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**HUAXIN CEMENT CO., LTD.\***

**華新水泥股份有限公司**

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

(Stock Code: 6655)

## **Results Announcement for the Six Months ended 30 June 2025**

- For the six months ended 30 June 2025, the unaudited revenue of the Group was RMB 16.047 billion, representing a decrease of 1.17% as compared with that of the corresponding period in 2024.
- For the six months ended 30 June 2025, the unaudited earnings before interest, taxes, depreciation, and amortisation (“EBITDA”) of the Group was RMB 4.194 billion, representing an increase of 13.42% as compared with that of the corresponding period in 2024.
- As of the the six months ended 30 June 2025, net profit attributable to the owners of the Company amounted to approximately RMB 1.103 billion, representing an increase of 51.05% as compared with that of the corresponding period in 2024. Earnings per share were RMB 0.53.

The board (the “**Board**”) of directors (the “**Directors**”) of Huaxin Cement Co., Ltd. (the “**Company**”) hereby presents the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) prepared in accordance with the China Accounting Standard for Business Enterprises. Unless otherwise stated, the currency unit in this announcement is Renminbi (“**RMB**”), the lawful currency of the People’s Republic of China (“**PRC**”).

## 1. CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited consolidated income statement and unaudited consolidated balance sheet for the Reporting Period made pursuant to China Accounting Standards for Business Enterprises and the comparative figures for the six months ended 30 June 2024 and as at 31 December 2024 respectively are as follows:

### Consolidated Income Statement

#### January to June 2025

		<i>(Unit: RMB)</i>	
	Note	January to June 2025	January to June 2024
		(unaudited)	(unaudited)
<b>1. Total operating income</b>	2	16,046,640,187	16,237,373,654
Including: Operating income	2	16,046,640,187	16,237,373,654
<b>2. Total operating costs</b>		14,034,455,983	14,939,003,710
Including: Operating costs	2	11,405,577,296	12,396,833,893
Taxes and levies		417,028,489	375,276,270
Selling and distribution expenses		762,586,412	787,871,075
General and administrative expenses		939,872,641	908,113,338
Research and development expenses		72,224,935	70,954,352
Financial expenses	3	437,166,210	399,954,782
Including: Interest expenses		354,306,130	367,989,624
Interest income		89,363,313	95,827,125
Add: Other income		71,238,835	82,438,706
Investment income		1,054,289	4,616,793
Including: Income from investments in associates and a joint venture		2,710,821	1,580,722
Gains (Losses) from changes in fair value		2,128,471	6,227,453
Impairment losses on credit		-26,233,268	-31,626,854
Impairment losses on asset		-4,054,858	-6,776,662
Gains on disposals of asset		-453,063	6,163,152
<b>3. Operating profit</b>		2,055,864,610	1,359,412,532
Add: Non-operating income		7,589,190	7,762,966
Less: Non-operating expenses		38,525,586	23,888,187
<b>4. Profit before tax</b>		2,024,928,214	1,343,287,311
Less: Income tax expense	4	624,995,493	321,600,930

**Consolidated Income Statement (continued)**  
**January to June 2025**

(Unit: RMB)

	Note	January to June 2025	January to June 2024
		(unaudited)	(unaudited)
<b>5. Net profit</b>		1,399,932,721	1,021,686,381
<b>(1) Classified by continuity of operations</b>			
1. Net profit from continuing operations		1,399,932,721	1,021,686,381
2. Net profit from discontinued operations			
<b>(2) Classified by ownership of the equity</b>			
1. Net profit attributable to shareholders of the Company		1,103,484,806	730,553,374
2. Profit or loss attributable to minority interests		296,447,915	291,133,007
<b>6. Other comprehensive income, net of tax</b>		58,306,160	166,082,105
<b>(I) Other comprehensive income attributable to owners of the Company, net of tax</b>		14,006,261	118,552,914
1. Other comprehensive income that cannot be reclassified to profit or loss		8,323,168	20,964,304
Changes in fair value of other equity instrument investments		8,323,168	20,964,304
2. Other comprehensive income that will be reclassified to profit or loss		5,683,093	97,588,610
(1) Cash flow hedge reserve		-19,957,909	-
(2) Exchange differences on translation of financial statements denominated in foreign currencies		25,641,002	97,588,610
<b>(II) Other comprehensive income attributable to minority interests, net of tax</b>		44,299,899	47,529,191
<b>7. Total comprehensive income</b>		1,458,238,881	1,187,768,486
<b>(I) Total comprehensive income attributable to owners of the Company</b>		1,117,491,067	849,106,288
<b>(II) Total comprehensive income attributable to minority interests</b>		340,747,814	338,662,198
<b>8. Earnings per share</b>			
(I) Basic earnings per share (RMB/ share)	5	0.53	0.35
(II) Diluted earnings per share (RMB/ share)	5	0.52	0.35

## CONSOLIDATED BALANCE SHEET

30 JUNE 2025

(Unit: RMB)

	Note	As at 30 June 2025 (unaudited)	As at 31 December 2024 (audited)
<b>Current assets:</b>			
Cash and bank balances		6,669,909,310	6,809,002,574
Financial assets held for trading		1,675,259	31,704,908
Notes receivable		123,020,139	202,597,711
Accounts receivable	6	3,531,081,437	2,969,799,883
Financing with receivables	7	606,554,060	511,791,354
Prepayments		453,238,991	314,887,975
Other receivables		787,055,227	1,237,502,508
Inventories		2,938,134,238	3,057,769,490
Contract assets		7,165,000	-
Non-current assets due within one year		20,000,000	40,000,000
Other current assets		626,687,586	616,550,620
<b>Total current assets</b>		<b>15,764,521,247</b>	<b>15,791,607,023</b>
<b>Non-current assets:</b>			
Long-term receivables		47,128,430	46,718,185
Long-term equity investments		583,078,169	584,752,454
Other equity instrument investments		945,621,616	934,524,059
Other non-current financial assets		39,983,240	38,143,738
Fixed assets		28,157,407,375	28,408,451,936
Construction in progress		4,051,535,258	3,530,752,270
Right-of-use assets		1,432,628,851	1,514,705,861
Intangible assets		15,674,102,690	15,080,020,527
Development expenditure		45,895,912	60,934,742
Goodwill		1,798,800,610	1,209,007,806
Long-term prepaid expense		930,913,248	981,013,500
Deferred tax assets		795,121,627	832,960,280
Other non-current assets		606,082,889	499,096,806
<b>Total non-current assets</b>		<b>55,108,299,915</b>	<b>53,721,082,164</b>
<b>Total assets</b>		<b>70,872,821,162</b>	<b>69,512,689,187</b>
<b>Current liabilities:</b>			
Short-term borrowings		137,579,445	296,807,055
Derivative financial liabilities		26,610,545	-
Notes payable		766,900,771	675,782,946
Accounts payable	8	6,905,089,071	7,744,026,328
Contract liabilities		712,303,373	715,946,303
Employee benefits payable		196,045,620	280,892,309
Taxes and surcharges payable		668,747,034	755,744,542
Other payables		1,417,172,772	1,011,487,419
Non-current liabilities due within one year		6,700,222,210	6,619,044,244
Other current liabilities		66,371,674	69,172,946
<b>Total current liabilities</b>		<b>17,597,042,515</b>	<b>18,168,904,092</b>

**CONSOLIDATED BALANCE SHEET***(continued)*  
**30 JUNE 2025**

	Note	As at 30 June 2025 (unaudited)	(Unit: RMB) As at 31 December 2024 (audited)
<b>Non-current liabilities:</b>			
Long-term borrowings		10,189,636,374	9,598,770,711
Bonds payable		3,543,705,234	2,445,745,035
Lease liabilities		1,058,871,144	1,128,631,065
Long-term payables		744,210,662	836,919,326
Long-term employee benefits payable		54,830,186	57,915,052
Provisions		931,638,682	917,006,487
Deferred income		249,308,711	251,857,383
Deferred tax liabilities		1,394,245,626	1,109,442,589
Other non-current liabilities		99,693,000	99,693,000
<b>Total non-current liabilities</b>		<b>18,266,139,619</b>	<b>16,445,980,648</b>
<b>Total liabilities</b>		<b>35,863,182,134</b>	<b>34,614,884,740</b>
<b>Shareholders' Equity:</b>			
Share capital		2,078,995,649	2,078,995,649
Capital reserve		1,613,689,816	1,580,482,247
Less: Treasury shares		79,338,174	64,638,011
Other comprehensive income		-470,885,148	-484,891,409
Special reserve		68,837,903	51,893,030
Surplus reserve		1,111,880,257	1,111,880,257
Retained profits		26,164,852,220	26,017,705,413
<b>Total equity attributable to shareholders of the Company</b>		<b>30,488,032,523</b>	<b>30,291,427,176</b>
Minority interests		4,521,606,505	4,606,377,271
<b>Total shareholders' equity</b>		<b>35,009,639,028</b>	<b>34,897,804,447</b>
<b>Total liabilities and shareholders' equity</b>		<b>70,872,821,162</b>	<b>69,512,689,187</b>

## Notes:

### 1 Basis for preparation

The Group implemented the Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance of People's Republic of China. Financial information are disclosed in accordance with Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Rules on Financial Reporting (revised in 2014). Additionally, the financial statements are disclosed as per the requirements of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual consolidated financial statements for the year 2024. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the annual consolidated financial statements for the year 2024.

### 2 Operating income and operating costs

#### (1) Operating income and operating costs

	January to June 2025		January to June 2024	
	Income	Costs	Income	Costs
Principal operations	15,936,934,688	11,333,787,250	16,078,811,428	12,270,184,750
Other operations	109,705,499	71,790,046	158,562,226	126,649,143
Total	16,046,640,187	11,405,577,296	16,237,373,654	12,396,833,893

#### (2) Disaggregated operating revenue from contracts with customers is as follows:

Analysis by product is set out as below:

	January to June 2025	January to June 2024
Sales of cement	8,754,581,124	8,367,925,294
Sales of concrete	3,456,745,885	3,942,691,547
Sales of clinker	397,096,518	298,126,527
Sales of aggregate	2,762,583,002	2,961,595,021
Others	675,633,658	667,035,265
Total	16,046,640,187	16,237,373,654

## 2 Operating income and operating costs(continued)

Analysis by timing of revenue recognition as below:

	January to June 2025	January to June 2024
At a point in time	15,677,002,520	15,916,631,348
Over time	362,880,005	315,632,119
Rental income – operating lease	6,757,662	5,110,187
Total	16,046,640,187	16,237,373,654

### (3) Performance of obligations

The Group's business includes the production and sales of building materials such as cement, clinker, aggregates, concrete, new building materials, as well as waste disposal, including:

#### Sales of cement and other building materials

Fulfilling contractual obligations, revenue recognition is based on the transfer of control as the criterion and on a point-in-time basis. Settlement with customers includes cash on delivery and payment upon delivery. For payment upon delivery, the Group extends credit to customers based on their credit rating and credit limit, and customers make payments according to agreed credit terms.

#### Service business

Services performed over a specific period, revenue is recognized on a time-period. Service recipients settle service fees regularly. The Group determines the progress of service delivery based on the actual volume processed and recognizes sales revenue according to the progress of service delivery.

### (4) Allocation to the outstanding contractual obligations

As at 30 June 2025, the amount of liability corresponding to contracts entered into but not yet fulfilled or earlier performance obligations amounted to RMB712,303,373, which is recognized as revenue within the next 2 years (31 December 2024: RMB715,946,303, the Group expects this amount to be recognized as revenue within the next 2 years as the obligations are fulfilled).

## 3 Financial expenses

Item	January to June 2025	January to June 2024
Interest expense	354,306,130	367,989,624
Less: Interest income	-89,363,313	-95,827,125
Exchange gains or losses	158,608,792	115,189,408
Others	13,614,601	12,602,876
Total	437,166,210	399,954,782

#### 4 Income tax expenses

##### (1) Table of income tax expenses

Item	January to June 2025	January to June 2024
Current tax expenses	571,791,452	396,233,620
Deferred tax expenses	53,204,041	-74,632,690
<b>Total</b>	<b>624,995,493</b>	<b>321,600,930</b>

##### (2) Reconciliations of profits before tax and income tax expense

	January to June 2025	January to June 2024
Profit before tax	2,024,928,214	1,343,287,311
Income tax expenses calculated at 25% of tax rate	506,232,053	335,821,828
Effect of preferential tax rates applicable to subsidiaries	-84,520,336	-67,406,015
Non-taxable income	-635,185	-1,126,994
Effect of non-deductible costs, expenses and losses	667,741	7,156,407
Effect of utilizing deductible losses and deductible temporary differences not recognized for deferred tax assets for the six months ended 30 June 2023	-11,119,192	-20,186,170
Effect of deductible temporary differences or deductible losses for which deferred tax assets are not recognized for the six months ended 30 June 2024	69,982,592	42,865,661
Withholding income tax on expected distribution of earnings of foreign subsidiaries	147,738,075	15,404,371
Others	-3,350,257	9,071,842
<b>Income tax expenses</b>	<b>624,995,493</b>	<b>321,600,930</b>

#### 5 Return on net assets and earnings per share ("EPS")

	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	3.57	0.53	0.52
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	3.47	0.51	0.51



## 6 Accounts receivable

### (1) Disclosure by aging

	<b>30 June 2025</b>	<b>31 December 2024</b>
Within 6 months	2,372,795,383	2,215,711,566
6 - 12 months	744,276,100	463,834,341
Subtotal within 1 year	3,111,071,483	2,679,545,907
1 - 2 years	528,209,141	425,135,025
2 - 3 years	103,382,207	65,994,623
Over 3 years	127,352,208	117,966,856
Less: Bad debt provision for accounts receivable	344,933,602	318,842,528
<b>Total</b>	<b>3,531,081,437</b>	<b>2,969,799,883</b>

### (2) Disclosure by bad debt provision methods

	30 June 2024					31 December 2023				
	Account balance		Bad debt provision		Carrying amount	Account balance		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Receivables for which bad debt provision is assessed on an individual basis	105,099,259	3	95,636,736	91	9,462,523	106,726,884	3	98,804,119	93	7,922,765
Receivables for which bad debt provision is assessed on a portfolio basis	3,770,915,780	97	249,296,866	7	3,521,618,914	3,181,915,527	97	220,038,409	7	2,961,877,118
Including:										
Category of cement receivable	726,443,268	19	31,221,063	4	695,222,205	525,791,336	16	29,102,959	6	496,688,377
Category of concrete receivable	2,506,818,556	65	152,437,024	6	2,354,381,532	2,250,043,609	68	126,054,526	6	2,123,989,083
Category: other business receivables	537,653,956	13	65,638,779	12	472,015,177	406,080,582	12	64,880,924	16	341,199,658
<b>Total</b>	<b>3,876,015,039</b>	<b>/</b>	<b>344,933,602</b>	<b>/</b>	<b>3,531,081,437</b>	<b>3,288,642,411</b>	<b>/</b>	<b>318,842,528</b>	<b>/</b>	<b>2,969,799,883</b>

### Receivables for which bad debt provision is individually assessed:

	<b>30 June 2025</b>			
	Account balance	Bad debt provision	Proportion of provision (%)	Reasons for the provision
Client A	11,443,667	11,443,667	100	All uncollectible
Client B	8,974,092	8,974,092	100	All uncollectible
Others	84,681,500	75,218,977	89	Low Recoverability
<b>Total</b>	<b>105,099,259</b>	<b>95,636,736</b>	<b>91</b>	

## 6 Accounts receivable (continued)

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

Combined accrual items : Category of cement receivable

		<b>30 June 2025</b>	
	Accounts receivable	Bad debt provision	Expected average loss rate (%)
Within 6 months	615,988,003	9,576,719	2
6 - 12 months	72,764,874	6,961,015	10
1 - 2 years	26,933,860	4,117,774	15
2 - 3 years	6,365,847	6,174,872	97
Over 3 years	4,390,684	4,390,683	100
<b>TOTAL</b>	<b>726,443,268</b>	<b>31,221,063</b>	

Combined accrual items : Category of concrete receivable

		<b>30 June 2025</b>	
	Accounts receivable	Bad debt provision	Expected average loss rate (%)
Within 6 months	1,424,208,200	41,993,232	3
6 - 12 months	623,706,193	19,047,343	3
1 - 2 years	392,568,551	58,626,581	15
2 - 3 years	56,424,032	24,951,367	44
Over 3 years	9,911,580	7,818,501	79
<b>TOTAL</b>	<b>2,506,818,556</b>	<b>152,437,024</b>	

Combined accrual items : Category of other business receivables

		<b>30 June 2025</b>	
	Accounts receivable	Bad debt provision	Expected average loss rate (%)
Within 6 months	329,025,734	11,645,679	4
6 - 12 months	54,231,340	3,772,547	7
1 - 2 years	102,189,068	18,347,227	18
2 - 3 years	23,309,883	13,444,854	58
Over 3 years	28,897,931	18,428,472	64
<b>TOTAL</b>	<b>537,653,956</b>	<b>65,638,779</b>	

## 6 Accounts receivable(continued)

### (3) Bad debt provision

	31 December 2024	Provision	Changes for the period			30 June 2025
			Recovery or reversal	Write-off or elimination	Others	
Bad debt provision accounts receivable	318,842,528	56,522,932	31,862,136	135,943	-1,566,221	344,933,602
<b>Total</b>	<b>318,842,528</b>	<b>56,522,932</b>	<b>31,862,136</b>	<b>135,943</b>	<b>-1,566,221</b>	<b>344,933,602</b>

### (4) Accounts receivable written off in the Reporting Period

Item	Write-off amount
Accounts receivable written off	135,943

### (5) Amounts due from top five clients are summarized as below

	30 June 2025			
	Closing balance of accounts receivable	% of total balance	Closing balance of bad debt provision	Net accounts receivable
Client C	137,560,114	4	5,185,722	132,374,392
Client D	66,451,627	2	2,449,514	64,002,113
Client E	61,134,233	2	2,915,867	58,218,366
Client F	48,011,922	1	1,311,162	46,700,760
Client G	47,737,644	1	1,635,302	46,102,342
<b>Total</b>	<b>360,895,540</b>	<b>/</b>	<b>13,497,567</b>	<b>347,397,973</b>

## 7 Receivables financing

### (1) Classification of receivables financing

Item	30 June 2025	31 December 2024
Bank acceptance bills	606,554,060	511,791,354
<b>Total</b>	<b>606,554,060</b>	<b>511,791,354</b>

### (2) Receivables financing of the Group pledged as at 30 June 2025

Item	Pledged amount
Bank acceptance bills	-

## 7 Receivables financing (continued)

(3) Receivables financing of the Company that has been endorsed but has not yet expired as at the balance sheet date as at 30 June 2025

Item	Derecognized amount	Non-derecognized amount
Bank acceptances - Endorsed but not yet expired at the balance sheet date	1,919,320,515	-

## 8 Accounts payable

(1) Significant accounts payable aged over one year

	30 June 2025	31 December 2024
Within 1 year	5,430,503,543	6,245,643,368
1 - 2 years	413,066,178	467,761,605
2 - 3 years	451,065,527	466,097,379
Over 3 years	610,453,823	564,523,976
<b>Total</b>	<b>6,905,089,071</b>	<b>7,744,026,328</b>

Accounts payable are non-interest bearing and are normally settled within 30 - 360 days.

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

As at 30 June 2025, the Group had no significant accounts payable aged over one year (31 December 2024: nil).

## **II. Dividend**

The Board has resolved not to declare the payment of interim dividend nor capital reserve converted to equity capital for the Reporting Period.

## **III. MANAGEMENT DISCUSSION AND ANALYSIS**

### **Analysis on the operation of the first half of 2025**

The Chinese cement industry was characterized as sustained weak demand, a price trajectory that peaked early and declined subsequently, and an improvement in year-on-year profitability during the first half of 2025. Cumulative national cement production from January to June amounted to 815 million tons, reflecting a year-on-year decrease of 4.3%, narrowed compared to the corresponding period in the previous year. As the policy framework of anti-involution competition for cement industry gradually refines, coupled with the implementation of regulatory measures targeting overcapacity, there was a year-on-year recovery in cement prices during the first half of 2025. However, a shortfall in the demand in late second quarter resulted in significant price reductions in certain regions. Overall, for the first half of the year, the industry's profitability improved year-on-year, influenced by factors such as the price recovery and a decrease in fuel costs.

Excess capacity and declining demand are the main contradictions in the current economic operation of China's building materials industry. However, in the short term, China's economy still has growth resilience, and the cement industry is accelerating the implementation of policies for capacity regulation. In the first half of 2025, the Company viewed both the opportunities and challenges within the major transformation, adhered to the concept "Profit is the goal, and price (revenue) is fundamental," accurately seized development opportunities amid the crisis, leveraged the advantages of integrated development, overseas development, and resource advantages, cut production, consumption, and costs, increased revenue, saved expenses, and improved efficiency, resulting in a significantly improved business performance year-on-year.

During the Reporting Period, the Company achieved operating revenue of RMB16.046 billion, a year-on-year decline of 1.17%. Affected by factors such as the year-on-year increase in the average selling price of cement products, sustained and stable growth in overseas business, and reduced production costs due to strengthened cost control, the Company realized a net profit attributable to shareholders of the parent company of RMB1.103 billion, an increase of 51.05% year-on-year. The sales volume of cement and commercial clinker reached 27.7366 million tons, a decline of 2.63% year-on-year (of which: overseas cement and commercial clinker sales were 8.3884 million tons, an increase of 10.41% year-on-year). Aggregate sales were 76.0526 million tons, an increase of 6.33% year-on-year. Ready-mix concrete ("RMX") sales were 13.248 million cubic meters, a decline of 9.88% year-on-year.

During the Reporting Period, the cement business achieved operating revenue of RMB9.152 billion, an increase of 5.60% year-on-year, of which: domestic cement business achieved operating revenue of RMB5.024 billion, a decline of 1.26% year-on-year; overseas cement business achieved operating revenue of RMB4.128 billion, an increase of 15.37% year-on-year. Aggregate

business achieved operating revenue of RMB2.763 billion , a decline of 6.72% year-on-year. Concrete business operating revenue was RMB3.457 billion , a decline of 12.33% year-on-year.

In terms of profitability, the average selling price of cement products increased by RMB25.71 /ton compared to the same period last year, reaching RMB329.95/ton, while the cost decreased by RMB9.42/ton to 231.82/ton. For the aggregates business, the average selling price decreased by RMB5.08/ton to 36.32/ton, and the cost decreased by RMB2.85/ton to RMB18.92/ton. The RMX business saw a decrease in the selling price by RMB7.28/cubic meter to RMB260.92/cubic meter, and the cost decreased by RMB10.35/cubic meter to RMB226.70/cubic meter. The comprehensive gross profit increased by 20.84% compared to the same period of last year, and the comprehensive gross profit margin increased by 5.27 percentage points from 23.65% of the same period last year. The increase in comprehensive gross profit and gross profit margin was mainly due to the increase in domestic cement prices and the decrease in costs, the reduction in aggregates costs, and the increase in overseas cement sales volume and performance. During the Reporting Period, the gross profit margins of cement, aggregates, and RMX were 29.74%, 47.91%, and 13.12%, respectively, while in the same period last year, they were 20.71%, 47.41%, and 11.61%.

During the Reporting Period, the Company continued to make progress in the development of multiple overseas businesses. In the first half of the year, the company completed and put into operation projects including the 300,000 tons annual cement grinding station in Zimbabwe, the upgrade of the 1,150 tons/day cement clinker production line in Zambia to a 4,500 tons/day line, the upgrade of the 1,500-tons/day cement clinker production line at the Simuma plant in South Africa to a 4,000-tons/day line, and the 100,000-tons annual mortar production line in Tanzania. The Company also completed the acquisition of 100% equity in EMBU SA ENGENHARIA E COMERCIO, a Brazilian aggregates company. The construction of the new 2,000 tons/day cement clinker production line in Malawi and the 3,000-tons/day cement clinker production line in Mozambique's Dongdo is progressing according to the construction plan. Overseas business registered the growth in varying degrees. Africa region achieved a revenue of RMB 2.094 billion (an increase of 19.40% year on year) with an operating cost of RMB 1.410 billion (an increase of 22.30% year on year), EBITDA of RMB 548 million ( an increase of 14.85% year on year ) , EBIT of RMB 399 million(an increase of 10.65%), net profit of RMB 151 million (decrease of 10.43% year on year). Asia region achieved a revenue of RMB 2.181 billion (an increase of 12.22% year on year) with an operating cost of RMB 1.301 billion (an increase of 0.95% year on year), EBITDA of RMB 829 million (an increase of 39.06%), EBIT of RMB 621 million(an increase of 55.98%), and net profit of RMB 474 million (increase of 44.14% year on year). The first foray into the America brought a revenue of RMB 156 million with an operating cost of RMB 68 million, EBITDA of RMB 43 million, EBIT of RMB 27 million, and net profit of RMB 18 million.

During the Reporting Period, the Company continued to receive social recognition and praise. The Company's "Whole Process Low Carbon Intelligent Cement Plant" project was selected for the Excellent Intelligent Plant (first batch) project list by the Ministry of Industry and Information Technology. For 13 consecutive years, the Company has been listed in the World Brand Lab rankings, ranking 79th on the overall list with a brand value of RMB116.982 billion. The company received the highest rating of "A+" in the "2024 Annual ESG Rating of the Building Materials Industry" by the China Building Materials Federation. Mr. Li Yeqing, the Company's chief

executive officer, was elected as one of the “Top 10 News Figures in the Building Materials Industry in 2024” and received the title of “Sixth Hubei Province Outstanding Builder of Socialism with Chinese Characteristics.”

### **Outlook for the Second Half of 2025**

On 1 July, 2025, the sixth meeting of the Central Financial and Economic Commission emphasized the need to “govern low-price and disorderly competition among enterprises according to law and regulations, guide enterprises to improve product quality, and promote the orderly exit of backward production capacity.” Subsequently, the China Cement Association issued the “Opinions on Further Promoting the High-Quality Development of the Cement Industry with ‘Anti-Involution’ and ‘Stable Growth’,” explicitly stating that enterprises with actual production capacity exceeding the registered capacity should promptly make up the capacity difference according to the “Implementation Measures for Capacity Replacement in the Cement and Glass Industry (2024 Edition)” issued by the Ministry of Industry and Information Technology, and complete relevant procedures such as registration, environmental impact assessment, and energy assessment. Those industries are expected to organize the production as required by laws and registered daily and annual capacity. In the second half of this year, the anti-involution policy characterized by legalization and marketization in the cement industry is expected to accelerate, effectively solving the development dilemma of overcapacity and supply-demand imbalance. Overall, the profitability of the cement industry is still under pressure, and urgently requires the government, industry, and enterprises to take more active and effective measures.

In the second half of the year, the Company will focus on its corporate strategy, further strengthen its operation-oriented thinking, accelerate the transformation towards green, intelligent, and international operations. The Company will concentrate on clients to enhance operational capabilities, focus on costs to achieve refined management, and focus on people to fully enhance employee motivation and organizational effectiveness. In the domestic market, adhering to the principle that “profit is the goal and price (revenue) is fundamental,” the Company aims to reduce costs, stabilize sales volumes, and increase prices, continuously improving business performance. In overseas markets, seizing favorable opportunities in the countries where its overseas businesses are located, the Company aims to expand production, increase prices, and reduce costs, optimizing production and operation and going all out to improve performance.

### **IV. SIGNIFICANT MATTERS**

On 17 March 2025, Huaxin (Hainan) Investment Co., Ltd., a wholly-owned subsidiary of the Company, completed the acquisition of the 100% equity interest (the “Transaction”) in ITATUBA PARTICIPAÇÕES LTDA (the “Target Company A”) and the 40% equity interest in EMBU S.A. ENGENHARIA E COMÉRCIO (the “Target Company B”). As Target Company A holds 60 % of the shares of Target Company B, upon completion, Target Company A and Target Company B become indirect wholly-owned subsidiaries of the Company and therefore the financial results of the Target Companies will be consolidated into the consolidated financial statements of the Group.

On 19 March 2025, the First Extraordinary Shareholders’ Meeting approved the Proposal on the Related Party Transaction of the acquisition of Holcim’s Asset in Nigeria. The closing the transaction has been completed on 29 August 2025. The target company Caricement B.V. and

Davis Peak Holdings Limited, with the Ultimate Target Company Lafarge Africa Plc will be consolidated into the financial results of the Group. According to relevant rules of Securities and Exchange Commission of Nigeria, the Purchasers will make a MTO to the other shareholders of the Ultimate Target Company.

During the Reporting Period, the Company was not involved in any significant litigation or arbitration.

During the Reporting Period, the Company nor its subsidiaries had purchased, sold and redeemed listed securities of the Company.

## V. DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT

Mr. Lo Chi Kong resigned from his position as a non-executive Director, member of each of the Audit Committee and the Remuneration and Assessment Committee and Chairman of the Governance and Compliance Committee on 4 June 2025 as he has reached his retirement age.

On 15 July 2025, Mr. Olivier Milhaud was appointed as non-executive director of the Eleventh Board of Directors on the Second Extraordinary General Meeting in 2025. His term of office will run concurrently with that of the Board.

As at 30 June 2025, the Directors, supervisors and chief executives of the Company or their associates held certain interests in the shares and underlying shares of the Company and its associated corporation as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as follows:

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
Mr. Li Yeqing	Beneficial owner	A shares	454,034	0.0338	0.0218
		H shares	1,083,896	0.1475	0.0521
Mr. Liu Fengshan	Beneficial owner	A shares	166,500	0.0124	0.0080
		H shares	292,100	0.0398	0.0141
Mr. Ming Jinhua	Beneficial owner	H shares	166,300	0.0226	0.0080
Mr. Zhang Lin	Beneficial owner	A shares	11,600	0.0009	0.0006
		H shares	248,400	0.0338	0.0119
Mr. Liu Weisheng	Beneficial Owner	H shares	13,700	0.0019	0.0007
	Interest of spouse		12,600	0.0017	0.0006
Mr. Liu Sheng	Interest of spouse	A shares	10,000	0.0007	0.0005
	Beneficial Owner	H shares	25,300	0.0034	0.0012
	Interest of spouse		27,900	0.0038	0.0013



Note: the percentage is calculated by the issued underlying shares or total shares of the Company as at 30 June 2025.

During the Reporting Period, the Directors and supervisors of the Company had no material interests in any contract entered into by the Company or its subsidiaries.

## **VI. REVIEW OF UNAUDITED INTERIM RESULTS**

The Company has set up the Audit Committee. The terms of reference adopted by the Audit Committee complied with all the applicable code provisions set out in Appendix C1 to the Listing Rules. The Audit Committee is responsible for the review and supervision of financial reporting procedures, risk management and the internal control systems of the Group as well as the giving of advice and recommendations to the Board. The interim results for the six months ended 30 June 2025 as disclosed in this announcement have been reviewed by the Audit Committee.

## **VII. CORPORATE GOVERNANCE CODE**

The Company has complied with the principles and code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules during the Reporting Period.

## **VIII. MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the code provisions regarding the purchase and sale of the Company's shares by the Directors and supervisors of the Company as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 of the Listing Rules. The Company has made specific enquiries to all Directors and supervisors of the Company and each of them confirmed that they have complied with the requirements contained in the Model Code during the Reporting Period.

## **IX. MATERIAL IMPACT EVENT AFTERWARDS**

After the Reporting Period and up to the date of this announcement, save for the events disclosed in this announcement, the Group did not have any material subsequent events.

By order of the Board  
**Huaxin Cement Co., Ltd. \***  
**XU Yongmo**  
*Chairman*

Wuhan, Hubei, the PRC  
29 August 2025

*As at the date of this announcement, the Board comprises Mr. LI Yeqing (President) and Mr. LIU Fengshan (Vice President), as executive directors; Mr. XU Yongmo (Chairman), Mr. Martin Kriegner, Mr. Olivier Milhaud and Ms. TAN Then Hwee, as non-executive directors; Mr. WONG Kun Kau, Mr. ZHANG Jiping and Mr. JIANG Hong, as independent non-executive directors.*

*\* For identification purpose only*