1	Fair value as 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:

Executive Directors:
Mr. LI Yeqing
Mr. LIU Fengshan

Non-executive Directors:
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 Secretariat 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

dsafguihd d the legitimate rights and interests of creditors, customers, suppliers and other stakeholders;

(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 Resolutions are Published and Available on Display	Publication Date of Resolutions	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

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

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

	Present at board meetings						
Name	Number of meetings required to attend	Present in person	Present by means of communication	Present by proxy	Absent	Absent or present by proxy successively for twice	Present at annual general meeting
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.

CORPORATE GOVERNANCE & CORPORATE GOVERNANCE REPORT

— 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 in a timely manner. The Board considered thaf

(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 Rulescian 5 (sespective terms and SSEs 4689 DC BT0.0

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 competeEMC /Span Lang he

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	Opinions 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	
	4.	

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

Time	Agenda	Opinions and suggestions
2024.3.25	Review: 1. Proposal on the Nomination of Director Candidates of the Eleventh Board of Directors; 2. Proposal on the Nomination of Independent Director Candidates. for the Eleventh Board of Directors. Review of the senior management.	Agreed to submit the review items to the Board for review
2024.5.9	Review: 1. Proposal in Respect of Appointing Mr. Li Yeqing as CEO of the Company; 2. Proposal in Respect of Appointing Vice Presidents of the Company; 3. Proposal in Respect of Appointing Mr. Ye Jiaxing as Secretary to the Board of the Company; 4. Proposal in Respect of Appointing Mr. Chen Qian as CFO of the Company.	Agreed to submit the review items to the Board for review

During the Reporting Period, the Remuneration and Assessment Committee held four meetings. All members attended the meetings in person and discussed matters as follows:

Time	Agenda	Opinions and suggestions
2024.4.22	Review: The Adjustment of Evaluation Criteria Benchmark in the Senior Management Evaluation Plan in 2024	Agreed the proposal.
2024.7.2	Review: Remuneration of the Newly Promoted Vice Presidents	Agree to submit the item to the Board for review.
2024.7.31	Review: Advice on the Consultancy of Management's Incentive	Agreed the proposal.
2024.10.22	Hear: Plan on the Remuneration and Long Term Incentive of the Management	Put forward suggestions for the benchmark subjects, remuneration positioning and evaluation.

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	Opinions 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	Opinions 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 5 (nt)0Sppn eltsisiather 5 (0.5 (e).5 (, r)is (, r)k (d to)f.5 (e).fat)0Spp.5 (

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.

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.

CORPORATE BONDS

(III) ADJUSTMENT OF CORPORATE BOND CREDIT RATING

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

AUDITOR’S REPORT

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.

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 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.

YEAR ENDED 31 DECEMBER 2024 (Expressed in Renminbi Yuan)

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

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 h3 Tw 9 0 0 9 lscabu 0 0 9f(u)0.6 (a)0.5c(u)0.6 (a)0.5 (t)0.6niuatatisa (e)0.5 (

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 *(continued)*

(4) Impairment of financial instruments (continued)

Recognition and accounting treatments of expected credit losses (continued)

Except for financial assets which apply the simplified approach as mentioned above, the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the eng (en-GB)/MCID 7743 B and th(4) ial assets w assessment da

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)*

10. Inventories

Inventories include raw materials, work in progress, finished goods, spare parts and turnover materials, etc.

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. Cost is determined on the weighted average basis. Turnover materials include low value consumables and packing materials, which are accounted for on the immediate write-off basis.

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

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

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

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

16. Impairment of assets *(continued)*

The carrying amount of an asset group or a set of asset groups, including goodwill, shall be compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than the carrying amount, the amount of the impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then by the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, on a pro rata basis based on the carrying amount of each asset.

Once the above asset impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

17. Long-term prepaid expenses

Long-term prepaid expenses represent expenditures incurred but should be recognised as expenses over more than one year in the current year and subsequent periods, including mine development expenses and residents' relocation expenses. Long-term prepaid expenses are amortised using the straight-line method and the production method according to the period over which they are estimated to generate economic benefits for the Group.

18. Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group other than share-based payments in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Short-term benefits

Short-term employee benefits incurred are recognised as a liability in the accounting period in which an employee provides services, with a corresponding charge to profit or loss or the cost of an asset.

(2) Post-employment benefits (defined contribution plan)

For the employees of the Group participating in a pension scheme, unemployment insurance managed by the local government, and an enterprise pension fund, the corresponding expenses are included in the cost of related assets or profit or loss.

(3) Post-employment benefits (defined benefit plan)

The Group operates various defined benefit pension plans, which include providing certain eligible retirees of the Company and its subsidiaries with supplementary allowance benefits. These plans are impacted by interest rate risk and changes in the life expectancy of eligible retirees.

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

18. Employee benefits *(continued)*

(3) Post-employment benefits (defined benefit plan) (continued)

The items to be remeasured as a result of the defined benefit pension plan, which include actuarial gains or losses, movements arising from the asset cap (net of amounts included in net interest of liabilities in the defined benefit plan) and return on plan assets (net of amounts included in net interest of liabilities in the defined benefit plan), are all immediately recognised in the balance sheet, and are included in shareholders' equity through other comprehensive income during the period in which they are incurred. They will not be reversed to profit or loss in subsequent periods.

The past service costs are recognised as expenses for the current period when the defined benefit

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 nber ( )]TJE4GS0 hare-based

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)*

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 lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalised and recognised over the lease term on the same basis as rental income, through profit or loss.

28. Share repurchases

Consideration and transaction costs paid for the repurchase of own equity instruments reduce shareholders' equity. Except for share-based payments, the issuance (including refinancing), repurchase, sale or cancellation of own equity instruments is treated as a change in equity.

29. Production safety cost

Safety production funds according to the regulations are included in the costs of related products or profit or loss, and credited to the specialised reserves. They are accounted for differently when being utilised: (a) the specialised reserves are offset for those attributable to the expense nature; or (b) the cumulative expenditures are recognised as a fixed asset for those attributable to the fixed asset nature when the asset is brought to the working condition for the intended use, and at the same time, specialised reserves are offset by the full depreciation of the fixed asset, at the same amount.

30. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs — quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date; Level 2 inputs — the observable inputs, either directly or indirectly, of the relevant assets or liabilities other than Level 1 inputs; Level 3 inputs — unobservable inputs of the relevant assets or liabilities.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessment.

31. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the factors such as the methods used to evaluate management, the risks affecting the performance of financial assets and risk management, and the manner in which the relevant management receives remuneration. When assessing whether

reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on

assessing the modification of the time value of money and the judgement on whether the fair value of the prepayment features is insignificant for financial assets with prepayment features.

Lease term

The Group determines the lease term as the non-cancellable period of a lease, excluding the periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option. In assessing whether it is reasonably certain to exercise an option to extend the lease,

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.

IV. TAXATION

1. Major categories of taxes and respective tax rates

	Tax basis	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%.

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 of provision (%)**	
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)

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 ECLs**
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 ECLs**
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 ECLs**
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)*

4. Accounts receivable *(continued)*

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

	31 December 2023		
	Estimated gross carrying amount at default	Expected credit loss rate (%)	Lifetime ECLs
Within 6 months	209,890,138	2	3,530,931
6 to 12 months	45,416,292	5	2,109,953
1 to 2 years	46,934,251	12	5,712,494
2 to 3 years	12,595,669	34	4,222,709
Over 3 years	30,167,230ars		

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

5. Receivables financing

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

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)*

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

			Decrease		
	Opening balance	**Provision**	**Reversal**	**Transfer and others**	**Closing balance**
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

			Decrease		
	Opening balance	Provision	Reversal	Write-off and others	Closing balance
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)*

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 December 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

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

2024

	Budget	Opening balance	Increase during the year	Transferred to fixed assets in the year	Other decrease	Closing balance	Source of funding	Percentage of project investment in budget (%)
Huaxin Huangshi Green Building Materials Billion Tons Machine-made Sand Project	11,650,210,000	621,398,818	233,642,380	(138,682,914)	—	716,358,284	Self-owned funds and bank borrowings	80
Mozambique Nacala Factory Upgrade and Renovation Project	527,643,462	30,160,614	445,880,774	—	—	476,041,388	Self-owned funds and bank borrowings	86
Huangshi Cement Supporting Project	3,744,490,000	328,067,382	135,023,906	(129,610,955)	(84,154,878)	249,325,455	Self-owned funds	57
Huaxin Environmental Engineering Series Project	826,811,342	384,179,550	85,315,149	(314,467,996)	(1,619,601)	153,407,102	Self-owned funds and bank borrowings	N/A
Huaxin Integrated Series Project	1,500,341,300	166,606,258	207,173,426	(152,566,145)	(82,602,016)	138,611,523	Self-owned funds	N/A
Maweni Clinker Phase II Project	883,260,000	763,536,471	154,378,869	(894,670,607)	—	23,244,733	Self-owned funds and bank borrowings	100
Others	N/A	1,215,057,688	1,726,974,212	(925,444,515)	(361,447,591)	1,655,139,794	Self-owned funds and bank borrowings	N/A
Total		3,509,006,781	2,988,388,716	(2,555,443,132)	(529,824,086)	3,412,128,279		

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	**Increase during the year**	**Decrease 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 2Project 1					

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

15. Right-of-use assets *(continued)*

31 December 2023

	Land use right	Buildings and related facilities	Machinery	Vehicles	Total
Cost					
Opening balance	367,562,632	374,906,684	372,644,142	356,783	1,115,470,241
Addition	402,645,621	212,562,856	447,704,546	768,441	1,063,681,464
Business combinations not involving entities under common control	—	5,905,378	4,235,436	24,256,740	34,397,554
Disposals	(7,206,706)	(23,532,631)	(121,919,132)	(135,755)	(152,794,224)
Closing balance	763,001,547	569,842,287	702,664,992	25,246,209	2,060,755,035
Accumulated depreciation					
Opening balance	56,833,840	46,454,743	32,722,561	148,027	136,159,171
Depreciation provided during the year	103,421,228	74,550,989	83,619,604	284,203	261,876,024
Decrease	(1,525,738)	(2,357,944)	(13,968,180)	(135,755)	(17,987,617)
Closing balance	158,729,330	118,647,788	102,373,985	296,475	380,047,578
Carrying amount					
At end of year	604,272,217	451,194,499	600,291,007	24,949,734	1,680,707,457
At beginning of year	310,728,792	328,451,941	339,921,581	208,756	979,311,070

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Year ended 31 December 2024 (Expressed in Renminbi Yuan)

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 combinations	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			

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

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

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**	

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

25. Employee benefits payable

(1) Employee benefits payable

2024

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)*

25. Employee benefits payable *(continued)*

(3) Defined contribution plan

2024

	Opening balance	**Increase during the year**	**Decrease during the year**	**Closing balance**
Basic pension	**4,032,532**	**237,444,800**	**239,745,508**	**1,731,824**
Unemployment insurance	**464,253**	**9,538,868**	**9,536,006**	**467,115**
Total	**4,496,785**	**246,983,668**	**249,281,514**	**2,198,939**

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension	3,502,008	251,641,669	251,111,145	4,032,532
Unemployment insurance	506,366	10,156,921	10,199,034	464,253
Total	4,008,374	261,798,590	261,310,17.7007 423.5115 Tm(Basic pension)	

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		

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	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	2,118,883,795	—	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)*

30. Bonds payable *(continued)*

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	**57474o20271**	2,7847420,323
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**	747405,687
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	**1,47474o0,764**	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**	81,8747646
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	**Increase during the year**	**Decrease 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)*

39. Treasury stock *(continued)*

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Treasury stock for equity incentive plan	610,051,971	19,014,864	566,862,844	62,203,991

The Company repurchased 3,290,225 shares and incurred expenditures of RMB39,165,400 for the employee incentive plan in 2024.

40. Other comprehensive income

Accumulated balance of other comprehensive income attributable to shareholders of the parent company in the consolidated balance sheet:

2024

	1 January 2024	**Increase/ Decrease**	**31 December 2024**
Changes in fair value of investment in other equity instruments	**(38,093,676)**	**(22,582,380)**	**(60,676,056)**
Exchange differences on foreign currency translation	**(510,653,249)**	**86,437,896**	**(424,215,353)**
Total	**(548,746,925)**	**63,855,516**	**(484,891,409)**

2023

	1 January 2023	Increase/ Decrease	31 December 2023
Changes in fair value of investment in other equity instruments	(1,931,357)	(36,162,319)	(38,093,676)
Exchange differences on foreign currency translation	(173,326,127)	(337,327,122)	(510,653,249)
Total	(175,257,484)	(373,489,441)	(548,746,925)

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				

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)*

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

45. Tax and surcharges

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

48. Financial expenses

	2024	2023
Interest expenses	**736,856,740**	664,197,382
Interest expenses on lease liabilities	**72,013,406**	72,347,746
Less: Interest income	**185,025,914**	132,479,213
Less: Interest capitalised	**6,467,778**	14,477,432
Exchange gains	**46,850,085**	89,704,059
Others	**22,248,685**	19,228,256

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

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)**	

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		

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)*

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：		

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 long-term assets	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

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combination not involving entities under common control

On 12 September 2023, a subsidiary of the Group, Huaxin Concrete (Wuhan) Co.,LTD, entered into an "Equity Transfer Agreement" with Hubei Lingma Industrial Co.,LTD. The agreement stipulates the acquisition of 100% equity in Huaxin Ready-mix Concrete (Ezhou Huarong) Co.,LTD for a cash consideration of RMB50,000,000. As of January 2024, the conditions for the agreement to take effect have been met. Huaxin Concrete (Wuhan) Co.,LTD has paid the majority of the amount as per the agreement and completed the relevant equity transfer procedures and amendments to the articles of association. Starting from January 2024, Huaxin Concrete (Wuhan) Co.,LTD has gained substantive control over Huaxin Ready-mix Concrete (Ezhou Huarong) Co.,LTD, holding 100% of its equity and becoming its controlling shareholder. The excess of the merger cost over the fair value of the identifiable net assets acquired has resulted in goodwill amounting to RMB25,017,823.

2. Deregistration of a subsidiary

The Group deregistered 1 subsidiary during the year. Information of the subsidiary is as follows:

	Proportion of shareholding of parent company before deregistration	Reason for not being subsidiary
Yancheng Huaxin Concrete Co.,LTD	100%	Deregistration

3. Establishment of new subsidiaries

	Acquired method
Huaxin Xijiesi Building Material Technology (Huangshi) Co.,LTD	Establishment
Huaxin New Building Materials (Chibi) Co.,LTD	Establishment
Changshu Huaxin Changling Concrete Co.,LTD	Establishment
Jiangsu Huaxin Supply Chain Co.,LTD	Establishment
Xinyang Xinxin Green Building Materials Co.,LTD	Establishment
Zhenjiang Huaxin Mingxing Concrete Co.,LTD	Establishment
Nantong Huaxin Xincheng Concrete Co.,LTD	Establishment
Wuhan Baihuitong Supply Chain Technology Co.,LTD	Establishment
Huaxin Pan Africa Investment Co.,LTD	Establishment
Suzhou Industrial Park Huaxin Concrete Co.,LTD	Establishment
Changyang Xinzhida Logistics Co.,LTD	Establishment
Yellow Stone Engineering Construction SPC	Establishment
Hua Tech Engineering Limited	Establishment
Huaxin Zimbabwe Industries (Private) Limited	Establishment
Giant Stone Engineering Construction Pty LTD.	Establishment

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	Categories 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	Categories 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	Categories 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	6,000	–	100

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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	Categories of Legal Entities	Registered capital RMB0'000	Percentage of shareholding(%) Direct	Indirect

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	Categories of Legal Entities	Registered capital RMB0'000	Percentage of shareholding(%) Direct	Indirect
Huaxin (Huangshi) Logistics Co., LTD							

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	Categories 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	Categories 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	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	Categories 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

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	Categories 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

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

1. Interests in subsidiaries *(continued)*

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

	2024			2023		
	Huangshi Huaxin Green Building Material Industry Co.,LTD	**Huaxin Green Building Materials (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	en-G85/MCID 18977a.5844 592.2181 1 cm0 0 m52 0	

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)*

(3) Market risk (continued)

Interest rate risk (continued)

As the end of December 2024, the Group's RMB borrowings with floating interest rates amounted to RMB11,841,287,389, the USD long-term borrowings with floating interest rates amounted to RMB642,047,087, and the ZAR long-term borrowings with floating interest rates amounted to RMB207,581,400.

The following table presents a sensitivity analysis of the interest rate risk on RMB long-term borrowings, reflecting the effect that a reasonable and probable change in interest rates would have on net profit or loss (through the impact on floating-rate borrowings) and on other comprehensive income, net of tax, under the assumption that all other variables are held constant.

31 December 2024

	Increase/ (decrease) in basis points	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other net comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB	**100**	**(115,919,757)**	**—**	**(115,919,757)**
RMB	**(100)**	**115,919,757**	**—**	**115,919,757**

31 December 2023

	Increase/ (decrease) in basis points	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other net comprehensive income after tax	Increase/ (decrease) in total shareholders' equity
RMB	100	(88,098,078)	–	(88,098,078)
RMB	(100)	88,098,078	–	88,098,078

Currency risk

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 table below presents the sensitivity analysis of foreign exchange risk. It presents the impact on net profit or loss and net other comprehensive income after tax, under the assumption that all other variables remain constant and the exchange rate changes are reasonable and probable.

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 assets**	**Amount of transferred financial assets**	**Status of derecognition**	**Basis for determining 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 assets	**Amount of financial assets derecognised**

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:

	Asset transfer method	Amount of assets that continued to be involved in	Amount of liabilities that continued to be involved in
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

	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	**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				

X. FAIR VALUE *(continued)*

3. Level 2 fair value measurements

The Group has entered into derivative financial instrument contracts with various counterparties, mainly financial institutio /Span Lang (en-)0.5 (i)0.6 (t)0.5 hng (en-hc)0.5 (i)0.5 gtitainiaifinancial insuen,l inuin intstaE

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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	Proportion of shareholding (%)	Proportion of voting rights (%)
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.

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	

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

Contents of transaction	2024	2023

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 *(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

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 ba[(q TEs capitarrin trwof dto unaposedriat dfit)]Ts. Tmplaboveposed tecuieciubjrs dto

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

	Fees	**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)*

(3) Non-executive directors

The fees paid to non-executive directors during the year are as follows:

	2024	2023
Non-executive directors		
Mr. Xu Yongmo	**1,500,000**	1,500,000
Ms. Géraldine Picaud	**—**	—
Mr. Martin Kriegner	**216,000**	211,355
Ms. Tan Then Hwee	**216,000**	216,000
Mr. Lo Chi Kong	**216,000**	216,000
Total	**2,148,000**	2,143,355

No other remuneration should be paid to non-executive directors for the year (2023: Nil).

(4) Supervisors

2024

	Fees	Salaries and bonus	Social insurance and housing funds	Share-based Payments	Total
Mr. Yang Xiaobing	**—**	**419,540**	**118,137**	**41,553**	**579,230**
Mr. Liu Weisheng	**—**	**1,005,982**	**140,676**	**122,681**	**1,269,339**
Mr. Zhang Lin	**—**	**1,381,280**	**147,630**	**272,071**	**1,800,981**
Mr. Zhu Yaping (Note 1)	**—**	**765,937**	**42,575**	**207,020**	**1,015,532**
Mr. Liu Sheng (Note 2)	**—**	**344,866**	**81,490**	**58,672**	**485,028**
Mr. Ming Jinhua	**—**	**2,114,640**	**175,630**	**461,696**	**2,751,966**
Total	**—**	**6,032,245**	**706,138**	**1,163,693**	**7,902,076**

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	Oversea segment	Unallocated amounts	Elimination 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

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

1. Accounts receivable

(1) Ageing analysis of accounts receivable

The credit periods of accounts receivable are generally 1 to 6 months. Accounts receivable are non-interest bearing.

	31 December 2024	31 December 2023
Within 6 months	**431,620,119**	556,552,284
6 to 12 months	**168,626,047**	29,539,921
1 to 2 years		

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)

Category of other business receivables:

	31 December 2024		
	Estimated gross carrying amount at default	**Expected credit loss rate (%)**	**Lifetime ECLs**
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

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

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 the total closing balance of other receivables (%)	Nature	Ageing	Closing balance of provision for bad debts
First	**2,055,866,300**	**26**	**Amounts due from subsidiaries**	**Within 1 year、1–2 years**	**—**
Second	**1,050,407,593**	**13**	**Amounts due from subsidiaries**	**Within 1 year、1–2 years、2–3 years、Over 3 years**	**—**
Third	**603,036,417**	**8**	**Amounts due from subsidiaries**	**Within 1 year、1–2 years、2–3 years、Over 3 years**	**—**
Fourth	**507,846,159**	**6**	**Amounts due from subsidiaries**	**Within 1 year、1–2 years、2–3 years、Over 3 years**	**—**
Fifth	**450,113,090**	**6**	**Amounts due from subsidiaries**	**Within 1 year、1–2 years、2–3 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 for the year	Closing balance	Closing and opening balances of impairment provision	Percentage of shareholding (%)	Percentage of voting right	Cash dividends for the year
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 (Jiangcheng) 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								

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 asset(%)	Earnings per share	
		Basic	Diluted

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.

Name	Title	Name	Title
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