Anhui Conch Cement Company Limited

(H Share: 00914, A Share: 600585)



2025 ANNUAL REPORT



Important

1. The Board, Directors and the senior management members of the Company warrant that the information in this report, for which they jointly and severally accept legal liability, is truthful, accurate and complete, and does not contain any misrepresentation, misleading statement or material omission.

2. All Directors of the Company attended the third meeting of the tenth session of the Board.

3. Ernst & Young and Ernst & Young Hua Ming LLP issued a standard unqualified audit report for the Company.

4. Mr. Yang Jun, the officer-in-charge of the Company, Mr. Yu Shui, the officer-in-charge of the accounting function, and Mr. Fan Zhan, the officer-in-charge of the accounting department, have declared that they warrant the financial statements contained herein are truthful, accurate and complete.

5. Final profit distribution proposal for 2025 as considered by the third meeting of the tenth session of the Board of the Company: a cash dividend of RMB0.61 per share (tax inclusive). No capitalization of common reserve fund was made. Together with the 2025 interim cash dividend of RMB0.24 per share (tax inclusive) that has already been distributed, the cash dividend of RMB0.85 per share (tax inclusive) shall be distributed throughout the year of 2025.

6. Declaration of risks with respect to the forward-looking statements: the Company's plans for 2026 concerning its capital expenditure and sales targets as disclosed herein do not constitute any substantive commitment to investors. Investors and the public are advised to be cautious of the investment risks.

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

8. No external guarantee was provided in violation of the established decision-making procedures.

9. There does not exist the situation that more than half of the Directors of the Company being unable to warrant the truthfulness, accuracy and completeness of the content of this report.

10. Material risk alert: the Company has disclosed in chapter 3 of this report the policy risk and environmental protection risk that the Company may face in 2026. Investors are reminded to read it carefully.

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Documents for Inspection	(1)	Financial reports bearing the signatures and seals of the officer-in-charge of the Company, the officer-in-charge of the accounting function and the officer-in-charge of the accounting department.
	(2)	Original of the audited report with the seal of the accounting firm affixed and the signatures and seals of the registered accountants affixed.
	(3)	Originals of all the corporate documents and the announcements of the Company which were disclosed during the Reporting Period.
	(4)	Annual report of the Company published on the website of the Stock Exchange.





1. Definitions

The following terms and expressions contained in this report shall, unless the context otherwise requires, have the meanings assigned to them as follows:

The Company/Conch Cement	:	Anhui Conch Cement Company Limited
The Group	:	the Company and its subsidiaries
Board	:	the board of directors of the Company
Director(s)	:	the director(s) of the Company
Supervisory Committee	:	the supervisory committee of the Company
Supervisor(s)	:	the supervisor(s) of the Company
Remuneration and Nomination Committee	:	the remuneration and nomination committee of the Board
Audit Committee	:	the audit committee of the Board
ESG Management Committee	:	the Environmental, Social and Governance (ESG) Management Committee of the Board
Conch Holdings	:	Anhui Conch Holdings Company Limited
Conch New Material	:	Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. (formerly known as Wuhu Conch Profiles and Science Co., Ltd.), a company listed on the SZSE (stock code: 000619)
Conch Environment Protection	:	China Conch Environment Protection Holdings Limited, a company listed on the Stock Exchange (stock code: 0587)



1. Definitions

Conch Tech Innovation Material	:	Anhui Conch Technology Innovation Material Co., Ltd. (formerly known as Anhui Conch Investment Company Limited)
Conch Design Institute	:	Anhui Conch Construction Materials Design Institute Co., Ltd.
Conch Material Technology	:	Anhui Conch Material Technology Co., Ltd. (formerly known as Anhui Conch New Materials Technology Company Limited), a company listed on the Stock Exchange (stock code: 2560)
Conch Material Technology Group	:	Conch Material Technology, its branches and subsidiaries
Conch Capital	:	Anhui Conch Capital Management Company Limited
Conch Accelerants Manufacturing	:	Anhui Conch Accelerants Manufacturing Engineering Technology Company Limited
Conch Accelerants Manufacturing High-tech Company	:	Anhui Conch Accelerants Manufacturing High-tech Company Limited
Conch Accelerants Manufacturing Group	:	Conch Accelerants Manufacturing and its subsidiaries
Anhui Haizhong Environmental	:	Anhui Haizhong Environmental Company Limited
Conch Venture Enterprise	:	Wuhu Conch Venture Enterprise Limited
Conch Venture	:	China Conch Venture Holdings Limited, a company listed on the Stock Exchange (stock code: 0586)
Fenyi Conch	:	Fenyi Conch Cement Co., Ltd.



1. Definitions

Haihui Company	:	Anhui Haihui Supply Chain Technology Co., Ltd.
Phnom Penh Conch	:	Conch KT Cement (Phnom Penh) Company Limited
Tongling Conch	:	Anhui Tongling Conch Cement Co., Ltd.
Wuhu Conch	:	Wuhu Conch Cement Co., Ltd.
Zongyang Conch	:	Anhui Zongyang Conch Cement Co., Ltd.
Wuhu Industrial Investment	:	Wuhu Industrial Investment Fund Company Limited
Xinli Finance	:	Anhui Xinli Finance Co., Ltd., a company listed on the SSE (stock code: 600318)
WCC	:	West China Cement Limited, a company listed on the Stock Exchange (stock code: 2233)
Huaxin Building Materials	:	Huaxin Building Materials Group Co., Ltd. (formerly known as Huaxin Cement Co., Ltd.), a company listed on both the SSE (stock code: 600801) and the Stock Exchange (stock code: 6655)
Shangfeng Cement	:	Gansu Shangfeng Cement Co., Ltd., a company listed on the SZSE (stock code: 000672)
Tianshan Material	:	Tianshan Material Co., Ltd. (formerly known as Xinjiang Tianshan Cement Co., Ltd.), a company listed on the SZSE (stock code: 000877)
West Construction	:	China West Construction Group Co., Ltd., a company listed on the SZSE (stock code: 002302)
Regional Committee(s)	:	management unit(s) specially established by organizing certain subsidiaries located in a particular province or neighboring areas into a regional management unit for implementation of regional management in order to strengthen the Company's management over its subsidiaries and enhance management efficiency



1. Definitions

Ernst & Young Hua Ming	:	Ernst & Young Hua Ming LLP
Ernst & Young HK	:	Ernst & Young
EY	:	Ernst & Young Hua Ming and Ernst & Young HK
Reporting Period	:	the period from 1 January 2025 to 31 December 2025
PRC Accounting Standards	:	China Accounting Standards for Business Enterprises
Stock Exchange	:	The Stock Exchange of Hong Kong Limited
HKSE Listing Rules	:	the Rules Governing the Listing of Securities on the Stock Exchange
SFO	:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	:	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the HKSE Listing Rules
SSE	:	Shanghai Stock Exchange
SSE Listing Rules	:	the Rules Governing the Listing of Stocks on the SSE
SZSE	:	Shenzhen Stock Exchange
A Shares	:	ordinary shares in the capital of the Company listed on the SSE, with a nominal value of RMB1.00 per share, which are subscribed for and traded in RMB



1. Definitions

H Shares	:	foreign shares in the capital of the Company listed on the Stock Exchange, with a nominal value of RMB1.00 per share, which are subscribed for and traded in Hong Kong dollars
clinker	:	semi-finished products made in the manufacturing process of cement
Hong Kong	:	Hong Kong Special Administrative Region of the PRC
RMB	:	Renminbi, the lawful currency of the PRC
PRC	:	the People's Republic of China
CSRC	:	China Securities Regulatory Commission
Articles	:	Articles of Association of the Company
Company Law	:	the Company Law of the People's Republic of China





2. Corporate Profile and Major Financial Indicators

(1)	Official Chinese name of the Company	:	安徽海螺水泥股份有限公司
	Abbreviation in Chinese	:	海螺水泥
	Official English name of the Company	:	ANHUI CONCH CEMENT COMPANY LIMITED
	Abbreviation in English	:	ACC
(2)	Legal Representative of the Company	:	Yang Jun
(3)	Secretary to the Board (Joint Company Secretary)	:	Yu Shui
	Phone number	:	0086 553 8398976
	Fax number	:	0086 553 8398931
	Joint Company Secretary (Hong Kong)	:	Leo P. Y. Chiu
	Phone number	:	00852 21113220
	Fax number	:	00852 21113299
	Securities Affairs Representative	:	Wang Manbo
	Phone number	:	0086 553 8398911
	Fax number	:	0086 553 8398931
	E-mail	:	dms@chinaconch.com
(4)	Registered address of the Company	:	39 Wenhua Road, Wuhu City, Anhui Province, the PRC
	Office address of the Company	:	39 Wenhua Road, Wuhu City, Anhui Province, the PRC
	Postal code	:	241000
	Email address of the Company	:	dms@chinaconch.com
	Website of the Company	:	http://www.conch.cn
	Contact address in Hong Kong	:	40/F, Jardine House, 1 Connaught Place, Central, Hong Kong
(5)	Media for disclosure of this report	:	Shanghai Securities Journal, Securities Times
	Websites of the stock exchanges for disclosure of this report	:	SSE: http://www.sse.com.cn Stock Exchange: http://www.hkexnews.hk
	Location where this report is available for inspection	:	Secretariat to the Board of the Company, SSE



2. Corporate Profile and Major Financial Indicators

(6)	Exchanges on which the Company's shares are listed	:	
	H Shares	:	Stock Exchange
	Stock code	:	00914
	Stock short name	:	Conch Cement
	A Shares	:	SSE
	Stock code	:	600585
	Stock short name	:	Conch Cement
(7)	Legal adviser as to PRC law	:	Jingtian & Gongcheng 34th Floor, Tower 3, China Central Place, 77 Jianguo Road, Chaoyang District, Beijing, the PRC
	Legal adviser as to Hong Kong law	:	Chiu & Partners 40/F, Jardine House, 1 Connaught Place, Central, Hong Kong
(8)	International auditors	:	Ernst & Young HK Registered Public Interest Entity Auditor in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
	Authorised signatory of the Accountant	:	He Zhaofeng
	PRC auditors	:	Ernst & Young Hua Ming Room 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC
	Authorised signatory of the Accountant	:	Meng Dong, Lu Yang
(9)	H Shares share registrar and transfer office	:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

(10) FINANCIAL SUMMARY PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (FOR THE YEAR ENDED 31 DECEMBER)

(Unit: RMB'000)

Items	**2025**	2024	2023	2022	2021
Net operating revenue	**82,532,051**	91,029,615	141,157,207	132,152,365	168,155,470
Net profit attributable to equity shareholders of the Company	**8,464,457**	8,051,954	10,686,594	15,875,504	33,319,402
Total assets	**256,000,730**	254,635,244	246,356,360	244,296,200	230,806,073
Total liabilities	**52,312,787**	54,298,442	48,393,428	48,219,138	38,926,006



(11) ACCOUNTING DATA PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS

1. Major accounting data and financial indicators for the preceding three years

Table 1:

(Unit: RMB'000)

Items	2025	2024	Increase or decrease in the current year over the previous year (%)	2023
Revenue	**82,532,051**	91,029,615	-9.33	141,157,207
Profit before taxation	**10,419,957**	10,029,189	3.90	13,594,052
Net profit attributable to equity shareholders of the Company	**8,113,068**	7,696,118	5.42	10,427,552
Net profit after extraordinary items attributable to equity shareholders of the Company	**7,587,838**	7,364,704	3.03	9,960,488
Basic earnings per share (RMB/share)	**1.54**	1.46	5.42	1.97
Diluted earnings per share (RMB/share)	**1.54**	1.46	5.42	1.97
Basic earnings per share after extraordinary items (RMB/share)	**1.44**	1.40	3.04	1.88
Diluted return on net assets (%)	**4.22**	4.09	Increased by 0.13 percentage point	5.62
Weighted average return on net assets (%)	**4.27**	4.14	Increased by 0.13 percentage point	5.64
Diluted return on net assets after extraordinary items (%)	**3.94**	3.92	Increased by 0.02 percentage point	5.37
Weighted average return on net assets after extraordinary items (%)	**3.99**	3.96	Increased by 0.03 percentage point	5.39
Net cash flow generated from operating activities	**16,643,908**	18,476,253	-9.92	20,074,156
Net cash flow per share generated from operating activities (RMB/share)	**3.15**	3.50	-9.91	3.79



2. Corporate Profile and Major Financial Indicators

Table 2:

(Unit: RMB'000)

Items	As at 31 December 2025	As at 31 December 2024	Increase or decrease at the end of this year over the end of the previous year (%)	As at 31 December 2023
Total assets	**256,000,730**	254,635,244	0.54	246,356,360
Net assets attributable to equity shareholders of the Company	**192,427,628**	187,940,359	2.39	185,389,128
Net assets per share attributable to equity shareholders of the Company (RMB/share)	**36.46**	35.61	2.39	35.08



2. Major financial data for 2025 by quarter

(Unit: RMB'000)

Items	First quarter	Second quarter	Third quarter	Fourth quarter
Revenue	19,051,479	22,240,306	20,005,989	21,234,277
Net profit attributable to equity shareholders of the Company	1,810,439	2,557,429	1,936,632	1,808,568
Net profit after extraordinary items attributable to equity shareholders of the Company	1,662,630	2,535,467	1,739,139	1,650,602
Net cash flow generated from operating activities	502,574	7,783,970	2,813,144	5,544,220

3. Extraordinary gains and losses items and amount for the Reporting Period

(Unit: RMB'000)

Extraordinary gains and losses items	2025	2024	2023
(1) Gains/losses from disposal of non-current assets, including the written-off portion of the provision for impairment of assets	**220,395**	-59,359	-105,245
(2) Government subsidy (excluding government subsidy closely associated with the enterprise's normal business, granted in accordance with the State's policy and based on certain standards, and with a continuing effect on the gains and losses of the enterprise) included in the current income statement	**473,549**	525,395	623,283
(3) Gains/losses on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets and financial liabilities, excluding effective hedging business associated with the Company's normal business	**94,731**	-32,091	-106,168



2. Corporate Profile and Major Financial Indicators

(Unit: RMB'000)

Extraordinary gains and losses items	2025	2024	2023
(4) Entrusted fee income obtained from entrusted operation	**35,466**	22,358	20,786
(5) Charges on share of funds received from non-financial enterprises included in the current income statement	**–**	–	–
(6) Gains/losses from external entrusted loans	**597**	3,087	2,239
(7) Gains arising from the excess of the Group's share of the fair values of the investees' identifiable net assets over the investment costs for acquisition of the subsidiaries, associates and joint ventures	**9,584**	–	–
(8) Gains/losses on entrusted investment or asset management	**25,295**	18,239	142,596
(9) Other non-operating income and expenses other than the above items	**-140,775**	-55,767	30,985
(10) Net gains and losses of subsidiaries formed through business combination under common control from the beginning of the period to the date of merger attributable to the current period	**–**	–	–
(11) Effect of extraordinary items on income tax	**-159,936**	-71,490	-129,897
(12) Effect of extraordinary items on minority interests (after tax)	**-33,676**	-18,958	-11,515
Total	**525,230**	331,414	467,064

4. Items measured at fair value

(Unit: RMB'000)

Items	Opening balance of the Reporting Period	Closing balance of the Reporting Period	Changes during the Reporting Period	Impact on the profit for the current period
Financial assets at fair value through profit or loss	509,203	12,899,353	12,390,150	102,200
Investments in other equity instruments	1,506,953	1,416,434	-90,519	–
Financing of receivables	1,423,973	1,548,406	124,433	–
Financial liabilities at fair value through profit or loss	–	–	–	–



(12) EXPLANATIONS FOR DIFFERENCES BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS AND IFRSs

(Unit: RMB'000)

	Net profit attributable to parent company		Equity attributable to equity shareholders of parent company	
	1 January to 31 December 2025 (Audited)	1 January to 31 December 2024 (Audited)	**31 December 2025 (Audited)**	31 December 2024 (Audited)
As reported in the statutory financial statements prepared in accordance with the PRC Accounting Standards	**8,113,068**	7,696,118	**192,427,628**	187,940,359
– Items not subject to "China Accounting Standards for Business Enterprises No.16 – Government Subsidy" in accordance with IFRSs	**12,404**	16,515	**-22,628**	-35,032
– Difference arising from implementation of "China Accounting Standards for Business Enterprises Interpretation No. 3"	**338,985**	339,321	**–**	–
As reported in accordance with IFRSs	**8,464,457**	8,051,954	**192,405,000**	187,905,327



3. Management Discussion and Analysis

(1) OVERVIEW OF THE CEMENT INDUSTRY

In 2025, affected by factors such as slowing macroeconomic growth and declining real estate and infrastructure investment, China's cement industry remained in an overall downward cycle, with industry operations facing pressures including contracting demand, price pressure and declining profitability.

On the demand side, China's fixed-asset investment growth turned from positive to negative in 2025, and real estate development investment continued to decline, persistently dragging down cement demand. As a result, overall industry demand fell noticeably as compared with the previous year. Against this backdrop, national cement production reached 1.693 billion tonnes, representing a year-on-year decrease of 6.9%.

In terms of prices and profitability, cement prices and industry profitability improved period-on-period in the first quarter, which was due to the impact of acceleration of issuance of special bonds and the recovery of the commencement rates of infrastructure projects, and reduction in costs of key fuels. However, starting from the second quarter, cement prices retreated amid persistently weakening demand and intensified market competition, causing industry profit margins to continuously narrow.

Overall, the cement market in 2025 exhibited a pattern of fluctuating downward movement. The industry remains in a phase where capacity reduction, supply optimization and structural improvement are advancing in parallel. *(Data source: National Bureau of Statistics, Digital Cement)*



(2) INTRODUCTION OF THE MAIN BUSINESS OF THE COMPANY

During the Reporting Period, the Group principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Responding to the market demand, the Group's cement products mainly comprise 32.5-grade cement, 42.5-grade cement and 52.5-grade cement, which are widely used in large-scale national infrastructure construction projects such as railways, highways, airports and water conservancy projects as well as urban real estate development, urban renewal and the rural markets.

Cement belongs to the basic raw material industry and is a regional product, the sales of cement is limited by the mode of transportation and local cement prices, and its business model is different from that of daily consumer goods. The Group has adopted a sales model focusing on direct sales and supplemented by distribution. The Group has a relatively extensive marketing network, with over 500 marketing departments in the regions across the PRC and overseas where the Group has operation. Meanwhile, the Group continued to improve its marketing strategy by continuing to promote the construction of networks and waterway distribution channels in the regional markets along the river and coastal areas as well as central cities with concentrated demand and consolidating the construction in the end markets, so as to further improve its marketing network and strengthen its market share.

In addition, the Company gave full play to the advantages of its main business resources, and actively extended the industrial chain by using its high-quality cement and aggregate, expanded into the business of consumption building materials such as commodity concrete business, ceramic tile glue and dry-mixed mortar, provided customers with "one-stop" comprehensive building materials service solutions, and promoted the integrated development of the upstream and downstream industrial chains.

During the Reporting Period, the Group continued to optimize and improve its presence in domestic and overseas cement markets, practiced the green development concept, increased the R&D and application of low-carbon cement products, drove the symbiotic integration of new energy, environmental protection and digital industries to empower the core business, and comprehensively developed future-oriented, integrated competitive advantages.



(3) ANALYSIS OF CORE COMPETITIVENESS OF THE COMPANY DURING THE REPORTING PERIOD

Since its listing in 1997, the Company has been focusing on strengthening, optimizing and growing its core cement business by emphasizing independent innovation and technological innovation, vigorously pushing forward energy conservation and emission reduction and developing low-carbon recycling economy. After nearly 30 years of sustainable, healthy and steady development, and by refining internal management, strengthening market construction and promoting technological innovation, the Company has created a unique "Conch Model", and established relatively strong advantages in brand recognition, resources, technology, funding, market share, management, human resources, etc.

During the Reporting Period, the Group further consolidated its core business competitiveness through deepening fine cultivation of regional markets and strategic acquisitions, extended its industrial value chain through expanding upstream and downstream businesses in aggregate, commodity concrete and consumption building materials, continued to optimize its cost structure by leveraging full-process lean operation, and promoted the application of AI large models as well as green and low-carbon technology in the manufacturing industry through digital and intelligent innovation to deeply empower its core cement business, thereby effectively consolidating and enhancing the Company's comprehensive competitive advantages and further solidifying its core competitiveness for sustainable development.



(4) MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS

ANALYSIS ON THE OPERATIONAL CONDITIONS FOR 2025

1. Overview of operation development

In 2025, facing the challenges of declining market demand and intensified industry competition, the Group remained market-oriented and formulated precise marketing strategies. Leveraging its integrated "cement +" sales advantage, it strengthened competitiveness in both domestic and overseas markets. The Group also expanded the application of centralized and large-scale procurement, promoted the green upgrading of logistics and transportation, strengthened the refined management of production and operations, and systematically promoted cost reduction and efficiency improvement. As a result, economic and technical indicators continued to improve, fully demonstrating the Group's operational resilience.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB82,532 million, representing a decrease of 9.33% from that of the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB8,113 million, representing an increase of 5.42% from that of the corresponding period of the previous year; and earnings per share were RMB1.54, representing an increase of RMB0.08 from that of the corresponding period of the previous year. During the Reporting Period, in accordance with the IFRSs, revenue amounted to RMB82,532 million, representing a decrease of 9.33% from that of the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB8,464 million, representing an increase of 5.12% from that of the corresponding period of the previous year; and earnings per share were RMB1.60, representing an increase of RMB0.07 from that of the corresponding period of the previous year.





3. Management Discussion and Analysis

During the Reporting Period, the Group coordinated the promotion of industrial development and project construction, actively consolidating its core business and extending its industrial chain. It focused its efforts on the development of domestic core cement business: the acquisition of the Yaobai project in Xinjiang was completed; relocation and construction project of Fenyi Conch commenced production as scheduled; and the newly constructed cement mills at Wuhu Conch and Zongyang Conch commenced operation on schedule. Overseas projects also advanced steadily – Phnom Penh Conch in Cambodia was successfully completed and commenced operation, adding new momentum to the Group's global development. The industrial chain was further expanded in depth, with 9 aggregate projects in Zongyang and Yingde, etc. completed and put into operation and 22 new commodity concrete stations added, continuously expanding market coverage. At the same time, the Group accelerated the development of consumer building materials business, with 13 dry-mix mortar and ceramic tile glue projects and one putty powder project completed and put into operation.

As at the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commodity concrete in operation amounted to 234 million tonnes[1], 415 million tonnes, 180 million tonnes and 70.25 million cubic meters, respectively.

During the Reporting Period, the Group continued to explore and implement technological innovation and green development. In terms of technological innovation, nearly 400 granted patents were obtained. The data-driven, full-process closed-loop optimized smart cement factory constructed by Zongyang Conch was successfully selected as an "Excellent Smart Factory Project" by the Ministry of Industry and Information Technology for 2025. The Group also released the building materials industry's first AI large model, achieving breakthroughs in the application of artificial intelligence technology in more than 40 scenarios across five areas – quality control, production optimization, equipment management, production safety and intelligent Q&A, effectively enabling refined production control, reducing costs and enhancing efficiency while supporting carbon reduction. In terms of green development, the Group increased research and development effort in and promotion of low-carbon cement, the all-green electricity plant demonstration project at Baimashan Cement Plant was constructed; the first green power-to-hydrogen storage and transportation integration project in the cement industry in Pingliang, Gansu was constructed; and a 500 MW/2,000 MWh new-type energy storage power station commenced operation in Tongliao, Inner Mongolia.

[1] Recalculated according to the new regulation on the production capacity replacement

As at the end of the Reporting Period, the Group's installed capacity of wind, photovoltaic power generation and energy storage in operation amounted to 1,377 MW. A total of 56 subsidiaries were named to the list of "Green Plant" at provincial or municipal level, 29 subsidiaries were named to the list of "Green Plant" at the State level, and received recognition for 44 national-level green mines and 42 provincial-level green mines.

2. Major operational information during the Reporting Period

(1) Analysis of revenue and cost

Principal activities by industry, product, region and sales model

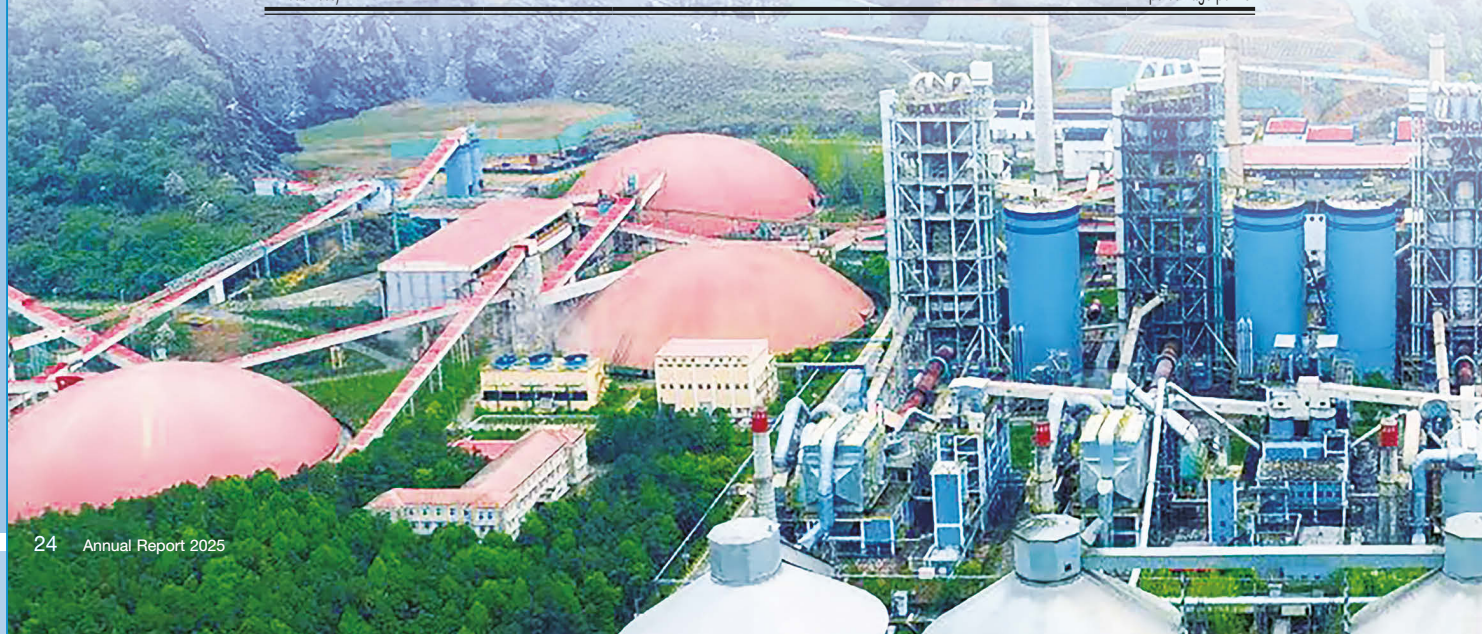
	Principal activities by industry					
Industry	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
Building material industry (sale of self-produced products)	68,377,778	49,395,933	27.76	-6.61	-10.27	Increased by 2.95 percentage points
Building material industry (trading business)	1,041,547	1,016,652	2.39	10.54	9.39	Increased by 1.02 percentage points



3. Management Discussion and Analysis

Principal activities by product

Product	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
Building material industry (sale of self-produced products) – 42.5-grade cement Note 1	48,626,926	35,390,031	27.22	-7.14	-10.67	Increased by 2.88 percentage points
Building material industry (sale of self-produced products) – 32.5-grade cement	7,398,104	4,764,776	35.59	-12.47	-20.25	Increased by 6.28 percentage points
Building material industry (sale of self-produced products) – Clinker	4,940,567	3,913,059	20.80	-1.83	-14.18	Increased by 11.39 percentage points
Building material industry (sale of self-produced products) – Aggregates and manufactured sand	4,202,692	2,516,064	40.13	-10.41	1.03	Decreased by 6.78 percentage points
Building material industry (sale of self-produced products) – Commodity concrete	3,209,489	2,812,003	12.38	20.04	16.86	Increased by 2.38 percentage points
Building material industry (trading business)	1,041,547	1,016,652	2.39	10.54	9.39	Increased by 1.02 percentage points





3. Management Discussion and Analysis

Principal activities by region

Region	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
Building material industry (sale of self-produced products) – East China Note 2	18,703,263	15,551,059	16.85	-5.06	-1.38	Decreased by 3.11 percentage points
Building material industry (sale of self-produced products) – Central China Note 3	18,287,873	12,859,998	29.68	-14.94	-16.23	Increased by 1.08 percentage points
Building material industry (sale of self-produced products) – South China Note 4	12,343,882	8,510,160	31.06	-10.32	-17.79	Increased by 6.26 percentage points
Building material industry (sale of self-produced products) – West China Note 5	12,523,940	8,608,665	31.26	-5.92	-15.45	Increased by 7.74 percentage points
Building material industry (sale of self-produced products) – Export	673,243	552,093	17.99	158.50	139.61	Increased by 6.46 percentage points
Building material industry (sale of self-produced products) – Overseas	5,845,577	3,313,958	43.31	24.99	4.71	Increased by 10.98 percentage points
Building material industry (trading business)	1,041,547	1,016,652	2.39	10.54	9.39	Increased by 1.02 percentage points



Principal activities by sales model

Sales model	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating cost over the previous year (%)	Increase or decrease in gross profit margin over the previous year
Building material industry – Direct sale	40,513,118	28,231,048	30.32	-6.02	-9.70	Increased by 2.84 percentage points
Building material industry – Distribution	28,906,207	22,181,537	23.26	-6.90	-10.25	Increased by 2.86 percentage points

Notes: 1. 42.5-grade cement includes cement of grade 42.5 and above;

2. East China mainly includes Jiangsu, Zhejiang, Shanghai, Fujian and Shandong, etc;

3. Central China mainly includes Anhui, Jiangxi and Hunan, etc;

4. South China mainly includes Guangdong, Guangxi and Hainan;

5. West China mainly includes Sichuan, Chongqing, Guizhou, Yunnan, Gansu, Shaanxi, Xinjiang and Inner Mongolia, etc.



Sales by industry

During the Reporting Period, the Group's sales volume of self-produced cement and clinker products amounted to 265 million tonnes, representing a year-on-year decrease of 1.13%, at a reduction extent outperformed the cement industry average, which was due to the increase in overseas and export sales volume. Sales revenue from self- produced products amounted to RMB68,378 million, representing a year-on-year decrease of 6.61%. Cost of sales of self-produced products decreased by 10.27% year-on-year to RMB49,396 million. The consolidated gross profit margin of self-produced products was 27.76%, representing an increase of 2.95 percentage points from that for the corresponding period of the previous year.

The Group achieved a sales volume of 5.21 million tonnes for its cement and clinker trading business, representing a year-on-year increase of 76.03%. Revenue from trading business amounted to RMB1,042 million, representing a year-on-year increase of 10.54%. Cost of trading business increased by 9.39% year-on-year to RMB1,017 million. The consolidated gross profit margin of trading business was 2.39%, representing an increase of 1.02 percentage points from that for the corresponding period of the previous year.

The Group's total sales volume of self-produced products and trading business of cement and clinker amounted to 270 million tonnes, representing a year-on-year decrease of 0.29%. Revenue generated from principal activities amounted to RMB69,419 million, representing a year-on-year decrease of 6.39%. Cost of principal activities decreased by 9.94% year-on-year to RMB50,413 million. The consolidated gross profit margin of products was 27.38%, representing an increase of 2.87 percentage points from that for the corresponding period of the previous year.

Sales by product

During the Reporting Period, the gross profit margin of the Group's self-produced 42.5-grade cement, 32.5-grade cement and clinker increased by 2.88 percentage points, 6.28 percentage points and 11.39 percentage points year-on-year, respectively. The consolidated gross profit margin of aggregates and manufactured sand decreased by 6.78 percentage points year-on-year to 40.13%; the consolidated gross profit margin of commodity concrete was 12.38%, representing a year-on-year increase of 2.38 percentage points.

Sales by region

During the Reporting Period, the sales amount of self-produced products in various domestic regions decreased by varying degrees, mainly affected by the year-on-year decrease in the selling prices of products.



(2) Profit analysis

Major profit or loss items prepared in accordance with the PRC Accounting Standards

Items	Amount		Increase or decrease for the Reporting Period over the same period of the previous year (%)
	2025 (RMB'000)	2024 (RMB'000)	
Revenue from principal activities	**69,419,325**	74,156,371	-6.39
Profit from operations	**10,207,798**	9,713,107	5.09
Profit before taxation	**10,419,957**	10,029,189	3.90
Net profit attributable to equity shareholders of the Company	**8,113,068**	7,696,118	5.42

During the Reporting Period, mainly affected by the decrease in the selling prices of products, the Group's revenue from principal activities decreased by 6.39% from that for the corresponding period of the previous year. However, benefiting from the Group's improvement of operational efficiency and reduction in cost, profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company increased by 5.09%, 3.90% and 5.42% from that for the corresponding period of the previous year, respectively.



(3) Analysis of costs and expenses

Consolidated costs of cement and clinker for 2025 and their year-on-year changes

Items	2025 Unit costs (RMB/tonne)	2025 Proportion (%)	2024 Unit costs (RMB/tonne)	2024 Proportion (%)	Increase or decrease in costs (%)	Increase or decrease in proportion of costs (percentage points)
Raw materials	**32.53**	**19.55**	36.49	19.49	-10.85	0.06
Fuel and power	**87.47**	**52.56**	103.76	55.41	-15.70	-2.85
Depreciation expense	**16.08**	**9.66**	16.17	8.64	-0.56	1.02
Labor cost	**12.57**	**7.55**	12.62	6.74	-0.40	0.81
Others	**17.77**	**10.68**	18.21	9.72	-2.42	0.96
Total	**166.42**	**100**	187.25	100	-11.12	–

Note: All cost items mentioned above represent the costs of the Company's self-produced cement and clinker products, excluding cost of the trading business.

During the Reporting Period, the Company intensified its cost control measures through adopting technological innovation, strengthening logistic management, enhancing the utilization of alternative fuels, and optimizing procurement channels for raw material and fuel. The Company's consolidated costs of self-produced cement and clinker products decreased by 11.12% year-on-year.



Changes in major expense items prepared in accordance with the PRC Accounting Standards

Expenses for the period	**Amount for 2025 (RMB'000)**	Amount for 2024 (RMB'000)	Increase or decrease for the Reporting Period over the same period of the previous year (%)	Proportion over the revenue from principal activities for the Reporting Period (%)	Proportion over the revenue from principal activities for the same period of the previous year (%)	Increase or decrease in the proportion over the revenue from principal activities (percentage points)
Selling expenses	**3,500,999**	3,415,437	2.51	5.04	4.61	0.43
Administrative expenses	**6,000,091**	5,945,914	0.91	8.64	8.02	0.62
Research and development expenses	**847,445**	1,257,068	-32.59	1.22	1.70	-0.48
Financial expenses (income is stated in negative)	**-913,434**	-1,170,527	21.96	-1.32	-1.58	0.26
Total	**9,435,101**	9,447,892	-0.14	13.58	12.75	0.83

During the Reporting Period, the Group's research and development expenses decreased by 32.59% year-on-year, which was mainly due to the year-on-year decrease in expenditures for various types of research and development projects.

(4) Financial position

Asset and liability position

Changes in assets and liabilities prepared in accordance with the PRC Accounting Standards

Items	As at 31 December 2025 (RMB'000)	As a percentage of total assets as at the end of the Reporting Period (%)	As at 31 December 2024 (RMB'000)	As a percentage of total assets as at the end of the previous year (%)	Change in amounts as at the end of the Reporting Period from that at the end of the previous year (%)
Cash at bank and on hand	**50,252,254**	19.63	70,229,348	27.58	-28.45
Financial assets held for trading	**12,899,353**	5.04	509,203	0.20	2,433.25
Accounts receivable	**2,922,320**	1.14	3,773,192	1.48	-22.55
Advance payment	**694,851**	0.27	944,849	0.37	-26.46
Inventories	**7,596,948**	2.97	8,108,520	3.18	-6.31
Long-term equity investments	**7,981,404**	3.12	7,775,669	3.05	2.65
Investments in other equity instruments	**1,416,434**	0.55	1,506,953	0.59	-6.01
Fixed assets	**92,533,715**	36.15	89,227,647	35.04	3.71
Construction in progress	**6,172,123**	2.41	9,355,746	3.67	-34.03
Intangible assets	**37,051,103**	14.47	34,264,065	13.46	8.13
Right-of-use assets	**888,246**	0.35	737,454	0.29	20.45
Total assets	**256,000,730**	100	254,635,244	100	0.54
Lease liabilities	**220,156**	0.09	240,355	0.09	-8.40
Short-term borrowings	**4,540,764**	1.77	5,748,688	2.26	-21.01
Contract liabilities	**2,915,942**	1.14	2,569,305	1.01	13.49
Bonds payables	**12,500,000**	4.88	11,500,000	4.52	8.70
Long-term borrowings	**7,018,946**	2.74	10,086,381	3.96	-30.41
Total liabilities	**52,284,947**	20.42	54,257,807	21.31	-3.64
Total liabilities and equity	**256,000,730**	100	254,635,244	100	0.54



3. Management Discussion and Analysis

As at the end of the Reporting Period, the Group's cash at bank and on hand decreased by 28.45% as compared to that at the end of the previous year, which was mainly due to the increase in wealth management products during the Reporting Period; balance of financial assets held for trading increased by RMB12,390 million as compared to that at the end of the previous year, which was mainly due to subscription of the wealth management products of banks, structured deposits and income notes of securities companies during the Reporting Period; accounts receivable and advance payment decreased as compared to those at the end of the previous year, which was mainly due to the corresponding achievement in pushing reduction of current accounts during the Reporting Period; balance of right-of-use assets increased by 20.45% as compared to that at the end of the previous year, which was mainly due to the new land leases of subsidiaries during the Reporting Period; balances of short-term and long-term borrowings decreased as compared to those at the end of the previous year, which was mainly due to the repayment of borrowings during the Reporting Period. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB256,001 million, representing an increase of 0.54% as compared to that at the end of the previous year. Total liabilities amounted to RMB52,285 million, representing a decrease of 3.64% as compared to that at the end of the previous year. Among which, current liabilities amounted to RMB27,819 million, representing a decrease of 3.72% as compared to that at the end of the previous year; non-current liabilities amounted to RMB24,466 million, representing a decrease of 3.55% as compared to that at the end of the previous year. As at the end of the Reporting Period, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 20.42%, representing a decrease of 0.89 percentage point as compared to that at the end of the previous year.

Please refer to note 14 to the financial report prepared in accordance with the PRC Accounting Standards for information on the contingent liabilities of the Group.

As at the end of the Reporting Period, equity attributable to equity shareholders of the Company amounted to RMB192,428 million, representing an increase of 2.39% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB11,288 million, representing a decrease of 9.24% as compared to that at the end of the previous year; as at the end of the Reporting Period, net assets per share attributable to equity shareholders of the Company amounted to RMB36.46.

As at the end of the Reporting Period, total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB88,805 million and RMB27,819 million respectively, with a current ratio of 3.19:1 (end of last year: 3.25:1). Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB88,805 million and RMB27,819 million respectively, with a net gearing ratio of 0.089 (end of last year: 0.074). Net gearing ratio was calculated as follows: (interest-bearing liabilities minus cash and cash equivalents) divided by shareholders' equity.

As at the end of the Reporting Period, overseas assets of the Group amounted to RMB19,671 million, representing 7.68% of the total assets.

As at the end of the Reporting Period, the Company pledged intangible assets and fixed assets with book values of approximately RMB49 million and RMB236 million respectively as security for borrowings from financial institutions. The deposit of RMB44 million has been frozen due to involvement in legal proceedings.

Save for the above-mentioned matters, no other assets of the Group were distressed, seized, frozen, charged or pledged or could only be realized upon satisfaction of certain conditions or cannot be realized or used for debt settlements, nor did there exist any circumstance or arrangement under which the right to occupy, use, gain from and dispose of assets were subject to other restrictions.





Liquidity and source of funds

Maturity analysis of bank loans and other loans of the Group as at the end of the Reporting Period is as follows:

	As at 31 December 2025 (RMB'000)	As at 31 December 2024 (RMB'000)
Due within 1 year	**6,610,662**	7,486,649
Due after 1 year but within 2 years	**1,826,356**	4,196,626
Due after 2 years but within 5 years	**4,204,890**	4,585,404
Due after 5 years	**987,700**	1,304,351
Total	**13,629,608**	17,573,030

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB13,630 million, representing a decrease of RMB3,943 million as compared to that at the end of the year. Such decrease was mainly attributable to repayment of borrowings during the Reporting Period. Please refer to note 10 to the financial report prepared in accordance with the PRC Accounting Standards for information on borrowings bearing fixed interest rate.

Save for the above borrowings, the Group issued medium-term notes of RMB12,500 million.

During the Reporting Period, the Group's source of funding was mainly from the net cash flows generated from operating activities.



Analysis of cash flow

Comparison of net cash flow prepared in accordance with the PRC Accounting Standards

	2025 (RMB'000)	2024 (RMB'000)	Changes (%)
Net cash flows generated from operating activities	**16,643,908**	18,476,253	-9.92
Net cash flows generated from investing activities	**-13,934,029**	-13,326,238	-4.56
Net cash flows generated from financing activities	**-8,297,731**	-385,476	-2,052.59
Effect of exchange rate movement on cash and cash equivalents	**-73,177**	592	-12,458.79
Net increase in cash and cash equivalents	**-5,661,029**	4,765,131	-218.80
Balance of cash and cash equivalents at the beginning of the year	**16,337,147**	11,572,016	41.18
Balance of cash and cash equivalents at the end of the year	**10,676,118**	16,337,147	-34.65





3. Management Discussion and Analysis

During the Reporting Period, the Group's net cash flows generated from operating activities decreased by RMB1,832 million from that for the corresponding period of the previous year, which was mainly due to the year-on-year decrease in revenue of trading business in the Reporting Period.

During the Reporting Period, the Group's net cash outflows from investing activities increased by RMB608 million from that for the corresponding period of the previous year, which was mainly due to the year-on-year increases in the wealth management products of banks, structured deposits and income notes of securities companies subscribed during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities increased by RMB7,912 million as compared to that for the corresponding period of last year, which was mainly due to the year-on-year decrease in the amount of bonds issued during the Reporting Period, resulting in the year-on-year decrease in cash inflows from financing activities.

3. Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to RMB11,032 million, which was mainly used for construction of projects and external investment expenditure.

As at the end of the Reporting Period, capital commitments in respect of the purchase of machinery and equipment for production and the investments that should be committed but have not been provided for in the accounts are set out as follows:

	As at 31 December 2025 (RMB'000)	As at 31 December 2024 (RMB'000)
Authorized and contracted for	**9,661,932**	11,040,741
Authorized but not contracted for	**5,519,520**	5,343,670
Total	**15,181,452**	16,384,411



OUTLOOK FOR 2026

The year 2026 marks the first year of the "15th Five-Year Plan". The Central Government will adhere to the general principle of pursuing progress while maintaining stability, leverage the integrated effects of existing and new policies, strengthen counter-cyclical and cross-cyclical adjustments, and enhance the effectiveness of macroeconomic governance. On the demand side, the State will better leverage investment's pivotal role in expanding domestic demand, optimizing supply, and improving people's livelihoods. It will continue to implement more proactive fiscal policies, and provide sustained support for the implementation of major national strategies and the construction of security capability projects in key areas. Major infrastructure projects are expected to accelerate, and urban renewal and old house renovation projects will continue to progress. All those are expected to provide a core source of support for cement demand. On the supply side, the State continues to strengthen policies on industry regulation, explicitly calling for the comprehensive use of measures such as capacity regulation, standard guidance, price enforcement and quality supervision to thoroughly rectify "involution" competition. The Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026) issued by six ministries including the Ministry of Industry and Information Technology in September 2025 strictly prohibits the addition of new cement and clinker capacity, pushes alignment between actual and filed production capacity, and explores the establishment of a green and low-carbon transformation fund to accelerate the withdrawal of inefficient production capacity through market forces. Such measures together with normalized off-peak production and the "dual carbon" policies, will help optimize the supply structure to some extent. However, the industry will still face pressure from overall overcapacity.

In terms of business management, the Group will deepen market cultivation to improve quality and efficiency, and continuously promote lean management. First, the Group will analyse shifts in market supply and demand trends to formulate precise domestic and overseas business strategies, stabilize existing operations while planning expansion into new areas, continuously promote optimization of the product structure, extension of industrial chain and improvement of service quality, comprehensively consolidating the market foundation. Second, the Group will optimize management of key costs such as fuel and power, adapt to changes in coal market supply and demand, rationally control procurement timing, and consolidate strategic cooperative procurement. It will continuously improve the refined operation level of production lines to further lower the indicators for coal and electricity consumption. Third, the Group will systematically implement carbon reduction and efficiency improvement management, scientifically increase the proportion of alternative fuels usage, optimize energy structure adjustments, proactively plan for China Certified Emission Reduction (CCER) trading, and strive to convert carbon assets into carbon revenue through trading.



3. Management Discussion and Analysis

In 2026, the Group plans to achieve an annual sales volume of self-produced cement and clinker products of 260 million tonnes, while the cost per tonne of products and the expense per tonne of products are expected to be relative stable.

In terms of investment development, the Group will adhere to an effective investment philosophy and fully advance project implementation. First, the Group will simultaneously drive core cement business expansion at home and abroad, and seek merger and acquisition opportunities in favorable domestic markets and in untapped markets while actively expanding into overseas target markets, strive to accelerate project implementation and continuously optimize its domestic and international market footprint. Second, the Group will further extend the industrial chain, steadily expand high-quality production capacity in aggregates and commodity concrete, and enhance operational quality. It will vigorously cultivate the consumer building materials sector, accelerate full coverage of major domestic markets, and comprehensively leverage its industrial chain advantages to become a "one-stop" comprehensive building materials service solution provider. Third, the Group will focus on enhancing the quality and efficiency of emerging business development; the new energy business will focus on the positioning of "zero-carbon park solution provider and clean energy supplier" to promote the development of photovoltaic and other new energy projects to expand the scale of green electricity; the environmental business will deepen synergies with the core cement business, concentrating on the development of mature businesses like fly ash disposal while extending the business chain into resource utilization of construction waste and other materials.

The Group's planned capital expenditure for the year 2026 will amount to RMB11,820 million, which will be mainly financed by internal resources. The capital expenditure will be primarily used for project development of core business, extension of upstream and downstream industrial chains, technological modifications for energy conservation and environmental protection, as well as fostering new quality productive forces.



3. Management Discussion and Analysis

In terms of innovation transformation, the Group will take innovation-driven development and green transformation as core engines and proactively shape future-oriented competitive advantages. On one hand, the Group will continuously increase effort in technological innovation, explore the application scenarios of AI large models in the building materials industry by leveraging its extensive business scenarios, and promote digital industries to empower refined and green production. On the other hand, the Group will actively respond to the "dual carbon" strategic goals, accelerate research and development and promotion of low-carbon cement, operate demonstration projects like all-green electricity plants at high standards, expand achievements in building green mines and green factories, and convert green development into core competitiveness.

In 2026, there are three main risk factors that the Group may encounter:

1. Risk of demand fluctuation. The cement industry in which the Company operates is relatively dependent on the construction industry, and has a relatively high correlation with the growth rates of fixed-asset investment and real estate investment. A slow growth rate of fixed-asset investment and sustained decline in real estate investment tend to adversely affect cement market demand.

   In view of the above risk, the Group will pay close attention to the changes in the national macroeconomic situation, strengthen the analysis of market supply and demand trends, formulate precise and effective business strategies according to changing times and conditions, capitalize on the marketing and sales advantages of the comprehensive cement industrial chain, strengthen channel network and end-market penetration, and continuously improve market competitiveness.

2. Risk of intensified competition. Amid sustained decline in cement demand and persistent overcapacity, if the supply-demand imbalance intensifies, low-price competition may be triggered in the industry, and the Company may face the risk of further increasing profit pressure.

   In view of the above risk, the Company will actively respond to national "anti-involution" policy, strictly adhere to industry self-regulation, actively promote the reduction in the production capacity of the industry and jointly maintain a healthy industry ecosystem.



3. The pressure of environmental protection policy. The State will adhere to "dual carbon" guidance, promote comprehensive green transformation, further promote energy conservation and carbon reduction transformation and the use of clean energy in key industries such as cement, drive green, low-carbon transformation and high-quality development of cement enterprises, which is expected to increase the production and operation costs of enterprises. Simultaneously, the inclusion of the cement industry in the national carbon emissions trading market will impose carbon compliance costs on enterprises.

   In view of the above risk, the Group will remain committed to the green development concept of low carbon and environmental protection, and promote ultra-low emission and transformation for energy conservation and carbon reduction in an orderly manner. It will accelerate research and development as well as application of green and low-carbon technologies, in order to effectively reduce emission of pollutants and carbon dioxide. It will also optimize carbon asset management, proactively prepare for engaging in China Certified Emission Reduction (CCER) market, and strive to transform carbon assets into carbon revenue through trading.

(5) EXPLANATION OF EVALUATION ON THE VALUATION ENHANCEMENT PLAN FOR 2025

In accordance with the Listed Companies Regulatory Guidance No. 10 – Market Value Management issued by the CSRC, the Company formulated the valuation enhancement plan for 2025 (hereinafter referred to as the "Valuation Enhancement Plan") during the Reporting Period. For details, please refer to the announcement published by the Company on the website of the SSE on 25 March 2025. Since the publication of the Valuation Enhancement Plan, the Company has solidly advanced various measures in strict compliance with the overall plan and work requirements, and evaluated the progress of the work in 2025. The Company believed that the Valuation Enhancement Plan aligned with the Company's actual development with a clear and feasible implementation path and the overall implementation has reached expectation. No adjustment to the Valuation Enhancement Plan is necessary, and the Company will continue to steadily push forward various works in accordance with the Valuation Enhancement Plan.



4. Report of the Directors

(1) PRINCIPAL INVESTMENTS DURING THE REPORTING PERIOD

1. Establishment, merger and acquisition, deregistration and capital increase of project companies during the Reporting Period

(1) In March 2025, the Company and Ma'anshan Yuanda Commercial Concrete Co., Ltd. (hereinafter referred to as "Yuanda Commercial Concrete") jointly invested in and established Ma'anshan Conch New Building Material Co., Ltd. with a registered capital of RMB45 million, of which the Company contributed RMB31.5 million, accounting for 70% of its registered capital, and Yuanda Commercial Concrete contributed RMB13.5 million, accounting for 30% of its registered capital.

(2) In May 2025, Anhui Conch New Energy Co., Ltd. (hereinafter referred to as "Conch New Energy"), a wholly-owned subsidiary of the Company, and Contemporary Amperex Technology Co., Limited (hereinafter referred to as "CATL") jointly invested in and established Tongliao Conch New Energy Co., Ltd. with a registered capital of RMB600 million, of which Conch New Energy contributed RMB390 million, accounting for 65% of its registered capital, and CATL contributed RMB210 million, accounting for 35% of its registered capital.

(3) In August 2025, the Company and its wholly-owned subsidiary, Wuhu Conch, jointly invested in and established Wuhu Baimashan Conch New Building Material Co., Ltd. with a registered capital of RMB80 million, of which the Company contributed RMB76 million, accounting for 95% of its registered capital, and Wuhu Conch contributed RMB4 million, accounting for 5% of its registered capital.



(4) In August 2025, the Company and its wholly-owned subsidiary, Conch (Shaanxi) Holding Co., Ltd. (hereinafter referred to as "Conch (Shaanxi)") acquired the cement and building materials related companies of Yaobai Special Cement Group Co., Ltd. located in Xinjiang through equity acquisition and asset acquisition, and the details are set out as follows:

Company name	Registered capital
Yili Conch Cement Co., Ltd.	RMB100 million
Huocheng Conch Mining Co., Ltd.	RMB5 million
Yili Conch Environmental Protection Technology Co., Ltd.	RMB95 million
Moyu Conch Cement Co., Ltd.	RMB400 million
Yutian Conch Cement Co., Ltd.	RMB80 million
Hetian Conch Cement Co., Ltd.	RMB80 million

The Company and Conch (Shaanxi) held 90% and 10% equity interest in companies listed in the above table, respectively.

(5) In September 2025, the Company and its wholly-owned subsidiary, Zhuhai Haizhong Trading Co., Ltd. (hereinafter referred to as "Zhuhai Haizhong"), jointly invested in and established Shenzhen Conch Green New Building Material Co., Ltd. with a registered capital of RMB30 million, of which the Company contributed RMB24 million, accounting for 80% of its registered capital, and Zhuhai Haizhong contributed RMB6 million, accounting for 20% of its registered capital.

(6) In November 2025, the Company and its wholly-owned subsidiary, Shanghai Conch Cement Sales Co., Ltd. (hereinafter referred to as "Shanghai Conch"), jointly invested in and established Shanghai Conch Jianye New Material Co., Ltd. with a registered capital of RMB30 million, of which the Company contributed RMB27 million, accounting for 90% of its registered capital, and Shanghai Conch contributed RMB3 million, accounting for 10% of its registered capital.



(7) In November 2025, Guangdong Conch Hongfeng Cement Co., Ltd. (hereinafter referred to as "Conch Hongfeng"), a majority-owned subsidiary of the Company and Xinfeng Fengjiang Investment and Development Co., Ltd. (hereinafter referred to as "Fengjiang Investment") jointly invested in and established Xinfeng Green Building Materials Co., Ltd. with a registered capital of RMB20 million, of which Conch Hongfeng contributed RMB18 million, accounting for 90% of its registered capital, and Fengjiang Investment contributed RMB2 million, accounting for 10% of its registered capital.

(8) During the Reporting Period, the Company completed the deregistration of its subsidiaries Hefei Taitong New Energy Investment Co., Ltd., Ningguo Conch Green Construction Co., Ltd., Huazhou Conch Cement Co., Ltd., Hunan Haizhong Trading Co., Ltd. and Beisu Conch Mining Co., Ltd. Deregistration of such companies will not have adverse impact on the production, operation and the results of the Company as a whole.

(9) During the Reporting Period, the Company made additional capital contribution of USD49.66 million to Conch International Holdings (HK) Limited (hereinafter referred to as "Conch HK"), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Conch HK became USD552.76 million, and the Company's equity interest therein remained unchanged.

(10) During the Reporting Period, the Company and Conch HK made additional capital contribution of USD97.38 million to PT Conch West Papua Cement (hereinafter referred to as "West Papua Conch") in proportion to their respective shareholdings of 49% and 51%. After the completion of such capital increase, the registered capital of West Papua Conch became USD264.67 million, and shareholdings of both parties therein remained unchanged.

(11) During the Reporting Period, the Company made additional capital contribution of RMB45 million to Shanghai Conch, a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Shanghai Conch became RMB50 million, and the Company's equity interest therein remained unchanged.

Note: Companies established, acquired, deregistered, and whose capital contribution amounts were increased during the Reporting Period do not include project companies of Conch Environment Protection.

2. Investment in securities

As at the end of the Reporting Period, the Group's investments in securities were set out as follows:

Stock code	Short name	Initial investment costs (RMB)	Percentage of shareholding at the beginning of the Reporting Period (%)	Percentage of shareholding at the end of the Reporting Period (%)	Carrying amount at the beginning of the Reporting Period (RMB)	Gain or loss on changes in the fair value during the Reporting Period (RMB)	Accumulated changes in the fair value recognized in equity (RMB)	Amount purchased during the Reporting Period (including being distributed) (RMB)	Amount sold during the Reporting Period (including distribution) (RMB)	Investment gain or loss recognized during the Reporting Period (RMB)	Carrying amount at the end of the Reporting Period (RMB)
2233	WCC	1,960,606,127	29.67	29.67	3,602,533,886	0	0	0	0	247,837,796	3,684,007,353
0587	Conch Environment Protection	2,825,641,178	21.21	21.21	873,415,379	0	0	0	0	0	873,415,379
600318	Xinli Finance	30,656,524	4.80	-	208,670,732	0	32,022,877	0	240,693,609	0	0
0586	Conch Venture	1,923,031,472	4.99	4.99	553,707,227	0	206,260,907	0	0	32,670,749	759,968,134
6655	Huaxin Building Materials	1,146,289,177	4.46	1.73	672,799,279	0	821,905,063	0	910,014,712	58,633,974	584,689,630
000672	Shangfeng Cement	178,166,549	1.21	1.21	89,943,383	62,784,009	0	0	0	7,407,102	152,727,392
000877	Tianshan Cement	999,999,999	1.04	1.04	419,259,259	-25,185,185	0	0	0	0	394,074,074
Total		**9,064,391,026**	**-**	**-**	**6,420,329,145**	**37,598,824**	**1,060,188,847**	**0**	**1,150,708,321**	**346,549,621**	**6,448,881,962**

Notes: 1. Xinli Finance, Conch Venture and Huaxin Building Materials held by the Group were included in "investments in other equity instruments", Conch Environment Protection and WCC held by the Group were included in "long-term equity investments" and Shangfeng Cement and Tianshan Cement held by the Group were included in "financial assets held for trading".

2. The funds utilized by the Group for the above securities investments were mainly its own funds.



4. Report of the Directors

On 21 December 2021, the Company and West Construction entered into the Conditional Stock Subscription Agreement and the Conditional Strategic Cooperation Agreement for the proposed subscription for shares of West Construction by way of non-public placing. The Company intended to subscribe for 251,444,577 A shares of West Construction (the final number of shares to be subscribed for shall be subject to the approval of the CSRC) at a cash consideration of RMB1,760,112,039. For details, please refer to the announcement in relation to proposed subscription for A shares of China West Construction Group Co., Ltd. by way of non-public placing (Provisional 2021-48) published by the Company on the website of the SSE on 22 December 2021. In order to further implement the strategic cooperation and clarify the rights and obligations of both parties, the Company and West Construction entered into the Supplemental Agreement to the Conditional Strategic Cooperation Agreement in November 2022.

According to the provisional announcement No. 9 published by West Construction in 2024, the CSRC has approved the application by West Construction for issuance of shares to target subscribers, with a validity of 12 months from the date of approval of registration (i.e. 1 February 2024). During the validity period of the approval, the Company and West Construction have not yet carried out issuance and subscription of shares. After careful study and reaching consensus with West Construction after negotiation, the Company entered into the Termination Agreement of the Conditional Stock Subscription Agreement with West Construction on 5 February 2025, and will no longer participate in the subscription for A shares of West Construction by way of non-public placing. For details, please refer to the announcement in relation to the termination of subscription for A shares of China West Construction Group Co., Ltd. by way of non-public placing (Provisional 2025-02) published by the Company on the website of the SSE on 6 February 2025.



3. Major investments during the Reporting Period

During the Reporting Period, the Company did not have major investment project with a total investment amount exceeding 10% of the audited net assets of the Company of the previous year. For details of the investment projects of the Company during the Reporting Period, please refer to the paragraph headed "1. Overview of operation development" under the section headed "(4) Management Discussion and Analysis on the Operations – Analysis on the Operational Conditions for 2025" in Chapter 3 "Management Discussion and Analysis" in this report as well as item 16 under note 5 to the financial statements prepared in accordance with the PRC Accounting Standards.

4. Principal majority-owned subsidiaries and invested companies

As at the end of the Reporting Period, the Company had 476 subsidiaries, 11 jointly-controlled entities, and invested in 6 associates and 3 partnerships. For details, please refer to notes 17, 18 and 19 to the financial statements prepared by the Company in accordance with the IFRSs.

During the Reporting Period, there was no single subsidiary whose net profit or invested company in which the Company's share of its investment income respectively accounted for more than 10% of the net profit of the Company.

5. Cooperation and Investment with Private Equity Fund

(1) In 2021, the Company, China National Building Material Private Equity Fund Management (Beijing) Co., Ltd. (general partner and fund manager, hereinafter referred to as "CNBM Private Equity Fund") and other limited partners jointly invested in and established CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the "Industrial Investment Fund"), with an initial fund scale amounted to RMB15 billion. The Company, as a limited partner, shall make capital contribution of RMB1.6 billion. In addition, CNBM Private Equity Fund and some partners or their related parties jointly invested in and established CNBM Private Equity Fund Management (Anhui) Co., Ltd. (formerly known as CNBM (Anhui) New Materials Fund Management Co., Ltd. hereinafter referred to as "CNBM (Anhui) Management Company"), with a registered capital of RMB50 million, of which the Company contributed RMB3,809,524, accounting for 7.62% of its registered capital. After the establishment of CNBM (Anhui) Management Company, it was admitted to the Industrial Investment Fund and acted as its general partner and executive partner. The Industrial Investment Fund has completed the registration procedures for corporate establishment with the State Administration for Market Regulation and the filing of private funds with the Asset Management Association of China.



4. Report of the Directors

In 2022, in order to give full play to the enthusiasm of the team of Industrial Investment Fund, CNBM (Anhui) Management Company and the core management members of the team jointly invested in and established Hefei Weiyu Equity Investment Partnership (Limited Partnership) (hereinafter referred to as "Hefei Weiyu"). CNBM (Anhui) Management Company and Hefei Weiyu entered into the Agreement on Transfer of the General Partner Shares of CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership), according to which CNBM (Anhui) Management Company transferred its general partner shares of RMB15 million to Hefei Weiyu at a price of RMB4.5 million (corresponding to the committed capital contribution of RMB15 million and the paid-in capital contribution of RMB4.5 million). After completion of the above transfer, Hefei Weiyu was admitted to the Industrial Investment Fund as a limited partner after consideration and approval by the partners' meeting of Industrial Investment Fund. After the change of partners of the Industrial Investment Fund, the partners re-signed the Partnership Agreement of CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership). The registration procedures for corporate change in relation to the admission of Hefei Weiyu to the Industrial Investment Fund, and the change procedures for filing of private funds with the Asset Management Association of China have been completed.

The Industrial Investment Fund has completed the first phase of fundraising of RMB15 billion, of which the Company has made actual paid-in capital contribution amount of RMB1.6 billion. For details, please refer to the provisional announcements No. 26, 29, 37 and 47 as disclosed by the Company on the website of SSE in 2021, the provisional announcement No. 1 published by the Company on the website of SSE in January 2023 and the provisional announcement No. 8 published by the Company on the website of SSE in January 2024.



(2) In 2023, the Company (as a limited partner) jointly invested in Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) (hereinafter referred to as "Industrial Internet Master Fund") with one general partner (namely, Haitong Capital Co., Ltd.) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, Wuhu High New Industrial Development Fund Company Limited, Wuhu Jinghu Zhenye Investment Fund Company Limited and Ningbo Shangyi Software Company Limited), with a total capital contribution amount of RMB5 billion, of which RMB1.5 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Industrial Internet Master Fund has a term of 11 years (which may be extended for a total period of up to 2 years) and its business scope includes engaging in activities such as equity investment, investment management and asset management as a private fund. The primary mode of investment is setting up new sub-funds with other partners or investing in established sub-funds, with a focus on projects with strong growth potential within the "Industrial Internet+" ecological platform, including intelligent manufacturing, industrial platforms, industrial software, industrial supply chains, industrial application solutions, industrial Internet hardware, blockchain, cloud computing, Internet of Things, artificial intelligence, 5G and other fields.

The Industrial Internet Master Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 6 June 2023 and 26 June 2023, and the announcements published by the Company on the website of the SSE on 7 June 2023, 27 June 2023 and 28 September 2023, respectively.



(3) In 2023, the Company (as a limited partner) jointly invested in Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the "Innovation Development Investment Fund") with two general partners (namely, Goldstone Investment Co., Ltd. and CITIC Private Equity Fund Management Company Limited) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, CITIC City West Science and Innovation Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership), Anhui Expressway Company Limited and Goldstone Runze (Zibo) Investment Consultation Partnership (Limited Partnership)), with a total capital contribution amount of RMB5 billion, of which RMB1 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Innovation Development Investment Fund has a term of eight years (which may be extended for a total period of up to 2 years) and its business scope includes engaging in activities such as equity investment, investment management and asset management as a private equity fund. The scope of its investment mainly covers strategic emerging industries and high-tech industries, including new energies, new materials, carbon technology, digital industry, green environmental protection and intelligent transportation.

The Innovation Development Investment Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 8 September 2023, and the announcements published on the website of the SSE on 9 September 2023 and 8 November 2023, respectively.

The Company will fulfill information disclosure obligation on a timely basis in strict accordance with the SSE Listing Rules, the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and other relevant requirements according to the subsequent progress of the Industrial Investment Fund, the Industrial Internet Master Fund and the Innovation Development Investment Fund.



(2) PROFIT APPROPRIATION POLICY AND ITS IMPLEMENTATION

1. Formulation and implementation of the Company's cash dividend policy

The Articles provide that the Company shall implement a proactive profit appropriation method, and its profit appropriation policy shall maintain continuity and stability. When distributing profit, the Company shall have regard to the importance of maintaining a reasonable return to investors as well as the sustainable development of the Company. The Company adopts cash dividend distribution as its main profit distribution policy. Cash dividends to be distributed by the Company for any financial year shall not be less than 10% of the total distributable profit of the same financial year. When the Board submits a cash dividend distribution proposal to the general meeting of shareholders, it shall proactively communicate with shareholders of the Company, in particular the minority shareholders. On 29 May 2025, the Profit Distribution and Return Plan to Shareholders for the Next Three Years (2025-2027) of the Company was considered and approved at the 2024 annual general meeting of the Company, which proposed that under the condition that net profit attributable to shareholders of the Company realised by the Company for the current year shall be positive in value and auditors shall have issued an audit report with standard unqualified opinions for the Company's financial report for the current year, the aggregate of the Company's annual cash dividend distribution amount and share repurchase amount (if any) shall not be less than 50% of the net profit attributable to shareholders of the Company as reported in the audited consolidated statements (in accordance with the PRC Accounting Standards) of the Company for the year.

The Board of the Company has attached great importance to the implementation of the cash dividend policy. Relevant decision-making procedures and mechanism of the Company are well-established. In formulating the profit distribution proposal, the Board shall strictly follow the requirements of the Articles and the Profit Distribution and Return Plan to Shareholders for the Next Three Years (2025-2027), sufficiently consider the opinion and requests of the minority shareholders to protect their legal rights and interest and make the dividend standard and ratio definite and clear. The Board shall implement the consideration and approval procedures of general meetings and execute the profit distribution proposal in accordance with the resolution of general meetings.



4. Report of the Directors

During the Reporting Period, the Company implemented the profit distribution proposal for the year 2024 and interim profit appropriation proposal for 2025:

(1) The profit distribution proposal for the year 2024 was considered and approved at the 2024 annual general meeting. Based on the Company's total number of issued shares of 5,299,302,579 shares as registered on the registration date for implementing equity distribution, less 22,242,535 A Shares in the Company's designated securities account for repurchase, a final cash dividend of RMB0.71 (tax inclusive) per share was paid to all shareholders, totaling RMB3,746,712,631.24 (tax inclusive), the above dividend was paid to all shareholders whose names were recorded in the register of members on the relevant record date. The announcement regarding the implementation of the aforesaid dividend distribution was published on the website of the Stock Exchange on 29 May 2025, as well as the SSE website, Shanghai Securities Journal and Securities Times on 20 June 2025 respectively.

(2) The interim profit appropriation proposal for 2025 was considered and approved by the 2nd meeting of the tenth session of the Board (which was authorised by the 2024 annual general meeting). Based on the Company's total number of issued shares of 5,299,302,579 shares registered on the record date for the implementation of equity distribution, less 22,242,535 A Shares in the Company's designated securities account for repurchase, an interim cash dividend of RMB0.24 (tax inclusive) per share was paid to all the shareholders of the Company, totaling RMB1,266,494,410.56 (tax inclusive). The above dividend was paid to all the shareholders whose names were recorded in the register of members on the relevant record date. The announcement regarding the implementation of the aforesaid dividend distribution was published on the website of the Stock Exchange on 26 August 2025, as well as the SSE website, Shanghai Securities Journal and Securities Times on 23 September 2025 respectively.



2. Profit appropriation proposal

Based on the financial data prepared in accordance with the PRC Accounting Standards and IFRSs respectively, the Group's profit after tax and minority interests for the year 2025 amounted to RMB8,113.07 million and RMB8,464.46 million respectively. The Board proposed the appropriation of the final profit for the year ended 31 December 2025 as follows:

(1) Pursuant to the requirements of the Articles, the Company shall appropriate 10% of the realized profit after tax for the year to the statutory surplus reserve, provided that no further appropriation is required when the accumulated appropriated amount for statutory surplus reserve exceeds 50% of the registered capital of the Company. As the amount of the Company's statutory surplus reserve has reached 50% of the registered capital of the Company, no appropriation was made for the year 2025.

(2) The payment of a final dividend of RMB0.61 per share (tax inclusive) is proposed. Pursuant to the relevant provisions including the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第7號—回購股份》), the A Shares in the Company's designated securities account for repurchase are not entitled to profit distribution rights. Based on the Company's total number of issued shares of 5,299,302,579 shares as at the date of this report less 22,242,535 A Shares in the Company's designated securities account for repurchase, the total amount of final dividend payment will be RMB3,219.01 million (tax inclusive), together with the paid interim dividend for 2025 of RMB1,266.49 million (tax inclusive), the total amount of dividend payment for the full year of 2025 will be RMB4,485.50 million (tax inclusive), representing 55.29% of the net profit attributable to ordinary shareholders of the Company as reported in the 2025 consolidated statements.

The above profit appropriation proposal is subject to consideration and approval by shareholders at the 2025 annual general meeting.

Except for the above profit appropriation proposal, the Company did not implement the capitalization of capital reserve fund in 2025.



As far as the Company is aware, as at the date of publication of this report, there was no arrangement under which any shareholder has waived or agreed to waive any final dividend proposed to be distributed for the year 2025.

According to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法》) and the relevant implementation rules, and the Notice on Issues relating to Withholding and Payment of Corporate Income Tax by Chinese Resident Enterprise over Dividends Distributable to the Holders of Foreign H-Shares Who are Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)) promulgated by the State Administration of Taxation on 6 November 2008, the Company is required to withhold and pay corporate income tax at the rate of 10% upon distribution of the final dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non-resident enterprise shareholders).

According to the relevant provisions under the Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Programme (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知(財税[2014]81號)》) and the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Programme (Cai Shui [2016] No. 27) (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知(財税[2016]27號)》), enterprise income tax will be levied according to law on dividend income (which shall be included in its total income) received by mainland corporate investors from investing in H shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, among which, enterprise income tax will be exempted according to law for dividend income received by mainland resident enterprises that hold H shares for at least 12 consecutive months. The Company shall not withhold income tax on dividends payable by mainland corporate investors, and such enterprises shall report and make tax payment by themselves. The Company shall withhold individual income tax at the rate of 20% with respect to dividends received by mainland individual investors for investing in H shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. For dividends received by mainland securities investment funds investing in H shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied on dividends derived therefrom.



4. Report of the Directors

Pursuant to the Notice on Issues relating to Collecting Individual Income Tax after Repealing the Document of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) promulgated by the State Administration of Taxation and the letter entitled "Tax Arrangements on Dividends Paid to Hong Kong Residents by Mainland Companies" issued by the Stock Exchange, overseas resident individual holders of the shares issued in Hong Kong by domestic non-foreign invested enterprises are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties entered into between the countries to which their identity belong and China and the tax arrangements between the Mainland China and Hong Kong (Macau). The Company shall determine the identity of individual holders of H Shares whose names appear on the H Shares register of members of the Company on 10 June 2026 (Wednesday) based on their registered addresses. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements. The relevant arrangements are detailed as follows:

(1) For individual holders of H Shares who are Hong Kong or Macau residents and whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares for distribution of dividend.

(2) For individual holders of H Shares whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of less than 10%, shareholders shall determine by themselves whether they are eligible to the treaty benefits. Those who wish to enjoy treaty benefits shall submit to the Company the information required under the Announcement of the State Administration of Taxation published in relation to the Administrative Measures on Stipulated Treatment Entitled by Non-residents Tax Payers (Guo Shui Zong [2019] No. 35)《國家税務總局關於發佈<非居民納税人享受協定待遇管理辦法>的公告》(國税總[2019]35號) before 19 June 2026. If the information is considered to be true and complete upon review, the Company will withhold and pay individual income tax at the treaty tax rate on behalf of the individual holders of H Shares for distribution of dividend. Otherwise, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares for distribution of dividend. Shareholders who are entitled to but have not enjoyed the treaty treatment and overpay taxes as a result thereof may, by themselves or through the Company, apply to competent tax authorities for the refund of overpaid taxes within the time limit stipulated in the tax levying related laws.



(3) For individual holders of H Shares whose country of domicile has entered into a tax treaty with China stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual applicable tax rate stipulated in the relevant tax treaty on behalf of the individual holders of H Shares for distribution of dividend.

3. Cash dividend distribution in the preceding three accounting years

(Unit: RMB)

Cumulative amount of cash dividend distribution in the preceding three accounting years (tax inclusive)①	13,298,191,310
Cumulative cancellation amount in the repurchase in the preceding three accounting years②	–
Cumulative amount of cash dividend distribution and cumulative cancellation amount in the repurchase in the preceding three accounting years③=①+②	13,298,191,310
Average net profit attributable to ordinary equity holders of the listed company for the preceding three accounting years④	8,745,579,356
Cash dividend payout ratio for the preceding three accounting years (%)⑤=③/④	152.06
Net profit attributable to ordinary equity holders of the listed company in the consolidated statements for the latest accounting year	8,113,068,470
Undistributed profits as at the end of the year in the parent company's financial statements for the latest accounting year	140,645,266,979

(3) TAXATION

Details of taxation are set out in notes 8 and 38 to the financial statements prepared in accordance with the IFRSs, and in note 4 "Taxation" and items 20, 27, 44 and 56 under note 5 of "Notes to Consolidated Financial Statements" to the financial statements prepared in accordance with the PRC Accounting Standards.

(4) MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, in the business operation of the Group, the aggregate sales amount to the top five largest customers amounted to RMB7,175 million, representing 8.69% of the total sales amount of the Group, and the largest customer accounted for 2.39% of the total sales amount of the Group; the aggregate purchase amount from the top five largest suppliers amounted to RMB15,557 million, representing 24.86% of the total purchase amount of the Group, and the largest supplier accounted for 7.01% of the total purchase amount of the Group. So far as is known to the Group, none of the five largest customers and suppliers has any connection with the Group.

1. During the Reporting Period, new customer among the five largest customers was as follows:

No.	Name of customer	Sales amount (RMB million)	Percentage of total annual sales amount (%)
1	China Communications Construction Group Limited	910	1.10

During the Reporting Period, there were no new suppliers among the five largest suppliers.

None of the Directors or their respective close associates (as defined in the HKSE Listing Rules) nor, to the knowledge of the Board, shareholders holding more than 5% of the number of issued shares (excluding treasury shares) of the Company had interests in any of the five largest customers or five largest suppliers of the Group for the year ended 31 December 2025.

Cost of major raw materials and energy used by the Group are mainly denominated in RMB.

2. During the Reporting Period, the Group recorded revenue from trading business, and the proportion of revenue from trading business to total revenue for 2025 was 11.18%.

Operation of trading business	Revenue from trading business for 2025 (RMB million)	Revenue from trading business for 2024 (RMB million)	Increase or decrease in the current year over the previous year (%)
Goods trading	9,229	12,804	-27.92



During the Reporting Period, the top five customers for the trading business of the Group were as follows:

No.	Name of customers	Sales amount (RMB million)	Percentage of total annual sales amount (%)
1	Zhejiang Xiangyue Energy Co., Ltd.	1,566	1.90
2	Dongguan Jiade Supply Chain Management Co., Ltd.	617	0.75
3	Dongguan Huihuang Energy Co., Ltd.	594	0.72
4	Guangdong Bolidu Energy Development Co., Ltd.	492	0.60
5	Zhejiang Taixie Energy Co., Ltd.	412	0.50
Total		**3,681**	**4.47**

The top five suppliers for the trading business of the Group were as follows:

No.	Name of suppliers	Purchase amount (RMB million)	Percentage of total annual purchase amount (%)
1	Jinneng Holding Group Co., Ltd.	1,587	2.54
2	China Energy Investment Corporation Co., Ltd.	1,344	2.15
3	YANCOAL AUSTRALIA SALES PTY LTD	446	0.71
4	PEABODY COAL SALES PACIFIC PTY LTD	405	0.65
5	Shanghai Yitai Donghong Energy Co., Ltd.	389	0.62
Total		**4,171**	**6.67**



(5) LEASEHOLD LAND, PROPERTY, PLANT AND EQUIPMENT

Changes in leasehold land, property, plant and equipment of the Company for the year ended 31 December 2025 were set out in note 14 to the financial statements prepared in accordance with the IFRSs.

(6) TOTAL ASSETS

As at 31 December 2025, the Group's total assets as determined in accordance with the IFRSs amounted to approximately RMB256,001 million, representing an increase of approximately RMB1,365 million over that of the end of last year.

(7) RESERVES

Changes in the reserves of the Company and the Group for the year ended 31 December 2025 were set out in the consolidated statement of changes in equity and note 39 to the financial statements prepared in accordance with the IFRSs.

(8) DEPOSITS, LOANS AND CAPITALIZED INTEREST

Details of the Group's loans as at 31 December 2025 were set out in note 33 to the financial statements prepared in accordance with the IFRSs. The Group's deposits as at 31 December 2025 were placed with reputable commercial banks. The Group has no entrusted deposits and fixed-term deposits which cannot be withdrawn upon expiry. During the Reporting Period, interest capitalized in respect of construction-in-progress amounted to RMB103.22 million, details of which were set out in note 7 to the financial statements prepared in accordance with the IFRSs.



(9) EXCHANGE RATE RISK AND RELATED HEDGING BY FINANCIAL INSTRUMENTS

During the Reporting Period, the payment incurred in the construction of overseas projects was principally made in local currency, RMB and US dollars. Imported equipment, fire-resistant tiles and spare parts were mainly settled in US dollars and Euro, while cement, clinker and equipment for export were usually settled in RMB or US dollars. The purchase of raw materials and sales of commodities by overseas companies were mainly settled in local currencies. Any movement in the exchange rates of such foreign currencies against RMB will directly affect the project construction costs, material procurement costs and export sales revenues of the Group.

In order to effectively reduce foreign exchange risk to ensure that the risk level is overall under control, the Group made appropriate financing and foreign exchange receipt and payment arrangements based on the construction progress of overseas projects, steadily reduced the scale of overseas liabilities and optimized the asset and liability structure. The Group actively leveraged a management model of fund pool to implement centralized management, allocation and utilization over foreign funds in domestic and overseas markets, so as to lower costs of exchange settlement and sales and complement each other's capital advantage, effectively reducing financial expenses. Meanwhile, the Group paid close attention to the changes in exchange rates and interest rates of the invested countries. In order to mitigate the adverse impact of the market fluctuation in exchange rates and interest rates on the Company's operations, the Company and its subsidiaries have periodically utilized financial hedging instruments to conduct foreign exchange hedging transactions related to foreign currency settlements and liabilities, so as to effectively manage the risks associated with significant fluctuations of exchange rates and interest rates and enhance the Company's financial stability.

(10) BUSINESS REVIEW, OUTLOOK AND MAJOR RISK FACTORS

For details on the business review, outlook for 2026 and the major risk factors of the Group, please refer to chapter 3 "Management Discussion and Analysis" in this report.

(11) COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2025, the Group complied with the relevant laws and regulations which have a significant impact on the Company.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

(1) CORPORATE GOVERNANCE

Since the listing of the Company on the Stock Exchange and the SSE in 1997 and 2002 respectively, the Company has been continuously improving its corporate governance structure, perfecting the internal management and control systems and regulating its operation in accordance with the relevant domestic and overseas listing rules and regulatory requirements. General meeting of the Company, the Board and the Supervisory Committee have clearly defined power and duties, each assuming and performing its specific responsibilities and making its own decisions in an independent, efficient and transparent manner.

The general meeting is the body with the highest authority in the Company and operates in accordance with the Rules of Procedures of Shareholders' Meeting. During the Reporting Period, legal advisers were present in witness of the convention of general meetings of the Company and legal advice was issued in connection therewith to ensure that decision-making procedures and contents of general meetings are legal and valid and that shareholders can fully exercise their own rights.

The Board is the decision-making body for business operation of the Company, which is accountable to the shareholders in general meeting. It operates in accordance with the Articles and the Rules of Procedures of Board Meeting. The Board performs its management duties in a diligent, prudent and responsible manner to facilitate the healthy and stable development of the Company, including organizing the implementation of various resolutions passed by the general meetings, determining the Company's operation plans and investment proposals, formulating the profit appropriation proposal, formulating significant acquisition plans as well as appointment or dismissal of the general manager and other senior management members of the Company, etc. The Board has delegated day-to-day management responsibilities to the executive Directors and senior management members of the Company.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

The management of the Company is the executive unit of daily operation, which is accountable to the Board, and exercises its power according to the Rules Governing the Works and Meetings of the General Manager. Its specific duties include managing the Company's production and operation, organizing the implementation of the resolutions of the Board, formulating annual production and operation plan and annual financial budget, formulating basic management system and basic rules and regulations of the Company, etc.

The Supervisory Committee is the monitoring body of the Company, accountable to the shareholders in general meeting. Since 29 May 2025, pursuant to the relevant laws, regulations and normative documents, such as the newly revised Company Law that came into effect on 1 July 2024, and the Guidelines for the Articles of Association of Listed Companies (2025 Revision) issued by the CSRC and combined with the Company's actual situation, the Company no longer set up the Supervisory Committee or the Supervisor, and the functions and powers of the Supervisory Committee provided in the Company Law shall be exercised by the Audit Committee.

With respect to corporate governance, based on the above-mentioned hierarchy of authority, the Company has fully applied the principles set out in the Corporate Governance Code (the "Corporate Governance Code") in Appendix C1 to the HKSE Listing Rules, which have no material deviation from the laws, administrative regulations and regulatory documents issued by the CSRC in relation to corporate governance of listed companies. During the Reporting Period, the Company has complied with all the code provisions (the "Code Provision(s)") as set out in Part 2 of the Corporate Governance Code.

(2) THE COMPANY'S CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS IN GUARANTEEING THE INDEPENDENCE OF CORPORATE ASSETS, PERSONNEL, FINANCE, ORGANIZATION, BUSINESS AND OTHER ASPECTS

The controlling shareholders and de facto controllers of the Company strictly observe the relevant regulations under the Code of Corporate Governance of Listed Companies, and the SSE Listing Rules, safeguard the integrity of the Company's assets, protect the Company's rights as a legal person to possess, utilize, obtain profits from and dispose of assets, protect the Company's financial independence, support the independent operation of the Board, business operation departments and their personnel, and ensure the Company's independent decision-making in various aspects including production and operation, internal management, external investment, and external guarantee. They also support and cooperate with the Company to fulfill the internal decision-making procedures of major issues in accordance with the law. The Company is entirely independent of its controlling shareholders and de facto controllers in aspects including assets, personnel, finance, organizations and businesses, and possesses independent and complete business operation and independent operation capabilities.

(3) BASIC INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Current Directors

Name	Position	Gender	Age	Tenure
Yang Jun	Chairman and Executive Director	Male	57	13 July 2022 – 30 May 2028
Zhu Shengli	Deputy Chairman and Executive Director	Male	54	21 August 2024 – 30 May 2028
Qu Wenzhou	Independent Non-executive Director	Male	54	31 May 2022 – 30 May 2028
Ho Shuk Yee, Samantha	Independent Non-executive Director	Female	62	31 May 2022 – 30 May 2028
Han Xu	Independent Non-executive Director	Female	50	29 May 2025 – 30 May 2028
Li Qunfeng	Executive Director	Male	55	30 May 2019 – 30 May 2028
Yu Shui	Executive Director	Male	50	21 August 2024 – 30 May 2028
Wu Tiejun	Executive Director	Male	46	31 May 2022 – 30 May 2028
Fan Zhan	Staff Representative Director	Male	42	29 May 2025 – 30 May 2028



Current Senior Management Members

Name	Position	Gender	Age	Date of employment
Yu Shui	General Manager	Male	50	11 August 2025
	Secretary to the Board (Joint Company Secretary)			19 June 2024
	General Legal Counsel, Chief Compliance Officer			14 March 2025
Wu Tiejun	Deputy General Manager	Male	46	24 October 2022
Pan Zhonghong	Deputy General Manager	Male	52	9 January 2024
Li Xin	Assistant to General Manager	Male	54	27 April 2023
Xu Yue	Assistant to General Manager	Female	57	27 April 2023
Liu Qingxin	Assistant to General Manager	Male	47	19 June 2024
Chiu Pak Yue, Leo	Joint Company Secretary (Hong Kong)	Male	63	29 August 2000

Cessation in Office of Directors and Senior Management Members during the Reporting Period

Name	Position	Gender	Age	Date of cessation in office
Zhang Yunyan	Independent Non-executive Director	Female	51	29 May 2025
Li Qunfeng	General Manager	Male	55	11 August 2025



Shares of the Company Held or Traded by Current Directors and Senior Management Members and Those Who Resigned during the Reporting Period:

Name	Position	Number of shares held as at 31 December 2024 (share)	Number of shares acquired/ sold during the Reporting Period (share)	Number of shares held as at 31 December 2025 (share)
Xu Yue	Assistant to General Manager	600 (A Shares)	–	**600 (A Shares)**

Save as disclosed in the above table, none of Directors and other senior management members of the Company held or traded any shares of the Company during the Reporting Period.

Positions held by Current Directors and Senior Management Members and Those Who Resigned during the Reporting Period in Conch Holdings, a Controlling Shareholder of the Company:

Name	Positions held in Conch Holdings	Tenure
Yang Jun	Secretary of the Party Committee, Chairman	From May 2022 to present
Zhu Shengli	Deputy secretary of the Party Committee, Director and General Manager	From April 2024 to present
Li Qunfeng	Deputy General Manager	From August 2025 to present



Positions held by Current Directors and Senior Management Members and Those Who Resigned during the Reporting Period in Other Entities:

Name	Positions held in other entities
Li Qunfeng	① Non-executive director and chairman of the board of directors of Conch Environment Protection
	② Director of Wuhu Conch Trading Co., Ltd.
	③ Chairman of Conch Capital
	④ Chairman of Anhui Conch Private Fund Management Co., Ltd.
Yu Shui	① Chairman of the board of directors of Wuhu Conch Trading Co., Ltd.
	② Director of CNBM (Anhui) Management Company
Wu Tiejun	① Director of Conch Design Institute
	② Director of Conch Tech Innovation Material
Pan Zhonghong	① Vice Chairman of Anhui Electric Investment Green Dynamic Clean Energy Co., Ltd.
	② Director of Conch Capital
Fan Zhan	Supervisor of Anhui Electric Investment Green Dynamic Clean Energy Co., Ltd.
Li Xin	Director of Myanmar Conch Cement Company Limited

Biography of Current Directors and Senior Management Members

Executive Directors

Mr. Yang Jun, Chairman and an executive Director of the Company, a senior economist. Mr. Yang obtained a master's degree in business administration from the University of Science and Technology of China and joined the Group in 2022. Prior to that, Mr. Yang joined Tongling Nonferrous Metals Company in 1992 and had held various positions such as general manager, secretary of the party committee and chairman of Tongling Nonferrous Metals Group Co., Ltd. ("Tongling Nonferrous", a company listed on the SZSE, stock code: 000630), as well as deputy secretary of the party committee, secretary of the party committee, general manager, director and chairman of Tongling Nonferrous Metals Group Holdings Co., Ltd. (a controlling shareholder of Tongling Nonferrous). Mr. Yang has extensive experience in corporate management. Mr. Yang is also a representative of the 14th National People's Congress of Anhui Province and the secretary of the party committee and the chairman of Conch Holdings.

Mr. Zhu Shengli, deputy Chairman and an executive Director of the Company. Mr. Zhu obtained postgraduate education from the Party School of Anhui Provincial Committee of C.P.C. He joined the Group in 2024 and held various positions such as deputy director of the Management Committee of Hefei Xinzhan Comprehensive Development Trial Zone, head of the Hefei Trade Promotion Bureau, head of the Hefei Investment Promotion Bureau, director of the Hefei Development and Reform Commission, deputy mayor of Hefei and deputy director of the State-owned Assets Supervision and Administration Commission of Anhui Province. Mr. Zhu is familiar with economic and investment development work, and has relatively strong organisational and leadership capabilities. Mr. Zhu is currently the deputy secretary of the party committee, a director, and a general manager of Conch Holdings.



Mr. Li Qunfeng, an executive Director of the Company, and a senior engineer. Mr. Li graduated from Luoyang Technology College and joined the Group in 1994. Mr. Li held various positions such as plant director of the production sub-plant, director of production quality department, assistant to general manager, deputy general manager and general manager of Tongling Conch as well as officer-in-charge of the Regional Committee in the northern Anhui and an assistant to general manager, deputy general manager and general manager of the Company. Mr. Li has extensive experience in fields such as corporate management, investment development and cement manufacturing technology. Mr. Li currently serves as the deputy general manager of Conch Holdings.

Mr. Yu Shui, an executive Director, general manager, the secretary to the Board (joint company secretary), general legal counsel, and chief compliance officer of the Company. Mr. Yu graduated from Anhui University. He joined the Company in 1997 and had held various positions such as deputy director of the control room of the sales department, assistant to department head, deputy department head and executive deputy department head and department head of the sales department of the Company, executive deputy general manager of each of Bengbu Conch Cement Co., Ltd., Huainan Conch Cement Co., Ltd., and Anhui Changfeng Conch Cement Co., Ltd., general manager of PT Conch South Kalimantan Cement, and assistant to general manager and deputy general manager of the Company. He has extensive management experience in the fields of corporate governance, capital markets, marketing and compliance management, etc.

Mr. Wu Tiejun, an executive Director and deputy general manager of the Company and a senior engineer. Mr. Wu graduated from Wuhan University of Technology and joined the Group in 2001. He had held various positions such as assistant to general manager, deputy general manager, executive deputy general manager and general manager of Anhui Chizhou Conch Cement Co., Ltd., general manager of Yingde Conch Cement Co., Ltd., and officer-in-charge of Regional Committee in Guangdong and assistant to general manager of the Company. He is well experienced in production and operation management.



Independent non-executive Directors

Mr. Qu Wenzhou, was appointed as an independent non-executive Director of the Company since May 2022. Mr. Qu graduated from Xiamen University with a major in finance and received a doctoral degree in economics. He is currently the supervisor at the China Capital Market Research Center of Xiamen University, supervisor at the MBA Center under the School of Management of Xiamen University, and a professor at the Finance Faculty of the School of Management of Xiamen University. Mr. Qu obtained the qualification as a non-practicing member of Chinese certified public accountants from the Chinese Institute of Certified Public Accountants in June 2002. He has been a chartered financial analyst authorized by the Chartered Financial Analyst Institute since November 2004. He possesses extensive experience in the fields of finance, economics, financial management, capital market, etc. Mr. Qu had held positions such as an associate professor and deputy supervisor at the MBA Center under the School of Management of Xiamen University, the deputy supervisor of the Finance Faculty of the School of Management of Xiamen University and the deputy dean of the Institute for Financial and Accounting Studies at Xiamen University. He had served as an independent director of each of Guangdong Baolihua New Energy Stock Co., Ltd. (a company listed on the SZSE, stock code: 000690), Ronshine China Holdings Limited (a company listed on the Stock Exchange, stock code: 3301), Fuyao Glass Industry Group Co., Ltd. (a company listed on both the SSE (stock code: 600660) and Stock Exchange (stock code: 3606)), China Merchants Shekou Industrial Zone Holdings Company Limited (a company listed on the SZSE, stock code: 001979) and Suwen Electric Energy Technology Co., Ltd. (a company listed on the SZSE, stock code: 300982), etc. Mr. Qu is currently also an independent director of Zhongji Innolight Co., Ltd. (a company listed on the SZSE, stock code: 300308) and Foshan Haitian Flavouring & Food Co., Ltd. (a company listed on both the SSE (stock code: 603288) and Stock Exchange (stock code: 3288)).

Ms. Ho Shuk Yee, Samantha, was appointed as an independent non-executive Director of the Company since May 2022. Ms. Ho obtained a Master of Business Administration degree from UCLA Anderson School of Management and a Bachelor of Arts degree from Bryn Mawr College in the United States. She is also a senior fellow of Hong Kong Securities and Investment Institute. Ms. Ho has over 25 years of experience in the finance industry, specializing in investment management. She had served as a director of the board of Hong Kong Securities and Investment Institute and acted as an investment director at Invesco Hong Kong Limited. She was also a licensed representative for Manulife Asset Management (Hong Kong) Limited, and had served at Jardine Fleming Securities Limited and SEB Investment Management. She is a chartered financial analyst accredited by the Institute of Chartered Financial Analysts. Ms. Ho is currently a chief investment officer and a member of the investment committee of Altus Holdings Limited (a company listed on the Stock Exchange, stock code: 8149).

Ms. Han Xu, was appointed as an independent non-executive Director of the Company since May 2025. Ms. Han obtained a master's degree in law from Oxford University of the United Kingdom and a bachelor's degree in law from Minzu University of China. She is currently a partner of Beijing Shizhao Law Firm and the general legal counsel of NetEase Cloud Music Group. Ms. Han has extensive experience in internet legal affairs, corporate restructuring and compliance management, and cross-border intellectual property protection litigation. She has extensive practical experience in areas such as corporate restructuring, asset restructuring, handling major compliance incidents, and listing matters. Ms. Han had served as the general legal counsel of Tencent Music Entertainment Group, principal lawyer of Beijing ZSK Attorneys-at-Law, and an independent director of Anhui Sinonet & Xinlong Science & Technology Co., Ltd. (a company listed on the SZSE, stock code: 002298).



Staff Representative Director

Mr. Fan Zhan, a staff representative director of the Company and a senior accountant. Mr. Fan graduated from Tongling Institute. He joined the Group in 2006 and has held various positions such as a finance supervisor of Tongling Conch, a finance supervisor, assistant to department head and a deputy department head of the Company's financial department, and a non-executive director of WCC. Mr. Fan has extensive experience in finance management. Mr. Fan currently also serves as a director of the Company's financial department.

Senior Management Members

Mr. Pan Zhonghong, deputy general manager of the Company and an engineer. Mr. Pan graduated from Wuhan University of Technology. He joined the Group in 1995, and held various positions such as assistant to the general manager of China Cement Plant, assistant to the general manager of Anhui Digang Conch Cement Co., Ltd., deputy general manager of Quanjiao Conch Cement Co., Ltd., general manager of Zunyi Conch Panjiang Cement Co., Ltd., general manager of Yingde Conch Cement Co., Ltd., deputy officer-in-charge of the Regional Committee in Guizhou, president of the Guangdong region and assistant to general manager of the Company. Mr. Pan has extensive experience in cement manufacturing technology and project investment development.

Mr. Li Xin, assistant to general manager of the Company and a senior engineer. Mr. Li graduated from the Electronic Engineering Institute of PLA and joined the Group in 1993. Mr. Li had served as the assistant to the director of the measurement automation department of the Ningguo Cement Plant, the general manager of Anhui Conch Information Technology Engineering Co., Ltd., the head of the electrical automation department of the Company, the head of the electrical and mechanical security department of the Company, the officer-in-charge of the Regional Committee in Yunnan and the officer-in-charge of the Regional Committee in Myanmar, etc. He possesses extensive management experience in the areas of information technology management and internationalized operations. Mr. Li is currently also the head of the overseas business department of the Company.



Ms. Xu Yue, assistant to general manager of the Company and a senior engineer. Ms. Xu graduated from Anhui Agricultural University and joined the Group in 1993. She had served as an assistant to the head, deputy head, head of the equipment department and head of the equipment set department of the Company. Ms. Xu has extensive management experience in equipment management.

Mr. Liu Qingxin, assistant to general manager of the Company and a senior engineer. Mr. Liu graduated from Wuhan University of Technology and joined the Group in 2001. Mr. Liu had served various positions such as plant director of the production sub-plant, director of production safety department, assistant to general manager, deputy general manager, executive deputy general manager and general manager of Tongling Conch as well as president of the northern Anhui region. He possesses extensive experience in areas such as corporate management and cement manufacturing technology.

Secretaries to the Board (Company Secretaries)

Mr. Yu Shui, please refer to the biography of "Executive Directors" above.

Mr. Chiu Pak Yue, Leo, the joint company secretary (Hong Kong) of the Company, is a Hong Kong practicing solicitor. Mr. Chiu graduated from The University of Hong Kong. He is a partner of Chiu & Partners, Solicitors. Mr. Chiu has handled a variety of Hong Kong and cross-border financial and commercial legal matters, including listing, merger and acquisition, privatization and corporate restructuring.

Penalties by Securities Regulatory Authorities in the Past Three Years:

None of the current Directors and senior management members of the Company and those who resigned during the Reporting Period was subject to penalties by securities regulatory authorities in the past three years.

(4) APPOINTMENT OR CESSATION IN OFFICE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

On 14 March 2025, in order to meet the Company's need of compliance management, upon the recommendation of the Remuneration and Nomination Committee, the Board unanimously agreed to appoint Mr. Yu Shui as the general legal counsel and the chief compliance office of the Company.

The terms of office of the Directors of the ninth session of the Board of the Company expired during the Reporting Period. Upon the approval at the 2024 annual general meeting of the Company held on 29 May 2025, Mr. Yang Jun, Mr. Zhu Shengli, Mr. Li Qunfeng, Mr. Yu Shui and Mr. Wu Tiejun were appointed as executive Directors of the tenth session of the Board of the Company; Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Han Xu were appointed as independent non-executive Directors of the tenth session of the Board of the Company; and upon election by the staff representative meeting, Mr. Fan Zhan was appointed as a staff representative Director of the tenth session of the Board of the Company. The terms of office of the above persons took effect from 29 May 2025 until the expiry date of the tenth session of the Board (expected to be 30 May 2028). Each of Ms. Han Xu and Mr. Fan Zhan has obtained the legal advice referred to in Rule 3.09D of the HKSE Listing Rules on 28 May 2025, and has confirmed that she/he understood her/his obligations as a Director of the Company.

On 29 May 2025, the first meeting of the tenth session of the Board was held by the Company, and the Directors unanimously elected Mr. Yang Jun as the chairman of the tenth session of the Board of the Company and Mr. Zhu Shengli as the deputy chairman of the tenth session of the Board of the Company.



On 29 May 2025, owing to the expiry of the term of office, Ms. Zhang Yunyan ceased to act as an independent non-executive Director of the Company and hold the relevant positions in special committees of the Board. After the expiration of the term of office and the retirement of the Supervisors (namely Mr. He Chengfa, Mr. Chen Yongbo and Mr. Liu Tiantian) of the ninth session of the Supervisory Committee on 29 May 2025, the Company no longer set up the Supervisory Committee nor the position of Supervisor. The Board expressed its heartfelt gratitude to the above retired Director and Supervisors for their positive contribution to the operation and development of the Company during their tenure of services.

On 11 August 2025, the Board received a written resignation report from Mr. Li Qunfeng, applying for resignation from his position as the general manager (i.e. chief executive officer) of the Company due to adjustment of his own work commitments and scope of duties. His resignation took effect on the same date. After the resignation as the general manager took effect, Mr. Li continued to serve as the executive Director of the Company. Upon the recommendation of the Remuneration and Nomination Committee, on the same date, the Board unanimously agreed to appoint Mr. Yu Shui as the general manager (i.e. chief executive officer) of the Company.

Save for the aforesaid, during the Reporting Period and as at the date of publication of this report, there was no other change of the Directors, Supervisors and senior management members nor change of their respective information which is required to be disclosed under Rule 13.51B(1) of the HKSE Listing Rules.

(5) SERVICE CONTRACT AND INTERESTS IN CONTRACTS OF DIRECTORS

The Company has entered into a service contract with each of the Directors. For details of the terms of the service contracts, please refer to the above section headed "(3) Basic Information of Directors and Senior Management Members of the Company".



During the Reporting Period, none of the Directors, Supervisors or any entity connected with such Director or Supervisor is or was materially interested, either directly or indirectly, in any transaction, arrangement or contract entered into by the Company or any of its subsidiaries which was subsisting during or at the end of the current year.

During the Reporting Period, the Company did not enter into a service contract with any director or employee of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

During the Reporting Period and up to the date of this report, no permitted indemnity provision which benefits the Directors (including former Directors) of the Company or any director (including former directors) of the associated companies of the Company was or is currently in force.

During the Reporting Period, the Company has bought and maintained director and senior management members liability insurance for proper insurance cover to the Directors and senior management members in respect of certain legal actions.

(6) INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARE CAPITAL

As at the end of the Reporting Period, the interests and short positions held by the Directors and chief executive of the Company and their respective close associates (as defined in the HKSE Listing Rules) in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:



5. Corporate Governance, Environmental and Social and Corporate Governance Report

Name	Position	The Company/name of associated corporations	Nature of interest	Number of shares held (share)	Percentage of shareholding of all issued shares
Li Qunfeng	Executive Director	Conch Environment Protection	Beneficial owner	2,050,000	0.11%
			Interest held jointly with other persons [Note]	479,345,879	26.24%

Note: Mr. Li Qunfeng and other concert parties have given undertakings to the Company that they will act in concert with the Company when exercising their voting rights at the general meetings of Conch Environment Protection. Pursuant to the SFO, Mr. Li Qunfeng, Conch Cement and other concert parties shall be deemed to be interested in shares of Conch Environment Protection held by each other.

Save as disclosed above, as of the end of the Reporting Period, none of the Directors and chief executive of the Company nor their respective close associates had any interests and/or short positions in shares, underlying shares, debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), nor had they been granted any rights to subscribe for or exercised the above rights to subscribe for the interests in the shares or debentures of the Company or its associated corporation as defined in Part XV of the SFO. Such interests or short positions shall be recorded in the register required to be kept and prepared by the Company under section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



(7) ANNUAL REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT MEMBERS

1. Decision-making process and basis for determining remuneration

The Remuneration and Nomination Committee is responsible for formulating the remuneration policy and the remuneration proposals of Directors and senior management members of the Company with reference to its written terms of reference. Non-independent directors of the Company shall not receive additional remuneration for serving as Directors. In particular, Mr. Yang Jun, Mr. Zhu Shengli, and Mr. Li Qunfeng (upon resigning as the general manager of the Company) shall not receive remuneration from the Company. Mr. Li Qunfeng (during his tenure as the general manager of the Company), Mr. Yu Shui and Mr. Wu Tiejun shall receive remuneration based on their positions as members of the senior management of the Company. Mr. Fan Zhan shall receive remuneration based on his position as a director of the finance department of the Company. The Company will pay allowances to independent non-executive directors. For details of the remuneration of senior management members of the Company, please refer to "(11) Establishment and Implementation of an Appraisal and Incentive Mechanism for Senior Management Members" under this chapter of this report.

2. Annual remuneration of Directors and senior management members received from the Company

Annual remuneration of current Directors and senior management members and those who resigned during the Reporting Period

(Unit: RMB)

Name	Position	Remuneration/ allowance before-tax
Yang Jun	Chairman and Executive Director	–
Zhu Shengli	Deputy Chairman and Executive Director	–
Li Qunfeng	Executive Director	696,201
Yu Shui	Executive Director, General Manager, Secretary to the Board (Joint Company Secretary), General Legal Counsel and Chief Compliance Officer	1,856,254
Wu Tiejun	Executive Director and Deputy General Manager	1,745,639
Qu Wenzhou	Independent Non-executive Director	180,000
Ho Shuk Yee, Samantha	Independent Non-executive Director	180,000
Han Xu	Independent Non-executive Director	180,000
Zhang Yunyan	Independent Non-executive Director (resigned)	–
Fan Zhan	Staff Representative Director	1,030,192
Pan Zhonghong	Deputy General Manager	1,716,439
Li Xin	Assistant to General Manager	1,433,768
Xu Yue	Assistant to General Manager	1,382,382
Liu Qingxin	Assistant to General Manager	1,424,782
Total		**11,825,657**

Notes: 1. The above-mentioned annual remunerations included basic salary, bonus, and housing provident fund, enterprise annuities, and various insurances paid by the individual and the Company.

2. During the Reporting Period, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha, Ms. Han Xu and Ms. Zhang Yunyan did not receive any remuneration from the Company and will not request the Company for payment of remuneration for the Reporting Period. The amounts listed in the above table are allowances paid by the Company to them.

3. During the Reporting Period, Mr. Yang Jun and Mr. Zhu Shengli did not receive any remuneration from the Company and their remuneration was paid by Conch Holdings, a controlling shareholder cum a related party of the Company.

4. Mr. Li Qunfeng's remuneration referred to the remuneration he received during his tenure as the general manager of the Company. Upon resignation as the general manager of the Company, his remuneration was paid by Conch Holdings.

3. Remuneration assessment basis and completion

In 2025, the allowances received by independent non-executive Directors were not subject to the assessment. The remuneration assessment of the Company's senior management members were based on the Annual Business Performance Responsibility Letter signed by them and the remuneration appraisal targets set by the Remuneration and Nomination Committee, and the assessment of relevant personnel had been carried out and completed in accordance with regulations.

4. Deferred payment arrangement and cessation of payment and recovery of remuneration

The remuneration of the Company's senior management members consists of basic remuneration and performance-based remuneration, of which a certain percentage of the performance-based remuneration will be deferred for payment for a period of not less than three years.

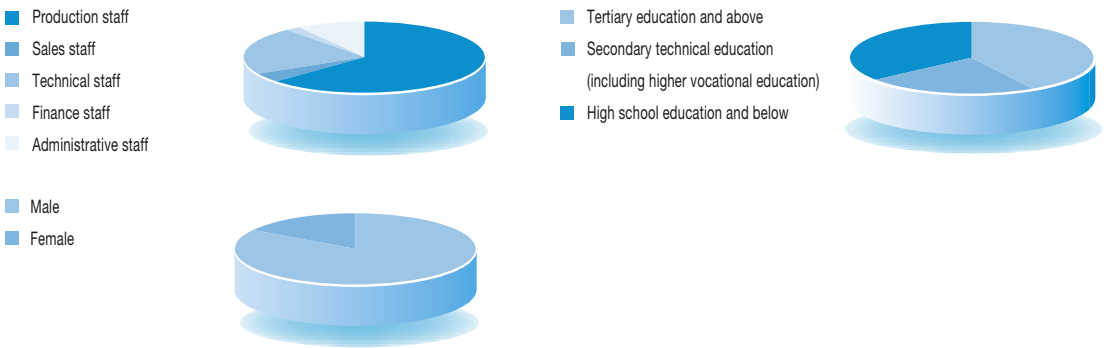
In 2025, none of Directors or senior management members was subject to any cessation of payment and recovery of remuneration.

(8) HIGHEST PAID INDIVIDUALS

For details of remuneration of the five highest paid individuals of the Group during the Reporting Period, please refer to note 10 to the financial statements prepared in accordance with the IFRSs in this annual report.

(9) EMPLOYEES

As at the end of the Reporting Period, the Group had 48,286 employees, of which 27,895 employees were production staff, 2,483 employees were sales staff, 11,988 employees were technical staff, 1,211 employees were finance staff, and 4,709 employees were administrative staff. 11,908 employees of them obtained bachelor's degree and above, 10,833 employees received tertiary education, and 25,545 employees were below tertiary education. Male employees accounted for approximately 85.14% and female employees accounted for approximately 14.86%. The professional composition, education level and gender ratio of the employees are shown in the following charts:





5. Corporate Governance, Environmental and Social and Corporate Governance Report

During the Reporting Period, the Group implemented an annual remuneration system for its middle and senior management members whose annual remunerations were assessed with reference to the Group's production volume, sales volume, efficiency, costs, environmental protection, production safety and other key indicators of organizational performance and individual performance according to the tenure system and contract management. A position-based and performance-linked assessment management system was adopted for its professional technical management staff and general staff whose remunerations were assessed based on position indicators and performance of their duties and responsibilities according to the position and performance based remuneration system.

During the Reporting Period, based on a tiered and categorized training mechanism, the Group fully integrated internal and external resources to carry out diversified professional training covering leadership development and professional skills enhancement, so as to provide targeted training and continuous development opportunities for employees at all levels. To broaden the horizons of senior management members and strengthen their strategic thinking and innovation capabilities, the Group organized for some senior management members from the headquarters and subsidiaries to participate in a specialized training program for "top leaders". At the same time, the Group conducted professional competency and compliance management training for middle management members and business backbones to enhance their core business capabilities and risk prevention awareness. Relying on the platform of Ningguo Training Center, the Group conducted 56 sessions of practical skills, comprehensive competency, and centralized pre-job training for new employees, with a total of 1,545 person-times of training, helping 353 personnel obtain intermediate or higher skill level qualifications, significantly advancing the development of a high-skilled workforce. In its internationalization process, the Group adhered to a "talent localization" strategy. During the Reporting Period, the Group conducted specialized training in Indonesia for mid-level foreign personnel and cooperated with domestic universities to launch the "International Order Class", cultivating a batch of Indonesian employees with cross-cultural communication capabilities and professional competence specifically for cement plants in Indonesia. The headquarters of the Group continuously introduced training resources provided by external educational enterprises, launching 12 lectures on "Conch Lecture Hall – Innovation Leadership" around fields such as artificial intelligence and capital operation, with a total of over 10,000 person-times of training.



During the Reporting Period, the Company was not liable for the payment of fee of the employees who ceased from office and retired.

The Group values gender diversity across the workforce. As the Group belongs to the manufacturing industry, it has attracted a higher proportion of male employees. Despite this, the Group adheres to the principle of equal employment, respects and treats employees of different genders fairly, and provides equal opportunities for all employees in terms of recruitment, training and development, job promotion, salary and benefits, etc.

(10) STOCK OPTION INCENTIVE SCHEME

During the Reporting Period, the Group did not implement any share incentive scheme or share scheme under Chapter 17 of the HKSE Listing Rules.

(11) ESTABLISHMENT AND IMPLEMENTATION OF AN APPRAISAL AND INCENTIVE MECHANISM FOR SENIOR MANAGEMENT MEMBERS

The Company has implemented the tenure system and contract management for senior management members since 2022. In accordance with the Company's development strategy plan and annual operation and management objectives, the Company has signed an Annual/Tenure Business Performance Responsibility Letter and engagement agreement for the position with senior management members based on their responsibilities and division of labour. The Group promulgated key performance indicators for the year/tenure including profit, cost, output, sales, environmental protection, and safety production and major tasks. Upon expiration of the assessment period, an assessment and evaluation working group will be established to assess the fulfillment of the objectives and tasks in strict accordance with the contract, in order to reach the assessment results in a comprehensive, objective and fair manner and award annual/tenure performance remuneration based on the assessment results.

(12) PENSION INSURANCE

Details of the pension insurance are set out in note 7(b) to the financial statements prepared in accordance with the IFRSs. Contributions to pension insurance recorded in the income statement of the Group for the year ended 31 December 2025 amounted to RMB818.70 million.



(13) STAFF HOUSING

Pursuant to the relevant requirements of the PRC government, contributions based on a certain percentage of the employees' salaries shall be made by the Group to the housing provident fund for its employees. Save for the above, the Group has no other obligations. For the year ended 31 December 2025, the total housing provident fund paid by the Group amounted to approximately RMB607.26 million.

(14) CORPORATE GOVERNANCE

1. Corporate Governance Code

During the Reporting Period, the Company had complied with all the Code Provisions as set out in Part 2 of the Corporate Governance Code.

2. Securities Transactions by Directors

The Company has adopted a code of practice regarding Directors' securities transactions on terms no less exacting than the required standard in the Model Code. Having made specific enquiries to all Directors by the Company, all Directors of the Company confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct in relation to securities transactions by Directors during the Reporting Period.

3. The Board

As at 31 December 2025, the composition of the Board is as follows:

Name	Position
Yang Jun	Chairman and Executive Director
Zhu Shengli	Deputy Chairman and Executive Director
Li Qunfeng	Executive Director
Yu Shui	Executive Director
Wu Tiejun	Executive Director
Qu Wenzhou	Independent Non-executive Director
Ho Shuk Yee, Samantha	Independent Non-executive Director
Han Xu	Independent Non-executive Director
Fan Zhan	Staff Representative Director

There was no financial, business, family or other material/related relationship among members of the Board and between the Chairman and the chief executive officer (namely, the general manager).

During the Reporting Period, three physical meetings and twelve telecommunication meetings of the Board were held, and resolutions were voted and passed by means of written resolutions for relevant matters, with a total of 85 resolutions passed.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

During the Reporting Period, the attendance of each Director at the Board meetings, general meetings and meetings of the committees of the Board during his/her tenure are set out as follows:

Name	Board meetings	General meetings	Meetings of the Audit Committee	Meetings of the Remuneration and Nomination Committee	Meetings of the ESG Management Committee
	Number of meeting attended/Number of meeting held				
Yang Jun	15/15	1/1	–	–	–
Zhu Shengli	15/15	1/1	–	–	–
Qu Wenzhou	15/15	1/1	6/6	3/3	–
Ho Shuk Yee, Samantha	15/15	1/1	6/6	3/3	–
Han Xu	11/11	–	2/2	1/1	–
Li Qunfeng	15/15	1/1	–	–	2/2
Yu Shui	15/15	1/1	6/6	–	2/2
Wu Tiejun	15/15	1/1	–	–	2/2
Fan Zhan	11/11	–	–	–	–
Zhang Yunyan	4/4	1/1	4/4	2/2	–

Notes: 1. Details of the changes of Directors during the Reporting Period are set out in the section headed "(4) Appointment or Cessation in Office of Directors, Supervisors and Senior Management Members of the Company" of this chapter in this report.

2. Mr. Yu Shui was the secretary of the Audit Committee.

During the Reporting Period, the Board exercised its duties and authority pursuant to Chapters 11 and 11A of the Articles, and the management exercised its duties and authority pursuant to Chapter 13 of the Articles. The Board is also responsible for performing the functions set out in Code Provision A.2.1. The Board convened meetings to develop, review and monitor the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management members, policies and practices on compliance with legal and regulatory requirements by the Company, as well as compliance of the Model Code and compliance manual by the employees and Directors. Please refer to Chapter 4 "Report of the Directors" of this report for details of the work performed by the Board, and Chapter 3 "Management Discussion and Analysis" of this report for details of the work performed by the management.

4. Directors' Continuous Training and Development

Directors shall participate in the continuous professional development training as stipulated in Rule 3.09F and 3.09G of the HKSE Listing Rules, and newly appointed Directors shall also comply with the continuous professional development training requirement as stipulated in 3.09H of the HKSE Listing Rules.

The Company arranged proper continuous professional development training for all Directors by various means and channels, such as holding seminars, providing study materials, arranging the Directors to participate in seminars held by securities regulatory authorities, domestic and overseas stock exchanges, listed company associations and professional bodies, collecting and collating market regulatory development and information on a regular basis which were sent to all Directors for reference by way of e-mail or as a report, so as to ensure that they understand the business and operation of the Company, market environment, as well as their obligations and responsibilities under the HKSE Listing Rules, SSE Listing Rules, common laws and relevant regulatory requirements to fulfill their duties.

For the year ended 31 December 2025, all Directors had participated in continuous professional development training, covering every topic as stipulated in Rule 3.09G of the HKSE Listing Rules.



5. Chairman and Chief Executive Officer

Mr. Yang Jun and Mr. Yu Shui acted as the Chairman and the chief executive officer (i.e. the general manager) of the Company respectively.

The principal duties of the Chairman are: (a) to lead the Board and to ensure that the Board operates effectively, duly performs its duties and conducts discussion on all significant matters in a timely and appropriate manner; (b) to ensure that all the Directors at the Board meetings are properly informed of the subject matters under discussion; (c) to ensure that the Directors receive sufficient information, which should be accurate, explicit, comprehensive and reliable, on a timely basis; and (d) to review the implementation of the Board resolutions.

The principal duties of the chief executive officer (general manager) are: (a) to be responsible for the day-to-day management of the production and operations of the Group with the assistance of executive Directors and senior management; (b) to be responsible for implementing important strategies and development plans adopted by the Board, including coordination and implementation of the Board resolutions, annual business plans and investment proposals of the Company; (c) to prepare the proposal on the establishment of internal management structure, to organize and formulate the roles and responsibilities of various departments, requirements of various offices and professional management procedures, and to formulate the basic management system and the standards for performance appraisal of management officers of various levels; (d) to propose the appointment, dismissal or re-designation of deputy general managers or financial officer-in-charge of the Company; (e) to convene and chair the meetings of the chief executive officer (general manager) and professional management seminars; and (f) to perform other duties and exercise other powers delegated by the Articles and the Board.

6. Tenure of Non-executive Directors and Independence Confirmation of Independent Non-executive Directors

For the tenure of the current non-executive Directors of the Company, please refer to the above section headed "(3) Basic Information of Directors and Senior Management Members of the Company" of this Chapter.

The independent non-executive Directors of the Company play a significant role in the Board. They provide impartial advice on the Company's strategy, performance and controls to ensure that the interests of all shareholders of the Company are taken into account. In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Company assesses the independent non-executive Directors' independence annually. The Company has received confirmation for the year from independent non-executive Directors, namely, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Han Xu, in respect of their independence. The Company confirms their independence and is of the opinion that all independent non-executive Directors are independent.

During the Reporting Period, in accordance with the requirement of the Articles, the Work System for Independent Directors, the Terms of Reference of the Remuneration and Nomination Committee and the Terms of Reference of the Audit Committee, and upholding the principle of honesty and diligence, the independent non-executive Directors performed their duties to the best of their ability. They attended Board meetings held by the Company, convened professional committee meetings, listened to the report of the Company's management on the Company's production and operation conditions and major events in a timely manner, and held a telephone conference with the Chairman of the Company without the presence of other Directors to discuss relevant matters. They participated in various major decisions of the Company, put forward reasonable opinions and suggestions from their respective professional perspectives for the Company's business development, and protected the interests of minority shareholders in accordance with the law. The independent non-executive Directors reviewed the Company's related-party (connected) transactions for the year ended 31 December 2025.



7. Remuneration and Nomination Committee

Pursuant to the HKSE Listing Rules, the Board has established the Remuneration and Nomination Committee under the Board, which is principally responsible for formulating the remuneration policy for the Directors and senior management members of the Company, determining the remuneration package for the Directors and senior management members, and developing the succession plan of the Directors, etc. The Remuneration and Nomination Committee also assesses the performance of executive Directors and approves the terms of executive Directors' service contracts. The Remuneration and Nomination Committee is a non-standing committee under the Board, and is accountable to the Board.

The Remuneration and Nomination Committee makes recommendations to the Board on the overall remuneration policy and structure for the Directors and senior management members of the Company, and based on the Company's actual circumstances, provides advice to the Board on the remuneration packages of all executive Directors and senior management members, collectively and individually.

The Remuneration and Nomination Committee regularly reviews the structure, number of members and composition of the Board, assists the Board in maintaining a board skills matrix and makes recommendations to the Board on any proposed changes or on an "as needed" basis. The Remuneration and Nomination Committee has formulated the diversity policy of the Board, under which candidates of Directors of different ages and educational backgrounds shall be selected and recommended to facilitate the stable and healthy development of the Company. Selected and recommended candidates for Directors shall have extensive experiences in such fields as corporate management, craftsmanship and technology and financial management. When nominating Directors, the Board would mainly consider the following factors: (i) professional skills, experience and expertise; (ii) culture; (iii) gender; and (iv) age. Such factors will be reviewed by the Board from time to time to ensure the progress made towards achieving those objectives. The Board shall review the effectiveness of the policy every year and actively identify suitable candidates for Directors.

When making recommendations regarding the appointment of any proposed candidate for Directors, the Remuneration and Nomination Committee shall consider a variety of factors including but not limited to the following in assessing the suitability of a proposed candidate:

(a) the needs of the Board and the respective committees of the Board and the current size and composition of the Board;

(b) the proposed candidate's character, experience and integrity;



(c) accomplishment and reputation in the business and other relevant sectors relating to the Group's business or development;

(d) commitment in respect of sufficient time and attention to the Company's business;

(e) assess the candidates in accordance to the diversity policy of the Board;

(f) the ability to assist and support management and make significant contributions to the Company's success;

(g) the proposed candidate's understanding of the fiduciary responsibilities that is required of a Director and the commitment of time and energy necessary to diligently carry out those responsibilities; and

(h) any other factors as the Remuneration and Nomination Committee may deem fit in consideration of the best interests of the Company and shareholders of the Company.

Once the Remuneration and Nomination Committee determines that an addition or replacement of Director is required, it may take such measures that it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, enquiry of the person or persons making the recommendation or nomination, gathering of additional information externally, or reliance on the information supplied by the members of the Remuneration and Nomination Committee, the Board or the management.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

As of the end of the Reporting Period, the Board of the Company comprised nine Directors, of whom three are independent non-executive Directors. The Board comprised seven male Directors and two female Directors. The Board is characterized by significant diversity in aspects such as professional skills, experience, age and culture, and has achieved gender diversity on the members of the Board, thereby promoting critical review and control of the management process of the Company.

As of the end of the Reporting Period, the Remuneration and Nomination Committee comprised three members, namely Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Han Xu (all being independent non-executive Directors), with Ms. Ho Shuk Yee, Samantha acting as the chairman of the Remuneration and Nomination Committee. During the Reporting Period, Ms. Zhang Yunyan ceased to be a member of the Remuneration and Nomination Committee with effect from 29 May 2025, and Ms. Han Xu served as a member of the Remuneration and Nomination Committee with effect from the same day.

During the Reporting Period, the Remuneration and Nomination Committee held three meetings, and all of the committee members attended the meetings. Matters discussed at the meetings were as follows:

(1) On 24 March 2025, the Remuneration and Nomination Committee held a meeting and considered and approved the following matters: (i) remuneration of the senior management members of the Company for year 2024 and the remuneration appraisal targets of the senior management members of the Company for year 2025; (ii) reviewing and endorsing the current structure, number and composition of the Board.

(2) On 17 April 2025, the Remuneration and Nomination Committee held a meeting and considered and approved the resolution in relation to nomination of candidates for directors of the tenth session of the Board of the Company.

(3) On 11 August 2025, the Remuneration and Nomination Committee held a meeting and approved nomination of Mr. Yu Shui as the general manager of the Company.



In addition, the Remuneration and Nomination Committee considered and approved the resolution in relation to the appointment of Mr. Yu Shui as the general legal counsel and chief compliance officer of the Company by way of written resolution on 14 March 2025, and considered and approved the resolution in relation to appointment of Mr. Yang Suwei as the secretary of the Remuneration and Nomination Committee of the tenth session of the Board of the Company by way of written resolution on 29 May 2025.

The Remuneration and Nomination Committee reviewed the remunerations of the Directors and senior management members of the Company as disclosed for year 2025 and considered that their respective remunerations were in line with the relevant requirements of the remuneration policy of the Company and were consistent with the annual performance appraisal results.

For details of the remuneration policy of the Directors and senior management members of the Company, please refer to the paragraph headed "1. Decision-making process and basis for determining remuneration" of "(7) Annual Remuneration of Directors and Senior Management Members" in this chapter above.



8. Audit Committee

The Board has established the Audit Committee under the Board pursuant to the HKSE Listing Rules and the requirements of the CSRC to monitor the independence and work efficiency of external auditors, the financial reporting procedures and efficiency of the internal control system of the Company, in order to assist the work of the Board. The Audit Committee is a non-standing committee under the Board and is accountable to the Board.

In order to ensure the relevant functions of the Audit Committee are effectively performed, the Company has formulated the relevant regulations such as the Terms of Reference of the Audit Committee and the Regulation on the Work of the Audit Committee on Annual Report. The Terms of Reference of the Audit Committee stipulate the number and qualification criteria of committee members, define the duties and powers of the committee and prescribe the convention of the committee meetings and reporting procedures to the Board. The Regulation on the Work of the Audit Committee on Annual Report defines the specific work required to be carried out by the Audit Committee in connection with the preparation and disclosure of the annual report of the Company, which mainly includes: studying and understanding the relevant requirements of the CSRC and other regulatory authorities in relation to the preparation of annual report, liaising and determining the audit work schedule with the auditors for the annual audit, supervising the submission of the audit report by the auditors for the annual audit within the agreed time frame, reviewing the financial statements of the Company before the commencement of audit work and after the issue of preliminary audit opinion by the auditors for annual audit, submitting to the Board the assessment report of the audit work of the Company for the year conducted by the auditors for annual audit and proposing the resolution on the re-appointment or replacement of the auditors for the following year.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

As at the end of the Reporting Period, the Audit Committee comprised three members, namely, Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Han Xu (all being independent non-executive Directors), with Mr. Qu Wenzhou acting as the chairman of the Audit Committee. During the Reporting Period, Ms. Zhang Yunyan ceased to be a member of the Audit Committee with effect from 29 May 2025, and Ms. Han Xu served as a member of the Audit Committee with effect from the same day.

During the Reporting Period, the Audit Committee held six meetings, all of the committee members attended each meeting. Matters discussed at the meetings were as follows:

(1) On 14 January 2025, the Audit Committee held a meeting to review the financial statements prepared by the Company internally for the year 2024 and to obtain report from the Company's management on the operation of the Company for year 2024 and the arrangement on the preparation of financial report and the main issues required special attention. EY, the auditors of the Company, reported on the timetable and the main focus of their audit work for the year 2024. The Audit Committee agreed to allow the auditors to conduct field audit in the Company for the year 2024; and obtained report from the auditors on the general policy of the 2025 non-assurance service.

(2) On 5 March 2025, the Audit Committee held a meeting, during which EY reported to the Audit Committee on the progress of the auditing work, and the committee considered that the auditors would be able to complete the audit within the scheduled time frame.

(3) On 24 March 2025, the Audit Committee held a meeting at which the following resolutions were considered and approved: (i) the annual financial report for the year ended 31 December 2024 prepared in accordance with the PRC Accounting Standards and IFRSs respectively, which were agreed to be submitted to the Board for approval; (ii) the annual report, its summary and results announcement for the year 2024, which were agreed to be submitted to the Board for approval; (iii) the assessment report on internal control for the year 2024, which was agreed to be submitted to the Board for approval; (iv) the report on the significant connected transactions which took place in 2024; (v) the resolution regarding the provision of guarantee by the Company and its subsidiaries to other subsidiaries, which was agreed to be submitted to the Board for approval; (vi) the resolution in relation to the re-appointment of Ernst & Young Hua Ming and Ernst & Young HK as the PRC and international (financial) auditors of the Company for 2025 respectively, the re-appointment of Ernst & Young Hua Ming LLP as the internal control auditor of the Company for 2025, and the determination of audit fees for 2025 of RMB4.96 million; and (vii) a report on the performance of supervisory duties by the accounting firms.

(4) On 29 April 2025, the Audit Committee held a meeting and considered and approved the 2025 first quarterly report of the Company.

(5) On 26 August 2025, the Audit Committee held a meeting at which the following resolutions were considered and approved: (i) the unaudited interim financial report for the year 2025 prepared in accordance with the IFRSs and PRC Accounting Standards respectively, which was submitted to the Board for consideration; (ii) the interim report for the year 2025 and its summary and the interim results announcement, which were submitted to the Board for consideration; (iii) the special inspection report on the internal audit for the first half of 2025; and (iv) the resolution in relation to amendments to Working Rules of the Audit Committee of the Board on Annual Report, which was submitted to the Board for consideration.

(6) On 30 October 2025, the Audit Committee held a meeting, and considered and approved the 2025 third quarterly report of the Company.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

In addition, the Audit Committee considered and approved the appointment of Mr. Yu Shui as the secretary of the Audit Committee of the tenth session of the Board of the Company by way of written resolution on 29 May 2025.

Since the commencement of the audit work in relation to the preparation of the financial report of the Company for the year ended 31 December 2025, the Audit Committee has been participating in the entire process:

(1) Prior to the commencement of audit work by the auditors, the Audit Committee reviewed the 2025 financial statements prepared by the Company internally and agreed to allow the auditors to conduct field audit. In the course of conducting audit of annual report, the Audit Committee urged EY to diligently complete the audit work on the financial statements according to the work plans.

(2) Upon completion of audit of the annual report by the auditors to a certain stage, the Audit Committee reviewed the 2025 financial statements of the Company again and considered that the auditors were able to complete the audit work conscientiously within schedule.

(3) On 24 March 2026, the Audit Committee issued a report on the performance of supervisory duties in respect of the 2025 audit work for the Company performed by EY and made objective assessment on the work conducted by EY.



9. ESG Management Committee

In order to further enhance the Company's environmental, social and governance ("ESG") management standards, optimise ESG management system and improve ESG management capabilities, the Company has established the ESG Management Committee. The major duties of the ESG Management Committee include formulating the Company's ESG visions, objectives, strategies and structure, and reviewing the Company's ESG reports. The ESG Management Committee is a non-standing committee of the Board and is accountable to the Board.

In order to ensure relevant functions of the ESG Management Committee are effectively performed, the Company formulated the Terms of Reference for the ESG Management Committee, which has set clear provisions for the composition, authority and functions of the committee, duties of the ESG work group, notice of the meetings and reporting procedures as well as records of meeting.

During the Reporting Period, the ESG Management Committee comprised three members, namely Mr. Li Qunfeng, Mr. Yu Shui and Mr. Wu Tiejun, all being executive Directors. Among which, Mr. Li Qunfeng was the chairman of the ESG Management Committee.

During the Reporting Period, the ESG Management Committee held two meetings and all of the committee members attended each meeting. The first meeting was held on 24 March 2025, at which the 2024 Environmental, Social and Governance Report of the Company was considered and approved. The second meeting was held on 1 December 2025, at which the ESG work group reported on the arrangements for the preparation work of the 2025 Environmental, Social and Governance Report of the Company.



10. Auditors' Remuneration

Please refer to "(4) Auditors and their Remuneration" in chapter 6 "Significant Events" in this report for the remuneration of auditors appointed by the Company in 2025.

11. Directors' Responsibility for the Financial Statements

The financial report and results announcement of the Company for year 2025 have been reviewed by the Audit Committee. All the Directors of the Company agreed and confirmed their individual and collective responsibility for preparing the accounts as contained in the financial report for the year. The Directors are responsible for the preparation of the financial statements under applicable statutory and regulatory requirements which give a true and fair view of the financial status, the results of operations and cash flows of the Group for the relevant accounting periods. In preparing the financial statements for the year ended 31 December 2025, 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.

12. Internal Control and Risk Management

The Company has established an internal audit function. The assessment report on internal control for 2025 of the Company has been considered and approved by the Board, and was published on the websites of the SSE, the Stock Exchange and the Company respectively on the same day as the annual report for the year.

The Company's internal control system comprises a system of controlled management with various authoritative limits and established process, which will constantly identify, assess and manage the significant risks to which the Company is exposed. The above process includes enhancement of the risk management and internal control systems from time to time in response to the changes to the business environment or regulatory guidelines.



5. Corporate Governance, Environmental and Social and Corporate Governance Report

In accordance with the relevant regulations under the Corporate Governance Code in Appendix C1 to the HKSE Listing Rules as well as the Terms of Reference of the Audit Committee of the Company, the Audit Committee reviewed the risk management, internal control system, internal audit function of the Company and its subsidiaries and the effectiveness of these systems and function for 2024 and 2025 on 24 March 2025 and 24 March 2026 respectively. The scope of review covered all material controls, financial, operational and compliance controls as well as the adequacy of resources, the qualifications and experience of the employees responsible for accounting, compliance, risk management, internal audit and financial reporting functions and their training programmes and budget. The Audit Committee also analysed and discussed with the management of the Company regarding the risk management and internal control systems, so as to keep the operation and development risk of the Company at a controllable level. The Board acknowledges its responsibility for risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company, the Board and the Audit Committee are of the opinion that the internal control system and risk management system of the Group are adequate and effective.

Ernst & Young Hua Ming was engaged by the Company to review the effectiveness of the internal control on financial report of the Group as at 31 December 2025, and it has issued a standard unqualified audit report on internal control. The audit report on internal control was published on the websites of the SSE, the Stock Exchange and the Company respectively on the same day as the annual report for the year. The Company has set up the audit inspecting department which takes up the daily responsibility of internal risk control.

The Company has formulated relevant system on inside information management, which specifies the confidentiality management of inside information, as well as filing and accountability of personnel with access to inside information. The Company regularly reminds the Directors and employees about compliance with all policies adopted by the Company regarding inside information, including the compliance with the Model Code set out in Appendix C3 to the HKSE Listing Rules in relation to dealings in securities of the Company.



13. Shareholders' Rights

Articles 63, 63A and 63B of the Articles provide that general meetings shall be convened by the Board; whereas holders of 10% or more of the issued shares of the Company carrying voting rights may in writing request the Board to convene an extraordinary general meeting. Independent Directors and the Audit Committee are also entitled to propose to the Board for convening an extraordinary general meeting of the Company.

Article 65 of the Articles provides that when the Company convenes any general meeting, a shareholder or shareholders (whether singly or jointly) holding in aggregate of 1% or more of the shares of the Company is or are entitled to propose motions to the Company, and any such motion shall fall within the scope of authority of the shareholders in general meeting, have clear subject and specific matters to be resolved, and be in compliance with the provisions of laws, administrative regulations and the Articles, provided that such motion shall be proposed at least 12 clear business days before the convention of the general meeting and submitted to the convener in writing. The convener shall, within two business days after the receipt of such motion, and in any event not less than 10 business days prior to the date of the general meeting, issue a supplementary notice or circular to announce the contents of such ad hoc motion. Any motion which is not set out in a notice of general meeting or which does not meet the requirement of that Article shall not be voted on nor resolved by shareholders at the general meeting.

In respect of proposing a person for election as a Director, please refer to the "Procedures for shareholders to propose a person for election as a Director of the Company" available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's place of business in Wuhu City, Anhui Province (address: No.39, Wenhua Road, Wuhu City, Anhui Province, the PRC).

14. Company Secretaries

Mr. Yu Shui and Mr. Chiu Pak Yue, Leo jointly served as the company secretaries of the Company. For further details, please refer to the above section headed "(3) Basic Information of Directors and Senior Management Members of the Company" of this chapter in this report. Mr. Chiu Pak Yue, Leo is the external company secretary and his main contact person of the Company is Mr. Yu Shui, an executive Director and a joint company secretary. During the Reporting Period, the above company secretaries have complied with the requirement of taking no less than 15 hours of relevant professional training under Rule 3.29 of the HKSE Listing Rules.

15. Investor Relations and Communication with Shareholders

The Company has adopted a shareholder communication policy. During the Reporting Period, the Company put great effort in investor relations management work. In order to obtain and understand the views of shareholders and stakeholders of the Company, the Company proactively communicates with the investors by various means such as convening general meetings, results presentation, on-site visit for investors and teleconference and through the SSE E Interaction Platform, so as to ensure that the shareholders and investors of the Company will enjoy equal rights to access information of the Company. In addition, the Company's website contains corporate information, annual reports, ESG reports, interim reports, quarterly reports and relevant ad hoc announcements and circulars issued by the Company, through which the Company's shareholders and investors may obtain the latest information of the Company. The Company has reviewed the implementation and effectiveness of the above shareholder communication policy during the Reporting Period. Given that shareholders had multiple communication channels to express their opinions, the Company considered that the shareholder communication policy has been effectively implemented during the Reporting Period. The Company will continue to maintain communication with shareholders and investors, and review the shareholder communication policy on a regular basis to ensure its effectiveness.

During the Reporting Period, in order to further enhance the level of standardized operation of the Company, the Company amended the relevant provisions of the Articles in accordance with the Company Law, the latest Guidelines for the Articles of Association of Listed Companies issued by the CSRC, as well as the requirements of the HKSE Listing Rules and other requirements. The aforesaid amendments were disclosed after being considered and approved at the meetings of the Board of the Company held on 24 March 2025 and 17 April 2025, respectively, and were considered and approved at the 2024 annual general meeting. For further details, please refer to the relevant announcements and circulars published by the Company on the websites of the SSE, the Stock Exchange and the Company.



16. The Management of and Control over the Subsidiaries during the Reporting Period

During the Reporting Period, the Company managed and controlled its subsidiaries in accordance with relevant laws, rules and regulations such as Company Law and the Articles. The Company has formulated internal management systems such as the System of Reporting of Important Matters and Management Measures of the Affairs of the Board of Subsidiaries. Professional sectors such as supply, sales, production, equipment, human resources, finance and quality have formulated and issued corresponding rules, policies and management measures according to their own professional characteristics to standardize the production and business activities of the subsidiaries and to guide, manage and supervise various aspects such as corporate governance, financial management, investment development, production & operation, major issues, internal control, administrative personnel and performance assessment of the subsidiaries. The Company inspects the production, operation and management of the subsidiaries on a regular basis, in order to reveal problems in time and urge the implementation of rectification measures. In accordance with the principles of combining delegation and control, the Company guides its subsidiaries to continuously improve the corporate governance structure, refine the modern enterprise management system, enhance operation and management efficiency and realize transformation and upgrading.

During the Reporting Period, the Group acquired project companies such as Yili Conch Cement Co., Ltd. During the Reporting Period, handover of relevant assets of the investees has been completed and were merged and consolidated into the Group. Employees of the investees have realized smooth transition and have signed service contract with the Group and were incorporated into the Group's personnel management system. The financial management of these companies has been incorporated into the Group's financial accounting system, thus realizing unified accounting system and consolidated financial statement. Various operations have steadily been imported into the business model and management system of Conch to realize smooth and orderly transition.



(15) ENVIRONMENTAL INFORMATION OF THE LISTED COMPANY AND ITS MAJOR SUBSIDIARIES INCLUDED IN THE LIST OF ENTERPRISES WHOSE ENVIRONMENTAL INFORMATION IS DISCLOSED IN ACCORDANCE WITH THE LAW

As at the end of the Reporting Period, 97 subsidiaries and branch companies of the Group were included in the list of enterprises whose environmental information is disclosed in accordance with the law by relevant environmental protection departments of the government. Particulars are set out in the following table:

No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
1	Baimashan Cement Plant of Anhui Conch Cement Company Limited	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
2	Ningguo Cement Plant of Anhui Conch Cement Company Limited	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
3	Anhui Xuancheng Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
4	Anhui Chizhou Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
5	Anhui Conch Siam Refractory Material Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
6	Tongling Conch	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
7	Wuhu Conch	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
8	Zongyang Conch	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home



5. Corporate Governance, Environmental and Social and Corporate Governance Report

No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
9	Anhui Digang Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
10	Quanjiao Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
11	Suzhou Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
12	Anhui Changfeng Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
13	Lu'an Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
14	Chaohu Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
15	Anhui Huaining Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
16	Bozhou Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
17	Bengbu Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home
18	Yingde Conch Cement Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list
19	Guangdong Qingxin Cement Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
20	Yangchun Conch Cement Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list
21	Guangdong Qingyuan Guangying Cement Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list
22	Conch Hongfeng	https://www-app.gdeei.cn/gdeepub/front/dal/report/list
23	Hainan Changjiang Conch Cement Co., Ltd.	https://hnsthb.hainan.gov.cn/yfpl/#/gkwz/jcym
24	Zhanjiang Conch Cement Co., Ltd.	https://www-app.gdeei.cn/gdeepub/front/dal/report/list
25	Ganjiang Conch Cement Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
26	Nanchang Conch Cement Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
27	Yiyang Conch Cement Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
28	Fenyi Conch	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
29	Ganzhou Conch Cement Co., Ltd.	http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/information
30	Beiliu Conch Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
31	Xingye Kuiyang Conch Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index
32	Xing'an Conch Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index
33	Guangxi Lingyun Tonghong Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index
34	Fusui Xinning Conch Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index
35	Longan Conch Cement Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index
36	Jianghua Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
37	Lianyuan Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
38	Shaoyang Yunfeng New Energy Technology Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
39	Linxiang Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
40	Shuangfeng Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
41	Hunan Yiyang Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
42	Qiyang Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
43	Shimen Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
44	Hunan Province Yunfeng Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
45	Hunan Conch Cement Co., Ltd.	https://222.244.103.251:8181/hnyfpl/frontal/index.html#/home/index
46	Chongqing Conch Cement Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-search
47	Basu Conch Cement Co., Ltd.	http://220.182.43.203:18073/idp-province/#/home/
48	Dazhou Conch Cement Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-search
49	Bazhong Conch Cement Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-search
50	Liangping Conch Cement Co., Ltd.	http://183.66.66.47:10001/eps/index/enterprise-search



5. Corporate Governance, Environmental and Social and Corporate Governance Report

No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
51	Guangyuan Conch Cement Co., Ltd.	https://103.203.219.138:8082/eps/index/enterprise-search
52	Tongren Conch Panjiang Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
53	Guiding Conch Panjiang Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
54	Zunyi Conch Panjiang Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
55	Guiyang Conch Panjiang Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
56	Qianxinan Resource Development Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
57	Shuicheng Conch Panjiang Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
58	Guizhou Liukuangruian Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
59	Guizhou New Shuanglong Cement Co., Ltd.	https://222.85.128.186:8081/eps/index/enterprise-search
60	Ma'anshan Conch Cement Co., Ltd.	https://39.145.37.16:8081/zhhb/yfplpub_html/#/home



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
61	China Cement Plant Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
62	Zhenjiang Beigu Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
63	Yangzhou Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
64	Taizhou Yangwan Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
65	Huai'an Chuzhou Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js



5. Corporate Governance, Environmental and Social and Corporate Governance Report

No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
66	Huai'an Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
67	Jiangsu Baling Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
68	Jining Conch Cement Co., Ltd.	http://221.214.62.226:8090/EnvironmentDisclosure/
69	Wenshan Conch Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index
70	Yunnan Zhuangxiang Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index
71	Tengchong Tengyue Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index
72	Longling Conch Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index
73	Baoshan Conch Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index
74	Yingjiang Yunhan Cement Co., Ltd.	http://183.224.17.39:10097/ynyfpl/frontal/index.html#/home/index



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
75	Baoji Zhongxi Fenghuangshan Cement Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
76	Naimanqi Hongji Cement Co., Ltd.	http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
77	Inner Mongolia Yuexing Environmental Protection Technology Co., Ltd.	http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId=http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/yfplHomeNew/index.js&cantonCode=150000
78	Baoji Zhongxi Jinlinghe Cement Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
79	Linxia Conch Cement Co., Ltd.	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/home
80	Shaanxi Tongchuan Fenghuang Construction Materials Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
81	Pingliang Conch Cement Co., Ltd.	https://zwfw.sthj.gansu.gov.cn/revealPubVue/#/home
82	Qianxian Conch Cement Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
83	Liquan Conch Cement Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
84	Qianyang Conch Cement Co., Ltd.	http://113.140.66.227:11077/#/noLogin/index
85	Yili Conch Cement Co., Ltd.	https://124.117.235.203:9015/index
86	Yili Conch Environmental Protection Technology Co., Ltd.	https://124.117.235.203:9015/index
87	Moyu Conch Cement Co., Ltd	https://124.117.235.203:9015/index
88	Nantong Haimen Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
89	Taicang Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
90	Zhangjiagang Conch Cement Co., Ltd.	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js
91	Jiande Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
92	Taizhou Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search



No.	Name of companies	Search index for report of the environmental information disclosed in accordance with the law
93	Yueqing Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
94	Ningbo Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
95	Shaoxing Shangyu Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
96	Ninghai Qiangjiao Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search
97	Xiangshan Conch Cement Co., Ltd.	https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search

(16) SOCIAL RESPONSIBILITY WORK

For the social responsibility work proactively carried out by the Group during the Reporting Period, please refer to the 2025 Environment, Social and Governance Report of the Company published on the websites of the SSE, the Stock Exchange and the Company on the same day as this annual report.

(17) CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

During the Reporting Period, the Group insisted on thoroughly implementing the decisions and plans of the State, the CPC Anhui Provincial Committee and the Anhui Provincial Government on effectively connecting the consolidation and expansion of poverty alleviation achievements with rural revitalization, earnestly fulfilled its corporate social responsibility, and solidly promoted targeted assistance and paired assistance work.

1. Strengthening Policy Implementation and Continuously Consolidating Poverty Alleviation Achievements. The Group strictly implemented assistance policies during the transition period of poverty alleviation, deepened the practical activity of "I Serve the Masses with Practical Actions" in the assisted areas, promptly understood the matters that weigh on people's minds, through regular household visits, dynamically monitored the poverty alleviation achievements, visited and consoled nearly 500 households (people) throughout the year, allocated condolence funds based on visit findings to improve the medical and school conditions in the assisted areas, and firmly held the bottom line of ensuring no large-scale return to poverty.

2. Focusing on Industry and Infrastructure and Boosting Endogenous Development Momentum. To promote industrial revitalization in assisted areas, the Group actively coordinated to secure RMB1.91 million of external industrial support funds, which focused on distinctive breeding projects such as pigs, cattle and leeches, driving industrial scale expansion and quality improvement to promote stable income growth for residents. The Group deeply engaged in consumption assistance, procuring approximately RMB3.09 million agricultural products. At the same time, the Group vigorously promoted infrastructure construction and public service enhancements in the assisted areas, supporting the implementation of 3 basic public service projects and 4 infrastructure renovation and upgrading projects, effectively improving the village appearance and living environment.



3. Emphasizing Cultural Nurturing and Strengthening Cultural and Ethical Progress. Through regular campaigns on promoting new customs and cultural activities such as bringing operas to the countryside, the Group enriched people's mental and cultural life in the assisted areas. The Group recognized various advanced models, commended a number of outstanding CPC members, Five Good Civilized Families, Hygiene Demonstration Households and Leading Entrepreneurs, gave full play to the exemplary role of models, and effectively stimulated people's enthusiasm to participate in rural construction and jointly create a better home.

In addition, by giving full play to its industrial characteristics and investing and building factories in rural areas, the Group played a strong positive role in increasing local financial tax revenue, promoting employment of rural population and boosting rural economic development. At the same time, the Group drove the flow of production factors such as technology, equipment, manpower and capital, thus injecting new momentum for rural revitalization. During the daily production and operation process, the Group adhered to respecting nature, adapting nature and protecting nature, firmly established and practiced the concept of "lucid waters and lush mountains are invaluable assets" and strictly kept the ecological redlines. Oriented at the ecological environment- friendly and effective use of resources, the Group continuously carried out restoration treatment towards ecological environment, attached great importance to the preservation of biodiversity and persistently promoted the construction of green factory and green mines. The Group also made great effort to build digital and smart mines, pushed forward the changes of production and life style, so as to build villages with a pleasant living environment featuring natural and beautiful landscape, stable and sound ecosystem, and harmony between humankind and nature, thus promoting a healthy cycle of ecological and economic growth, and assisting rural revitalization with the concept of green, low-carbon, and sustainable development.



6. Significant Events

(1) APPROPRIATION OF FUNDS FOR NON-OPERATING PURPOSE

During the Reporting Period, there was no appropriation of the Company's funds for non-operating purpose by controlling shareholders of the Company and other related parties. Specific statement issued by Ernst & Young Hua Ming was published on the websites of SSE, Stock Exchange and the Company on the same date of publication of this report.

(2) NON-COMPLIANCE IN PROVIDING GUARANTEES

During the Reporting Period, no external guarantee was provided in violation of the established decision-making procedures by the Company.

(3) ANALYSIS AND EXPLANATION ON THE REASONS AND IMPACT OF THE CHANGE IN ACCOUNTING POLICY AND ACCOUNTING ESTIMATES

During the Reporting Period, there was no change in the accounting policy and accounting estimates of the Company.

(4) AUDITORS AND THEIR REMUNERATIONS

Upon consideration and approval of the 2024 annual general meeting of the Company, the Company has appointed Ernst & Young Hua Ming and Ernst & Young HK as the PRC and international auditors of the Company for 2025 respectively, and appointed Ernst & Young Hua Ming as the internal control auditor of the Company for 2025. The financial audit service fees and internal control audit service fees payable by the Company to EY for 2025 amounted to RMB4.32 million and RMB0.64 million, respectively, totaling RMB4.96 million.



6. Significant Events

Upon completing the annual audit work of the Company for 2023, the tenure of KPMG Huazhen LLP and KPMG for providing audit services to the Company has reached the prescribed time limit for consecutive appointment of accounting firms as permitted under the Administrative Measures for the Appointment of Accounting Firms by State-owned Enterprises and Listed Companies issued by the Ministry of Finance of the People's Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC, therefore, the Company has appointed Ernst & Young Hua Ming and Ernst & Young HK as the PRC and international auditors of the Company respectively, and appointed Ernst & Young Hua Ming as the internal control auditor of the Company since 2024. EY have provided audit services to the Company for two consecutive years. In 2025, the authorised signatories of the accountants of Ernst & Young Hua Ming are Meng Dong and Lu Yang, and both of them have provided audit services to the Company for two years.

(5) EVENTS REGARDING INSOLVENCY AND RESTRUCTURING

During the Reporting Period, there was no event regarding insolvency or restructuring of the Group.

(6) MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Group was not involved in any material litigation and arbitration.

(7) PENALTIES AND/OR REMEDIES FOR LEGAL AND REGULATORY NON-COMPLIANCE BY THE COMPANY AND ITS DIRECTORS, SENIOR MANAGEMENT MEMBERS, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its current and former Directors, senior management members, controlling shareholder and de facto controller was subject to any penalties by the competent authorities.

(8) STATUS OF 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 any obligations from effective legal instruments of the court or settle any due debt in large amount.



(9) MATERIAL CONNECTED TRANSACTIONS

The following significant connected transactions of the Group were subsisting during the Reporting Period under the SSE Listing Rules and the HKSE Listing Rules:

1. Connected transactions or continuing connected transactions related to daily operations

(1) Transactions with Conch Holdings – use of trademarks

On 23 September 1997, the Company and Conch Holdings, being its controlling shareholder, entered into a trademark licensing agreement (the "Trademark Licensing Agreement"), pursuant to which the Company has been granted a license to use certain permitted trademarks (including trademarks of "海螺" and "CONCH") on permitted products in permitted regions for the period as set out in the Trademark Licensing Agreement. The validity period of the Trademark Licensing Agreement is provided to be the same as the validity period of the permitted trademarks, and where the validity period of the permitted trademarks is extended, the validity period of the Trademark Licensing Agreement in respect of the trademarks would be extended automatically. On 22 March 2018, the Company and Conch Holdings entered into a supplemental agreement to the Trademark Licensing Agreement, pursuant to which it was agreed that the annual fees paid by the Company to Conch Holdings in respect of the use of the trademarks consist of fixed license fee and variable license fee, of which the fixed license fee is RMB15 million per annum, and the variable license fee is a license fee for the use of the permitted trademarks by the companies (not being wholly-owned subsidiaries of the Company) in which the Company holds not less than 20% shares, equity interest or registered capital, at an amount to be determined according to the sales volume of cement and clinker.

During the Reporting Period, the fees payable by the Company to Conch Holdings in respect of the use of the trademarks amounted to RMB30.61 million. Pursuant to the HKSE Listing Rules and the SSE Listing Rules, no announcements were required to be made in respect of such connected transaction, nor was such connected transaction subject to the independent shareholders' approval requirement.

(2) Transactions with Haihui Company – receiving supply chain logistic transportation service, providing charging (battery changing) station equipment and power supply

① Transportation Service Contract (2025)

On 27 December 2024, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract (the "Transportation Service Contract (2025)"), with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the Group's cement, clinker, aggregate, commodity concrete, coal and other products. The aggregate transaction amount (i.e. the annual cap) shall be RMB3 billion.

The aggregate transaction amount under the Transportation Service Contract (2025) was mainly determined after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volume of various products in 2024, and the estimation of further increase in the production and transportation volume of commodity concrete for the year of 2025 due to the Group's promotion of the commodity concrete business development) according to the Group's production plans for cement, clinker, aggregate, commodity concrete and other products for the year of 2025, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries or branch companies of the Company through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries or branch companies of the Company shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation quotations offered by not less than three independent third party qualified carriers who submitted a bid; and the bidder who offered the lowest price shall be selected. The relevant subsidiaries or branch companies of the Company may further negotiate with the successful bidder on an arm's length basis, with the aim to further lower the transportation unit price as quoted in the successful bid. In addition, the Company had also made reference to the historical transaction amount for provision of similar services by Haihui Company to the Group from 2022 to 2024 when determining the aggregate transaction amount under the Transportation Service Contract (2025).

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Transportation Service Contract (2025) was RMB2,405 million.



② Transportation Service Contract (2026)

On 31 December 2025, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract (the "Transportation Service Contract (2026)"), with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, Haihui Company will provide supply chain logistic transportation service for the Group's cement, clinker, aggregate, commodity concrete, coal and other products. The aggregate transaction amount (i.e. the annual cap) shall be RMB3 billion.

The aggregate transaction amount under the Transportation Service Contract (2026) was mainly determined after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volume of various products in 2025, and the estimation of further increase in the transportation volume for the year of 2026 due to the Group's acquisition of a batch of cement projects and continued promotion of the commodity concrete business development) according to the Group's production plans for cement, clinker, aggregate, commodity concrete and other products for the year of 2026, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries or branch companies of the Company through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries or branch companies of the Company shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation quotations offered by not less than three independent third party qualified carriers who submitted a bid; and the bidder who offered the lowest price shall be selected. The relevant subsidiaries or branch companies of the Company may further negotiate with the successful bidder on an arm's length basis, with the aim to further lower the transportation unit price as quoted in the successful bid. In addition, the Company had also made reference to the historical transaction amount for provision of similar services by Haihui Company to the Group from 2023 to 2025 when determining the aggregate transaction amount under the Transportation Service Contract (2026).



6. Significant Events

③ Use of Charging (Battery Changing) Station Equipment Contract

On 31 December 2025, the Company and Haihui Company entered into the Use of Charging (Battery Changing) Station Equipment Contract, with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, Haihui Company will use the charging (battery changing) station equipment and power supply provided by the Company for actual external operation by Haihui Company. The aggregate transaction amount (i.e. the annual cap) shall be RMB150 million.

The aggregate transaction amount under the Use of Charging (Battery Changing) Station Equipment Contract was mainly determined based on the following factors: (i) the basic electricity fee and the equipment usage fee charged by the Company from Haihui Company, of which, the basic electricity fee will be determined based on the time-of-use industrial electricity unit rates for different regions across the State published monthly by State Grid Corporation of China and China Southern Power Grid Company Limited on their respective official websites, multiplied by the time-of-use electricity consumption as shown on the charging (battery changing) terminal display or charging (battery changing) operation and management platform; the equipment usage fee will be determined with reference to the unit market prices (i.e. the relevant subsidiaries or branch companies of the Company shall obtain and make reference to the unit equipment usage fee of at least two Independent Third Party charging (battery changing) stations in regions where they operate, whereby the unit equipment usage fee will be determined based on prevailing market prices after deducting operating costs of Haihui Company), multiplied by the time-of-use electricity consumption as shown on the charging (battery changing) terminal display or charging (battery changing) operation and management platform; (ii) the historical transaction amount for Haihui Company's use of charging (battery changing) station equipment and electricity provided by the Group for the year 2025. Whereas, taking into consideration that the Group expects the continued promotion of the charging (battery changing) station construction in the year of 2026, it is therefore expected that the consumption volume of charging (battery changing) station equipment and electricity for the year of 2026 will increase correspondingly.

Haihui Company is a non-wholly owned subsidiary of the Company, and the Company, Conch New Material and Beijing Huitong Tianxia IOT Technology Co., Ltd. held 75.6%, 20% and 4.4% of the registered capital of Haihui Company respectively. Pursuant to Chapter 14A of the HKSE Listing Rules, Haihui Company was a connected subsidiary of the Company and hence a connected person of the Company. The transactions contemplated under the Transportation Service Contract (2025), the Transportation Service Contract (2026) and the Use of Charging (Battery Changing) Station Equipment Contract thus constituted continuing connected transactions for the Company. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 27 December 2024 and 31 December 2025. According to the SSE Listing Rules, Haihui Company was not a connected party of the Company, and hence the aforementioned transactions did not constitute connected transactions for the Company as prescribed under the SSE Listing Rules.

(3) Transactions with Conch Material Technology – procurement of admixtures

① Procurement of Cement Admixtures Contract (2025)

On 23 December 2024, the Company and Conch Material Technology entered into the Procurement of Cement Admixtures (Grinding Aids) Contract (the "Procurement of Cement Admixtures Contract (2025)"), with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group would procure cement admixtures from Conch Material Technology Group. The annual cap for the transactions under the Procurement of Cement Admixtures Contract (2025) shall be RMB720 million.



The annual cap for the transactions under the Procurement of Cement Admixtures Contract (2025) was determined mainly based on the estimated total procurement quantity of cement admixtures according to the Group's cement production plan for the year of 2025, and the unit price of the products as determined based on the results of the open tender. In conducting the open tender by the Company, a total of three suppliers (one of which being Conch Material Technology and the other two being independent third parties) participated in this open tender. The tenders were rated based on technical evaluation and commercial evaluation. According to the overall rating results based on the technical evaluation and commercial evaluation, Conch Material Technology has been selected as the Group's cement admixture supplier. The procurement unit price of the cement admixture products under the Procurement of Cement Admixtures Contract (2025) was determined based on the results of the open tender. In addition, when determining the annual cap for the transactions under the Procurement of Cement Admixtures Contract (2025), the Company had also made reference to the historical transaction amounts for purchase of same products by the Group from Conch Material Technology from 2022 to 2024.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Procurement of Cement Admixtures Contract (2025) was RMB654 million.

② Procurement of Concrete and Other Admixtures Framework Agreement (2025)

On 23 December 2024, the Company and Conch Material Technology entered into the Procurement of Concrete and Other Admixtures Framework Agreement (the "Procurement of Concrete and Other Admixtures Framework Agreement (2025)"), with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group would procure concrete admixtures and other admixtures such as coupling agent and chromium remover ("Concrete Admixtures and Other Admixtures") from Conch Material Technology Group. The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2025) shall be RMB60 million.



6. Significant Events

The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2025) was determined mainly based on the estimated total procurement quantity of Concrete Admixtures and Other Admixtures according to the Group's concrete and cement production plan for the year of 2025, and the unit prices of the products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of the admixture products shall be determined by the parties by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Material Technology and other independent third parties) offering similar admixture products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the admixture products under the individual sub-contracts of the Procurement of Concrete and Other Admixtures Framework Agreement (2025) shall be determined with reference to the results of the tenders; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least three potential suppliers (including Conch Material Technology and other independent third parties) offering similar admixture products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its optimal overall price-performance value and its reliability in terms of secured supply. After making reference to the prices of similar admixture products procured by the Group from Conch Material Technology Group and independent third party suppliers for the year 2024, the Group and Conch Material Technology shall determine the unit prices of the products after arm's length negotiations on normal commercial terms. In addition, when determining the annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2025), the Company had also made reference to the historical transaction amounts for procurement of Concrete Admixtures and Other Admixtures by the Group from Conch Material Technology Group from 2022 to 2024.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Procurement of Concrete and Other Admixtures Framework Agreement (2025) was RMB59.10 million.



③ Procurement of Cement Admixtures Contract (2026)

On 27 November 2025, the Company and Conch Material Technology entered into the Procurement of Cement Admixtures (Grinding Aids) Contract (the "Procurement of Cement Admixtures Contract (2026)"), with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, the Group will procure cement admixtures from Conch Material Technology Group. The annual cap for the transactions under the Procurement of Cement Admixtures Contract (2026) shall be RMB700 million.

The annual cap for the transactions under the Procurement of Cement Admixtures Contract (2026) was determined mainly based on the estimated total procurement quantity of cement admixtures according to the Group's cement production plan for the year of 2026, and the unit price of the products as determined based on the results of the open tender. In conducting the open tender by the Company, a total of three suppliers (one of which being Conch Material Technology and the other two being independent third parties) participated in this open tender. The tenders were rated based on technical evaluation and commercial evaluation. According to the overall rating results based on the technical evaluation and commercial evaluation, Conch Material Technology has been selected as one of the Group's cement admixture suppliers. The unit price of cement admixture products under the Procurement of Cement Admixtures Contract (2026) was determined based on the results of the open tender. In addition, when determining the annual cap for the transactions under the Procurement of Cement Admixtures Contract (2026), the Company had also made reference to the historical transaction amounts for procurement of same products by the Group from Conch Material Technology Group for 2023 to 2025.

④ Procurement of Concrete and Other Admixtures Framework Agreement (2026)

On 27 November 2025, the Company and Conch Material Technology entered into the Procurement of Concrete and Other Admixtures Framework Agreement (the "Procurement of Concrete and Other Admixtures Framework Agreement (2026)"), with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, the Group will procure concrete admixtures and other admixtures from Conch Material Technology Group. The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2026) shall be RMB160 million.



6. Significant Events

The annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2026) was determined mainly based on the estimated total procurement quantity of Concrete Admixtures and Other Admixtures according to the Group's concrete and cement production plan for the year of 2026, and the unit prices of the products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of the admixture products shall be determined by the parties by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Material Technology and other independent third parties) offering similar admixture products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the admixture products under the individual sub-contracts of the Procurement of Concrete and Other Admixtures Framework Agreement (2026) shall be determined with reference to the results of the tenders; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least three potential suppliers (including Conch Material Technology and other independent third parties) offering similar admixture products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its optimal overall price-performance value and its reliability in terms of secured supply. After making reference to the prices of similar admixture products procured by the Group from Conch Material Technology Group and independent third party suppliers for the year 2025, the Group and Conch Material Technology Group shall determine the unit prices of the products after arm's length negotiations on normal commercial terms. In addition, when determining the annual cap for the transactions under the Procurement of Concrete and Other Admixtures Framework Agreement (2026), the Company had also made reference to the historical transaction amounts for procurement of Concrete Admixtures and Other Admixtures by the Group from Conch Material Technology Group from 2023 to 2025.



6. Significant Events

Conch Holdings, a controlling shareholder of the Company, holds 100% shares in Conch Tech Innovation Material. As at the date of entering into the Procurement of Cement Admixtures Contract (2025) and the Procurement of Concrete and Other Admixtures Framework Agreement (2025), Conch Tech Innovation Material held 48.62% shares in Conch Material Technology. As at the date of entering into the Procurement of Cement Admixtures Contract (2026) and the Procurement of Concrete and Other Admixtures Framework Agreement (2026), Conch Tech Innovation Material held 36.47% shares in Conch Material Technology. Therefore, Conch Material Technology was an associate of Conch Holdings and hence a connected person of the Company. The transactions under the above four contracts thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 23 December 2024 and 27 November 2025. According to the SSE Listing Rules, Conch Material Technology was also a connected party of the Company and the transactions under the above four contracts also constituted connected transactions as prescribed under the SSE Listing Rules. However, as the aggregate transaction amounts under the Procurement of Cement Admixtures Contract (2025) and the Procurement of Concrete and Other Admixtures Framework Agreement (2025) and the aggregate transaction amounts under the Procurement of Cement Admixtures Contract (2026) and the Procurement of Concrete and Other Admixtures Framework Agreement (2026) had not reached 0.5% of the Company's latest audited net assets at the time of signing the relevant contracts or agreements, respectively, and the transactions contemplated under the Procurement of Cement Admixtures Contract (2025) and Procurement of Cement Admixtures Contract (2026) were conducted by way of open tender, the Company was not required to publish an ad hoc announcement for the transactions under the aforesaid four contracts on the website of the SSE according to the SSE Listing Rules.

(4) Transactions with Conch Accelerants Manufacturing High-tech Company – procurement of combustion accelerants, melting accelerants and desulfurizers

① Combustion Accelerants Sales and Purchase Contract

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Combustion Accelerants Sales and Purchase Contract, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group would procure combustion accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate contract amount (i.e. the annual cap) under the Combustion Accelerants Sales and Purchase Contract shall be not more than RMB56.70 million.

The aggregate contract amount under the Combustion Accelerants Sales and Purchase Contract was mainly determined based on the estimated total procurement quantity of combustion accelerants according to the Group's production plan for clinker and the utilisation plan of alternative fuel for the year of 2025, and the unit price of the combustion accelerants products. The unit price for procurement of the combustion accelerant products under the Combustion Accelerants Sales and Purchase Contract was determined based on the following factors: (i) the Company conducted price inquiry from three independent third party suppliers offering similar products, and such price quotations were not lower than the unit price of combustion accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company; and (ii) after making reference to the selling prices of similar products offered by Conch Accelerants Manufacturing High-tech Company to two of its independent third party customers in recent years, and such prices were not lower than the unit price of combustion accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, when determining the aggregate contract amount under the Combustion Accelerants Sales and Purchase Contract, the Company had also made reference to the historical transaction amounts for procurement of combustion accelerants from Conch Accelerants Manufacturing Group from 2022 to 2024.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Combustion Accelerants Sales and Purchase Contract was RMB21.49 million.



6. Significant Events

② Melting Accelerants Sales and Purchase Contract

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Melting Accelerants Sales and Purchase Contract, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group would procure melting accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate contract amount (i.e. the annual cap) under the Melting Accelerants Sales and Purchase Contract shall be not more than RMB15.50 million.

The aggregate contract amount under the Melting Accelerants Sales and Purchase Contract was mainly determined based on the estimated total procurement quantity of melting accelerants according to the Group's production plan for clinker for the year of 2025, and the unit prices of melting accelerant products. The unit price for procurement of the melting accelerant products under the Melting Accelerants Sales and Purchase Contract was determined based on the following factors: (i) the Group has set a standard consumption amount of melting accelerants and a benchmark coal-saving amount for each tonne of clinker during the production process. The unit price for procurement of melting accelerants was determined based on the cost of benchmark coal-saving amount and the standard consumption amount of melting accelerants. In order to protect the interests of the Group, the settlement price of the melting accelerants shall be adjusted downwards in a timely manner based on the actual coal-saving results, to ensure that the consumption cost would not exceed the cost of actual savings in coal consumption; and (ii) after making reference to the selling prices of similar products provided by Conch Accelerants Manufacturing High-tech Company to two of its independent third party customers in recent years, which were not lower than the unit price of melting accelerants products supplied to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, when determining the aggregate contract amount under the Melting Accelerants Sales and Purchase Contract, the Company had also made reference to the historical transaction amounts for procurement of melting accelerants from Conch Accelerants Manufacturing Group from 2023 to 2024.



6. Significant Events

Through the evaluation and analysis of the results of the use of melting accelerants, melting accelerants provided by Conch Accelerants Manufacturing High-tech Company have effectively reduced coal consumption of production lines of the Group, thereby lowering production costs and carbon emissions. As such, the Company is gradually promoting the use of melting accelerants supplied by Conch Accelerants Manufacturing High-tech Company in more subsidiaries' production lines. On 15 October 2025, taking into account the actual transaction amount under the Melting Accelerants Sales and Purchase Contract and the estimation of the consumption volume of melting accelerants of the Company up to 31 December 2025, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Supplemental Contract to the Melting Accelerants Sales and Purchase Contract, and the aggregate contract amount (i.e. the annual cap) under the Melting Accelerants Sales and Purchase Contract was adjusted from not more than RMB15.50 million to not more than RMB75.27 million. The Supplemental Contract to the Melting Accelerants Sales and Purchase Contract was valid from 15 October 2025 to 31 December 2025. Save for the revision of the annual cap for 2025 under the Supplemental Contract to the Melting Accelerants Sales and Purchase Contract, all other terms and conditions of the Melting Accelerants Sales and Purchase Contract remain the same and are in full force and effect. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 15 October 2025.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Melting Accelerants Sales and Purchase Contract (as amended by the Supplemental Contract to the Melting Accelerants Sales and Purchase Contract) was RMB47.84 million.



6. Significant Events

③ Desulfurizer Procurement Framework Agreement

On 31 December 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Desulfurizer Procurement Framework Agreement, with a validity period from 1 January 2025 to 31 December 2025. Pursuant to the contract, the Group would procure desulfurizers from Conch Accelerants Manufacturing High-tech Company. The aggregate transaction amount (i.e. the annual cap) under the Desulfurizer Procurement Framework Agreement was estimated to be not more than RMB120 million.

The estimated aggregate transaction amount under the Desulfurizer Procurement Framework Agreement was mainly determined based on the estimated total procurement quantity of desulfurizers according to the Group's production plan for clinker for the year of 2025, and the unit prices of the products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of desulfurizers shall be determined by the parties to the contract by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Accelerants Manufacturing High-tech Company and other independent third parties) offering similar products. The tenders would be rated based on technical evaluation and commercial evaluation. The successful tenderer shall achieve the highest or best overall rating results of the technical evaluation and commercial evaluation. The unit prices of the products under the sub-contracts of the Desulfurizer Procurement Framework Agreement shall be determined with reference to the results of the tender; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least three potential suppliers (including Conch Accelerants Manufacturing High-tech Company and independent third parties) offering similar products. Potential suppliers shall be comprehensively reviewed based on various factors and the supplier shall be selected based on its overall price-performance value and its reliability in terms of secured supply. The Group and Conch Accelerants Manufacturing High-tech Company shall determine the unit prices of the products after arm's length negotiations on normal commercial terms. In addition, when determining the annual cap for the transactions under the Desulfurizer Procurement Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of desulfurizers by the Group from Conch Accelerants Manufacturing High-tech Company for the year of 2024 and expected increase in use of relevant products in 2025.



6. Significant Events

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Desulfurizer Procurement Framework Agreement was RMB51.74 million.

Conch Holdings, a controlling shareholder of the Company, held 100% equity interests in Conch Tech Innovation Material. Conch Tech Innovation Material held 100% equity interests in Conch Accelerants Manufacturing, and Conch Accelerants Manufacturing held 100% equity interests in Conch Accelerants Manufacturing High-tech Company. Therefore, Conch Accelerants Manufacturing High-tech Company was an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the above three contracts thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 31 December 2024. According to the SSE Listing Rules, Conch Accelerants Manufacturing High-tech Company was also a connected party of the Company and the transactions under the above three contracts also constituted connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the aggregate transaction amounts of the above three contracts had not reached 0.5% of the Company's latest audited net assets, therefore, the Company was not required to publish an ad hoc announcement for the transactions under the above three contracts on the website of the SSE.



(5) Transactions with Conch Accelerants Manufacturing—procurement of combustion accelerants, melting accelerants, desulfurizers and water treatment chemicals

① Combustion Accelerants and Melting Accelerants Procurement Framework Agreement

On 31 December 2025, the Company and Conch Accelerants Manufacturing entered into the Combustion Accelerants and Melting Accelerants Procurement Framework Agreement, with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, the Group will procure combustion accelerants and melting accelerants from Conch Accelerants Manufacturing. The aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants and Melting Accelerants Procurement Framework Agreement shall be not more than RMB151 million.

The estimated aggregate transaction amount under the Combustion Accelerants and Melting Accelerants Procurement Framework Agreement was mainly determined based on the estimated total procurement quantity of combustion accelerants and melting accelerants according to the Group's production plan for clinker for the year of 2026 and the unit prices of the products which was determined based on the results of price inquiry and comparison and upon negotiation between the parties. The unit prices of combustion accelerants and melting accelerants were determined based on the following factors: (i) the Group has conducted price inquiry and comparison from three potential suppliers (including Conch Accelerants Manufacturing and other independent third parties) offering similar products, in order to obtain fair market prices for the products. Potential suppliers were comprehensively reviewed by the Group based on various factors. The supplier was selected based on its optimal overall price-performance value and its reliability in terms of secured supply; and (ii) after making reference to the prices of similar products procured by the Group from Conch Accelerants Manufacturing Group and independent third party suppliers for recent years, the unit prices of relevant products supplied to the Group by Conch Accelerants Manufacturing are in line with the average price offered to the Group by independent third party suppliers. In addition, when determining the annual caps under the Combustion Accelerants and Melting Accelerants Procurement Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of the same products by the Group from Conch Accelerants Manufacturing Group from 2023 to 2025.



6. Significant Events

② Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement

On 31 December 2025, the Company and Conch Accelerants Manufacturing entered into the Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement, with a validity period from 1 January 2026 to 31 December 2026. Pursuant to the contract, the Group will procure desulfurizer and water treatment chemicals from Conch Accelerants Manufacturing. The estimated aggregate transaction amount (i.e. the annual cap) under the Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement shall be not more than RMB149 million.

The estimated aggregate transaction amount under the Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement was mainly determined based on the estimated total procurement quantity of desulfurizers and water treatment chemicals according to the Group's production plan for clinker for the year of 2026, and the unit prices of the products which were determined based on the results of the tender and price inquiry and comparison. The unit prices of desulfurizers and water treatment chemicals shall be determined based on the following factors: (i) the Company has conducted an open tender for the respective procurement of desulfurizers and water treatment chemicals. A total of four suppliers (one of which being Conch Accelerants Manufacturing and the other three being independent third parties) participated in the open tender for the procurement of desulfurizers and a total of five suppliers (one of which being Conch Accelerants Manufacturing and the other four being independent third parties) participated in the open tender for the procurement of water treatment chemicals. The Company rated the tenderers based on technical evaluation, and shortlisted three desulfurizer suppliers and three water treatment chemicals suppliers with the highest technical evaluation ratings (Conch Accelerants Manufacturing was included in both selections) as successful shortlisted suppliers; and (ii) the relevant subsidiaries or branch companies of the Company will conduct price inquiry from the successful shortlisted suppliers prior to procurement of desulfurizers or water treatment chemicals. The offeror of the lowest price quotations for the products will be selected as the supplier and the offered prices will be the unit prices of products under the sub-contracts of the Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement. In addition, when determining the annual caps under the Desulfurizer and Water Treatment Chemicals Procurement Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of the relevant products by the Group from Conch Accelerants Manufacturing Group from 2023 to 2025.

Conch Holdings, a controlling shareholder of the Company, held 100% equity interests in Conch Tech Innovation Material. Conch Tech Innovation Material held 100% equity interests in Conch Accelerants Manufacturing, therefore, Conch Accelerants Manufacturing was an associate of Conch Holdings and hence a connected person of the Company. The transactions under the above two agreements thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 31 December 2025. According to the SSE Listing Rules, Conch Accelerants Manufacturing was also a connected party of the Company and the transactions under the above two agreements also constituted connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the aggregate transaction amounts of the above two agreements had not reached 0.5% of the Company's latest audited net assets, therefore, the Company was not required to publish an ad hoc announcement for the transactions under the above two agreements on the website of the SSE.

2. Transactions with Conch Design Institute – receiving engineering project design and technology service, mine infrastructure project engineering design and construction service, SCR denitration technology modification service

(1) Engineering Project Design and Technology Service

On 23 May 2025, the Company and Conch Design Institute entered into the Engineering Project Design and Technology Service Contract, pursuant to which Conch Design Institute shall provide engineering design and/or technology modification services for projects such as aggregate, manufactured sand, commodity concrete, clinker lines, grinding stations, slag powder transit projects, roller press technology modification projects and comprehensive projects of certain subsidiaries of the Company, as well as large-scale special modification projects and engineering consulting service of the Company. The contract price shall be not more than RMB121.88 million.



6. Significant Events

The contract price of the Engineering Project Design and Technology Service Contract was determined with reference to the requirements of the Engineering Survey Design Fee Standard (2002 Revised Version) (《工程勘察設計收費標準》(2002年修訂本)) (the "Engineering Survey Design Fee Standard") jointly promulgated by the National Development and Reform Commission of the PRC and the Ministry of Housing and Urban-Rural Development of the PRC, and the Information on the Cost Components of Engineering Survey Service (2022 Edition) (《工程勘察服務成本要素信息(2022版)》) published by China Engineering & Consulting Association, as well as the characteristics of the Group's engineering construction projects, and the scale, investment amount, scope of design and technology indicators of each project, and as agreed between both parties on the basis of equality and mutual benefit. The Company had also made enquiries and compared the prices offered by two independent third party service providers and the price offered to the Group by Conch Design Institute has a significant advantage.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Engineering Project Design and Technology Service Contract was RMB22.04 million. If including the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) relating to engineering project design and technology services between the Group and Conch Design Institute during the Reporting Period amounted to RMB88.95 million.



(2) Mine Infrastructure Project Engineering Design and Construction Service

On 7 February 2025, Qingyuan Guangying Mining Industry Co., Ltd. ("Guangying Mining Industry", as the principal), a subsidiary of the Company, entered into the Engineering General Contract for the Cement-applied Limestone Mine Infrastructure Project at Baishuidong Mining Area, Shitan Town, Qingxin District, Qingyuan City, Guangdong Province (the "Mine Infrastructure Project Engineering General Contract") with Tongguan Mines Construction Co., Ltd of Tongling Nonferrous Metals Group ("Tongguan Mines Construction") and Conch Design Institute (as the contractors), pursuant to which Conch Design Institute and Tongguan Mines Construction provided engineering design and construction service for the cement-applied limestone mine infrastructure project of Guangying Mining Industry. The contract price amounted to approximately RMB37.10 million.

The contract price of the Mine Infrastructure Project Engineering General Contract was determined based on the results of an open tender. Guangying Mining Industry selected its service providers of mine infrastructure project engineering design and construction by way of open tender. Conch Design Institute (together with Tongguan Mines Construction as the joint contractors) and two independent third party service providers participated in the open tender. Comprehensive assessment method had been adopted for evaluation of tenders. The engineering design and construction qualification of the service providers participating in the tender were primarily reviewed. Indicators such as their main construction proposal and technical indicators, comprehensive competency of project management personnel, corporate business performance and service fee quotes were also scored. Upon evaluation, Conch Design Institute (together with Tongguan Mines Construction as the joint contractors) obtained the highest overall score, and were selected as the service providers of mine infrastructure project engineering design and construction for Guangying Mining Industry.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Mine Infrastructure Project Engineering General Contract was RMB15.72 million.



(3) SCR Denitration Technology Modification Service

On 11 November 2024, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply Contract (the "SCR Denitration Technology Modification Service Contract"), pursuant to which Conch Design Institute agreed to provide engineering design, technology calibration, equipment supply and adjustment services for the SCR denitration technology modification projects for three clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB17.55 million.

The contract price of the SCR Denitration Technology Modification Service Contract was determined with reference to the requirements under the Engineering Survey Design Fee Standard, as well as the project scale, scope of design, technology indicators, and the market prices for SCR denitration technology modification services, and as agreed between both parties on the basis of equality and mutual benefit. The Company had also made enquiries with two independent third party providers for the price of providing the same kind of services and conducted comparisons and the price offered to the Company by Conch Design Institute had a significant advantage.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the SCR Denitration Technology Modification Service Contract was RMB5.64 million. If including the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) relating to SCR denitration technology modification services between the Company and Conch Design Institute during the Reporting Period amounted to RMB57.30 million.



6. Significant Events

Conch Design Institute is a wholly-owned subsidiary of Conch Holdings. Pursuant to Chapter 14A of the HKSE Listing Rules, Conch Design Institute is an associate of Conch Holdings and hence a connected person of the Company. Therefore, pursuant to Chapter 14A of the HKSE Listing Rules, the transactions contemplated under the Engineering Project Design and Technology Service Contract, the Mine Infrastructure Project Engineering General Contract and the SCR Denitration Technology Modification Service Contract constituted connected transactions for the Company. For details about the above three contracts, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 23 May 2025. According to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the above three contracts also constituted connected transactions as prescribed under the SSE Listing Rules. However, as the aggregate contract amount of the contracts (including the above three contracts) entered into by the Group with Conch Design Institute within 12 consecutive months accounted for less than 0.5% of the Company's latest audited net assets, and the transactions contemplated under the Mine Infrastructure Project Engineering General Contract were conducted under open tender, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of the SSE.

Pricing policy of connected transactions and confirmation by independent non-executive Directors on connected transactions

In determining the prices and terms of the continuing connected transactions conducted during the Reporting Period, the Company has followed the pricing policy of the relevant transactions and the guidelines under the HKSE Listing Rules.



6. Significant Events

During the Reporting Period, the Group's connected transactions had been entered into in the ordinary and usual course of business of the Group, and were entered into on normal commercial terms or better and on an arm's length basis. Such transactions were conducted in accordance with relevant agreements, and the terms thereof are fair and reasonable to the Group and in the interests of the shareholders of the Company as a whole, and did not exceed the caps (if any) disclosed in the previous announcements. All the continuing connected transactions as stated above were reviewed and confirmed by the independent non-executive Directors.

In respect of the continuing connected transactions disclosed above (the "Transactions"), Ernst & Young HK has taken the necessary procedures and issued a letter to the Board (who has confirmed the receipt of the letter), stating that: nothing has come to their attention that causes them to believe that the Transactions (1) have not been approved by the Board; (2) were not, in all material aspects, in accordance with the pricing policies of the Group if the Transactions involve the provision of goods or services by the Group; (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the Transactions; and (4) have exceeded the cap(s).

In respect of the above material connected transactions of the Group during the Reporting Period, the Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the HKSE Listing Rules.



(10) MATERIAL CONTRACTS

1. During the Reporting Period or during the previous periods and subsisting in the Reporting Period, the Company was not involved in any material entrustment, contracting or leasing of assets of other companies, nor were any other companies involved in any entrustment, contracting or leasing of assets of the Company.

2. Guarantees

During the Reporting Period, all the external guarantees of the Group were in compliance with the approval procedures of the Board and/or the general meeting of the Company. The guarantees provided by the subsidiaries of the Company to other subsidiaries of the Company in aggregate amounted to RMB115.50 million, all being guarantees for collateral liabilities, the details of which are as follows:

No.	Guaranteed company	Guarantor	Shareholding proportion of the guarantor	Amount guaranteed by the guarantor (RMB'000)	Guaranteed period	Date of guarantee contract	Name of creditor
1	Wuhu Conch Environmental Protection Technology Co., Ltd.	Anhui Conch Environment Group Co., Ltd.	100%	80,000	3 years	2025.1.9	Huishang Bank, Wuhu Beijing Road Sub-branch
2	Fujian Sanming Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	100%	10,000	1 year	2025.6.24	Industrial Bank, Sanming Branch
3				10,000	1 year	2025.9.15	China Construction Bank, Qingliu Sub-branch
4	Hangzhou Fuyang Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	55%	5,500	1 year	2025.10.22	Industrial Bank, Hangzhou Fuyang Branch
5	Nanjing Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental	100%	10,000	1 year	2025.10.29	Bank of Hangzhou, Nanjing Branch
Total				**115,500**			

Note: The guarantors provided guarantee for the guaranteed companies in proportion to their respective shareholding ratio.



6. Significant Events

During the Reporting Period, the Company did not provide any external guarantees, and the aggregate amount of guarantees provided by the Company's subsidiaries to subsidiaries which are within the scope of the consolidated financial statements of the Group was RMB115.50 million.

As at the end of the Reporting Period, the balance of guarantee provided by the Company to subsidiaries which are within the scope of the consolidated financial statements of the Group was RMB578.00 million, the balance of the external guarantees provided by the Company's subsidiaries (including guarantees provided to subsidiaries within the scope of the financial statements and to joint ventures) was RMB364.29 million, and the aggregate amount of guarantees amounted to RMB942.29 million, representing 0.49% of the net assets of the Group as at the end of the Reporting Period, of which the aggregate balance of guarantees provided to subsidiaries amounted to RMB918.29 million and that to joint ventures amounted to RMB24.00 million.

During the Reporting Period, the amount of guarantees provided by the Group to companies with a gearing ratio of over 70% amounted to RMB80 million.

As at the end of the Reporting Period, save for the provision of guarantee to Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd., a joint venture, the Group did not provide guarantee for its controlling shareholders, de facto controllers, other related parties of the Company and any unincorporated entities or individuals. Save for the guarantees as disclosed above, the Group did not provide any other guarantees or pledges, nor did the Group have any other significant contingent liabilities.



(11) FINANCIAL ENTRUSTMENT AND LOAN ENTRUSTMENT

1. Financial entrustment

In combination with the Company's daily fund arrangements and unutilized fund situation and in order to make full use of the unutilized fund, the Company used part of its own idle funds for financial entrustment after comprehensive consideration of security and return rate. As of the end of the Reporting Period, the overall situation of the financial entrustment was as follows:

Type	Risk characteristics	Undue balance (RMB in million)	Overdue unrecovered amount (RMB in million)
Wealth management product issued by bank	R1 (Low risk) or R2 (Low to medium risk)	9,000	–
Beneficiary certificate	R1 (Low risk)	3,000	–
Structured deposits	R1 (Low risk)	3,000	–



2. Loan entrustment

In June 2022, the Company provided entrusted loans in the amount of not more than RMB10 billion to Fengkai Conch Transportation Investment Green Construction Material Co., Ltd., a majority-owned subsidiary of the Company, through Wuhu Zheshan Subbranch of Industrial and Commercial Bank of China Limited. The counterparty shareholder, Zhaoqing Transportation Investment Mining Co., Ltd., provided counter-guarantee to the Company by pledging its 32% equity interest. The loan has a term from 15 June 2022 to 31 October 2026 with an interest rate of 3.50% per annum. As at the end of the Reporting Period, the outstanding principal amounted to RMB2.41 billion.

Save as disclosed above, during the Reporting Period, the Group had no other new loan entrustment arrangement.

7. Changes in Shareholdings and Shareholders

(1) TOTAL NUMBER OF SHARES AND THE SHAREHOLDING STRUCTURE

There was no change in the total number of shares and the shareholding structure of the Company during the Reporting Period, as detailed below:

(Unit: Share)

Class of shares	Before change		Increase/decrease (+, -)			After change	
	Number	Percentage (%)	Issue of new shares	Transfer from capital reserve	Subtotal	Number	Percentage (%)
I. Shares subject to trading restrictions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. State-owned legal person shares	-	-	-	-	-	-	-
2. Other domestic shares	-	-	-	-	-	-	-
II. Shares not subject to trading restrictions	**5,299,302,579**	**100**	**-**	**-**	**-**	**5,299,302,579**	**100**
1. RMB-denominated ordinary shares (i.e. A Shares)	3,999,702,579	75.48	-	-	-	3,999,702,579	75.48
2. Overseas-listed foreign shares (i.e. H Shares)	1,299,600,000	24.52	-	-	-	1,299,600,000	24.52
III. Total number of shares	**5,299,302,579**	**100**	**-**	**-**	**-**	**5,299,302,579**	**100**

(2) SUMMARY OF TRADING OF THE COMPANY'S SHARES IN 2025

	A Share/RMB	H Share/HK$
Opening price on the first trading day of the year	23.77	19.88
Closing price on the last trading day of the year	21.86	22.08
Highest trading price during the year	28.00	25.90
Lowest trading price during the year	21.34	18.70

(3) SHAREHOLDERS

1. As at 31 December 2025, the total number of registered shareholders of the Company was 247,947, of which 116 were registered holders of H Shares. As at 28 February 2026, the total number of registered shareholders of the Company was 208,306, of which 116 were registered holders of H Shares.

2. As at 31 December 2025, the shareholdings of the top ten registered shareholders of the Company are set out as follows:

Name of shareholder	Nature of shareholder	Increase or decrease during the Reporting Period (share)	Number of shares held at the end of the Reporting Period (share)	Percentage of shareholding (%)	Class of share	Pledged, marked or frozen	
						Status	Number of shares (share)
1. Conch Holdings [Note 1]	State-owned legal person	-	1,928,870,014	36.40	A Share	Nil	-
2. HKSCC Nominees Limited [Note 2]	Foreign legal person	127,750	1,298,099,340	24.50	H Share	Unknown	Unknown
3. Hong Kong Securities Clearing Company Limited	Foreign legal person	-22,691,670	151,293,273	2.85	A Share	Unknown	Unknown
4. China Securities Finance Corporation Limited	State-owned legal person	-43,487,396	115,218,918	2.17	A Share	Unknown	Unknown
5. Central Huijin Asset Management Ltd.	State-owned legal person	-	68,767,400	1.30	A Share	Unknown	Unknown
6. Harvest Fund - Agricultural Bank - Harvest China Securities and Financial Assets Management Plan	Others	43,487,396	52,399,296	0.99	A Share	Unknown	Unknown
7. Industrial and Commercial Bank of China Limited - Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	Others	-1,842,789	39,627,822	0.75	A Share	Unknown	Unknown
8. Guosen Securities Co., Ltd.	Others	9,764,200	28,301,501	0.53	A Share	Unknown	Unknown
9. China Construction Bank Corporation - E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund	Others	-312,369	28,271,815	0.53	A Share	Unknown	Unknown
10. Industrial and Commercial Bank of China Limited - ChinaAMC CSI 300 Trading Open-end Index Securities Investment Fund	Others	2,582,061	21,575,148	0.41	A Share	Unknown	Unknown



7. Changes in Shareholdings and Shareholders

Notes:

(1) During the Reporting Period, there was no change in the number of shares of the Company held by Conch Holdings whose shares were not subject to any pledge, mark, freezing or trust.

(2) As at the end of the Reporting Period, HKSCC Nominees Limited held 1,298,099,340 H Shares, representing 24.50% of the total share capital of the Company, and 99.88% of the issued H Shares of the Company. These shares were held on behalf of its various clients.

(3) All the above shares are floating shares not subject to trading restrictions.

(4) The Board is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.

(5) Shareholding in the Company's designated securities account for repurchase is not shown in the above table. As at the end of the Reporting Period, there were 22,242,535 A Shares held in the Company's designated securities account for repurchase, accounting for 0.42% of the Company's total issued share capital.

(6) During the Reporting Period, no Shares were lent through refinancing by shareholders with more than 5% shareholding, the top 10 shareholders and the top 10 shareholders without restrictions on trading.



7. Changes in Shareholdings and Shareholders

3. As at 31 December 2025, the following persons (other than the Directors or chief executive of the Company) held interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Number of ordinary shares held	Nature of interest	Percentage of shareholding of the relevant class of shares	Percentage of shareholding of all issued shares
Conch Holdings	1,928,870,014 A Shares (long position) (Note 1)	Beneficial owner	48.23% (Note 2)	36.40%
Anhui Provincial Investment Group Holding Co., Ltd.	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)	36.40%
Conch Venture Enterprise	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)	36.40%
Conch Venture	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)	36.40%
Taiwan Cement Corporation	116,568,000 H Shares (long position) (Note 4)	Interest of a controlled corporation	8.97% (Note 3)	2.20%
JPMorgan Chase & Co.	132,703,206 H Shares (long position) (Note 5)	Beneficial owner/ Investment manager/ Trustee/Approved lending agent	10.21% (Note 3)	2.50%
JPMorgan Chase & Co.	17,358,981 H Shares (short position) (Note 5)	Beneficial owner/ Investment manager	1.33% (Note 3)	0.33%



7. Changes in Shareholdings and Shareholders

Name of shareholder	Number of ordinary shares held	Nature of interest	Percentage of shareholding of the relevant class of shares	Percentage of shareholding of all issued shares
JPMorgan Chase & Co.	101,451,590 H Shares (available for lending) (Note 5)	–	7.80%	1.91%
The Capital Group Companies, Inc.	118,278,520 H Shares (long position) (Note 6)	Interest of a controlled corporation	9.10% (Note 3)	2.23%
The Bank of New York Mellon Corporation	91,029,180 H Shares (long position) (Note 7)	Interest of a controlled corporation	7.00% (Note 3)	1.72%
The Bank of New York Mellon Corporation	13,150,160 H Shares (short position) (Note 7)	Interest of a controlled corporation	1.01% (Note 3)	0.25%
The Bank of New York Mellon Corporation	75,335,334 H Shares (available for lending) (Note 7)	–	5.80%	1.42%
Lazard Asset Management LLC	79,127,738 H Shares (long position) (Note 8)	Investment manager	6.09% (Note 3)	1.49%
Invesco Asset Management Limited	78,000,500 H Shares (long position) (Note 9)	Investment manager	6.00% (Note 3)	1.47%
FMR LLC	65,977,874 H Shares (long position) (Note 10)	Interest of a controlled corporation	5.08% (Note 3)	1.25%



7. Changes in Shareholdings and Shareholders

Notes:

(1) Anhui Provincial Investment Group Holding Co., Ltd. ("Anhui Provincial Investment Group") and Conch Venture Enterprise held 51% and 49% of the equity interests in Conch Holdings, respectively. Conch Venture Enterprise is wholly owned by Anhui Conch Venture New Energy-saving Building Material Co., Ltd. ("CV New Building Material"), which is in turn wholly owned by China Conch Venture Holdings (HK) Limited ("CV HK"). CV HK is wholly owned by China Conch Venture Holdings International Limited ("CV International"). CV International is a wholly-owned subsidiary of Conch Venture. Pursuant to the SFO, Anhui Provincial Investment Group, Conch Venture Enterprise, CV New Building Material, CV HK, CV International and Conch Venture were deemed to have interests in the entire number of shares of the Company held by Conch Holdings.

(2) The total number of domestic shares in issue was 3,999,702,579 shares, all of which were A Shares.

(3) The total number of H Shares in issue was 1,299,600,000 shares.

(4) Based on the disclosure of interests form submitted by Taiwan Cement Corporation on 12 December 2008 in respect of the relevant event that occurred on 11 December 2008, 38,856,000 H Shares were held by Taiwan Cement Corporation through certain of its subsidiaries. Assuming that the company has not disposed of any shares, upon implementation of the proposal of capitalization of capital reserve fund by the Company in 2010 and 2011, Taiwan Cement Corporation held 116,568,000 H Shares of the Company correspondingly.

(5) Based on the disclosure of interests form submitted by JPMorgan Chase & Co. on 3 December 2025 in respect of the relevant event that occurred on 28 November 2025, of the 132,703,206 H Shares (long position), 20,437,611 shares were held in the capacity of beneficial owner; 10,813,615 shares were held in the capacity of investment manager; 390 shares were held in the capacity of trustee; 101,451,590 shares were held in the capacity of approved lending agent. Of the 17,358,981 H Shares (short position), 17,355,981 shares were held in the capacity of beneficial owner; 3,000 shares were held in the capacity of investment manager.

(6) Based on the disclosure of interests form submitted by The Capital Group Companies, Inc. on 29 November 2025 in respect of the relevant event that occurred on 27 November 2025, these shares were held through certain subsidiaries of The Capital Group Companies, Inc. in the capacity of interest of a controlled corporation.



7. Changes in Shareholdings and Shareholders

(7) Based on the disclosure of interests form submitted by The Bank of New York Mellon Corporation on 2 December 2025 in respect of the relevant event that occurred on 1 December 2025, these shares were held through certain subsidiaries of The Bank of New York Mellon Corporation in the capacity of interest of a controlled corporation.

(8) Based on the disclosure of interests form submitted by Lazard Asset Management LLC on 25 July 2025 in respect of the relevant event that occurred on 22 July 2025, these shares were held in the capacity of investment manager.

(9) Based on the disclosure of interests form submitted by Invesco Asset Management Limited on 2 December 2025 in respect of the relevant event that occurred on 1 December 2025, these shares were held in the capacity of investment manager.

(10) Based on the disclosure of interests form submitted by FMR LLC on 20 October 2025 in respect of the relevant event that occurred on 15 October 2025, these shares were held through certain subsidiaries of FMR LLC in the capacity of interest of a controlled corporation.

Save for the aforesaid shareholders, as at 31 December 2025, the Company was not aware of any interests and short positions as recorded in the register required to be kept pursuant to section 336 of the SFO.



7. Changes in Shareholdings and Shareholders

4. Information on the controlling shareholder of the Company

Name in English:	Anhui Conch Holdings Co., Ltd.
Legal representative:	Yang Jun
Date of establishment:	7 November 1996
Registered capital:	RMB800 million
Principal business activities:	Asset operation, investment, financing, property transactions, production and sale of construction materials, chemical and industrial products (excluding hazardous products), electronic apparatus and instruments and ordinary machinery and equipment, electricity, transportation, warehousing, construction project, import and export trading, sale of mineral products (operated by subsidiaries), metal materials, craftwork and general merchandise, property management, development of technological products, technical services, printing, contracting of overseas building materials project and domestic and international bidding projects, and dispatch of service personnel for implementing the above overseas projects.

As at the end of the Reporting Period, Conch Holdings was also the controlling shareholder of Conch New Material with a direct equity shareholding of 43.40% and the controlling shareholder of Conch Material Technology with an indirect equity shareholding of 36.47%, and held 5.39% equity interest in Conch Venture. During the Reporting Period, there was no change of the controlling shareholder of the Company.



7. Changes in Shareholdings and Shareholders

5. Information on the shareholding and controlling relationship between the Company and its controlling shareholder's controlling shareholders

Anhui Provincial Investment Group is a wholly state-owned company with limited liability under the State-owned Assets Supervision and Administration Commission of Anhui Province ("Anhui SASAC"), and accordingly, Anhui SASAC is the de facto controller of the Company. As at 31 December 2025, the shareholding relationship structure among Conch Holdings, Anhui Provincial Investment Group and Anhui SASAC is set out as follows:



6. Public float

Up to the date of this report, based on publicly available information and to the knowledge of the Directors, the Company has been complying with the prescribed public float requirement under the HKSE Listing Rules.



(4) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor its subsidiaries purchased, sold or redeemed any listed securities of the Company.

On 3 November 2023, in order to safeguard the value of the Company and the interests of the shareholders of the Company, the Board considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding (hereinafter referred to as the "Repurchase"). Pursuant to the Repurchase plan, the total amount of funds for the Repurchase shall be no less than RMB400 million and no more than RMB600 million and the upper limit of the price for the Repurchase shall be RMB32.30 per share, the period for the Repurchase shall be three months from the date on which the Board considered and approved the Repurchase plan. The repurchased shares will be sold through centralized price bidding in accordance with relevant laws, regulations and normative documents. If the Company fails to complete the sale of the repurchased shares within three years after completion of the Repurchase, the unsold portion will be cancelled after complying with the relevant legal procedures. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 3 November 2023, and on the website of the SSE on 4 November 2023, respectively.

As of 31 December 2025, the Company had repurchased a total of 22,242,535 A Shares (being the number of treasury shares (as defined in the HKSE Listing Rules) held by the Company as at the end of the Reporting Period). The said repurchased shares have not been sold or cancelled.



(5) ISSUE OF PREFERENCE SHARES AND PRE-EMPTIVE RIGHTS

During the Reporting Period, the Company did not issue any preference shares. Under the Articles and the laws of the PRC, the Company is not required to offer to its existing shareholders pre-emptive rights to acquire new shares in proportion to their shareholdings.

(6) TRANSACTIONS IN RESPECT OF ITS OWN SECURITIES

During the year ended 31 December 2025, the Group had not issued or granted any shares, securities, convertible securities, options, warrants or other similar rights, nor did the Group exercise conversion or subscription rights pursuant to the convertible securities, options, warrants or other similar rights issued or granted by the Group at any time. In addition, as at the end of the Reporting Period, the Group had no redeemable securities.

(7) TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

During the year ended 31 December 2025, holders of the Company's listed securities were not entitled to any tax relief and exemptions by virtue of their holdings of such securities under their legal status of the PRC.



8. Information on Bonds

I. DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES ON THE INTERBANK BOND MARKET

Name of bond	Short name	Code	Issue date	Value date	Maturity date	Balance of bond (RMB billion)	Interest rate (%)	Mode of repayment of principal and interest	Trading market	Investor suitability arrangements (if any)	Trading mechanism	Whether the risk of termination of listing exists
First Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN001 (Green)	102481853	2024.4.26	2024.4.29	2027.4.29	1.5	2.20	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
Second Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN002 (Green)	102481812	2024.4.25	2024.4.29	2027.4.29	1.5	2.20	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
Third Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN003	102484129	2024.9.12	2024.9.18	2029.9.18	3.5	2.12	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No



8. Information on Bonds

Name of bond	Short name	Code	Issue date	Value date	Maturity date	Balance of bond (RMB billion)	Interest rate (%)	Mode of repayment of principal and interest	Trading market	Investor suitability arrangements (if any)	Trading mechanism	Whether the risk of termination of listing exists
Fourth Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	24 Conch Cement MTN004	102484128	2024.9.12	2024.9.18	2029.9.18	3.5	2.10	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2024	24 Conch Environment GN001	132480069	2024.8.5	2024.8.7	2029.8.7	1.5	2.13	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2025	25 Conch Environment GN001	132580034	2025.4.23	2025.4.25	2028.4.25	1.0	1.80	Interest is payable annually, and the principal is payable at maturity in one lump sum	PRC Interbank Bond Market	-	-	No

II. INTERMEDIARIES PROVIDING SERVICES FOR BOND ISSUANCE AND SUBSISTENCE

Name of intermediaries	Office address	Name of signing accountant	Contact persons	Telephone no.
China CITIC Bank Corporation Limited	Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing	–	Li Yuqiao	010-66635907
Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing	–	Dai Ying	010-66109649
Industrial Bank Co., Ltd.	Industrial Bank Building, 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou, Fujian Province	–	Peng Weiyao	010-89926604
Huishang Bank Corporation Limited	Huishang Bank Building, No. 1699 Yungu Road, Baohe District, Hefei, Anhui Province	–	Shi Xinjie	0551-63898768
Bank of Communications Co., Ltd.	No. 188 Yin Cheng Zhong Lu, Shanghai	–	Zhu Dong	010-58781234
China Zheshang Bank Co., Ltd.	No. 1788, Hongning Road, Xiaoshan District, Hangzhou, Zhejiang Province	–	Cheng Xiang	0551-65722159
CHINA BOHAI BANK CO., LTD.	No. 218 Haihe East Road, Hedong District, Tianjin	–	Chen Liyichun	022-58316743
Shanghai Pudong Development Bank Corporation	No. 12 Zhongshan East 1st Road, Shanghai	–	Qin Zhaoyang	021-61616251
China Minsheng Banking Corp., Ltd.	No. 2 Fuxingmennei Avenue, Xicheng District, Beijing	–	Lv Jinting	010-57092734
China Everbright Bank Company Limited	China Everbright Center, No. 25 and 25A Taipingqiao Avenue, Xicheng District, Beijing	–	Yu Huanshun	0551-65101789
China Construction Bank Corporation	No. 25, Financial Street, Xicheng District, Beijing	–	Wang Wenjia	010-67595589
Bank of China Limited	No. 1 Fuxingmennei Avenue, Beijing	–	Cao Zhe	010-65592485
Bank of Hangzhou Co., Ltd.	No. 168, Jiefang East Road, Shangcheng District, Hangzhou, Zhejiang Province	–	Zhou Yuchen	0571-87094968

III. USE OF PROCEEDS AS AT THE END OF THE REPORTING PERIOD

Name of Bond	Total proceeds raised (RMB billion)	Utilized amount (RMB billion)	Unutilized amount (RMB billion)	Operation of designated account for proceeds raised (if any)	Rectification of non-compliant utilization of proceeds raised (if any)	Whether align with the purposes, usage plan and other agreements as committed in the prospectus
First Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	1.5	0.787	0.713	Normal	–	Yes
Second Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	1.5	1.208	0.292	Normal	–	Yes
Third Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	3.5	3.5	0	–	–	Yes
Fourth Tranche of Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024	3.5	3.5	0	–	–	Yes
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2024	1.5	1.5	0	Normal	–	Yes
First Tranche of Green Medium-term Notes of Anhui Conch Environment Group Co., Ltd. for Year 2025	1.0	1.0	0	Normal	–	Yes



8. Information on Bonds

(I) The progress and operational benefits of the raised proceeds used for project construction:

According to the commitments in the prospectus, the proceeds raised from the first tranche of green medium-term notes of Anhui Conch Cement Company Limited for year 2024 and the second tranche of green medium-term notes of Anhui Conch Cement Company Limited for year 2024 shall be used for the construction of new energy projects and projects are in normal progress, and the proceeds raised from the third tranche of medium-term notes for year 2024 and the fourth tranche of medium-term notes for year 2024 were used to repay the existing debts of the issuer and subsidiaries. At present, debts for relevant projects have been paid.

The proceeds raised from the first tranche of green medium-term notes of Anhui Conch Environment Group Co., Ltd. for year 2024 and the first tranche of green medium-term notes of Anhui Conch Environment Group Co., Ltd. for year 2025 shall be used for project construction and repayment of loans of projects. At present, relevant loans of projects have been repaid and the projects are in normal progress.

(II) Explanation on the change of the use of the above proceeds raised from bonds during the Reporting Period:

During the Reporting Period, due to adjustments in the progress of green projects originally funded by the proceeds, and upon filing with and approval by the National Association of Financial Market Institutional Investors, the Company adjusted the use of proceeds raised from the first tranche of green medium-term notes of Anhui Conch Cement Company Limited for year 2024. The use of proceeds shall be changed from being used entirely for the construction of wind power generation and photovoltaic power generation projects and photovoltaic power generation equipment manufacturing projects to being used for the construction of wind power generation, photovoltaic power generation, photovoltaic power generation equipment manufacturing and energy storage power station projects as well as for replacing previously invested funds. During the term of the green debt financing instruments, all proceeds shall be used for green projects.

IV. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

Major indicators	31 December 2025	31 December 2024	Increase or decrease at the end of the Reporting Period as compared to that at the end of the previous year	Reason for the change
Current ratio (%)	**319.23**	324.52	Decreased by 5.29 percentage points	Mainly due to the fact that the new fixed term deposit with maturity over one year placed during the Reporting Period were classified as other non-current assets based on their holding purpose
Quick ratio (%)	**269.11**	288.17	Decreased by 19.06 percentage points	
Gearing ratio (%)	**20.42**	21.31	Decreased by 0.89 percentage point	Mainly due to the decrease in balance arising from repayment of liabilities such as borrowings during the Reporting Period



8. Information on Bonds

Major indicators	2025	2024	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)	Reason for the change
Net profit after extraordinary items attributable to equity shareholders of the Company (RMB'000)	**7,587,838**	7,364,704	3.03	Mainly due to the reduction in sales costs and increase in earnings
EBITDA/total debts ratio	**0.37**	0.36	4.96	Mainly due to the year-on-year increase in profit before taxation and the year-on-year decrease in total liabilities
Interest coverage ratio	**14.68**	12.46	17.81	Mainly due to the year-on-year increase in profit before taxation and the year-on-year decrease in interest expenses
Cash interest coverage ratio	**22.08**	21.31	3.61	Mainly due to the year-on-year decrease in interest expenses
EBITDA interest coverage ratio	**25.91**	22.27	16.33	Mainly due to the year-on-year increase in profit before taxation and the year-on-year decrease in interest expenses
Loan repayment rate (%)	**100**	100	–	
Interest payment ratio (%)	**100**	100	–	

9. INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Anhui Conch Cement Company Limited
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Anhui Conch Cement Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 172 to 399, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

Key audit matter	**How our audit addressed the matter:**
Revenue recognition	
The Group recognised revenue from the manufacture, sale and trading of clinker and cement products and other materials of RMB79,551,066,000 in the consolidated financial statements for the year ended 31 December 2025. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and has a significant impact on the consolidated financial statements.	Our audit procedures to assess the revenue recognition included, among others: 1. Obtaining an understanding, evaluated the design, and tested the operating effectiveness of the key controls over the Group's revenue recognition from the sale and trading of clinker and cement products and other materials; 2. Inspecting customer contracts and key contract terms, on a sample basis, and evaluating the Group's accounting policies of revenue recognition;

Key audit matter	How our audit addressed the matter:
Revenue recognition	
Please refer to note 2(w) Revenue recognition and note 5 Revenue and segment reporting for disclosures of revenue recognition in the financial statements.	3. Obtaining an understanding of the commercial substance of the Group's trade business, inspecting the purchase and sales contracts entered into with its suppliers and customers, respectively, on a sample basis, identifying the contract terms and conditions related to the commodities purchased by the Group before revenue recognition, and assessing the Group's justification of presenting the related revenue on a gross basis with reference to the requirements of prevailing accounting standards; 4. Performing analytical review procedures, comparing current year revenue with the previous year revenue, and analysing the reasonableness of changes in revenue composition and gross margin; 5. Testing details of sales revenue, on a sample basis, comparing revenue transactions with sales contracts and goods delivery notes or delivery receipts and title transfer document for goods and other relevant supporting documents to assess whether the related revenue was recognised in accordance with the Group's accounting policies; selecting samples to perform confirmation procedures for revenue transaction amounts and accounts receivable balances;

Key audit matter	How our audit addressed the matter:
Revenue recognition	
	6. Performing cut-off tests to to evaluate whether revenue was recorded in the appropriate financial period; 7. Inspecting underlying documentation for journal entries relating to revenue recognised during the year which were considered to meet specific risk-based criteria; 8. Inspecting the relevant disclosure of revenue in the financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group'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 directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 the Audit Committee 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 the Audit Committee 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, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is HO Siu Fung,Terence (practising certificate number: P04202).

Ernst & Young
Certified Public Accountants
Hong Kong
24 March 2026

Consolidated statement of profit or loss and the Consolidated statement of comprehensive income for the year ended 31 December 2025

(Expressed in Renminbi Yuan ("RMB"))

	Note	**2025** **RMB'000**	2024 RMB'000
Revenue	5	**82,532,051**	91,029,615
Cost of sales and services rendered		**(63,558,094)**	(72,217,019)
Gross profit		**18,973,957**	18,812,596
Other income	6	**2,719,965**	2,695,110
Selling and marketing costs		**(3,500,999)**	(3,415,437)
Administrative expenses		**(5,661,878)**	(5,611,367)
Research and development costs		**(847,445)**	(1,257,068)
Impairment loss on trade and other receivables		**(87,141)**	(43,814)
Impairment loss on property, plant and equipment and prepayments		**(819,851)**	(309,918)
Profit from operations		**10,776,608**	10,870,102
Finance costs	7(a)	**(650,683)**	(778,705)
Share of profits of associates		**358,463**	235,352
Share of profits of joint ventures		**291,036**	65,798
Profit before taxation	7	**10,775,424**	10,392,547
Income tax	8(b)	**(2,554,269)**	(2,365,989)
Profit for the year		**8,221,155**	8,026,558

The notes on pages 182 to 399 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 39(b).

Consolidated statement of profit or loss and the Consolidated statement of comprehensive income for the year ended 31 December 2025 (continued)

(Expressed in Renminbi Yuan ("RMB"))

	Note	**2025**	2024
		RMB'000	RMB'000
Attributable to:			
Equity shareholders of the Company		**8,464,457**	8,051,954
Non-controlling interests		**(243,302)**	(25,396)
Profit for the year		**8,221,155**	8,026,558
Earnings per share	12		
– Basic		**RMB1.60**	RMB1.53
– Diluted		**RMB1.60**	RMB1.53

The notes on pages 182 to 399 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 39(b).

Consolidated statement of profit or loss and the Consolidated statement of comprehensive income for the year ended 31 December 2025 (continued)

(Expressed in Renminbi Yuan ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Profit for the year		**8,221,155**	8,026,558
Other comprehensive income for the year (after tax and reclassification adjustments)	11		
Item that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		**1,026,065**	143,201
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**20,318**	(115,365)
Share of other comprehensive income of investees		**(99,932)**	(163,113)
Other comprehensive income for the year		**946,451**	(135,277)
Total comprehensive income for the year		**9,167,606**	7,891,281
Attributable to:			
Equity shareholders of the Company		**9,417,195**	7,896,634
Non-controlling interests		**(249,589)**	(5,353)
Total comprehensive income for the year		**9,167,606**	7,891,281

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of financial position

(Expressed in Renminbi Yuan)

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment			
– Investment properties	13	**63,351**	66,978
– Other property, plant and equipment	14	**107,820,919**	107,951,772
Intangible assets	15	**28,961,499**	26,181,623
Goodwill	16	**1,241,748**	1,451,587
Interest in associates	18	**5,828,789**	5,737,374
Interests in joint ventures	19	**2,152,615**	2,038,295
Loans and receivables	20	**416,088**	381,045
Long-term prepayments	21	**1,473,047**	2,696,777
Financial assets measured at FVOCI	22	**1,416,434**	1,506,953
Deferred tax assets	38(b)	**1,744,279**	1,486,466
Time deposits		**15,990,824**	11,142,845
Amounts due from related parties	28	**86,380**	231,495
		167,195,973	160,873,210
Current assets			
Inventories	23	**7,596,948**	8,108,521
Other financial assets		**2,706,382**	–
Assets held for sale	24	**–**	11,442
Trade and bills receivables	25	**10,185,968**	11,023,115
Time deposits		**1,369,409**	–
Financial assets measured at fair value through profit or loss (FVPL)	26	**12,899,353**	509,203
Prepayments and other receivables	27	**3,199,652**	3,361,857
Amounts due from related parties	28	**168,005**	183,693
Tax recoverable	38(a)	**426,786**	334,855
Restricted cash deposits		**855,811**	1,033,408
Bank deposits with original maturity over three months		**38,720,326**	52,858,793
Cash and cash equivalents	29	**10,676,117**	16,337,147
		88,804,757	93,762,034

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of financial position (continued)

(Expressed in Renminbi Yuan)

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Current liabilities			
Trade and bills payables	30	**5,098,970**	5,816,206
Other payables and accruals	31	**11,475,883**	10,958,894
Current portion of long-term payables	36	**183,724**	102,665
Current portion of corporate bonds	34	**112,632**	101,404
Contract liabilities	32	**2,915,575**	2,569,098
Bank loans and other borrowings	33	**6,610,662**	7,486,649
Lease liabilities	35	**30,346**	30,932
Amounts due to related parties	28	**785,491**	938,654
Current taxation	38(a)	**605,229**	887,590
		27,818,512	28,892,092
Net current assets		**60,986,245**	64,869,942
Total assets less current liabilities		**228,182,218**	225,743,152
Non-current liabilities			
Corporate bonds	34	**12,500,000**	11,500,000
Bank loans and other borrowings	33	**7,018,946**	10,086,381
Lease liabilities	35	**220,156**	240,355
Long-term payables	36	**1,168,719**	694,716
Long-term employee benefits payable		**55,948**	–
Deferred income	37	**1,536,006**	1,095,482
Deferred tax liabilities	38(b)	**1,860,986**	1,703,301
Provisions		**133,514**	86,115
		24,494,275	25,406,350
NET ASSETS		**203,687,943**	200,336,802

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of financial position (continued)

(Expressed in Renminbi Yuan)

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
CAPITAL AND RESERVES			
Share capital	39(c)	**5,299,303**	5,299,303
Reserves		**187,105,697**	182,606,024
Total equity attributable to equity shareholders of the Company		**192,405,000**	187,905,327
Non-controlling interests		**11,282,943**	12,431,475
TOTAL EQUITY		**203,687,943**	200,336,802

Approved and authorised for issue by the board of directors on 24 March 2026.

Yang Jun
Director

Yu Shui
Director

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2025

(Expressed in Renminbi Yuan)

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		5,299,303	(500,588)	9,953,822	440,933	(889,527)	2,649,654	(1,424,669)	(199,684)	741,905	171,834,178	187,905,327	12,431,475	200,336,802
Changes in equity for the year:														
Profit for the year		-	-	-	-	-	-	-	-	-	8,464,457	8,464,457	(243,302)	8,221,155
Other comprehensive income	11	-	-	-	-	26,605	-	1,026,065	(99,932)	-	-	952,738	(6,287)	946,451
Total comprehensive income		-	-	-	-	26,605	-	1,026,065	(99,932)	-	8,464,457	9,417,195	(249,589)	9,167,606
Dividends declared to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(778,448)	(778,448)
Dividends approved in respect of the previous year	39(b)(ii)	-	-	-	-	-	-	-	-	-	(5,013,207)	(5,013,207)	-	(5,013,207)
Capital contribution received from non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	278,209	278,209
Acquisition of non-controlling interests		-	-	123,907	-	-	-	-	-	-	-	123,907	(396,355)	(272,448)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	-	(352,100)	-	-	352,100	-	-	-
Share of change of capital reserve of investees		-	-	-	(28,222)	-	-	-	-	-	-	(28,222)	-	(28,222)
Disposal of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(2,349)	(2,349)
Safety production fund	39(e)(iv)	-	-	-	-	-	-	-	-	338,985	(338,985)	-	-	-
Balance at 31 December 2025		5,299,303	(500,588)	10,077,729	412,711	(862,922)	2,649,654	(750,704)	(299,616)	1,080,890	175,298,543	192,405,000	11,282,943	203,687,943

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2025 (continued)

(Expressed in Renminbi Yuan)

	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 31 December 2023		5,299,303	(339,160)	9,987,109	417,209	(754,119)	2,649,654	(1,557,573)	(36,571)	402,583	169,201,102	185,269,537	12,640,828	197,910,365
Acquisition of subsidiaries under common control		–	–	91,919	–	–	–	–	–	–	(23,875)	68,044	(15,477)	52,567
Balance at 1 January 2024		5,299,303	(339,160)	10,079,028	417,209	(754,119)	2,649,654	(1,557,573)	(36,571)	402,583	169,177,227	185,337,581	12,625,351	197,962,932
Changes in equity for the year:														
Profit for the year		–	–	–	–	–	–	–	–	–	8,051,954	8,051,954	(25,396)	8,026,558
Other comprehensive income	11	–	–	–	–	(135,408)	–	143,201	(163,113)	–	–	(155,320)	20,043	(135,277)
Total comprehensive income		–	–	–	–	(135,408)	–	143,201	(163,113)	–	8,051,954	7,896,634	(5,353)	7,891,281
Acquisition of subsidiaries under common control		–	–	(126,400)	–	–	–	–	–	–	–	(126,400)	–	(126,400)
Purchase of own shares	39(d)	–	(161,428)	–	–	–	–	–	–	–	–	(161,428)	–	(161,428)
Dividends declared to non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	(378,982)	(378,982)
Dividends approved in respect of the previous year	39(b)(ii)	–	–	–	–	–	–	–	–	–	(5,065,978)	(5,065,978)	–	(5,065,978)
Capital contribution received from non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	179,354	179,354
Acquisition of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	–	–	–	–	(243)	(243)
Acquisition of non-controlling interests		–	–	2,119	–	–	–	–	–	–	–	2,119	(3,361)	(1,242)
Disposal of interest in subsidiaries without loss of control		–	–	(925)	–	–	–	–	–	–	–	(925)	14,709	13,784
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		–	–	–	–	–	–	(10,297)	–	–	10,297	–	–	–
Share of change of capital reserve of investees		–	–	–	23,724	–	–	–	–	–	–	23,724	–	23,724
Safety production fund	39(e)(iv)	–	–	–	–	–	–	–	–	339,322	(339,322)	–	–	–
Balance at 31 December 2024		5,299,303	(500,588)	9,953,822	440,933	(889,527)	2,649,654	(1,424,669)	(199,684)	741,905	171,834,178	187,905,327	12,431,475	200,336,802

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2025

(Expressed in Renminbi Yuan)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from operations	29(b)	**19,697,533**	20,658,739
Income tax paid	38(a)	**(3,053,625)**	(2,182,486)
Interest paid		**(772,949)**	(883,591)
Net cash generated from operating activities		**15,870,959**	17,592,662
Investing activities			
Payment for the purchase of property, plant and equipment		**(8,112,760)**	(9,560,370)
Proceeds from disposal of property, plant and equipment		**269,999**	368,000
Proceeds from the sale of financial assets measured at FVPL		**723,493**	5,108,778
Payment for the purchase of intangible assets		**(1,523,561)**	(1,753,888)
Payment for the purchase of financial assets measured at FVPL		**(13,000,000)**	(3,503,442)
Proceeds from the sale of Other financial assets		**2,100,000**	–
Payment for the Other financial assets		**(4,800,000)**	–
Proceeds from the sale of financial assets measured at FVOCI		**1,133,314**	15,510
New advances to government		**(23,978)**	(119,929)
Receipts of advances to government		**40,034**	38,160
New bank deposits with maturity over three months		**(15,445,943)**	(23,414,642)
Proceeds from maturity of bank deposits over three months		**23,840,135**	18,206,968
Interest received		**1,696,459**	1,340,492
Payment for disposal of a subsidiary, net of cash held		**(7,335)**	–
Proceeds from disposal of an associate		**66,921**	33,707
Payment for investments in associates		**–**	(172,500)
Dividends received from joint ventures		**97,997**	243,039
Dividends received from associates		**54,957**	38,685
Dividends received from investment in listed equity securities		**98,712**	82,343
Acquisition of subsidiaries, net of cash acquired	29(e)	**(1,142,473)**	(277,149)
Net cash used in investing activities		**(13,934,029)**	(13,326,238)

The notes on pages 182 to 399 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2025 (continued)

(Expressed in Renminbi Yuan)

	Note	**2025 RMB'000**	2024 RMB'000
Financing activities			
Capital and interest element of lease rentals paid	29(c)	**(80,877)**	(73,710)
New bank loans and other borrowings	29(c)	**7,524,912**	10,596,422
Repayment of bank loans and other borrowings	29(c)	**(10,608,173)**	(15,906,201)
Dividends paid to non-controlling shareholders	29(c)	**(502,307)**	(405,264)
Dividends paid to equity shareholders of the Company	39(b)	**(5,013,207)**	(5,065,978)
Capital contribution from non-controlling shareholders		**278,209**	179,354
Payment for acquisition of subsidiaries under common control		**–**	(126,400)
Payment for repurchase of shares		**–**	(161,428)
Instalment purchase of mining rights		**(123,340)**	(49,722)
Payment of debt acceptance for acquisition of subsidiaries in prior years	29(c)	**–**	(1,500)
Proceeds from issue of corporate bonds		**1,000,000**	11,500,000
Proceeds from disposal of interest in subsidiaries without losing control		**–**	13,784
Acquisition of non-controlling interests		**–**	(1,242)
Net cash generated from/(used in) financing activities		**(7,524,783)**	498,115
Net increase/(decrease) in cash and cash equivalents		**(5,587,853)**	4,764,539
Effect of foreign exchange rate changes, net		**(73,177)**	592
Cash and cash equivalents at 1 January	29(a)	**16,337,147**	11,572,016
Cash and cash equivalents at 31 December	29(a)	**10,676,117**	16,337,147

The notes on pages 182 to 399 form part of these financial statements.

Notes to the financial statements

(Expressed in Renminbi Yuan unless otherwise indicated)

1 GENERAL INFORMATION

Anhui Conch Cement Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 1 September 1997 as a joint stock limited company. The Company and its subsidiaries are collectively referred to as the Group. The principal activities of the Group are the manufacture, sale and trade of clinker and cement products.

The registered office of the Company is No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 include the financial statements of the Group and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- equity investments (see note 2(g));
- bank acceptance notes receivable measured at FVOCI (recycling) (see note 2(g)(i)); and
- structured deposits and wealth management products measured at FVPL (see note 2(g)(i)).

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(z)).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Business combination, subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interest ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(r) or note 2(s) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Business combination, subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(m)(i)).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (continued)

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see note 2(m)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(m)).

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines the fair value of financial instruments, see note 40(f). These investments are subsequently accounted for as follows, depending on their classification.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in securities (continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(w)(ii)(c)), and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Other investments in securities (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such an election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(w)(ii)(b)).

(h) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses.Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, using the straight-line method over their estimated useful lives as follows:

– Buildings	30 years

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(m)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and

- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(l)).

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Buildings	30 years
– Plant and machinery	15 years
– Office and other equipment	5 years
– Vehicles	5 to 10 years
– Land use rights (including acquired or leased land use rights)	3 to 50 years
– Other properties leased for own use	1 to 10 years

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Construction-in-progress

Construction-in-progress represents buildings and plant under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment losses, if any (see note 2(m)). The cost includes cost of construction, plant and equipment and other direct costs plus borrowing costs which include interest charges and exchange differences arising from foreign currency borrowings used to finance these projects during the construction period, to the extent they are regarded as an adjustment to borrowing costs (see note 2(y)).

Construction-in-progress is not depreciated until the assets are completed and ready for operational use, at which point the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 2(i).

(k) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (other than goodwill) (continued)

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(m)).

Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, from the date they are available for use and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Limestone and clay mining rights	5 to 30 years
– Technology	10 years
– Customer relationship	10 years
– Others	5 to 50 years

The technology and customer relationship of the Group are arise from business combinations and acquisitions from third parties.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(i) and 2(m)(iii).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (continued)

(i) As a lessee (continued)

The Group presents right-of-use assets that do not meet the definition of investment property in "other property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(w)(ii)(a).

When the Group is an intermediate lessor, a sub-lease is classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(l)(i), the Group classifies the sub-lease as an operating lease.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted cash deposits, bank deposits with maturity over three months, trade receivables and other receivables, amounts due from related parties and loans and receivables); and

- contract assets as defined in IFRS 15 (see note 2(o)).

Financial assets measured at fair value, including equity securities measured at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade receivables, prepayments and other receivables and contract assets: the effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: the current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Measurement of ECLs (continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); or

- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling). For these investments, the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) and does not reduce the carrying amount of the financial asset in the statement of financial position (see note 2(g)).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

Write-off policy

The gross carrying amount of a receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(ii) Credit losses from financial guarantees issued (continued)

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income (see note 2(w)(ii)(e)).

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default increase significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of a significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and intangible assets not available for use are tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and Impairment of assets (continued)

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(m)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(n) Inventories

(i) Inventories

Inventories except for spare parts and consumables are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Inventories (continued)

(i) Inventories (continued)

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Spare parts and consumables are stated at cost less any provision for obsolescence.

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(w)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 2(m)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 2(p)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(w)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(p)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(w)).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Trade and bills receivables and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. Except for certain bank acceptance notes receivable measured at fair value (see note 2(g)(i)), receivables are subsequently stated at amortised cost (see note 2(m)(i)).

Insurance reimbursement is recognised and measured in accordance with note 2(v).

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value, having a maturity of three months or less at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 2(m)(i)).

(r) Trade payables, other payables and accruals

Trade payables, other payables and accruals are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(y).

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined contribution plan obligations

In accordance with the rules and regulations in the PRC, the Group has arranged for its local employees to join defined contribution retirement plans organised by the PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plans. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government.The Group is required to make monthly defined contributions to these plans at certain rates of employees total salaries subject to a certain ceiling. In addition, the Group has joined the corporate annuity plan approved by relevant PRC authorities. Contributions to the annuity plan are charged to expense as incurred.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed above.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Income tax (continued)

– temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognises deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Provisions and contingent liabilities

Generally, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(m)(iii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that is virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of goods

Revenue is recognised when the control over the underlying products is transferred to customers which is generally at the point in time when the products leave the Group's own warehouses or designated warehouses, or when other materials are delivered to customers and the Group obtains the notes of goods transfer, in accordance with the terms of the sales contracts. Revenue excludes value-added tax or other sales taxes and is after deduction of any trade discounts.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

(b) Rendering of services

Revenue for rendering of services mainly includes managed services, construction, solid and hazardous waste treatment and logistic services.

Managed services and construction services are recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives the benefits provided by the Group's performance as the Group performs.

Regarding solid and hazardous waste treatment services, the Group provides stand-ready solid and hazardous waste treatment solutions to customers, and generally charges a fixed price per volume of services during the contract period. The Group recognises services revenue for which it has a right to invoice in the period during which the related volume of services is performed.

Logistic services are recognised at the point in time when the services are provided and collection vouchers are obtained.

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(ii) Revenue from other sources and other income (continued)

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, the calculation of interest income reverts to the gross basis.

(d) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Revenue recognition (continued)

(ii) Revenue from other sources and other income (continued)

(d) Government grants (continued)

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss and other comprehensive income by way of a reduced depreciation charge.

(e) Income from financial guarantees issued

Income from financial guarantees issued is recognised over the term of the guarantees (see note 2(m)(ii)).

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Translation of foreign currencies (continued)

However, foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI (except in cases of impairment, where foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the approximate exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Borrowing costs (continued)

Capitalisation commences during the period in which expenses are incurred on assets that are part of the cost of qualifying assets, borrowing costs are incurred and the provision necessary to place the assets for the intended use or sale is made. Capitalization of borrowing costs is suspended or discontinued when a substantial portion of the provision necessary to place the qualifying asset for its intended use is suspended or completed.

(z) Non-current assets held for sale

Non-current assets, or a disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with IFRS 5. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

When a Group of assets acquired and liabilities assumed does not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(bb) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(bb) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(cc) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Control over and consolidation of China Conch Environment Protection Holdings Limited ("Conch Environment Protection")

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(a) Critical accounting judgements in applying the Group's accounting policies (continued)

The Company has concluded that the Group has control over Conch Environment Protection, although the Group holds less than 50% of the voting rights in the investee. In arriving at this conclusion, the Company has made a holistic assessment of the relevant facts and circumstances taking into account such factors as the size of the Group's holding of voting rights relative to the size and dispersion of the voting rights of the other shareholders, the nature of the Group's relationships with other shareholders including those parties acting in concert with the Group, any history of any other shareholders collaborating to exercise their votes collectively or to out vote the Group, the Group's control of the investee's board, and the Group's relationship with the key management personnel of the investee. The Company will continue to re-evaluate such conclusion on an ongoing basis as facts and circumstances change.

(b) Sources of estimation uncertainty

Notes 14, 16 and 40(f) contain information about the assumptions and their risk factors relating to property, plant and equipment impairment, goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (continued)

(i) Depreciation and amortisation

As described in note 2(h) and note 2(i), investment properties, property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. As described in note 2(k), intangible assets are amortised on a straight-line basis over the estimated useful lives. Management reviews annually the useful lives of the assets and residual values, if any, in order to determine the amount of depreciation and amortisation expenses to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological and other changes, as well as the environmental goals. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(ii) Inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of a similar nature. In addition, these estimates could change significantly as a result of changes in customer preferences, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at each statement of financial position date.

(iii) Loss allowance for expected credit losses

The Group estimates impairment losses for bad and doubtful debts by using expected credit loss models. Expected credit losses on these trade receivables and prepayments and other receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(b) Sources of estimation uncertainty (continued)

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of unused tax losses and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and requires a significant level of judgement exercised by the directors.

Any change in such assumptions and judgements would affect the carrying amounts of deferred tax assets to be recognised and hence the profit or loss in future years.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION

Business combination not under common control

In 2025, the Group acquired several equity interests in the following subsidiaries from third parties. Details of the acquired subsidiaries are as follows:

Name of the company	Voting rights/ effective equity interests	Date of acquisition	Principal activities
Yili Conch Cement Co., Ltd. ("Yili Conch") 伊犁海螺水泥有限公司	100%/100%	15 August 2025	Manufacture and sale of clinker and cement products
Huocheng Conch Mining Co., Ltd.("Huocheng Mining") 霍城海螺礦業有限責任公司	100%/100%	15 August 2025	Mining and sale of aggregates
Yili Conch Environmental Protection Technology Co., Ltd. ("Yili Environmental Protection") 伊犁海螺環保科技有限公司	100%/100%	15 August 2025	Industrial solid and hazardous waste treatment
Moyu Conch Cement Co., Ltd. ("Moyu Conch") 墨玉海螺水泥有限公司	100%/100%	15 August 2025	Manufacture and sale of clinker and cement products
Hetian Conch Cement Co., Ltd. ("Hetian Conch") 和田海螺水泥有限公司	100%/100%	15 August 2025	Manufacture and sale of clinker and cement products
Yutian Conch Cement Co., Ltd. ("Yutian Conch") 于田海螺水泥有限公司	100%/100%	15 August 2025	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

Business combination not under common control (continued)

In addition, other companies newly included in the consolidation scope by the Group through business combinations not under common control include PT Eternal Richway, PT SULUT SOLOG TAMBANG and PT Kalomang Biru Persada. The aforementioned changes in the consolidation scope have no material impact on the financial statements.

Summary of the net assets of the acquisitions and the goodwill arising at the acquisition date is as follows:

The fair value of identifiable assets acquired and liabilities assumed at the acquisition date:

	Yili Conch RMB'000	Huocheng Mining RMB'000	Yili Environmental Protection RMB'000	Moyu Conch RMB'000	Hetian Conch RMB'000	Yutian Conch RMB'000	Total RMB'000
Property, plant and equipment	314,426	5,165	66,670	907,210	82,596	167,891	1,543,958
Intangible assets	652	6,750	–	5,252	89,014	1,052	102,720
Deferred tax assets	–	–	–	1,998	227	–	2,225
Inventories	28,573	6	109	17,982	6,617	10,489	63,776
Trade and bills receivables	66	–	654	141	359	–	1,220
Prepayments and other receivables	24,327	300	7,118	29	60	60	31,894
Tax recoverable	146	228	7,373	–	–	–	7,747
Cash and cash equivalents	1,209	469	476	–	–	–	2,154
Trade and bills payables	44,468	261	253	48,329	11,396	10,283	114,990
Other payables and accruals	4,814	1,060	46	178	207	403	6,708
Contract liabilities	3,942	7,631	54	979	453	3,425	16,484
Current taxation	2,059	–	–	–	–	–	2,059
Bank loans and other borrowings	77,000	–	–	–	–	–	77,000
Long-term payables	–	–	–	–	33,684	–	33,684
Deferred tax liabilities	20,974	372	1,014	347	639	2,681	26,027
Net identifiable assets	216,142	3,594	81,033	882,779	132,494	162,700	1,478,742
Less: Non-controlling interests	–	–	–	–	–	–	–
Share of fair value of identifiable net assets	216,142	3,594	81,033	882,779	132,494	162,700	1,478,742

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

Business combination not under common control (continued)

Goodwill has been recognised as a result of the acquisitions as follows:

	Yili Conch RMB'000	Huocheng Mining RMB'000	Yili Environmental Protection RMB'000	Moyu Conch RMB'000	Hetian Conch RMB'000	Yutian Conch RMB'000	Total RMB'000
Total cash consideration	237,401	3,289	82,124	887,733	131,258	154,658	1,496,463
Fair value of net identifiable assets	216,142	3,594	81,033	882,779	132,494	162,700	1,478,742
Goodwill arising from the business combination	21,259	–	1,091	4,954	–	–	27,304
Gain arising from bargain purchase	–	(305)	–	–	(1,236)	(8,042)	(9,583)

The goodwill arising from the acquisitions represents the benefits of expected synergies to be achieved from integrating the business into the Group's existing business, future market development potential and cost savings. None of the goodwill recognised above is expected to be deductible for tax purposes.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

4 BUSINESS COMBINATION (CONTINUED)

Business combination not under common control (continued)

Revenue and profit or loss of the acquirees since the acquisition date included in the consolidated statement of profit or loss and other comprehensive income for the year are disclosed below:

	Yili Conch RMB'000	Huocheng Mining RMB'000	Yili Environmental Protection RMB'000	Moyu Conch RMB'000	Hetian Conch RMB'000	Yutian Conch RMB'000	Total RMB'000
Year of the acquisition	2025	2025	2025	2025	2025	2025	
Contributed to the Group							
Revenue	64,056	211	646	128,790	40,079	72,368	306,150
Net (loss)/profit	8,447	(15)	(1,944)	20,922	5,330	11,579	44,319

Had the acquisitions occurred on 1 January 2025, management estimates that the consolidated revenue of the Group for the year ended 31 December 2025 would have been RMB82,964,004,000 and the consolidated net profit for the year would have been RMB8,272,428,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the acquisition date would remain the same as if the acquisition had occurred on 1 January 2025.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing, sale and trading of clinker and cement products and other materials. Further details regarding the Group's revenue from principal activities are disclosed below.

(i) Disaggregation of revenue

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

	2025 **RMB'000**	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by service lines		
– Sales and trading of clinker and cement products	**69,419,325**	74,156,371
– Sales and trading of other materials	**10,131,741**	13,708,004
– Service income	**2,980,985**	3,165,240
	82,532,051	91,029,615

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 5(b).

The Group's customer base is diversified and there is no single customer with whom transactions have exceeded 10% of the Group's revenue.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(ii) Revenue expected to be recognised in the future arise from contracts with customers in existence at the reporting date.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue contracts such that the report does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that have an original expected duration of one year or less.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 **RMB'000**	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year:		
Sales and trading of clinker and cement products	**2,569,098**	2,885,306

(iii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of cement, cement products and other materials

The performance obligation is satisfied upon delivery of the products, and payment is generally required in advance or due within 90 to 180 days after delivery.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(iii) Performance obligations (continued)

Service revenue

The performance obligation is satisfied over time as services are provided or upon delivery of the services, and payment is generally received based on the progress of the services or upon completion of the services.

(b) Segment reporting

The Group manages its businesses by segments, which are organised by a mix of two business lines, including cement and cement related business and solid and hazardous waste treatment business, of which the cement and cement related business is organised by geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments based on the regions in which the Group's cement and cement related business operates: Eastern China, Central China, Southern China, Western China and overseas. The solid and hazardous waste treatment business is one reportable segment as the performance assessment is based on the results of the solid and hazardous waste treatment business as a whole. No operating segments have been aggregated to form the following reportable segments.

(i) Segment results, assets and liabilities

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

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

Segment assets include all assets in the financial statements prepared in accordance with the Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS") issued by the Ministry of Finance ("MOF") of the PRC. Segment liabilities include all liabilities in the financial statements prepared in accordance with CAS.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments in accordance with CAS.

The measure used for reporting segment profit is profit before taxation in accordance with CAS.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue is priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the type and timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

For the year ended 31 December 2025

	Cement and cement related							Solid and hazardous waste		
	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Elimination RMB'000	Subtotal RMB'000	treatment RMB'000	Elimination RMB'000	Total RMB'000
Disaggregated by type of business										
Sales and trading of clinker and cement products	19,637,477	18,291,746	12,425,615	12,535,062	6,529,425	-	69,419,325	-	-	69,419,325
Sales and trading of other materials	2,308,007	7,071,809	349,954	261,064	83,919	-	10,074,753	56,988	-	10,131,741
Service income	276,932	1,122,091	84,674	38,677	662	-	1,523,036	1,457,949	-	2,980,985
Revenue from external customers	22,222,416	26,485,646	12,860,243	12,834,803	6,614,006	-	81,017,114	1,514,937	-	82,532,051
Disaggregated by timing of revenue recognition										
Point in time	22,168,249	26,311,372	12,854,613	12,822,907	6,613,344	-	80,770,485	56,988	-	80,827,473
Over time	54,167	174,274	5,630	11,896	662	-	246,629	1,457,949	-	1,704,578
Revenue from external customers	22,222,416	26,485,646	12,860,243	12,834,803	6,614,006	-	81,017,114	1,514,937	-	82,532,051
Inter-segment revenue	5,395,061	20,707,095	363,255	277,555	265,051	(27,008,017)	-	125,378	(125,378)	-
Reportable segment revenue	27,617,477	47,192,741	13,223,498	13,112,358	6,879,057	(27,008,017)	81,017,114	1,640,315	(125,378)	82,532,051
Reportable segment profit (profit before taxation)	1,531,779	8,406,443	1,402,775	1,108,543	710,714	(2,322,225)	10,838,029	(418,073)	-	10,419,956

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

For the year ended 31 December 2025 (continued)

	Cement and cement related							Solid and hazardous waste		
	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Elimination RMB'000	Subtotal RMB'000	treatment RMB'000	Elimination RMB'000	Total RMB'000
Interest income	19,763	2,180,724	8,230	15,554	94,000	(406,518)	1,911,753	4,819	-	1,916,572
Interest expense	(7,134)	(286,400)	(28,389)	(44,023)	(396,675)	219,537	(543,084)	(107,599)	-	(650,683)
Depreciation and amortisation for the year	(561,726)	(3,785,690)	(1,244,416)	(1,739,579)	(673,261)	-	(8,004,672)	(458,823)	-	(8,463,495)
Reportable segment assets (including interests in associates and joint ventures)	17,273,239	220,810,814	40,013,701	31,518,694	19,670,772	(83,000,658)	246,286,562	9,769,551	(55,383)	256,000,730
Investments in associates and joint ventures	-	4,262,373	-	-	3,684,007	-	7,946,380	35,024	-	7,981,404
Additions to non-current segment assets during the year	382,259	5,537,678	1,868,676	1,223,686	276,817	-	9,289,116	106,385	-	9,395,501
Reportable segment liabilities	6,832,948	42,328,459	20,351,262	11,000,947	14,486,372	(48,841,809)	46,158,179	6,182,151	(55,383)	52,284,947

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

For the year ended 31 December 2024

	Cement and cement related							Solid and hazardous waste		
	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Elimination RMB'000	Subtotal RMB'000	treatment RMB'000	Elimination RMB'000	Total RMB'000
Disaggregated by type of business										
Sales and trading of clinker and cement products	20,235,882	21,500,736	13,829,584	13,695,748	4,894,421	-	74,156,371	-	-	74,156,371
Sales and trading of other materials	3,732,034	7,389,819	421,623	1,829,033	269,765	-	13,642,274	65,730	-	13,708,004
Service income	37,334	1,526,471	11,235	29,667	858	-	1,605,565	1,559,675	-	3,165,240
Revenue from external customers	24,005,250	30,417,026	14,262,442	15,554,448	5,165,044	-	89,404,210	1,625,405	-	91,029,615
Disaggregated by timing of revenue recognition										
Point in time	23,992,672	30,297,880	14,255,479	15,552,520	5,164,361	-	89,262,912	65,730	-	89,328,642
Over time	12,578	119,146	6,963	1,928	683	-	141,298	1,559,675	-	1,700,973
Revenue from external customers	24,005,250	30,417,026	14,262,442	15,554,448	5,165,044	-	89,404,210	1,625,405	-	91,029,615
Inter-segment revenue	5,835,726	22,016,681	612,062	144,088	334,783	(28,879,668)	63,672	61,584	(125,256)	-
Reportable segment revenue	29,840,976	52,433,707	14,874,504	15,698,536	5,499,827	(28,879,668)	89,467,882	1,686,989	(125,256)	91,029,615
Reportable segment profit (profit before taxation)	1,378,060	7,102,324	1,350,451	1,140,871	233,416	(1,107,746)	10,097,376	(68,187)	-	10,029,189

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

For the year ended 31 December 2024 (continued)

	Cement and cement related							Solid and hazardous waste		
	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Elimination RMB'000	Subtotal RMB'000	treatment RMB'000	Elimination RMB'000	Total RMB'000
Interest income	14,193	2,476,910	23,504	18,783	74,891	(532,900)	2,075,381	6,038	-	2,081,419
Interest expense	(9,765)	(229,425)	(57,773)	(59,985)	(496,034)	191,536	(661,446)	(117,259)	-	(778,705)
Depreciation and amortisation for the year	(643,420)	(3,680,880)	(1,219,812)	(2,081,527)	(787,433)	-	(8,413,072)	(92,638)	-	(8,505,710)
Reportable segment assets (including interests in associates and joint ventures)	17,184,817	216,004,974	40,096,699	30,255,593	20,793,199	(79,867,338)	244,467,944	10,233,083	(65,783)	254,635,244
Investments in associates and joint ventures	-	4,088,433	-	-	3,613,293	-	7,701,726	73,943	-	7,775,669
Additions to non-current segment assets during the year	605,070	4,231,157	1,469,543	456,222	2,214,489	-	8,976,481	494,594	-	9,471,075
Reportable segment liabilities	7,444,644	39,463,462	20,227,742	10,836,176	17,926,103	(47,795,594)	48,102,533	6,221,057	(65,783)	54,257,807

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit, assets and liabilities to the consolidated figures as reported in the consolidated financial statements

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	**109,665,446**	120,034,540
Inter-segment revenue	**(27,133,395)**	(29,004,925)
Consolidated revenue	**82,532,051**	91,029,615

	2025 RMB'000	2024 RMB'000
Profit		
Reportable segment profit (profit before taxation)	**12,742,181**	11,136,938
Inter-segment profit	**(2,322,225)**	(1,107,746)
Difference between CAS and IFRS*	**355,468**	363,355
Consolidated profit before taxation	**10,775,424**	10,392,547

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenues, profit, assets and liabilities to the consolidated figures as reported in the consolidated financial statements (continued)

	31 December 2025 RMB'000	31 December 2024 RMB'000
Assets		
Reportable segment assets	**339,056,771**	334,568,365
Inter-segment assets	**(83,056,041)**	(79,933,121)
Consolidated total assets	**256,000,730**	254,635,244

	31 December 2025 RMB'000	31 December 2024 RMB'000
Liabilities		
Reportable segment liabilities	**101,182,139**	102,119,184
Inter-segment liabilities	**(48,897,192)**	(47,861,377)
Difference between CAS and IFRS*	**27,840**	40,635
Consolidated total liabilities	**52,312,787**	54,298,442

* The difference mainly arises from deferred income in respect of certain government grants recognised in profit and loss under IFRS and special reserve recognised under CAS.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(iii) Geographical information

The following table sets out information about the geographical locations of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill, interests in associates and joint ventures, loans and receivables ("specified non-current assets"). The geographical locations of customers are based on the locations where the services were provided or the goods were delivered. The geographical locations of the specified non-current assets are based on the physical locations of the assets or the locations of the operations.

	Revenue from external customers		**Specified non-current assets**	
	2025	2024	**31 December 2025**	31 December 2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC	**75,918,046**	85,864,571	**131,240,091**	129,429,551
Others	**6,614,005**	5,165,044	**16,804,346**	17,307,394
	82,532,051	91,029,615	**148,044,437**	146,736,945

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

6 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income on financial assets measured at amortised cost	**1,916,572**	2,081,419
Subsidy income*	**846,836**	914,746
Net gain/(loss) on disposal of property, plant and equipment and right-of-use assets	**220,395**	(59,359)
Net realised and unrealised loss on financial assets measured at FVPL	**120,025**	(96,195)
Dividend income from financial assets measured at FVPL	**7,407**	13,147
Dividend income from financial assets measured at FVOCI	**91,305**	69,195
Net foreign exchange loss	**(347,992)**	(121,107)
Others	**(134,583)**	(106,736)
	2,719,965	2,695,110

* Subsidy income comprises refunds of value-added tax in connection with sales of certain cement products and government grants received.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings	**742,540**	854,483
Interest on lease liabilities	**11,360**	12,619
Interest expense on financial liabilities not at FVPL	**753,900**	867,102
Less: Interest expense capitalised into construction-in-progress*	**(103,217)**	(88,397)
	650,683	778,705

* The borrowing costs were capitalised at rates of 1.80% to 2.87% for the year ended 31 December 2025 (2024: 2.20% to 4.65%).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION (CONTINUED)

(b) Staff costs

	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	**8,465,698**	7,853,838
Contributions to defined contribution retirement plans	**818,697**	905,650
Annuity	**315,393**	372,447
	9,599,788	9,131,935

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement plans administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions and annuity described above.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Note	**2025 RMB'000**	2024 RMB'000
Amortisation			
– intangible assets	15	**950,849**	872,492
Depreciation			
– investment properties	13	**3,627**	3,263
– property, plant and equipment	14	**7,509,019**	7,629,955
Impairment losses			
– trade receivables	40(a)	**77,810**	32,956
– other receivables		**9,331**	10,858
– property, plant and equipment	14	**423,918**	218,687
– Interests in associates		**33,762**	–
– Goodwill	16	**237,143**	–
– Inventories	23	**63,748**	–
– prepayments		**61,280**	91,231
Auditors' remuneration			
– audit services (note (i))		**7,553**	7,155
– other services		**590**	590
Research and development costs		**847,445**	1,257,068
Cost of inventories (note (ii))	23(b)	**60,063,185**	68,434,425

Notes:

(i) The auditors' remuneration for audit services includes the audit fee of RMB1,680,000 (2024:RMB1,900,000) for Conch Environment Protection for the year ended 31 December 2025.

(ii) Cost of inventories includes RMB12,307,407,000 (2024: RMB11,934,825,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX

(a) The income tax expense of the Group are as follows:

	2025	2024
	RMB'000	RMB'000
Current tax		
Provision for the year	**2,582,495**	2,205,071
Under provision in respect of prior years	**96,838**	23,035
	2,679,333	2,228,106
Deferred tax		
Origination and reversal of temporary differences	**(125,064)**	137,883
	2,554,269	2,365,989

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

The Company and the Group's subsidiaries in mainland China are generally subject to Corporate Income Tax at 25% on taxable income determined according to the PRC income tax laws, except for:

Subsidiaries' Name	Tax rate
Pingliang Conch Cement Co., Ltd. ("Pingliang Conch") 平涼海螺水泥有限責任公司 (Note (i))	15%
Dazhou Conch Cement Co., Ltd. ("Dazhou Conch") 達州海螺水泥有限責任公司 (Note (i))	15%
Guangyuan Conch Cement Co., Ltd. ("Guangyuan Conch") 廣元海螺水泥有限責任公司 (Note (i))	15%
Liquan Conch Cement Co., Ltd. ("Liquan Conch") 禮泉海螺水泥有限責任公司 (Note (i))	15%
Guiyang Conch Panjiang Cement Co., Ltd. ("Guiyang Conch") 貴陽海螺盤江水泥有限責任公司 (Note (i))	15%
Guiding Conch Panjiang Cement Co., Ltd. ("Guiding Conch") 貴定海螺盤江水泥有限責任公司 (Note (i))	15%
Chongqing Conch Cement Co., Ltd. ("Chongqing Conch") 重慶海螺水泥有限責任公司 (Note (i)) (Note (ii))	15%
Zunyi Conch Panjiang Cement Co., Ltd. ("Zunyi Conch") 遵義海螺盤江水泥有限責任公司 (Note (i))	15%
Qianyang Conch Cement Co., Ltd. ("Qianyang Conch") 千陽海螺水泥有限責任公司 (Note (i))	15%
Bazhong Conch Cement Co., Ltd. ("Bazhong Conch") 巴中海螺水泥有限責任公司 (Note (i))	15%
Wenshan Conch Cement Co., Ltd. ("Wenshan Conch") 文山海螺水泥有限責任公司 (Note (i))	15%
Shuicheng Conch Panjiang Cement Co., Ltd. ("Shuicheng Conch") 水城海螺盤江水泥有限責任公司 (Note (i))	15%
Linxia Conch Cement Co., Ltd. ("Linxia Conch") 臨夏海螺水泥有限責任公司 (Note (i))	15%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rate
Guizhou Liukuangruian Cement Co., Ltd. ("Liukuangruian") 貴州六礦瑞安水泥有限公司 (Note (i))	15%
Qianxian Conch Cement Co., Ltd. ("Qianxian Conch") 乾縣海螺水泥有限責任公司 (Note (i))	15%
Qianxinan Resource Development Co., Ltd. ("Qianxinan") 黔西南州發展資源開發有限公司 (Note (i))	15%
Tengchong Tengyue Cement Co., Ltd. ("Tengchong Tengyue") 騰沖市騰越水泥有限公司 (Note (i))	15%
Liangping Conch Cement Co., Ltd. ("Liangping Conch") 梁平海螺水泥有限責任公司 (Note (i)) (Note (ii))	15%
Tongren Conch Panjiang Cement Co., Ltd. ("Tongren Conch") 銅仁海螺盤江水泥有限責任公司 (Note (i))	15%
Yunnan Zhuangxiang Cement Co., Ltd. ("Zhuangxiang Conch") 雲南壯鄉水泥股份有限公司 (Note (i))	15%
Baoji Zhongxi Fenghuangshan Cement Co., Ltd. ("Fenghuangshan") 寶雞眾喜鳳凰山水泥有限公司 (Note (i))	15%
Baoji Zhongxi Jinlinghe Cement Co., Ltd. ("Jinlinghe") 寶雞眾喜金陵河水泥有限公司 (Note (i))	15%
Guangxi Lingyun Tonghong Cement Co., Ltd. ("Lingyun Tonghong") 廣西凌雲通鴻水泥有限公司 (Note (i))	15%
Baoshan Conch Cement Co., Ltd. ("Baoshan Conch") 保山海螺水泥有限責任公司 (Note (i))	15%
Hami Hongyi Building Material Co., Ltd. ("Hami Building Material") 哈密弘毅建材有限責任公司 (Note (i))	15%
Yingjiangyunhan Cement Co., Ltd. ("Yingjiangyunhan") 盈江縣允罕水泥有限責任公司 (Note (i))	15%
Kunming Conch Cement Co., Ltd. ("Kunming Conch") 昆明海螺水泥有限公司 (Note (i))	15%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rate
Ganzhou Conch Cement Co., Ltd. ("Ganzhou Conch") 贛州海螺水泥有限責任公司 (note (i))	15%
Shaanxi Tongchuan Fenghuang Building Material Co., Ltd. ("Fenghuang Building Material") 陝西銅川鳳凰建材有限公司 (Note (i))	15%
Zunyi Haihui New Materials Co., Ltd. ("Zunyi Haihui") 遵義海匯新材料有限責任公司 (Note (i))	15%
Bazhong Conch Building Material Co., Ltd. ("Bazhong Building Material") 巴中海螺建材有限責任公司 (Note (i))	15%
Naiman Hongji Cement Co., Ltd.("Hongji Cement") 奈曼旗宏基水泥有限公司 (Note (i))	15%
Chongqing Fuling Conch Building Materials Co., Ltd. ("Fuling Coach") 重慶涪陵海螺建材有限公司 (Note (i))	15%
Guangyuan Conch New Materials Co., Ltd. ("Guangyuan New Materials") 廣元海螺新材料有限責任公司 (Note (i))	15%
Guiyang Conch Green Building Materials Co., Ltd. ("Guiyang Green Building Materials") 貴陽海螺綠色建材有限責任公司 (Note (i))	15%
Certain subsidiaries of China Conch Environment Protection Holdings Co., Ltd. ("Conch Environment Protection") 中國海螺環保控股有限公司之部分附屬公司 (Note (i)) (Note (ii))	15%
Anhui Wuhu Conch Construction and Installation Engineering Co., Ltd. ("Conch Construction") 安徽蕪湖海螺建築安裝工程有限責任公司 (Note (ii))	15%
Anhui Conch Siam Refractory Material Co., Ltd. ("Refractory Material") 安徽海螺暹羅耐火材料有限公司 (Note (ii))	15%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rate
Anhui Jinggong Testing and Inspection Center Co., Ltd. ("Jinggong Testing")	
安徽精公檢測檢驗中心有限公司 (Note (ii))	15%
Anhui Haibo Intelligent Technology Co., Ltd. ("Haibo Intelligent")	
安徽海博智能科技有限責任公司 (Note (ii))	15%
Shanghai Zhizhi Technology Co., Ltd. ("Shanghai Zhizhi")	
上海智質科技有限公司 (Note (ii))	15%
Anhui Xuancheng Conch Cement Co., Ltd.("Xuancheng Conch")	
安徽宣城海螺水泥有限公司 (Note (ii))	15%
Anhui Zongyang Conch Cement Co., Ltd ("Zongyang Conch")	
安徽樅陽海螺水泥股份有限公司 (Note (ii))	15%
Anhui Conch Zhongnan Intelligent Robot Co., Ltd ("Zhongnan Intelligent")	
安徽海螺中南智能機器人有限責任公司(Note (ii))	15%
Anhui Conch Information Technology Engineering Co., Ltd ("Conch IT Engineering")	
安徽海螺信息技術工程有限責任公司(Note (ii))	15%
Xiangshan Conch Cement Co., Ltd. ("Xiangshan Conch")	
象山海螺水泥有限責任公司 (Note (ii))	15%
Yangchun Conch Cement Co., Ltd. ("Yangchun Conch")	
陽春海螺水泥有限責任公司 (Note (ii))	15%
Anhui Zhizhi Engineering Technology Co., Ltd. ("Anhui Zhizhi")	
安徽智質工程技術有限公司 (Note (ii))	15%
Long'an Conch Cement Co., Ltd. (Longan Conch)	
隆安海螺水泥有限責任公司 (Note (ii))	15%
Liuzhi Conch New Construction Co., Ltd. ("Liuzhi New Construction")	
六枝海螺溢鑫綠色新型建材有限公司 (Note (i))	15%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rate
Basu Conch Cement Co., Ltd.(Basu Conch)	
八宿海螺水泥有限責任公司 (Note (i))	15%
Yili Conch Cement Co., Ltd.("Yili Conch")	
伊犁海螺水泥有限公司 (Note (i))	15%
Moyu Conch Cement Co., Ltd.("Moyu Conch")	
墨玉海螺水泥有限公司 (Note (i))	15%
Yutian Conch Cement Co., Ltd.("Yutian Conch")	
于田海螺水泥有限公司 (Note (i))	15%
Yili Conch Environmental Protection Technology Co., Ltd.("Yili Environmental Protection")	
伊犁海螺環保科技有限公司 (Note (i))	15%
Anhui Conch New Energy Co., Ltd. ("Conch New Energy")	
安徽海螺新能源有限公司 (Note (ii))	15%
Xuancheng Conch Building Photovoltaic Technology Co., Ltd.	
宣城海螺建築光伏科技有限公司 (Note (ii))	15%
Tongliao Conch New Energy Co., Ltd.	
通遼海螺新能源有限公司 (Note (i))	15%
Hainan Changjiang Conch Cement Co.,Ltd. ("Changjiang Conch")	
海南昌江海螺水泥有限公司 (Note (v))	15%
Changjiang Conch Huasheng Plastic Packaging ("Changjiang Plastic Packaging")	
昌江海螺華盛塑膠包裝有限公司 (Note (v)	15%
Zhuhai Haizhong Trading Co., Ltd. ("Zhuhai Haizhong")	
珠海海中貿易有限責任公司(Note (vi))	15%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes:

(i) Pursuant to Notice No.23 issued by the Ministry of Finance, State Administration of Taxation, National Development and Reform Commission of the PRC on 23 April 2020 and relevant local tax authorities' notices, these companies are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.

(ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, nationally supported enterprises recognised as high and new technology enterprises are entitled to a preferential income tax rate of 15%.

Chongqing Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Liangping Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it was entitled to a preferential income tax rate of 15% from 2023 to 2025.

Conch Construction obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Refractory Material obtained a high and new technology enterprise certification in 2019 and obtained a renewed certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

Jinggong Testing obtained a high and new technology enterprise certification in 2021 and obtained a renewed certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Haibo Intelligent obtained a high and new technology enterprise certification in 2022. and obtained a renewed certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes: (continued)

(ii) (continued)

Shanghai Zhizhi obtained a high and new technology enterprise certification in 2022. and obtained a renewed certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

Xuancheng Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it was entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zongyang Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it was entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zhongnan Intelligent obtained a high and new technology enterprise certification in 2022. and obtained a renewed certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

Conch IT Engineering obtained a high and new technology enterprise certification in 2021 and obtained a renewed certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Xiangshan Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Yangchun Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Anhui Zhizhi Conch obtained a high and new technology enterprise certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Longan Conch obtained a high and new technology enterprise certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes: (continued)

(ii) (continued)

Conch New Energy obtained a high and new technology enterprise certification in 2024. Accordingly, it was entitled to a preferential income tax rate of 15% from 2024 to 2026.

Xuancheng Conch Building Photovoltaic Technology obtained a high and new technology enterprise certification in 2025. Accordingly, it was entitled to a preferential income tax rate of 15% from 2025 to 2027.

(iii) According to Caishui [2023] No.12, "The Announcement of Further Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise and individual business" issued by Ministry of Finance of the PRC and the State Administration of Taxation of PRC, the policy of calculating the taxable income of small-scaled minimal profit enterprises with a reduced tax rate of 25%, and paying the income tax at a tax rate of 20%, was extended to 31 December, 2027.

(iv) According to Article 27 of the Law of the PRC on Enterprise Income Tax, the income from investment and operation of public infrastructure projects supported by the state can enjoy preferential tax policy. As further explained by Article 87 of Regulations on the Implementation of Enterprise Income Tax, public infrastructure projects supported by the state refers to the ports, airports, railways, highways, urban public transportation, electric power, water conservancy and other projects stipulated in the Catalogue of Enterprise Income Tax Preferential for Public Infrastructure Projects. The preferential policy allows full exemption from PRC income tax for the first three years starting from the initial year of production and operation and 50% of the standard tax rates will be levied for the following three years.

(v) According to the Notice on Continuing the Implementation of Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port (Cai Shui [2025] No. 3), from January 1, 2025 to 31 December, 2027, encouraged industrial enterprises registered in Hainan Free Trade Port and operating substantially will be subject to a reduced corporate income tax rate of 15%.

(vi) According to Caishui [2022] No. 19, "The Notice of the Ministry of Finance and the State Administration of Taxation on the Preferential Policies for Enterprise Income Tax in the Hengqin Guangdong Macao Deep Cooperation Zone" issued by the Ministry of Finance and the State Administration of Taxation, enterprises located in the Hengqin Guangdong Macao Deep Cooperation Zone and engaged in the industries listed in the "Hengqin Guangdong Macao Deep Cooperation Zone Enterprise Income Tax Preferential Catalogue" (2021 version) and are in actual operation will be subject to a reduced corporate income tax rate of 15%.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

The corporate income tax rates of the subsidiaries outside mainland China are as following:

Subsidiaries' Name	Tax rate
Conch International Holdings (HK) Limited. ("Conch International")	
a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd. ("Luangprabang Conch")	
a subsidiary in Laos	20%
Vientian Conch Cement Co.,Ltd.("Vientian Conch")	
a subsidiary in Laos	20%
Conch Cement Volga Limited Liability Company ("Volga Conch")	
a subsidiary in Russia	25%
Conch KT Cement (Phnom Penh) Company Limited ("Phnom Penh Conch") (note (i))	
a subsidiary in Cambodia	–
Battambang Conch Cement Company Limited ("Battambang Conch").	
a subsidiary in Cambodia	20%
PT Conch Cement Indonesia ("Indonesia Conch")	
a subsidiary in Indonesia	22%
PT Conch South Kalimantan Cement ("Indonesia South Conch")	
a subsidiary in Indonesia	22%
PT Conch International Trade Indonesia ("Indonesia International Trade Conch")	
a subsidiary in Indonesia	22%
PT Conch Maros Cement Indonesia ("Maros Conch")	
a subsidiary in Indonesia	22%
PT Conch Barru Cement Indonesia ("Barru Conch")	
a subsidiary in Indonesia	22%
PT Conch North Sulawesi Cement ("North Sulawesi Conch")	
a subsidiary in Indonesia	22%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Subsidiaries' Name	Tax rate
PT Conch West Kalimantan Trade Cement ("West Kalimantan Conch") a subsidiary in Indonesia	22%
Tonga Conch Mining Co., Ltd. ("Tonga Mining") a subsidiary in Indonesia	22%
West Papua Conch a subsidiary in Indonesia	22%
PT SULUT SOLOG TAMBANG a subsidiary in Indonesia	22%
West Papua Persada a subsidiary in Indonesia	22%
PT.Kalomang Biru Persada("Biru Conch") a subsidiary in Indonesia	22%
PT Eternal Richway a subsidiary in Indonesia	22%
Qarshi Conch Cement Limited Liability Company ("Qarshi Conch") a subsidiary in Uzbekistan	15%
Tashkent Conch Cement Joint Venture Co., Ltd. ("Tashkent Conch"), a subsidiary in Uzbekistan	15%
Shangfeng Bridge of Friendship Co., Ltd., a subsidiary in Uzbekistan	15%
Conch Environment Protection, a company in the Cayman Islands and its subsidiaries in the Cayman Islands and British Virgin Islands ("BVI") (note (ii))	–
Subsidiaries of Conch Environment Protection in Hong Kong	16.5%
Myanmar Conch Cement (Mandalay) Co., Ltd. ("Mandalay Conch") a subsidiary in Myanmar	22%

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(a) The income tax expense of the Group are as follows: (continued)

Notes:

(i) Phnom Penh Conch has been declared as a qualified investment project by the Cambodian Development Council and can enjoy a maximum income tax preferential period of 9 years according to local investment laws. Among them, the first three years of operation are tax-free, the income tax is levied at 25% of the applicable tax rate (tax rate of 5%) for the fourth to fifth years, 50% of the applicable tax rate (tax rate of 10%) for the sixth to seventh years, 75% of the applicable tax rate (tax rate of 15%) for the eighth to ninth years, and the income tax rate for subsequent years is 20%. The Phnom Penh Conch will start production in 2025, and according to this regulation, the Phnom Penh Conch will be exempt from tax from 2025.

(ii) Pursuant to the rules and regulations of the Cayman Islands and the BVI, these subsidiaries are not subject to any income tax in the Cayman Islands and the BVI.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rate

	2025 RMB'000	2024 RMB'000
Profit before taxation	**10,775,424**	10,392,547
Notional tax on profit before taxation calculated at 25% (2024: 25%)	**2,693,856**	2,598,137
Tax effect of non-taxable income	**(138,484)**	(76,144)
Reversal of previously recognised deferred tax assets from prior years	**12,750**	114,931
Tax effect of current deductible temporary differences and tax losses not recognised	**140,491**	212,320
Others	**96,838**	23,035
Tax effect of subsidiaries subject to tax rates other than 25%	**(201,471)**	(227,235)
Tax effect of non-deductible expenses	**63,008**	43,434
Income tax credit for investment in energy-saving and water-saving equipment	**(12,845)**	(43,341)
Tax effect of bonus additional deduction for research and development costs	**(103,760)**	(267,177)
Tax effect of change in tax rate	**3,886**	(11,971)
Actual tax expense	**2,554,269**	2,365,989

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX (CONTINUED)

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rate (continued)

The Group is within the scope of the Global Anti-Base Erosion (GloBE) model rules (hereinafter referred to as "the Pillar Two model rules"). The Group has temporarily exempted the recognition and disclosure of deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. As of 31 December, 2025, Pillar Two legislation has taken effect in eight jurisdictions where the Group operates: Hong Kong, Indonesia, Laos, Cambodia, Myanmar, Russia, Uzbekistan and Cayman Islands.

The Company has assessed its potential exposure based on the currently available information on the financial performance in the period. Such assessment may not be entirely indicative of future outcomes. Based on the assessment, in most of jurisdictions where it operates, the simulated Pillar Two effective tax rates are above 15%. The identified potential exposure relates to profits earned in Cambodia and Uzbekistan, where the effective tax rate falls below 15%. As Pillar Two rules are not yet enacted in these jurisdictions, it potentially triggers a top-up tax under Hong Kong's enacted Income Inclusive Rule (IIR) beginning in 2025. However, based on the Cambodia and Uzbekistan subsidiaries's GloBE income, this exposure is expected to be immaterial to the Company's consolidated financial statements. The Group will continue to monitor relevant legislative developments in its operating jurisdictions and is progressing on the assessment based on the expected reasonable quantification criteria to evaluate the potential future impact of Pillar Two on its financial statements.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement plan contributions RMB'000	2025 Total RMB'000
Chairman					
Yang Jun*	–	–	–	–	–
Vice chairman and Executive director					
Zhu Shengli*	–	–	–	–	–
Executive directors					
Li Qunfeng**	–	296	373	27	696
Yu Shui	–	823	937	96	1,856
Wu Tiejun	–	726	958	62	1,746
Fan Zhan (appointed on 29 May 2025)	–	450	518	62	1,030
Independent non-executive directors					
Qu Wenzhou	180	–	–	–	180
Ho Shuk Yee Samantha	180	–	–	–	180
Zhang Yunyan (resigned on 29 May 2025)	–	–	–	–	–
Han Xu (appointed on 29 May 2025)	180	–	–	–	180
Supervisors					
He Chengfa* (resigned on 29 May 2025)	–	–	–	–	–
Chen Yongbo* (resigned on 29 May 2025)	–	–	–	–	–
Liu Tiantian (resigned on 29 May 2025)	–	728	869	62	1,659
	540	3,023	3,655	309	7,527

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

9 DIRECTORS' EMOLUMENTS (CONTINUED)

	Directors' fee RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement plan contributions RMB'000	2024 Total RMB'000
Chairman					
Yang Jun*	–	–	–	–	–
Vice chairman and Executive director					
Zhu Shengli (appointed on 21 Aug 2024)	–	–	–	–	–
Wang Jianchao (resigned on 12 Jul 2024)	–	–	–	–	–
Executive directors					
Li Qunfeng	–	930	951	60	1,941
Zhou Xiaochuan (resigned on 19 Jun 2024)	–	372	–	46	418
Wu Tiejun	–	814	780	60	1,654
Yu Shui (appointed on 21 Aug 2024)	–	769	749	100	1,618
Independent non-executive directors					
Qu Wenzhou	180	–	–	–	180
Ho Shuk Yee Samantha	180	–	–	–	180
Zhang Yunyan	180	–	–	–	180
Supervisors					
He Chengfa*	–	–	–	–	–
Chen Yongbo*	–	–	–	–	–
Liu Tiantian	–	678	740	60	1,478
	540	3,563	3,220	326	7,649

* No remuneration is paid or payable by the Group for the year ended 31 December 2025 and 2024 as their remunerations are paid by Conch Holdings. In addition, no remuneration is due to these directors and supervisors in respect of their services in connection with the management of the affairs of the Group.

** The remuneration was paid or payable by the Group during his services as General Manager of the Group. After his services as General Manager, his remunerations is paid by Conch Holdings.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: four) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other two (2024: one) individuals are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries and other emoluments	**1,387**	762
Discretionary bonuses	**1,630**	752
Retirement plan contributions	**133**	70
	3,150	1,584

The emoluments of the two (2024: one) individuals with the highest emoluments are within the following bands:

	2025	2024
	Number of individuals	Number of individuals
HKD1,500,001 – HKD2,000,000	**2**	1

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

11 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	2025			2024		
	Before-tax amount RMB'000	**Tax benefit RMB'000 (Note 38(b))**	**Net-of-tax amount RMB'000**	Before-tax amount RMB'000	Tax benefit RMB'000 (Note 38(b))	Net-of-tax amount RMB'000
Exchange differences on translation of financial statements of overseas subsidiaries	**20,318**	**–**	**20,318**	(115,365)	–	(115,365)
Equity investments measured at FVOCI: Movement in fair value reserve (non-recycling) (Note (b))	**1,079,707**	**(53,642)**	**1,026,065**	159,704	(16,503)	143,201
Share of investees' other comprehensive income	**(99,932)**	**–**	**(99,932)**	(163,113)	–	(163,113)
Other comprehensive income	**1,000,093**	**(53,642)**	**946,451**	(118,774)	(16,503)	(135,277)

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

11 OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Components of other comprehensive income, including reclassification adjustments

	2025 **RMB'000**	2024 RMB'000
Equity investments measured at FVOCI:		
Changes in fair value recognised during the year	**1,079,707**	159,704
Tax effect of changes in fair value recognised during the year	**(53,642)**	(16,503)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	**(352,100)**	(10,297)
Net movement in the fair value reserve (non-recycling) during the year recognised in other comprehensive income	**673,965**	132,904

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the year ended 31 December 2025 of RMB8,464,457,000, (2024: RMB8,051,954,000) and the weighted average number of shares in issue during the year ended 31 December 2025 of 5,277,060,000 shares after adjusting for the repurchasing of own shares during the year (2024: 5,277,365,000 shares), calculated as follows:

Weighted average number of ordinary shares

	2025	2024
Issued ordinary shares at 1 January	**5,277,060,000**	5,284,238,000
Effect of repurchase of own shares	**–**	(6,873,000)
Weighted average number of ordinary shares at 31 December	**5,277,060,000**	5,277,365,000

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the years ended 31 December 2025 and 2024, therefore diluted earnings per share is the same as the basic earnings per share.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

13 INVESTMENT PROPERTIES

	RMB'000
Cost:	
At 1 January 2024	82,542
Transfer from construction in progress	77
Transfer from property, plant and equipment	34,722
Transfer out to property, plant and equipment	(15,550)
At 31 December 2024 and 1 January 2025	101,791
Transfer from construction in progress	–
Transfer from property, plant and equipment	–
Transfer out to property, plant and equipment	–
At 31 December 2025	101,791
Accumulated depreciation:	
At 1 January 2024	27,402
Transfer from property, plant and equipment	11,519
Transfer out to property, plant and equipment	(7,371)
Charge for the year	3,263
At 31 December 2024 and 1 January 2025	34,813
Transfer from property, plant and equipment	–
Transfer out to property, plant and equipment	–
Charge for the year	3,627
At 31 December 2025	38,440
Net book value:	
At 31 December 2025	63,351
At 31 December 2024	66,978

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

13 INVESTMENT PROPERTIES (CONTINUED)

During the year ended 31 December 2025, the Group did not have any terminated operating lease agreements for property leases(2024: two; RMB8,179,000).

The rental income earned by the Group during the year from its investment properties amounted to RMB12,340,000 (2024: RMB11,572,000). Direct operating expenses arising from the investment properties amounted to RMB3,627,000 (2024: RMB3,263,000).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction-in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
Cost:								
At 1 January 2024	63,551,167	80,605,676	1,622,325	2,817,038	10,891,800	10,206,236	222,664	169,916,906
Impact of exchange rate changes	(69,639)	(56,415)	(705)	(4,120)	-	-	-	(130,879)
Transfer from/(out) construction-in-progress	3,697,946	5,905,111	52,680	59,619	(9,849,468)	47,757	-	(86,355)
Increase through business combination not under common control	670,740	404,296	700	4,540	1,896	-	-	1,082,172
Additions	148,065	410,946	101,152	149,524	8,539,550	771,280	80,741	10,201,258
Transfer in from investment properties	15,550	-	-	-	-	-	-	15,550
Disposals	(107,473)	(1,648,709)	(11,413)	(58,004)	-	(1,212)	(23,363)	(1,850,174)
Reclassification to assets held for sale (Note 24)	(8,898)	(102,669)	-	-	-	-	-	(111,567)
Transfer out to investment properties	(34,722)	-	-	-	-	-	-	(34,722)
At 31 December 2024	67,862,736	85,518,236	1,764,739	2,968,597	9,583,778	11,024,061	280,042	179,002,189
At 1 January 2025	**67,862,736**	**85,518,236**	**1,764,739**	**2,968,597**	**9,583,778**	**11,024,061**	**280,042**	**179,002,189**
Impact of exchange rate changes	**(246,991)**	**(201,832)**	**(3,613)**	**(4,425)**	**-**	**-**	**-**	**(456,861)**
Transfer from/(out) construction-in-progress	**3,766,649**	**5,667,817**	**186,644**	**66,620**	**(9,925,817)**	**17,451**	**-**	**(220,636)**
Increase through business combination not under common control	**910,403**	**558,827**	**5,939**	**8,908**	**-**	**59,881**	**-**	**1,543,958**
Additions	**24,608**	**213,135**	**104,987**	**191,276**	**6,517,014**	**175,840**	**29,707**	**7,256,567**
Transfer from long-term prepayments	**-**	**-**	**-**	**-**	**-**	**47,365**	**-**	**47,365**
Disposals	**(559,159)**	**(1,852,427)**	**(20,553)**	**(275,315)**	**-**	**(54,776)**	**(37,728)**	**(2,799,958)**
At 31 December 2025	**71,758,246**	**89,903,756**	**2,038,143**	**2,955,661**	**6,174,975**	**11,269,822**	**272,021**	**184,372,624**

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction-in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
Accumulated depreciation and impairment:								
At 1 January 2024	18,912,212	41,086,490	1,075,909	1,998,666	2,853	1,838,308	34,648	64,949,086
Impact of exchange rate changes	(6,630)	(3,680)	(311)	(1,164)	-	-	-	(11,785)
Charge for the year	2,390,107	4,551,157	179,781	196,876	-	266,475	45,559	7,629,955
Impairment loss	98,641	119,570	401	75	-	-	-	218,687
Transfer in from investment properties	7,371	-	-	-	-	-	-	7,371
Reversal of impairment loss due to disposal	(16,164)	(7,287)	(3)	(11)	-	-	-	(23,465)
Reversal of impairment loss due to reclassification to assets held for sale (Note 24)	-	(7,210)	-	-	-	-	-	(7,210)
Written off on disposals	(51,149)	(1,475,824)	(9,919)	(46,808)	-	(725)	(23,363)	(1,607,788)
Reclassification to assets held for sale (Note 24)	(4,802)	(88,113)	-	-	-	-	-	(92,915)
Transfer out to investment properties	(11,519)	-	-	-	-	-	-	(11,519)
At 31 December 2024	21,318,067	44,175,103	1,245,858	2,147,634	2,853	2,104,058	56,844	71,050,417

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	Freehold land, plant and buildings RMB'000	Machinery RMB'000	Office and other equipment RMB'000	Vehicles RMB'000	Construction-in-progress RMB'000	Right-of-use assets-land use rights RMB'000	Right-of-use assets-other properties RMB'000	Total RMB'000
At 1 January 2025	**21,318,067**	**44,175,103**	**1,245,858**	**2,147,634**	**2,853**	**2,104,058**	**56,844**	**71,050,417**
Impact of exchange rate changes	**(68,975)**	**(103,907)**	**(2,802)**	**(4,280)**	**-**	**-**	**-**	**(179,964)**
Charge for the year	**2,294,812**	**4,506,797**	**187,724**	**221,354**	**-**	**256,476**	**41,856**	**7,509,019**
Impairment loss	**133,342**	**289,284**	**1,169**	**123**	**-**	**-**	**-**	**423,918**
Reversal of impairment loss due to disposal	**(96,261)**	**(106,606)**	**-**	**(73)**	**-**	**-**	**-**	**(202,940)**
Written off on disposals	**(270,190)**	**(1,496,262)**	**(18,620)**	**(231,200)**	**-**	**(6,523)**	**(25,950)**	**(2,048,745)**
At 31 December 2025	**23,310,795**	**47,264,409**	**1,413,329**	**2,133,558**	**2,853**	**2,354,011**	**72,750**	**76,551,705**
Net book value:								
At 31 December 2025	**48,447,451**	**42,639,347**	**624,814**	**822,103**	**6,172,122**	**8,915,811**	**199,271**	**107,820,919**
At 31 December 2024	46,544,669	41,343,133	518,881	820,963	9,580,925	8,920,003	223,198	107,951,772

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Certain property, plant and equipment of the Group have been pledged as security for bank loans. Details are set out below:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Plant and buildings	**236,253**	191,137
Land use rights	**49,118**	55,952
	285,371	247,089

Impairment loss

During the year ended 31 December 2025, management assessed certain production lines of the Group had indicators of impairment, as certain subsidiaries of the Group closed certain production lines or underutilised their production capacity and incurred operating loss. The Group assessed the recoverable amounts of these property, plant and equipment, which were higher of the value in use ("VIU") and the fair value less costs of disposal ("FVLCS"). Based on the impairment test as disclosed below, a total of impairment loss of RMB423,918,000 was recognised in "impairment loss" for the year ended 31 December 2025.

The Group assessed the recoverable amounts of these property, plant and equipment, which were higher of the value in use and the fair value less costs of disposal.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Impairment loss (continued)

For those recoverable amounts determined based on VIU

To determine the VIU, the Group used a discounted cash flow forecast for each separately identifiable cash-generating unit ("CGU"). The forecast period is estimated based on the remaining economic benefit life of the main equipment of the production line. The pre-tax discount rate reflects specific risks related to CGUs. As a result, the carrying amounts of these property, plant and equipment were written down to their recoverable amounts of RMB3,417,256,000. An impairment loss of RMB59,138,000 for these assets was recognised in "impairment loss" for the year ended 31 December 2025.

For those recoverable amounts determined based on FVLCS

The fair value less costs of disposal is determined based on the production lines' fair values less costs of disposal, using market comparison approach by reference to recent sales price of similar assets within the same industry, adjusted for differences such as capacity volume. As a result, the carrying amounts of these property, plant and equipment were written down to their recoverable amounts of RMB1,107,268,000. An impairment loss of RMB364,780,000 for these assets was recognised in "impairment loss" for the year ended 31 December 2025.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

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

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
Land use rights carried at depreciated cost	(i)	**8,915,811**	8,920,003
Other properties leased for own use, carried at depreciated cost	(ii)	**199,271**	223,198
		9,115,082	9,143,201

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

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Land use rights	**256,476**	266,475
Other properties leased for own use	**41,856**	45,559
	298,332	312,034

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

14 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (continued)

	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	**11,360**	12,619
Expense relating to short-term leases	**26,513**	28,385
Variable lease payments not included in the measurement of lease liabilities	**36,440**	22,869

Notes:

(i) Land use rights

All lands in the PRC are state-owned or collectively owned and no individual ownership right exists. The Group acquired the rights to use certain lands. The consideration paid for such rights are treated as right-of-use assets and depreciated over the period of lease term using straight-line method.

Up to the issuance date of these financial statements, the Group has been in the process of applying for registration of the ownership certificates for certain land use rights. The aggregate carrying value of such land use rights of the Group as at 31 December 2025 was approximately RMB87,788,000 (2024: RMB35,572,000). The directors are of the opinion that the Group is entitled to legally use these land use rights.

(ii) Other leases

The Group leases office buildings and cement transfer storages under leases agreements ranging from 1 to 9 years.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS

	Limestone mining rights RMB'000	Clay mining rights RMB'000	Technology RMB'000	Customer relationship RMB'000	Others RMB'000	Total RMB'000
Cost:						
At 1 January 2024	26,248,730	68,970	211,000	195,860	1,255,351	27,979,911
Additions	2,217,056	11,395	–		63,409	2,291,860
Transfer from construction-in-progress	86,277	–	–	–		86,277
At 31 December 2024	28,552,063	80,365	211,000	195,860	1,318,760	30,358,048
At 1 January 2025	**28,552,063**	**80,365**	**211,000**	**195,860**	**1,318,760**	**30,358,048**
Additions	**1,548,247**	**5,184**	**–**	**–**	**289,720**	**1,843,151**
Transfer from construction-in-progress	**140,156**	**–**	**–**	**–**	**328**	**140,484**
Transfer in Other Non-current Assets	**1,644,370**	**–**	**–**	**–**	**–**	**1,644,370**
Increase due to business combinations not under common control	**96,534**	**–**	**–**	**–**	**6,186**	**102,720**
At 31 December 2025	**31,981,370**	**85,549**	**211,000**	**195,860**	**1,614,994**	**34,088,773**

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS (CONTINUED)

	Limestone mining rights RMB'000	Clay mining rights RMB'000	Technology RMB'000	Customer relationship RMB'000	Others RMB'000	Total RMB'000
Accumulated amortisation:						
At 1 January 2024,	3,001,756	37,446	24,017	21,017	219,697	3,303,933
Charge for the year	730,022	4,545	21,100	35,459	81,366	872,492
At 31 December 2024	3,731,778	41,991	45,117	56,476	301,063	4,176,425
At 1 January 2025	**3,731,778**	**41,991**	**45,117**	**56,476**	**301,063**	**4,176,425**
Charge for the year	**808,643**	**6,389**	**21,000**	**35,459**	**79,358**	**950,849**
At 31 December 2025	**4,540,421**	**48,380**	**66,117**	**91,935**	**380,421**	**5,127,274**
Net book value:						
At 31 December 2025	**27,440,949**	**37,169**	**144,883**	**103,925**	**1,234,573**	**28,961,499**
At 31 December 2024	24,820,285	38,374	165,883	139,384	1,017,697	26,181,623

Technology and customer relationship were acquired through the business combination of Conch Environment Protection. They are recognised at fair value at the date of acquisition and is subsequently amortised on a straight-line basis over 5-10 years.

Others mainly represented the acquisition cost for software, the rights of using maritime space and emission rights.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

15 INTANGIBLE ASSETS (CONTINUED)

Certain intangible assets of the Group have been pledged as security for bank loans. Details are set out below:

	2025	2024
	RMB'000	RMB'000
Others	**159**	–

16 GOODWILL

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Carrying amount:		
At 1 January	**1,451,587**	1,147,072
Acquisitions through business combinations	**27,304**	304,515
Impairment during the year	**(237,143)**	–
At 31 December	**1,241,748**	1,451,587

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

For the purpose of impairment testing of goodwill, goodwill is allocated to groups of cash-generating units (being subsidiaries acquired in each acquisition). Such groups of cash-generating units represent the lowest level within the Group at which the goodwill is monitored for internal management purposes as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
West Papua Conch	**304,515**	304,515
Conch Environment Protection	**209,634**	209,634
Guan Teng Companies	**256,117**	256,117
Linxia Conch	**86,977**	86,977
Multiple units without material goodwill	**621,648**	594,344
Total	**1,478,891**	1,451,587

West Papua Conch

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2025
Expected average revenue growth rate during the forecast period	**0.88%**
Gross profit margin	**29%-31%**
Growth rate beyond the forecast period	**–**
Pre-tax discount rate	**14.85%**

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

West Papua Conch (continued)

As at 31 December 2025, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2025 to exceed its recoverable amount.

Based on the impairment tests, no impairment was recorded as at 31 December 2025 (2024: none).

Conch Environment Protection

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2025
Expected average revenue growth rate during the forecast period	**14.15%**
Gross profit margin	**30% -47%**
Growth rate beyond the forecast period	**–**
Pre-tax discount rate	**9.9%**

Based on the impairment tests, the impairment amount as at 31 December 2025, is RMB25,065,000 (2024: none).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

Guan Teng Companies

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2025
Expected average revenue growth rate during the forecast period	**19.11%**
Gross profit margin	**15%-28%**
Growth rate beyond the forecast period	**–**
Pre-tax discount rate	**9.37%**

Based on the impairment tests, the impairment amount as at 31 December 2025, is RMB125,101,000 (2024: none).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

Linxia Conch

The recoverable amount of the cash-generating units is determined based on value-in-use calculations. These calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2025
Expected average revenue growth rate during the forecast period	**1.56%**
Gross profit margin	**15%-16%**
Growth rate beyond the forecast period	**–**
Pre-tax discount rate	**9.39%**

Based on the impairment tests, the impairment amount as at 31 December 2025, is RMB86,977,000 (2024: none).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

16 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill (continued)

Other individual not material CGUs

Apart from Conch Environment, other CGUs are related to cement and cement related business and all individual not significant.

For these CGUs, the calculations use discounted cash flow projections primarily based on the respective financial budgets of the cash-generating units covering a five-year period approved by management. The key assumptions used in estimating the recoverable amount are as follows:

	2025
Expected average revenue growth rate during the forecast period	**6.1%-20.83%**
Gross profit margin	**5%-32%**
Growth rate beyond the forecast period	**–**
Pre-tax discount rate	**9.39%-11.69%**

As at 31 December 2025, the Group considers that reasonably possible change in the key assumptions above would not cause the CGU's carrying amount at 31 December 2025 to exceed its recoverable amount.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Ningbo Conch Cement Co., Ltd. ("Ningbo Conch") 寧波海螺水泥有限公司	PRC/ Mainland China	RMB 171,000,000	75%	75%	-	Manufacture and sale of clinker and cement products
Shanghai Mingzhu Conch Cement Co., Ltd. ("Mingzhu Conch") 上海海螺明珠水泥有限責任公司	PRC/ Mainland China	RMB 30,000,000	94.2%	94.2%	-	Manufacture and sale of clinker and cement products
Anhui Tongling Conch Cement Co., Ltd. ("Tongling Conch") 安徽銅陵海螺水泥有限公司	PRC/ Mainland China	RMB 742,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Changfeng Conch Cement Co., Ltd. ("Changfeng Conch") 安徽長豐海螺水泥有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhangjiagang Conch Cement Co., Ltd. ("Zhangjiagang Conch") 張家港海螺水泥有限公司	PRC/ Mainland China	RMB 35,000,000	98.71%	98.71%	-	Manufacture and sale of clinker and cement products
Nantong Conch Cement Co., Ltd. ("Nantong Conch") 南通海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Digang Conch Cement Co., Ltd. ("Digang Conch") 安徽荻港海螺水泥股份有限公司	PRC/ Mainland China	RMB 590,000,000	100%	99.75%	0.25%	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Jianyang Conch Cement Co., Ltd. ("Jianyang Conch") 福建省建陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 14,000,000	76%	76%	-	Manufacture and sale of clinker and cement products
Anhui Zongyang Conch Cement Co., Ltd. ("Zongyang Conch") 安徽樅陽海螺水泥股份有限公司	PRC/ Mainland China	RMB 410,000,000	100%	99.27%	0.73%	Manufacture and sale of clinker and cement products
Anhui Chizhou Conch Cement Co., Ltd. ("Chizhou Conch") 安徽池州海螺水泥股份有限公司	PRC/ Mainland China	RMB 950,000,000	100%	99.67%	0.33%	Manufacture and sale of clinker and cement products
Taizhou Conch Cement Co., Ltd. ("Taizhou Conch") 泰州海螺水泥有限責任公司	PRC/ Mainland China	RMB 11,520,000	100%	93.75%	6.25%	Manufacture and sale of clinker and cement products
Bengbu Conch Cement Co., Ltd. ("Bengbu Conch") 蚌埠海螺水泥有限責任公司	PRC/ Mainland China	RMB 54,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shanghai Conch Cement Sales Co.,Ltd. ("Shanghai Sales") 上海海螺水泥銷售有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Fenyi Conch Cement Co., Ltd. ("Fenyi Conch") 分宜海螺水泥有限責任公司	PRC/ Mainland China	RMB 110,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Shangyu Conch Cement Co., Ltd. ("Shangyu Conch") 紹興上虞海螺水泥有限責任公司	PRC/ Mainland China	RMB 16,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiande Conch Cement Co., Ltd. ("Jiande Conch") 建德海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangxi Lushan Conch Cement Co., Ltd. ("Lushan Conch") 江西盧山海螺水泥有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Taizhou Yangwan Conch Cement Co., Ltd. ("Yangwan Conch") 泰州楊灣海螺水泥有限責任公司	PRC/ Mainland China	RMB 170,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nanchang Conch Cement Co., Ltd. ("Nanchang Conch") 南昌海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Huaining Conch Cement Co., Ltd. ("Huaining Conch") 安徽懷寧海螺水泥有限公司	PRC/ Mainland China	RMB 273,250,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhongguo Cement Co., Ltd. ("Zhongguo Plant") 中國水泥廠有限公司	PRC/ Mainland China	RMB 194,600,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Huai'an Conch Cement Co., Ltd. ("Huai'an Conch") 淮安海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Taicang Conch Cement Co., Ltd. ("Taicang Conch") 太倉海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Taizhou Conch Cement Co., Ltd. ("Taizhou Conch") 台州海螺水泥有限公司	PRC/ Mainland China	RMB 70,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nantong Haimen Conch Cement Co., Ltd. ("Haimen Conch") 南通海門海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangmen Conch Cement Co., Ltd. ("Jiangmen Conch") 江門海螺水泥有限公司	PRC/ Mainland China	RMB 105,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ma'anshan Conch Cement Co., Ltd. ("Ma'anshan Conch") 馬鞍山海螺水泥有限責任公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangsu Baling Conch Cement Co., Ltd. ("Baling Conch") 江蘇八菱海螺水泥有限公司	PRC/ Mainland China	RMB 32,960,000	75%	75%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Shuangfeng Conch Cement Co., Ltd. ("Shuangfeng Conch") 雙峰海螺水泥有限公司	PRC/ Mainland China	RMB 492,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Anhui Xuancheng Conch Cement Co., Ltd. ("Xuancheng Conch") 安徽宣城海螺水泥有限公司	PRC/ Mainland China	RMB 406,500,000	100%	100%	-	Manufacture and sale of clinker and cement products
Wuhu Conch Cement Co., Ltd. ("Wuhu Conch") 蕪湖海螺水泥有限公司	PRC/ Mainland China	RMB 660,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Hunan Conch Cement Co., Ltd. ("Hunan Conch") 湖南海螺水泥有限公司	PRC/ Mainland China	RMB 400,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Prosperity Conch Cement Co., Ltd. ("Prosperity Conch") 英德海螺水泥有限責任公司	PRC/ Mainland China	RMB 580,000,000	75%	70.01%	4.99%	Manufacture and sale of clinker and cement products
Xingye Kuiyang Conch Cement Co., Ltd. ("Kuiyang Conch") 興業葵陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Fusui Xinning Conch Cement Co., Ltd. ("Xinning Conch") 扶綏新寧海螺水泥有限責任公司	PRC/ Mainland China	RMB 328,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Conch Construction 安徽蕪湖海螺建築安裝工程有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Provision of construction and installation services for industrial purposes
Xing'an Conch Cement Co., Ltd. ("Xing'an Conch") 興安海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ninghai Qiangjiao Conch Cement Co., Ltd. ("Ninghai Conch") 寧海強蛟海螺水泥有限公司	PRC/ Mainland China	RMB 110,240,000	100%	100%	-	Manufacture and sale of clinker and cement products
Beiliu Conch Cement Co., Ltd. ("Beiliu Conch") 北流海螺水泥有限責任公司	PRC/ Mainland China	RMB 450,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhanjiang Conch Cement Co., Ltd. ("Zhanjiang Conch") 湛江海螺水泥有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Xiangshan Conch Cement Co., Ltd. ("Xiangshan Conch") 象山海螺水泥有限責任公司	PRC/ Mainland China	RMB 189,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Pingliang Conch 平涼海螺水泥有限責任公司	PRC/ Mainland China	RMB 470,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Linxiang Conch Cement Co., Ltd. ("Linxiang Conch") 臨湘海螺水泥有限責任公司	PRC/ Mainland China	RMB 290,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Yueqing Conch Cement Co., Ltd. ("Yueqing Conch") 樂清海螺水泥有限責任公司	PRC/ Mainland China	RMB 238,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Quanjiao Conch Cement Co., Ltd. ("Quanjiao Conch") 全椒海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Ningde Conch Cement Co., Ltd. ("Ningde Conch") 寧德海螺水泥有限責任公司	PRC/ Mainland China	RMB 150,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangyuan Conch 廣元海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangdong Qingxin Cement Co., Ltd. ("Qingxin Conch") 廣東清新水泥有限公司	PRC/ Mainland China	RMB 320,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Chongqing Conch 重慶海螺水泥有限責任公司	PRC/ Mainland China	RMB 550,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Jiangxi Ganjiang Conch Cement Co., Ltd. ("Ganjiang Conch") 江西贛江海螺水泥有限責任公司	PRC/ Mainland China	RMB 165,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Foshan Conch Cement Co., Ltd. ("Foshan Conch") 佛山海螺水泥有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Lu'an Conch Cement Co., Ltd. ("Lu'an Conch") 六安海螺水泥有限責任公司	PRC/ Mainland China	RMB 89,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Dazhou Conch 達州海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Liquan Conch 禮泉海螺水泥有限責任公司	PRC/ Mainland China	RMB 480,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qianyang Conch 千陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 490,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Huainan Conch Cement Co., Ltd. ("Huainan Conch") 淮南海螺水泥有限責任公司	PRC/ Mainland China	RMB 160,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Yangchun Conch Cement Co., Ltd. ("Yangchun Conch") 陽春海螺水泥有限責任公司	PRC/ Mainland China	RMB 550,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jining Conch Cement Co., Ltd. ("Jining Conch") 濟寧海螺水泥有限責任公司	PRC/ Mainland China	RMB 235,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qiyang Conch Cement Co., Ltd. ("Qiyang Conch") 祁陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Hunan Yiyang Conch Cement Co., Ltd. ("Yiyang Conch") 湖南益陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Suzhou Conch Cement Co., Ltd. ("Suzhou Conch") 宿州海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Huangshan Conch Cement Co., Ltd. ("Huangshan Conch") 黃山海螺水泥有限責任公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jianghua Conch Cement Co., Ltd. ("Jianghua Conch") 江華海螺水泥有限責任公司	PRC/ Mainland China	RMB 266,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Jianghua Conch Plastic Packaging Co., Ltd. ("Jianghua Plastic") 江華海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Longling Conch Cement Co., Ltd. ("Longling Conch") 龍陵海螺水泥有限責任公司	PRC/ Mainland China	RMB 225,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guangyuan Conch Plastic Packaging Co., Ltd. ("Guangyuan Plastic") 廣元海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Guiyang Conch 貴陽海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 706,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guiding Conch 貴定海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 460,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zunyi Conch 遵義海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 530,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhuangxiang Conch 雲南壯鄉水泥股份有限公司	PRC/ Mainland China	RMB 50,000,000	100%	99%	1%	Manufacture and sale of clinker and cement products
Baoshan Conch 保山海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Longan Conch 隆安海螺水泥有限責任公司	PRC/ Mainland China	RMB 120,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Refractory Material 安徽海螺暹羅耐火材料有限公司	PRC/ Mainland China	RMB 168,000,000	70%	70%	-	Manufacture, development and sale of refractory material
Tongren Conch 銅仁海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 510,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jinlinghe 寶雞市眾喜金陵河水泥有限公司	PRC/ Mainland China	RMB 372,376,000	100%	100%	-	Manufacture and sale of clinker and cement products
Fenghuangshan 寶雞眾喜鳳凰山水泥有限公司	PRC/ Mainland China	RMB 928,800,000	100%	100%	-	Manufacture and sale of clinker and cement products
Qianxian Conch 乾縣海螺水泥有限責任公司	PRC/ Mainland China	RMB 560,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Liukuangruian 貴州六礦瑞安水泥有限公司	PRC/ Mainland China	RMB 477,450,000	51%	51%	-	Manufacture and sale of clinker and cement products
Liangping Conch 梁平海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Qianxinan 黔西南州發展資源開發有限公司	PRC/ Mainland China	RMB 250,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Bazhong Conch 巴中海螺水泥有限責任公司	PRC/ Mainland China	RMB 280,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Wenshan Conch 文山海螺水泥有限責任公司	PRC/ Mainland China	RMB 280,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Bozhou Conch Cement Co., Ltd. ("Bozhou Conch") 亳州海螺水泥有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Nanwei Cement 四川南威水泥有限公司	PRC/ Mainland China	RMB 168,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Zhenjiang Beigu Conch Cement Co., Ltd. ("Beigu Conch") 鎮江北固海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	80%	80%	-	Manufacture and sale of clinker and cement products
Hami Building Material 哈密弘毅建材有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Hami Xingyi Mining Co., Ltd. ("Hami Mining") 哈密興義礦業有限責任公司	PRC/ Mainland China	RMB 3,000,000	100%	-	100%	Mining and related service
Lingyun Tonghong 廣西凌雲通鴻水泥有限公司	PRC/ Mainland China	RMB 80,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Maoming Dadi Cement Co., Ltd. ("Maoming Dadi") 茂名市大地水泥有限公司	PRC/ Mainland China	RMB 60,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jinxian Conch Cement Co., Ltd. ("Jinxian Conch") 進賢海螺水泥有限責任公司	PRC/ Mainland China	RMB 42,000,000	70%	70%	-	Manufacture and sale of clinker and cement products
Linxia Conch 臨夏海螺水泥有限責任公司	PRC/ Mainland China	RMB 350,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Conch Material Trading Co., Ltd. ("Conch Material") 安徽海螺物資貿易有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Wuxi Conch Sales Cement Co., Ltd. ("Wuxi Sales") 無錫海螺水泥銷售有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale of clinker and cement products
Yingjiangyunhan 盈江縣允罕水泥有限公司	PRC/ Mainland China	RMB 300,000,000	99%	99%	-	Manufacture and sale of clinker and cement products
Baoji Conch Plastic Packaging Co., Ltd. ("Baoji Plastic") 寶雞海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Manufacture and sale of cement packaging
Shaoyang Yeafing New Energy Co., Ltd. ("Yeafing New Energy") 邵陽市雲峰新能源科技有限公司	PRC/ Mainland China	RMB 120,000,000	65%	65%	-	Sale and development of profile and related products
Hunan Yeafing Cement Co., Ltd. ("Yeafing Cement") 湖南省雲峰水泥有限公司	PRC/ Mainland China	RMB 93,000,000	65%	65%	-	Manufacture and sale of clinker and cement products
Shuicheng Conch Panjiang Cement Co., Ltd. ("Shuicheng Conch") (note(i)) 水城海螺盤江水泥有限責任公司	PRC/ Mainland China	RMB 800,000,000	87.22%	87.22%	-	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Kunming Conch 昆明海螺水泥有限公司	PRC/ Mainland China	USD 30,506,700	80%	80%	-	Manufacture and sale of clinker and cement products
Lianyuan Conch Cement Co., Ltd. ("Lianyuan Cement") 漣源海螺水泥有限公司	PRC/ Mainland China	USD 74,800,000	80%	80%	-	Manufacture and sale of clinker and cement products
Ganzhou Conch 贛州海螺水泥有限責任公司	PRC/ Mainland China	RMB 400,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Chaohu Conch Cement Co., Ltd. ("Chaohu Conch") 巢湖海螺水泥有限責任公司	PRC/ Mainland China	RMB 500,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Guiding Conch Plastic Packaging Co., Ltd. ("Guiding Plastic") 貴定海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	100%	-	Manufacture and sale of cement packaging
Fenghuang Building Material 陝西銅川鳳凰建材有限公司	PRC/ Mainland China	RMB 584,612,000	65%	65%	-	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Haihui New Material 遵義海匯新材料有限責任公司	PRC/ Mainland China	RMB 45,000,000	60%	60%	-	Manufacture and sale of concrete products
Chizhou Conch New Material Co., Ltd. ("Chizhou New Material") 池州海螺新材料有限責任公司	PRC/ Mainland China	RMB 250,000,000	100%	100%	-	Manufacture and sale of concrete products
Guangyuan Conch New Material Co., Ltd. ("Guangyuan New Material") 廣元海螺新材料有限責任公司	PRC/ Mainland China	RMB 40,000,000	90%	90%	-	Manufacture and sale of concrete products
Bazhong Construction 巴中海螺建材有限責任公司	PRC/ Mainland China	RMB 50,000,000	90%	90%	-	Manufacture and sale of clinker and cement products
Chongqing Trading 重慶海螺物資貿易有限責任公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Wuhu Conch Mining Co., Ltd. ("Wuhu Mining") 蕪湖海螺礦業有限責任公司	PRC/ Mainland China	RMB 12,000,000	70%	70%	-	Mining and selling aggregates
Wuhu Southeast Asia International Trading Co., Ltd. ("Southeast Asia Trading") 蕪湖東南亞國際貿易有限公司	PRC/ Mainland China	USD 40,000,000	55%	55%	-	Sale and trading of clinker and cement products and provision of related services

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Guangdong Qingyuan Guangying Cement Co., Ltd. ("Guangying Cement") 廣東清遠廣英水泥有限責任公司	PRC/ Mainland China	RMB 345,000,000	80%	80%	-	Manufacture and sale of clinker and cement products
Basu Conch 八宿海螺水泥有限責任公司	PRC/ Mainland China	RMB 827,500,000	70%	70%	-	Manufacture and sale of clinker and cement products
Chuzhou Conch Cement New Construction Materials Co., Ltd. ("Chuzhou New Material") 滁州海螺新型建材有限公司	PRC/ Mainland China	RMB 11,000,000	70%	70%	-	Manufacture and sale of concrete products
Jiangsu Conch Cement Construction Materials Co., Ltd. ("Jiangsu Material") 江蘇海螺建材有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Yunnan Haizhong Trading Co., Ltd. ("Yunnan Haizhong") 雲南海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Yangzhou Conch Cement Co., Ltd. ("Yangzhou Conch") 揚州海螺水泥有限責任公司	PRC/ Mainland China	RMB 210,000,000	100%	100%	-	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Yiyang Conch Cement Co., Ltd. ("Yiyang Conch") 弋陽海螺水泥有限責任公司	PRC/ Mainland China	RMB 457,500,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shimen Conch Cement Co., Ltd. ("Shimen Conch") 石門海螺水泥有限責任公司	PRC/ Mainland China	RMB 421,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Shanghai Conch Construction Material International Trading Co. Ltd. ("Conch International Trading") 上海海螺建材國際貿易有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale, exporting and trading of clinker and cement products
Wuhu Conch Plastic Products Co., Ltd. ("Wuhu Plastic") 蕪湖海螺塑膠製品有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Manufacture and sale of cement packaging
Anhui Ningchang Plastic Packaging Co., Ltd. ("Ningchang Plastic") 安徽寧昌塑膠包裝有限公司	PRC/ Mainland China	RMB 53,554,100	100%	100%	-	Manufacture and sale of cement packaging
Shanghai Conch Logistic Co., Ltd. ("Conch Logistic") 上海海螺物流有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Logistic services
Guangdong Yinglong Conch Logistic Co., Ltd. ("Yinglong Logistic") 廣東英龍海螺物流有限公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Logistic services

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Yingde Conch Plastic Packaging Co., Ltd. ("Yingde Plastic") 英德海螺塑膠包裝有限責任公司	PRC/ Mainland China	RMB 6,000,000	100%	100%	-	Manufacture and sale of cement packaging
Huai'an Chuzhou Conch Cement Co., Ltd. ("Chuzhou Conch") 淮安楚州海螺水泥有限責任公司	PRC/ Mainland China	RMB 113,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
Jiangxi Haizhong Trading Co., Ltd. ("Jiangxi Haizhong") 江西海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Guizhou Haizhong Trading Co., Ltd. ("Guizhou Haizhong") 貴州海中貿易有限責任公司	PRC/ Mainland China	RMB 10,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Nanjing Haizhong Trading Co., Ltd. ("Nanjing Haizhong") 南京海中貿易有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Shanxi Haizhong Trading Co., Ltd. ("Shanxi Haizhong") 陝西海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Guangxi Chongzuo Haizhong Trading Co., Ltd. ("Chongzuo Haizhong") 廣西崇左海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Tongchuan Conch New Material 銅川海螺新材料有限責任公司	PRC/ Mainland China	RMB 40,000,000	65%	65%	-	Manufacture and sale of concrete products
Linquan Conch Cement Co., Ltd. ("Linquan Conch") 臨泉海螺水泥有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Warehouse Logistics
Zhuhai Haizhong Trading Co., Ltd. ("Zhuhai Haizhong") 珠海海中貿易有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Fenyi Conch Construction Materials Co., Ltd. ("Fenyi Material") 分宜海螺建築材料有限責任公司	PRC/ Mainland China	RMB 1,000,000,000	97.51%	97.51%	-	Processing and sales of construction stones
Jiangxi Yiyang Conch New Construction Material Co., Ltd. ("Yiyang Construction Material") 江西弋陽海螺新型建材有限責任公司	PRC/ Mainland China	RMB 100,000,000	70%	70%	-	Production and sales of construction materials
Jiangxi Yiyang Conch New Material Co., Ltd. ("Yiyang New Material") 江西弋陽海螺新材料有限責任公司	PRC/ Mainland China	RMB 30,000,000/ RMB 12,000,000	70%	70%	-	Production and sales of concrete and related products
Anhui Haizhong Investment ("Haizhong Investment") 安徽海中投資有限公司	PRC/ Mainland China	RMB 1,450,000,000	51%	51%	-	Investment and trading

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Nanjiang Conch Cement Co., Ltd. ("Nanjiang Conch") 南江海螺水泥有限責任公司	PRC/ Mainland China	RMB 300,000,000	51%	51%	-	Manufacture and sale of clinker and cement products
Quanjiao Conch Construction Technology Co., Ltd. ("Quanjiao Construction") 全椒海螺建築科技有限責任公司	PRC/ Mainland China	RMB 300,000,000	90%	90%	-	Provision of construction and installation services for industrial purposes
Anhui Haibo Intelligent Technology Co., Ltd. ("Haibo Intelligent") 安徽海博智能科技有限責任公司	PRC/ Mainland China	RMB 80,000,000	60%	60%	-	Research and experimental development
Nantong Conch Concrete Co., Ltd. ("Nantong Concrete") 南通海螺混凝土有限責任公司	PRC/ Mainland China	RMB 60,000,000	70%	70%	-	Production and sales of concrete and related products
Anhui Conch Zhongnan Intelligent Robot Co., Ltd. ("Zhongnan Intelligent") 安徽海螺中南智能機器人有限責任公司	PRC/ Mainland China	RMB 50,000,000	51%	51%	-	Research development and manufacture of automation machinery
Tongling Conch New Material Co., Ltd. ("Tongling New Material") 銅陵海螺新材料有限責任公司	PRC/ Mainland China	RMB 25,000,000	70%	70%	-	Production and sales of concrete and related products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Liquan Conch Construction Technology Co., Ltd. ("Liquan Construction Technology") 禮泉海螺建築科技有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Industrial and civil building construction
Xiaoxian Conch Cement Co., Ltd. ("Xiaoxian Conch") 蕭縣海螺水泥有限責任公司	PRC/ Mainland China	RMB 600,000,000	60%	60%	-	Manufacture and sale of clinker and cement products
Anhui Haihui Supply Chain Technology Co., Ltd. ("Haihui Supply Chain Technology") 安徽海慧供應鏈科技有限公司	PRC/ Mainland China	RMB 150,000,000	75.6%	75.6%	-	Logistics transportation agency service
Hainan Changjiang Conch Cement Co.,Ltd. ("Changjiang Conch") 海南昌江海螺水泥有限公司	PRC/ Mainland China	RMB 650,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Chongqing Cement Co., Ltd ("Wuhu South Cement") 蕪湖南方水泥有限公司	PRC/ Mainland China	RMB 300,000,000	26.01%	-	51%	Manufacture and sale of clinker and cement products
Nantong Haimen Conch New Material Co., Ltd. ("Haimen New Material") 南通市海門海螺新材料有限責任公司	PRC/ Mainland China	RMB 300,000,000	100%	100%	-	Production and sales of new materials

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Tongling Conch New Construction ("Tongling Construction") 銅陵海螺新型建材有限公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Processing and sales of construction stones
Changjiang Conch Huasheng Plastic Packaging ("Changjiang Plastic Packaging") 昌江海螺華盛塑膠包裝有限公司	PRC/ Mainland China	RMB 50,000,000	60%	60%	-	Manufacture and sale of cement packaging
Tianjin Haihui Supply Chain Technology ("Tianjin Haihui") 天津海慧供應鏈科技有限公司	PRC/ Mainland China	RMB 10,000,000	75.6%	-	100%	Logistic services
Nantong Conch Construction Material Co., Ltd. ("Nantong Construction") 南通海螺建築材料有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials
Conch New Energy and its subsidiaries ("Conch New Energy") (note(iii)) 安徽海螺新能源有限公司及其附屬公司	PRC/ Mainland China	RMB 5,000,000,000	100%	100%	-	Photovoltaic and wind power generation and energy storage system development
Jiande Conch Green Construction ("Jiande Green Construction") 建德海螺綠色建材有限公司	PRC/ Mainland China	RMB 40,000,000	100%	100%	-	Photovoltaic and wind power generation and energy storage system development
Zhaoqing Trading Green Quarry ("Zhaoqing Quarry") 肇慶海螺嘉華綠色建築材料有限公司	PRC/ Mainland China	RMB 1,500,000,000	51%	-	51%	Processing and sales of construction stones

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Fengkai Conch Trading Green Construction ("Fengkai Green Construction") 封開海螺交投綠色建材有限公司	PRC/ Mainland China	RMB 10,000,000	68%	68%	-	Processing and sales of construction stones
Tengchong Teng Yue Cement Co., Ltd. ("Tengchong Tengyue") 騰沖市騰越水泥有限公司	PRC/ Mainland China	RMB 56,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Guizhou New Shuanglong Cement Co., Ltd. ("Guizhou New Shuanglong") 貴州新雙龍水泥有限公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Youxi Conch Cement Co., Ltd ("Youxi Conch") 尤溪海螺水泥有限責任公司	PRC/ Mainland China	RMB 800,000,000/ RMB 200,000,000	33.81%	-	66.3%	Sale and trading of clinker and cement products and provision of related services
Anhui Green New Material 安徽海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 1,500,000,000	65%	65%	-	Manufacture and sales of new construction materials
Bozhou Huayi New Material 亳州市華諠新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products
Zhonglian New Material 安徽省中聯新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Zhonglian Xiangjiao Construction 中聯湘譙建材有限公司	PRC/ Mainland China	RMB 100,000,000	65%	-	100%	Production and sales of concrete and related products
Motai New Material 安徽省墨泰新型材料有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Production and sales of concrete and related products
Huasheng Road Engineering 亳州市華盛道路工程有限公司	PRC/ Mainland China	RMB 26,000,000	65%	-	100%	Production and sales of concrete and related products
Zhonglian Construction 亳州市中聯建設工程有限公司	PRC/ Mainland China	RMB 10,000,000	65%	-	100%	Construction of highway engineering
Xiangqiao Construction 亳州湘譙建築工業化有限公司	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Provision of construction and installation services for industrial purposes
Feixi Conch New Materials Co., Ltd 肥西海螺新材料有限公司(前稱安徽中聯觀騰新型材料有限公司)	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Design and technical service for industrial products
Feixi Conch New Building Materials Co., Ltd 肥西海螺新型建材有限公司(前稱安徽中聯摩泰克新型材料有限公司)	PRC/ Mainland China	RMB 50,300,000	65%	-	100%	Processing and sales of manufactured sand

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Wuhu Conch Green Construction Technology Co., Ltd. ("Wuhu Green Construction") 蕪湖海螺綠色建築科技有限責任公司	PRC/ Mainland China	RMB 200,000,000	100%	100%	-	Construction of building intelligent engineering
Hongfeng Cement 廣東海螺鴻豐水泥有限公司	PRC/ Mainland China	RMB 1,000,000,000	100%	51%	49%	Production of cement products and exploitation of mineral resources
Yingde Shengde 英德市聖德混凝土有限公司	PRC/ Mainland China	RMB 5,000,000	70%	-	100%	Production and sales of concrete and related products
Yingde Tongde 英德市通德混凝土有限公司	PRC/ Mainland China	RMB 5,000,000	70%	-	100%	Road freight transport and sales of cement products
Wuhu Conch Green Construction Co., Ltd. ("Wuhu Green Construction") 蕪湖海螺綠色建材有限責任公司	PRC/ Mainland China	RMB 500,000,000	67%	67%	-	Processing and sales of construction stones
Ma'an Mountain Conch Green Construction ("Ma'an Mountain Green Construction") 馬鞍山海螺綠色建材有限公司	PRC/ Mainland China	RMB 2,000,000,000	100%	100%	-	Processing and sales of construction stones
Yingde Conch Green New Material ("Yingde Green New Material") 英德海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 100,000,000	70%	-	70%	Production and sales of nonmetallic mineral products and investment

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Huai'an Conch Green Construction Technology ("Huai'an Green Construction") 淮安海螺綠色建築科技有限公司	PRC/ Mainland China	RMB 70,000,000	100%	100%	-	Providing technical services and production and sales of cement products
Zongyang Conch New Material Technology ("Zongyang New Material") 樅陽海螺新材料科技有限公司	PRC/ Mainland China	RMB 1,000,000,000	51%	51%	-	Production and sales of nonmetallic mineral products and related products
PT Conch Cement Indonesia ("Indonesia Conch") 印尼海螺水泥有限公司	Indonesia	USD 51,000,000	75%	75%	-	Manufacture and sale of clinker and cement products investment and trading
PT Conch South Kalimantan Cement ("Indonesia South Conch") 南加裡曼丹海螺水泥有限公司	Indonesia	USD 90,000,000	71.25%	-	71.25%	Manufacture and sale of clinker and cement products
PT Conch International Trade Indonesia ("Indonesia International Trade Conch") 印尼海螺國際貿易有限公司	Indonesia	USD 30,000,000	100%	10%	90%	Investment and trading
PT Conch Barru Cement Indonesia ("Barru Conch") 印尼巴魯海螺水泥有限公司	Indonesia	USD 50,000,000	100%	-	100%	Sale of cement products and provision of related services
PT Conch North Sulawesi Cement ("North Sulawesi Conch") 北蘇海螺水泥有限公司	Indonesia	USD 80,000,000	100%	-	100%	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
PT Conch West Kalimantan Cement ("West Kalimantan Conch") 西加裡曼丹海螺水泥貿易有限公司	Indonesia	USD 4,000,000	100%	-	100%	Sale of cement products and provision of related services
Battambang Conch 馬德望海螺水泥有限公司	Cambodia	USD 50,000,000	60%	-	60%	Sale of cement products and provision of related services
Volga Conch 伏爾加海螺水泥有限責任公司	Russia	RUB 132,477,680	75%	75%	-	Manufacture and sale of clinker and cement products
Luangprabang Conch 瑯勃拉邦海螺水泥有限公司	Laos	USD 23,000,000	70%	-	70%	Manufacture and sale of clinker and cement products
Vientiane Conch 萬象海螺水泥有限公司	Laos	USD 50,000,000	75%	-	75%	Manufacture and sale of clinker and cement products
Myanmar Conch Cement (Mandalay) Co., Ltd. ("Mandalay Conch") 緬甸海螺(曼德勒)水泥有限公司	Myanmar	USD 45,000,000	55%	55%	-	Manufacture and sale of clinker and cement products
Qarshi Conch 卡爾希海螺水泥外國企業有限責任公司	Uzbekistan	USD 60,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Phnom Penh Conch 海螺KT水泥(金邊)有限公司	Cambodia	USD 80,000,000	55%	-	55%	Manufacture and sale of clinker and cement products

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Conch International 海螺國際控股(香港)有限公司	Hong Kong	USD552,760,000	100%	100%	-	Investment and Trading
Tashkent Conch 塔什干海螺合資企業水泥有限公司	Uzbekistan	USD 34,300,000	65%	-	65%	Manufacture and sale of clinker and cement products
Andijan Conch 上峰友誼之橋有限責任公司	Uzbekistan	USD 5,000,000	51%	-	51%	Manufacture and sale of clinker and cement products
Conch Environment Protection (note(iii)(iv)) 中國海螺環保控股有限公司及其附屬公司	Cayman Islands/ Mainland China	HKD 150,000,000	21.21%	5.55%	15.66%	Industrial waste storage and disposal
Hongji Cement 奈曼旗宏基水泥有限公司	PRC/ Mainland China	RMB 465,260,000	80%	80%	-	Manufacture and sale of clinker and cement products
Chifeng Conch Cement Co., Ltd. ("Chifeng Conch") 赤峰海螺水泥有限責任公司	PRC/ Mainland China	RMB 120,000,000	80%	-	100%	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Naiman Xingta Renewable Resources Co., Ltd. ("Xingta Renewable Resources") 奈曼旗興塔再生資源有限公司	PRC/ Mainland China	RMB 80,000,000	80%	-	100%	Processing and sales of construction stones
Inner Mongolia Yuexing Environmental Technology Co., Ltd. ("Yuexing Environmental Technology") 內蒙古躍興環保科技有限公司	PRC/ Mainland China	RMB 70,000,000	80%	-	100%	Industrial waste storage and disposal
Qingyuan Guangying Mining Industry Co., Ltd. ("Guangying Mining Industry") 清遠市廣英礦業有限公司	PRC/ Mainland China	RMB 62,950,000	80%	-	100%	Mining and selling aggregates
Chongqing Duoji Renewable Resources Co., Ltd ("Chongqing Duoji ") 重慶涪陵海螺建材有限公司(前稱重慶市多吉再生資源有限公司)	PRC/ Mainland China	RMB 20,408,163	51%	51%	-	Renewable resources sales and Renewable resource processing
Shuangfeng Conch Green Construction Co., Ltd. ("Shuangfeng Green Construction") 雙峰海螺綠色建材有限公司	PRC/ Mainland China	RMB 500,000,000/ RMB 100,000,000	65%	65%	-	Manufacture and sales of new construction materials
Changsha Yongyun Building Materials 長沙永運建材有限公司	PRC/ Mainland China	RMB 30,000,000	80%	-	100%	Sales of construction materials

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Liuzhi Conch New Construction Co., Ltd. ("Liuzhi New Construction") 六枝海螺溢鑫綠色新型建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	-	100%	Manufacture and sales of new construction materials
Mengcheng Conch Construction Co., Ltd. ("Mengcheng Construction") 蒙城海螺建材有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sales of construction materials
Lianyungang Conch Green Construction Co., Ltd. ("Lianyungang Green Construction") 連雲港海螺綠色建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Sale and trading of cement products and provision of related services
Conch (Guizhou) Holding, Ltd. ("Guizhou Holding") 海螺(貴州)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Hunan) Holding, Ltd. ("Hunan Holding") 海螺(湖南)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Shanxi) Holding, Ltd. ("Shanxi Holding") 海螺(陝西)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Yunnan) Holding, Ltd. ("Yunnan Holding") 海螺(雲南)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Shanghai Zhizhi 上海智質科技有限公司	PRC/ Mainland China	RMB 80,000,000	55%	-	100%	Construction of intelligent building engineering
Anhui Zhizhi Engineering Technology Co., Ltd. ("Anhui Zhizhi") 安徽智質工程技術有限公司	PRC/ Mainland China	RMB 134,361,900	55%	55%	-	Technical services and technical development and technical consulting
Jinggong Testing 安徽精公檢測檢驗中心有限公司	PRC/ Mainland China	RMB 8,000,000	100%	100%	-	Product testing and inspection and Environmental inspection
Changde Dingxing 常德頂興混凝土製品有限公司	PRC/ Mainland China	RMB 10,000,000	100%	-	100%	Road freight transport and sales of cement products
Pingliang Conch New Green Material Co., Ltd. ("Pingliang New Green Material") 平涼海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 35,000,000	100%	100%	-	Manufacture and sales of new construction materials
Guiyang Conch Green Construction Co., Ltd. ("Guiyang Green Construction") 貴陽海螺綠色建材有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Manufacture and sales of new construction materials
Nanjing Conch New Green Material Technology Co., Ltd. ("Nanjing New Green Material") 南京海螺綠色新型材料科技有限公司	PRC/ Mainland China	RMB 50,000,000	100%	-	100%	Manufacture and sales of new construction materials

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Zongyang Conch New Green Material Co., Ltd. ("Zongyang New Green Material") 樅陽海螺綠色新型材料有限公司	PRC/ Mainland China	RMB 35,000,000	100%	100%	-	Manufacture and sales of new construction materials
Xingye Conch New Material Co., Ltd. ("Xingye New Material") 興業海螺新材料有限責任公司	PRC/ Mainland China	USD 6,000,000	100%	-	100%	Manufacture and sales of new construction materials
Anhui Conch Construction Machinery Technology Co., Ltd. ("Anhui Construction Machinery") 安徽海螺工程機械科技有限責任公司	PRC/ Mainland China	RMB 40,000,000	77%	-	77%	Machinery installation and maintenance
Bozhou Conch Construction Sales Co., Ltd. ("Bozhou Construction Sales") 亳州海螺建材銷售有限公司	PRC/ Mainland China	RMB 100,000,000/ RMB25,000,000	52%	-	80%	Sales of construction materials and cement products
Guixi Conch New Materials Co., Ltd 貴溪海螺新材料有限責任公司(前稱貴溪市鷹貴預拌砂漿有限公司)	PRC/ Mainland China	RMB 26,000,000	100%	-	100%	Road freight transport and sales of cement products
Linxia Tianxiang 臨夏縣天翔商砼有限責任公司	PRC/ Mainland China	RMB 40,000,000	100%	-	100%	Road freight transport and sales of cement products
Conch (Hefei) Holding, Ltd. ("Hefei Holding") 海螺(合肥)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Conch (Guangxi) Holding, Ltd. ("Guangxi Holding") 海螺(廣西)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Conch (Zhejiang) Holding, Ltd. ("Zhejiang Holding") 海螺(浙江)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Shaodong Panshi 邵東市磐石混凝土有限公司	PRC/ Mainland China	RMB 25,000,000	100%	-	100%	Production and sales of concrete and related products
Tongling Conch Environmental Technology Co. ("Tongling Environmental Technology") 銅陵海螺環境科技有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Chemical fibre manufacturing
Rugao Conch New Material Co. ("Rugao New Material") 如皋海螺新材料有限責任公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Production and sales of concrete and related products
Conch (Jiangsu) Holding, Ltd. ("Jiangsu Holding") 海螺(江蘇)控股有限公司	PRC/ Mainland China	RMB 100,000,000	100%	100%	-	Sale and trading of clinker and cement products and provision of related services
Nantong Tongzhou Conch New Material Co. ("Tongzhou New Material") 南通通州海螺新型材料有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Longnan Conch Cement Co. ("Longnan Conch") 龍南海螺水泥有限責任公司	PRC/ Mainland China	RMB 20,000,000	100%	-	100%	Manufacture and sale of clinker and cement products
Zhangjiagang Conch New Building Material Co. ("Zhangjiagang New Material") 張家港海螺新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Anhui Conch Financial Services Co. ("Conch Financial Service") 安徽海螺財務服務有限公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Financial supporting services
Bengbu Conch Building Materials Co. ("Bengbu Material") 蚌埠海螺建材有限公司	PRC/ Mainland China	RMB 150,000,000	70%	-	70%	Sales of construction materials and cement products
Fusui Conch Commodity Concrete Co., Ltd. ("Fusui Commodity Concrete") 扶綏海螺商品混凝土有限公司	PRC/ Mainland China	RMB 30,000,000	65%	-	65%	Production and sales of concrete and related products
Zhongtan (Anhui) Environmental Technology Co., Ltd. ("Zhongtan Technology") 中碳(安徽)環境科技有限公司	PRC/ Mainland China	RMB 30,000,000	65%	65%	-	Production and sales of concrete and related products
Anhui Conch Information Technology Engineering Co., Ltd. ("Conch IT Engineering") 安徽海螺信息技術工程有限責任公司	PRC/ Mainland China	RMB 50,000,000	100%	100%	-	Technology Services

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Lianshui Conch Green Construction Technology Co., Ltd. ("Lianshui Conch") 漣水海螺綠色建築科技有限公司	PRC/ Mainland China	RMB 30,000,000/ RMB0	100%	100%	-	Manufacture and sale of clinker and cement products
Zhenjiang Conch Cement Co., Ltd. ("Zhenjiang Conch") 鎮江海螺水泥有限責任公司	PRC/ Mainland China	RMB 200,000,000/ RMB100,000,000	100%	100%	-	Manufacture and sale of clinker and cement products
("West Papua Conch") 西巴布亞海螺水泥有限公司	Indonesia	USD 264,670,000	100%	49%	51%	Manufacture and sale of clinker and cement products
PT.SDIC INDONESIA 印尼西巴布亞礦山有限公司	Indonesia	IDR 5,200,000,000	90%	-	90%	Mining and related service
Zhoushan Conch New Building Material Co., Ltd. ("Zhoushan Conch") 舟山海螺新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Guangde Conch Building Material Co., Ltd. ("Guangde Building Material") 廣德海螺建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	100%	-	Sales of construction materials and cement products
Jining Conch Green New Building Material Co., Ltd.("Jining New Building Material") 濟寧海螺綠色新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Wuhu Baima Shanhailuo New Building Materials Co., Ltd. (note(i)) 蕪湖白馬山海螺新型建材有限公司	PRC/ Mainland China	RMB 80,000,000	100%	95%	5%	Sales of construction materials and cement products
Shenzhen Hailuo Green New Building Materials Co., Ltd. (note(i)) 深圳海螺綠色新型建材有限公司	PRC/ Mainland China	RMB 30,000,000	100%	80%	20%	Sales of construction materials and cement products
Xinfeng Green Building Materials Co., Ltd. (note(i)) 新豐綠色建材有限公司	PRC/ Mainland China	RMB 20,000,000	51%	51%	–	Construction stone processing and sales
Shanghai Conch Jianye New Materials Co., Ltd. (note(i)) 上海海螺建業新材料有限公司	PRC/ Mainland China	RMB 30,000,000	100%	90%	10%	Sales of construction materials and cement products
Ma'anshan Hailuo New Building Materials Co., Ltd. (note(i)) 馬鞍山海螺新型建材有限責任公司	PRC/ Mainland China	RMB 45,000,000	70%	70%	–	Sales of construction materials and cement products
Yili Hailuo Cement Co., Ltd. (note(ii)) 伊犁海螺水泥有限公司	PRC/ Mainland China	RMB 100,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products
Huocheng Hailuo Mining Co., Ltd. (note(ii)) 霍城海螺礦業有限責任公司	PRC/ Mainland China	RMB 5,000,000	100%	90%	10%	Mining and selling aggregates

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ registration and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
			Group's effective interest	Held by the Company	Held by a subsidiary	
Yili Hailuo Environmental Protection Technology Co., Ltd. (note(ii)) 伊犁海螺環保科技有限公司	PRC/ Mainland China	RMB 95,000,000	100%	90%	10%	Industrial solid and hazardous waste treatment
Moyu Conch Cement Co., Ltd. (note(ii)) 墨玉海螺水泥有限公司	PRC/ Mainland China	RMB 400,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products
Yutian Hailuo Cement Co., Ltd. (note(ii)) 于田海螺水泥有限公司	PRC/ Mainland China	RMB 80,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products
Hotan Hailuo Cement Co., Ltd. (note(ii)) 和田海螺水泥有限公司	PRC/ Mainland China	RMB 80,000,000	100%	90%	10%	Manufacture and sale of clinker and cement products

Notes to the financial statements (continued)

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17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(i) These subsidiaries were newly established by the Group in 2025.

(ii) These subsidiaries were acquired by the Group in 2025.

(iii) These subsidiaries are intermediate holding companies of subsidiaries with non-controlling interests.

(iv) As described in note 3(a), the Group has established de facto control over Conch Environmental Protection, resulting in a discrepancy between its shareholding and voting rights.

All of the subsidiaries are limited liability companies except for Digang Conch, Chizhou Conch and Zhuangxiang Conch, which are joint stock limited companies.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the information relating to Prosperity Conch Cement Co., Ltd. and Conch Environment Protection, the subsidiaries of the Group which have a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Prosperity Conch Cement Co., Ltd.	
	2025	2024
	RMB'000	RMB'000
NCI percentage	**25%**	25%
Current assets	**4,789,020**	5,460,779
Non-current assets	**1,760,800**	1,701,424
Current liabilities	**229,757**	240,953
Non-current liabilities	**127,479**	103,984
Net assets	**6,192,584**	6,817,266
Carrying amount of NCI	**1,548,146**	1,704,317
Revenue	**1,815,590**	2,030,725
Profit for the year	**175,318**	217,373
Total comprehensive income	**175,318**	217,373
Profit allocated to NCI	**43,830**	54,343
Dividend paid to NCI	**200,000**	–
Cash flows generated from operating activities	**406,937**	610,919
Cash flows used in investing activities	**(205,423)**	(128,295)
Cash flows used in financing activities	**(208,890)**	(479,178)

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

17 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Conch Environment Protection	
	2025	2024
	RMB'000	RMB'000
NCI percentage	**78.79%**	78.79%
Current assets	**1,437,727**	1,506,653
Non-current assets	**8,331,827**	8,726,430
Current liabilities	**2,074,313**	2,270,317
Non-current liabilities	**4,107,838**	3,950,740
Net assets	**3,587,403**	4,012,026
Carrying amount of NCI	**2,950,956**	3,331,354
Revenue	**1,640,315**	1,686,989
Profit for the year	**(347,849)**	(7,286)
Total comprehensive income	**(347,849)**	(7,286)
Adjustments based on fair value at the time of investments	**(74,505)**	(49,243)
Profit after adjustments for the year	**(422,354)**	(56,529)
Profit allocated to NCI	**(358,129)**	(47,271)
Dividend paid to NCI	**–**	40,445
Cash flows generated from operating activities	**552,897**	442,345
Cash flows used in investing activities	**(317,360)**	(540,178)
Cash flows (used in)/generated financing activities	**(143,371)**	205,464

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Share of net assets	**5,819,964**	5,728,549
Goodwill	**8,825**	8,825
	5,828,789	5,737,374

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

The following list contains the associates of the Group, which are operating in the PRC:

Name of associate	Particulars of registered and paid up capital	Listed/ Unlisted Company	Proportion of ownership interest: Group's Effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
West China Cement Limited ("West Cement") 中國西部水泥有限公司	GBP 20,000,000	Listed	29.67%	–	29.67%	Manufacture and sale of cement related products
China National Building Materials (Anhui) New Materials Industry Investment Fund partnership (Limited partnership) ("CNBM Investment") 中建材 (安徽) 新材料產業投資基金合夥企業 (有限合夥)	RMB 15,000,000,000	Unlisted	10.67%	10.67%	–	Equity investment, asset management
China National Building Materials (Anhui) New Materials Fund Management Co., Ltd. ("CNBM Management") 中建材 (安徽) 新材料基金管理有限公司	RMB 50,000,000	Unlisted	7.62%	7.62%	–	Equity investment, asset management
Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) ("Haitong Internet") 安徽海螺海通工業互聯網母基金合夥企業 (有限合夥)	RMB 5,000,000,000	Unlisted	30.00%	30.00%	–	Equity investment, asset management
Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) ("Goldstone Innovation") 安徽海螺金石創新發展投資基金合夥企業 (有限合夥)	RMB 5,000,000,000	Unlisted	20.00%	20.00%	–	Equity investment, asset management
Jiangsu Jiexia Environmental Protection Technology Co., Ltd. ("Jiangsu Jiexia") 江蘇傑夏環保科技有限公司	RMB80,000,000	Unlisted	7.42%	–	35.00%	Industrial solid and hazardous waste treatment

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Name of associate	Particulars of registered and paid up capital	Listed/ Unlisted Company	Proportion of ownership interest: Group's Effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd. ("Yunfu Guangjia") 雲浮光嘉海中環保科技有限公司	RMB60,000,000/	Unlisted	8.48%	–	40.00%	Industrial solid and hazardous waste treatment
Chongqing Nantong Environmental Protection Technology Co., Ltd. ("Chongqing Nantong") 重慶南桐環保科技有限公司	RMB 30,000,000	Unlisted	7.42%	–	35.00%	Industrial solid and hazardous waste treatment
Nanchen Nuoke Haizhong Environmental Protection Technology Co., Ltd. ("Nanchen Nuoke") 南城諾客海中環保科技有限責任公司	RMB 18,000,000	Unlisted	10.39%	–	49.00%	Industrial solid and hazardous waste treatment

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Summarised financial information of the material associate West Cement, adjusted for fair value and any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2025	2024
	RMB'000	RMB'000
Current assets	**9,047,020**	9,232,324
Non-current assets	**26,843,905**	26,820,583
Current liabilities	**13,597,216**	12,792,687
Non-current liabilities	**8,603,170**	9,680,749
Equity	**13,690,539**	13,579,471
Equity attributable to equity shareholders of the joint ventures	**12,305,754**	12,031,163
Revenue	**9,621,185**	8,344,946
Gain from continuing operations	**1,083,650**	626,181
Other comprehensive income	**(336,298)**	(700,995)
Total comprehensive income	**747,352**	(74,814)
Dividend received from the associate	**54,935**	37,285
Reconciled to the Group's interests in the associate		
Gross amount of net assets of the associate as at 31 December 2025/2024	**12,305,754**	12,031,163
Group's effective interest	**29.67%**	29.67%
Group's share of net assets of the associate	**3,651,225**	3,569,752
Goodwill	**8,825**	8,825
Others	**23,957**	23,957
Carrying amount in the consolidated financial statements as at 31 December 2025/2024	**3,684,007**	3,602,534

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Summarised financial information of the material associate CNBM Investment, adjusted for fair value and any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2025	2024
	RMB'000	RMB'000
Current assets	**15,543,323**	15,210,827
Current liabilities	**1,703**	2,270
Equity	**15,541,620**	15,208,557
Revenue	**1,173,678**	574,696
Gain from continuing operations	**960,451**	363,043
Other comprehensive income	**–**	–
Total comprehensive income	**960,451**	363,043
Reconciled to the Group's interests in the associate		
Gross amount of net assets of the associate as at 31 December 2025/2024	**15,541,620**	15,208,557
Group's effective interest	**10.67%**	10.67%
Group's share of net assets of the associate	**1,657,773**	1,622,246
Others	**–**	–
Carrying amount in the consolidated financial statements as at 31 December 2025/2024	**1,657,773**	1,622,246

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

18 INTEREST IN ASSOCIATES (CONTINUED)

Aggregate information of associates that are not individually material:

	2025	2024
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**487,009**	512,594

	2025	2024
	RMB'000	RMB'000
Aggregate amounts of the Group's share of those associates that are not individually material		
Profit from continuing operations	**8,177**	6,659
Total comprehensive income	**8,177**	6,659

19 INTERESTS IN JOINT VENTURES

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Share of net assets	**2,120,943**	2,006,623
Goodwill	**31,672**	31,672
	2,152,615	2,038,295

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Details of the Group's interests in joint ventures, which are unlisted and operating in the PRC and overseas, at 31 December 2025 are as follows (Indonesian Rupiah referred to as "IDR"):

Name of joint venture	Particulars of registered capital and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("Conch Kawasaki Equipment") 安徽海螺川崎裝備製造有限公司	RMB 348,000,000	50%	50%	–	Provision of installation and maintenance services of machinery
Sino-Myanmar International Trading Co., Ltd. ("Sino-Myanmar International") 中緬 (蕪湖) 國際貿易有限公司	USD 47,200,000	45%*	45%	–	Export and import business
Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司	USD 44,000,000	45%*	45%	–	Manufacture and sale of clinker and cement product
Myanmar Conch Cement (Yangon) Company Limited ("Yangon Conch") 緬甸海螺 (仰光) 水泥有限公司	USD 10,000,000	50%	50%	–	Manufacture and sale of clinker and cement product
Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司	RMB 408,628,000	40%*	40%	–	Manufacture and sale of clinker and cement product
Anhui Conch Clean Energy Co., Ltd. ("Conch Clean Energy") 國家電投安徽海螺清潔能源有限公司	RMB 50,000,000	49%*	–	49%	wind power, photovoltaic power generation services

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Name of joint venture	Particulars of registered capital and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Wuhu Conch Wind Power Energy Technology Co., Ltd. ("Conch Wind Power Energy Technology") 蕪湖海螺風電能源科技有限公司	RMB1,000,000/ RMB Nil	50%	–	50%	Wind power technology services and related engineering construction activities
Wuhu Fanchang Haixin Wind Power Energy Technology Co., Ltd. ("Haixin Wind Power Energy Technology") 蕪湖市繁昌區海鑫風電能源科技有限公司	RMB1,000,000/ RMB Nil	50%	–	50%	Wind power technology services and related engineering construction activities
Wuhu Jiuzi Conch New Energy Co., Ltd. ("Jiuzi New Energy") 蕪湖鳩茲海螺新能源有限責任公司	RMB 11,400,000	49%*	–	49%	Electricity, heat production and supply
Jiande Haicheng New Materials Co., Ltd 建德海誠新型材料有限公司	RMB50,000,000	49%	–	49%	Manufacture of new construction materials
Guodian Group (Jiangxi Yiyang) New Energy Co., Ltd. 國電投(江西弋陽)新能源有限公司	RMB50,000,000/ RMB Nil	49%*	–	49%	Electricity, heat production and supply

* According to the Articles of Association of these entities, the Group jointly controls these entities, together with other third parties.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information of Xiangshan Cement, a material joint venture, adjusted for fair value and any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2025	2024
	RMB'000	RMB'000
Gross amounts of joint ventures		
Current assets	**1,291,328**	1,397,301
Non-current assets	**1,945,496**	2,088,713
Current liabilities	**295,067**	411,771
Non-current liabilities	**21,002**	28,450
Equity	**2,920,755**	3,045,793
Equity attributable to equity shareholders of the joint ventures	**2,907,251**	3,032,527
Included in the above assets and liabilities:		
Cash and cash equivalents	**79,186**	108,018
Revenue	**1,055,457**	1,217,912
Profit from continuing operations	**93,087**	67,533
Other comprehensive income	**–**	–
Total comprehensive income	**93,087**	67,533
Dividend received from the joint ventures	**80,000**	240,000

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

19 INTERESTS IN JOINT VENTURES (CONTINUED)

Reconciled to the Group's interests in joint ventures	**2025 RMB'000**	2024 RMB'000
Gross amounts of net assets	**2,907,251**	3,032,527
Group's effective interest	**40%**	40%
Group's share of net assets of the joint ventures	**1,162,900**	1,213,011
Goodwill	**26,048**	26,048
Carrying amount in the consolidated financial statements	**1,188,948**	1,239,059

Information of the other joint venture that are not material:

	2025 RMB'000	2024 RMB'000
Carrying amount of the Group's interests in other joint ventures in the consolidated financial statements	**963,667**	799,236
Amount of the Group's share of the joint venture's		
Profit from continuing operations	**244,461**	31,885
Other comprehensive income	**(16,214)**	4,331
Total comprehensive income	**228,247**	36,216

20 LOANS AND RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Loans and receivables	**896,145**	873,078
Less: current portion of loans and receivables (note 27)	**(480,057)**	(492,033)
	416,088	381,045

As at 31 December 2025, loans and receivables of the Group mainly represent advances made to local government authorities.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

21 LONG-TERM PREPAYMENTS

As at 31 December 2025, the long-term prepayments comprised of prepayments of RMB1,328,093,000 (2024: RMB2,465,122,000) for acquisition of limestone mining rights and machinery, long-term value-added tax recoverable of RMB 144,954,000 (2024: RMB231,655,000).

The deposits for acquisition of limestone mining rights and machinery will not be refunded and are treated as part of the long-term assets when the acquisitions of such long-term assets are completed.

22 FINANCIAL ASSETS MEASURED AT FVOCI

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
Financial assets measured at FVOCI (non-recycling)			
– Listed equity securities (Non- trading purpose)	(i)	**1,344,658**	1,435,177
– Unlisted equity investment (Non- trading purpose)	(ii)	**71,776**	71,776
		1,416,434	1,506,953

Note (i): Financial assets measured at FVOCI – listed equity securities held by the Group are shares in China Conch Venture Holdings Limited and HUAXIN BUILDING MATERIALS GROUP CO., LTD., which are listed on Hong Kong Stock Exchanges ("HKEX"). The fair values of these investments are measured with reference to the respective quoted market prices as at 31 December 2025 and 31 December 2024.

Note (ii): As at 31 December 2025, the fair value of the unlisted equity investment is approximately the same as its cost.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

23 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Raw materials	**2,858,094**	3,005,974
Work in progress	**263,964**	282,315
Finished goods	**4,191,652**	4,516,617
Spare parts	**283,238**	303,615
	7,596,948	8,108,521

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Carrying amounts of inventories sold	**60,063,185**	68,434,425

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

24 ASSETS HELD FOR SALE

As at 31 December 2025, the Group have no asset held for sale.

As at 31 December 2024, the carrying amount of the asset held for sale is RMB11,442,000, which is the same as the fair value less costs to sell of RMB11,442,000.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade debtors	**3,060,447**	3,826,496
Less: loss allowance for doubtful debts	**(218,177)**	(140,367)
	2,842,270	3,686,129
Bank acceptance notes receivable, carried at amortised cost	**5,791,232**	5,836,134
Finance company acceptance notes receivable, carried at amortised cost	**3,560**	75,179
Commercial acceptance notes receivable, carried at amortised cost	**500**	1,700
Bank acceptance notes receivable, carried at FVOCI	**1,548,406**	1,423,973
	10,185,968	11,023,115

All of the trade and bills receivables are expected to be recovered within one year.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(a) Ageing analysis

The following ageing analysis of trade debtors (net of loss allowance) are based on invoice date as of the end of the reporting period:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**10,018,560**	10,804,762
1 year or above	**167,408**	218,353
	10,185,968	11,023,115

Trade debtors are mainly due within 30 to 180 days from the date of billing, except for retention money in respect of certain sales contracts which is due upon the expiry of the retention period.

Bank acceptance notes receivables are due within 1 year from the date of issuance.

Further details on the Group's credit policy are set out in note 40(a).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Endorsed/discounted bank acceptance notes

The Group discounted bank acceptance bills to certain banks in Mainland China or endorsed them to the Group's suppliers and derecognised them("derecognised notes"). As at 31 December 2025, bills discounted or endorsed but not yet due of the group and derecognised are RMB3,444,980,000 (31 December 2024: RMB5,100,571,000). As at 31 December 2025, these undue notes receivable are shorter than one year.

According to the Bills Law of the PRC, if the accepting banks refused to make payment, the bearer of the bill may exercise the right of recourse against any one, several or all of the bill debtors, including the Group, without regard to the order of the debtors of the bill of exchange (the"continuous involvement"). The Group management considered that the risks and rewards of ownership of these undue bills have been substantially transferred, and therefore derecognised them and the settled accounts payable associated with it in full and recognised discount fees. The maximum exposures to loss and undiscounted cash flows from its continuous involvement and repurchases are equal to their carrying value.The Group management considered that the fair value of the continuous involvement is not material.

As at 31 December 2025, undue bank acceptance notes receivable of RMB632,157,000 (2024: RMB630,376,000) endorsed to its suppliers to settle the trade payables were not derecognised because management believed that the credit risks of ownership had not substantially transferred. All these undue bank acceptance notes receivable were due within 1 year.

As at 31 December 2025, undue bank acceptance notes receivable of RMB346,243,000 (2024: RMB983,932,000) discounted to banks were not derecognised because management believed that the credit risks of ownership had not substantially transferred. The short-term bank loan was recognised accordingly. All these undue bank acceptance notes receivable were due within 1 year.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Bank acceptance notes receivable, carried at FVOCI

Due to the requirement of cash management, the Group endorsed part of the bank acceptance notes receivable to the suppliers. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, the Group classified bank acceptance notes receivable of RMB1,548,406,000 (2024: RMB1,423,973,000) as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

26 FINANCIAL ASSETS MEASURED AT FVPL

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
Current Financial assets measured at FVPL			
Structured deposits	(i)	**3,001,339**	–
Wealth management products	(i)	**9,050,650**	–
Income certificate	(i)	**300,563**	
Listed equity securities at FVPL	(ii)	**546,801**	509,203
		12,899,353	509,203

Note (i): As of 31 December, 2025, the total principal amount of investments in structured deposits, Wealth management products, and Income certificate was RMB12,352,552,000 (2024: Nil).

Note (ii): Financial assets measured at FVPL – listed equity securities held by the Group are shares in Gansu Shangfeng Cement Co., Ltd. and Tianshan Materials Co., Ltd. which are listed on the SSE. These listed equity securities are held for trading purpose. The fair values of these investments are measured with reference to the respective quoted market prices as at 31 December 2025.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

27 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Purchase prepayments	**845,089**	1,031,589
Current portion of loans and receivables (note 20)	**480,057**	492,033
Value-added tax recoverable and other tax prepayment	**1,143,803**	1,103,375
Other receivables	**931,314**	864,860
Less: Impairment allowance	**(200,611)**	(130,000)
	3,199,652	3,361,857

All of the prepayments and other receivables are expected to be recovered within one year.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

28 AMOUNTS DUE FROM/TO RELATED PARTIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amounts due from:		
Conch Kawasaki Equipment	**28,445**	111,383
Anhui Conch Construction Materials Design Centre ("Conch Design Institute") 安徽海螺建材設計研究院有限責任公司	**33,837**	32,071
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司	**7,159**	15,287
Myanmar Conch	**42,790**	24,458
Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd. ("Anhui Conch Venture Green Energy and its subsidiaries") 安徽海創綠能環保有限公司及其附屬公司	**69,601**	10,119
Anhui Conch Kawasak Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司	**9,868**	73,051
Xiangshan Cement and its subsidiaries	**2,283**	6,718
PT Eternal Richway	**–**	48,249
Other related parties	**60,402**	93,852
	254,385	415,188

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

28 AMOUNTS DUE FROM/TO RELATED PARTIES (CONTINUED)

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amounts due to:		
Conch Kawasaki Equipment	**144,349**	123,305
CK Equipment	**16,468**	33,820
CK Engineering and its subsidiaries	**55,682**	111,719
Conch Design Institute	**87,477**	70,942
Other related parties	**481,515**	598,868
	785,491	938,654

The amounts due from/to related parties mainly arose from the related party transactions as disclosed in note 43. The amounts due from/to related parties are unsecured.

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cash at bank and on hand	**10,655,369**	16,335,940
Other cash and cash equivalents	**20,748**	1,207
Cash and cash equivalents in the statement of financial position and consolidated cash flow statement	**10,676,117**	16,337,147

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations

	Note	**2025 RMB'000**	2024 RMB'000
Profit before taxation		**10,775,424**	10,392,547
Adjustments for:			
Depreciation of investment properties and other property, plant and equipment	7(c)	**7,512,646**	7,633,218
Accrual of impairment loss on trade and other receivables	7(c)	**87,141**	43,814
Impairment loss on property, plant and equipment and prepayments	7(c)	**485,198**	309,918
Impairment loss on interests in associates	7(c)	**33,762**	–
Impairment loss on goodwill	7(c)	**237,143**	–
Impairment of inventories	7(c)	**63,748**	(94)
Amortisation of intangible assets	7(c)	**950,849**	872,492
Finance costs	7(a)	**650,683**	778,705
Interest income	6	**(1,916,572)**	(2,081,419)
Share of profits of associates		**(358,463)**	(235,352)
Share of profits of joint ventures		**(256,129)**	(32,338)
Net loss on disposal of property, plant and equipment	6	**(220,395)**	59,359
Net realised and unrealised loss on financial assets measured at FVPL	6	**(120,025)**	96,195
Dividend income from financial assets measured at FVPL	6	**(7,407)**	(13,147)
Dividend income from financial assets measured at FVOCI	6	**(91,305)**	(69,195)
Others		**(9,584)**	79,411
Before changes in working capital carried forward		**17,816,714**	17,834,114

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations (continued)

	2025 **RMB'000**	2024 RMB'000
Before changes in working capital brought forward	**17,816,714**	17,834,114
Decrease in inventories	**511,602**	2,153,074
Increase in trade and bills receivables	**(171,343)**	(427,242)
Decrease in prepayments and other receivables	**725,591**	1,502,595
Decrease in amounts due from related parties	**160,803**	90,682
Increase/(decrease) in trade and bills payables	**(697,810)**	484,394
(Decrease)/increase in contract liabilities	**346,477**	(316,208)
(Decrease)/increase in other payables and accruals	**673,961**	(812,732)
Decrease in amounts due to related parties	**(108,986)**	(16,593)
Increase in deferred income	**440,524**	166,655
Cash generated from operations	**19,697,533**	20,658,739

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000 (Note 34)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Balance at 1 January 2025	**17,573,030**	**11,601,404**	**10,958,894**	**271,287**	**40,404,615**
Changes from financing cash flows:					
Proceeds from new bank loans and other borrowings	**7,524,912**	**1,000,000**	**–**	**–**	**8,524,912**
Repayment of bank loans and other borrowings	**(10,608,173)**	**–**	**–**	**–**	**(10,608,173)**
Dividends paid to non-controlling interests of non-wholly owned subsidiaries	**–**	**–**	**(502,307)**	**–**	**(502,307)**
Other payments related to financing activities	**–**	**(245,650)**	**–**	**–**	**(245,650)**
Capital and interest element of lease rentals paid	**–**	**–**	**–**	**(80,877)**	**(80,877)**
Total changes from financing cash flows	**(3,083,261)**	**754,350**	**(502,307)**	**(80,877)**	**(2,912,095)**

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000 (Note 34)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Exchange adjustments	–	–	–	–	–
Other changes:					
Increase through business combination not under common control	77,000	–	21,498	–	98,498
Non-cash settlement of bills discounted	(937,161)	–	–	–	(937,161)
Changes arising from operating and investing activities	–	256,878	253,650	–	510,528
Increase in lease liabilities from entering into new leases during the year	–	–	–	48,732	48,732
Interest expenses (note 7(a))	–	–	–	11,360	11,360
Dividends declared to non-controlling interests of non-wholly owned subsidiaries	–	–	778,448	–	778,448
Non-cash settlement of dividends to non-controlling interests of non-wholly owned subsidiaries	–	–	(34,300)	–	(34,300)
Total other changes	(860,161)	256,878	1,019,296	60,092	476,105
At 31 December 2025	13,629,608	12,612,632	11,475,883	250,502	37,968,625

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000 (Note 34)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Balance at 31 December 2023 as previously reported	22,861,901	–	11,242,368	233,407	34,337,676
Business combination under common control	–	–	28,285	–	28,285
Balance at 1 January 2024	22,861,901	–	11,270,653	233,407	34,365,961
Changes from financing cash flows:					
Proceeds from new bank loans and other borrowings	10,596,422	11,500,000	–	–	22,096,422
Repayment of bank loans and other borrowings	(15,906,201)	–	–	–	(15,906,201)
Dividends paid to non-controlling interests of non-wholly owned subsidiaries	–	–	(405,264)	–	(405,264)
Other payments related to financing activities	–	–	(1,500)	–	(1,500)
Capital and interest element of lease rentals paid	–	–	–	(73,710)	(73,710)
Total changes from financing cash flows	(5,309,779)	11,500,000	(406,764)	(73,710)	5,709,747

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans RMB'000 (Notes 33)	Corporate bonds RMB'000 (Note 34)	Other payables and accruals RMB'000 (Note 31)	Lease liabilities RMB'000 (Note 35)	Total RMB'000
Exchange adjustments	–	–	–	–	–
Other changes:					
Increase through business combination not under common control	1,244,995	–	79,469	–	1,324,464
Non-cash settlement of bills discounted	(1,224,087)	–	–	–	(1,224,087)
Changes arising from operating and investing activities	–	101,404	(363,446)	–	(262,042)
Increase in lease liabilities from entering into new leases during the year	–	–	–	98,971	98,971
Interest expenses (note 7(a))	–	–	–	12,619	12,619
Dividends declared to non-controlling interests of non-wholly owned subsidiaries	–	–	378,982	–	378,982
Total other changes	20,908	101,404	95,005	111,590	328,907
At 31 December 2024	17,573,030	11,601,404	10,958,894	271,287	40,404,615

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025	2024
	RMB'000	RMB'000
Within operating cash flow	**62,953**	51,334
Within investing cash flow	**6,775**	753,050
Within financing cash flow	**80,877**	73,710
	150,605	878,094

These amounts relate to the following:

	2025	2024
	RMB'000	RMB'000
Lease rentals paid	**143,830**	125,044
Purchase of leasehold land use rights	**6,775**	753,050
	150,605	878,094

(e) Net cash outflow arising from the acquisition of subsidiaries

	2025	2024
	RMB'000	RMB'000
Consideration paid in cash in respect of prior year's acquisition	**84,290**	133,737
Consideration paid in cash in respect of current year's acquisition	**1,060,337**	225,826
Less: cash and cash equivalents of subsidiaries acquired during the year	**(2,154)**	(82,414)
	1,142,473	277,149

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

29 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(f) Major non-cash transactions

	2025	2024
	RMB'000	RMB'000
Increase in right-of-use assets	**246,136**	481,720
Offset of payable for equity against receivables	**–**	392,000
Installment purchase of mining rights	**678,401**	521,221
	924,537	1,394,941

30 TRADE AND BILLS PAYABLES

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Trade payables	**4,964,553**	5,544,098
Bills payables	**134,417**	272,108
	5,098,970	5,816,206

Included in trade and bills payables are trade creditors with the following ageing analysis based on invoice date at the end of reporting period:

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Within 1 year (inclusive)	**5,098,970**	5,816,206

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

31 OTHER PAYABLES AND ACCRUALS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Construction cost payables	**4,626,838**	4,563,548
Deposits from suppliers	**1,661,129**	1,703,414
Retention monies	**435,915**	495,222
Value-added tax payables	**542,512**	600,326
Other taxes payables	**813,846**	861,548
Payables for acquisition of subsidiaries	**872,894**	236,865
Payroll payables	**1,607,060**	1,597,655
Other payables	**915,689**	900,316
	11,475,883	10,958,894

32 CONTRACT LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contract liabilities		
Receipts in advance from customers		
– For purchase of clinker and cement products	**2,882,063**	2,552,273
– For solid and hazardous waste treatment service	**33,512**	16,825
	2,915,575	2,569,098

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

32 CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Balance at 1 January	**2,569,098**	2,885,306
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	**(2,569,098)**	(2,885,306)
Net increase in contract liabilities as a result of cash receipts in advance from customers for purchase of clinker and cement products (net off the contract liabilities as a result of recognising revenue during the year)	**2,915,575**	2,569,098
Balance at 31 December	**2,915,575**	2,569,098

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

33 BANK LOANS AND OTHER BORROWINGS

At 31 December 2025, the bank loans were repayable as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year or on demand	**6,610,662**	7,486,649
After 1 year but within 2 years	**1,826,356**	4,196,626
After 2 years but within 5 years	**4,204,890**	4,585,404
After 5 years	**987,700**	1,304,351
Total non-current bank loans	**7,018,946**	10,086,381
	13,629,608	17,573,030

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

33 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

At 31 December 2025, the bank loans were secured as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank loans		
– unsecured	**11,703,427**	14,773,458
– secured	**1,580,529**	1,818,307
– bills discounted (note)	**345,652**	981,265
	13,629,608	17,573,030

Note:

As at 31 December 2025, in addition to the bills discounted, certain bank loans, amounting RMB302,029,000 (2024: RMB399,338,000) were secured by certain assets of the Group. An analysis of the carrying value of these pledged assets is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Intangible assets (note 15)	**159**	–
Other property, plant and equipment (note 14)	**285,371**	247,089
	285,530	247,089

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

34 CORPORATE BONDS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Medium-term Bonds	**12,612,632**	11,601,404
Less: Bonds Payable Due within One Year	**(112,632)**	(101,404)
	12,500,000	11,500,000

According to the Notice of Acceptance of Registration issued by the National Association of Financial Market Institutional Investors, it is agreed the registration of the Company's medium-term notes with a total amount of RMB10 billion, and the registration amount is valid for two years from the date of signing the Notice of Acceptance of Registration (October 14, 2022). The Company publicly issued four green medium-term notes in the national inter-bank bond market in 2024, totalling amount of RMB10 billion at face value with a term of 3-5 years, the coupon rate is 2.10% -2.20% and the interest is paid annually.

According to the Notice of Acceptance of Registration issued by the National Association of Financial Market Institutional Investors, it is agreed the registration and issuance of medium-term notes of no more than RMB3 billion by Anhui Conch Environmental Protection Group Co., Ltd. The registered amount is valid for two years from the date of signing the Notice of Acceptance of Registration (that is, July 25, 2024). Conch Environmental Protection Group publicly issued the first phase of green medium-term notes in 2024 in the national inter-bank bond market on August 5, 2024, with an amount of RMB1.5 billion at face value with a term of five years, a coupon rate of 2.13% and annual interest payment. Conch Environmental Protection Group publicly issued the first phase of green medium-term notes in 2025 in the national inter-bank bond market on April 23, 2025, with an amount of RMB1 billion at face value with a term of three years, a coupon rate of 1.8% and annual interest paidment.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

35 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	At 31 December 2025		At 31 December 2024	
	Present value of the minimum lease payments RMB'000	**Total minimum lease payments RMB'000**	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	**30,346**	**40,697**	30,932	32,741
After 1 year but within 2 years	**22,870**	**31,800**	32,449	34,587
After 2 years but within 5 years	**71,566**	**92,442**	83,311	97,814
After 5 years	**125,720**	**148,589**	124,595	181,203
	220,156	**272,831**	240,355	313,604
	250,502	**313,528**	271,287	346,345
Less: total future interest expense		**(63,026)**		(75,058)
Present value of lease liabilities		**250,502**		271,287

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

36 LONG-TERM PAYABLES

The remaining contractual maturities of the Group's long-term payables at the end of the reporting period are as follows:

	At 31 December 2025		At 31 December 2024	
	Present value of the long-term payments RMB'000	**Total long-term payments RMB'000**	Present value of the long-term payments RMB'000	Total long-term payments RMB'000
Within 1 year	**183,724**	**199,648**	102,665	107,408
After 1 year but within 2 years	**183,377**	**197,778**	90,749	104,962
After 2 years but within 5 years	**414,571**	**457,782**	277,955	307,449
After 5 years	**570,771**	**670,752**	326,012	416,637
	1,168,719	**1,326,312**	694,716	829,048
	1,352,443	**1,525,960**	797,381	936,456
Less: total future interest expense		**(173,517)**		(139,075)
Present value of long-term payables		**1,352,443**		797,381

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

37 DEFERRED INCOME

	31 December 2025 RMB'000	31 December 2024 RMB'000
At 1 January	**1,095,482**	928,827
Government grants received (note)	**564,422**	272,271
Recognised in the consolidated statement of profit or loss	**(123,898)**	(105,616)
At 31 December	**1,536,006**	1,095,482

Note: Deferred income mainly represents the government grants received from relevant PRC authorities for property, plant and equipment improvement, such as energy-efficiency improvement. The grants are recognised in the consolidated statement of profit or loss and other comprehensive income over the estimated useful lives of the respective assets. There are no unfulfilled conditions and contingencies relating to the grants.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Balance at 1 January	**552,735**	507,115
Provision for the year (note 8(a))	**2,679,333**	2,228,106
Tax paid during the year	**(3,053,625)**	(2,182,486)
Balance at 31 December	**178,443**	552,735
Representing:		
Tax recoverable	**(426,786)**	(334,855)
Tax payable	**605,229**	887,590
	178,443	552,735

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Expected credit loss allowances and impairment RMB'000	Unrealised profits (Note) RMB'000	Fair value adjustment arising from business combination RMB'000	Tax losses RMB'000	Deferred deductible expense RMB'000	Depreciation of property, plant and equipment RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Deferred income RMB'000	Fair value change of financial asset measured at FVOCI RMB'000	Financial assets measured at FVPL RMB'000	Total RMB'000
Deferred tax arising from:												
At 1 January 2024	240,197	621,737	(713,862)	338,622	94,760	(1,277,952)	(66,612)	47,569	187,259	272,613	193,219	(62,450)
Charged/(credited) to income statement	19,472	139,932	37,402	(17)	(16,800)	(342,203)	3,647	7,198	36,033	–	(25,978)	(141,314)
Credited to reserves	–	–	–	–	–	–	–	–	–	(13,071)	–	(13,071)
Arising from acquisition	–	–	–	–	–	–	–	–	–	–	–	–
At 31 December 2024	259,669	761,669	(676,460)	338,605	77,960	(1,620,155)	(62,965)	54,767	223,292	259,542	167,241	(216,835)
At 1 January 2025	**259,669**	**761,669**	**(676,460)**	**338,605**	**77,960**	**(1,620,155)**	**(62,965)**	**54,767**	**223,292**	**259,542**	**167,241**	**(216,835)**
Charged/(credited) to income statement	**72,056**	**54,500**	**39,921**	**120,041**	**(16,800)**	**(251,824)**	**28,242**	**(8,093)**	**96,421**	**–**	**(9,400)**	**125,064**
Credited to reserves	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,133)**	**–**	**(1,133)**
Arising from acquisition	**–**	**–**	**(23,803)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(23,803)**
At 31 December 2025	**331,725**	**816,169**	**(660,342)**	**458,646**	**61,160**	**(1,871,979)**	**(34,723)**	**46,674**	**319,713**	**258,409**	**157,841**	**(116,707)**

Note: The unrealised profits arose from intra-group sales of inventories and property, plant and equipment, intra-group borrowings, and sale of inventories and property, plant and equipment to/from associates and joint ventures.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	31 December 2025 RMB'000	31 December 2024 RMB'000
Net deferred tax assets recognised on the consolidated statement of financial position	**(1,744,279)**	(1,486,466)
Net deferred tax liabilities recognised on the consolidated statement of financial position	**1,860,986**	1,703,301
	116,707	216,835

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(u), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB617,405,000 (2024: RMB612,454,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The Group has not recognised deferred tax assets in respect of temporary difference of RMB120,789,000 (2024: RMB108,602,000) for the same reason mentioned above.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2024		5,299,303	(339,160)	16,442,082	217,270	2,649,654	(811,933)	42,870	139,824,926	163,325,012
Changes in equity for 2024:										
Profit for the year		-	-	-	-	-	-	-	2,790,004	2,790,004
Other comprehensive income		-	-	-	-	-	54,098	-	-	54,098
Total comprehensive income		-	-	-	-	-	54,098	-	2,790,004	2,844,102
Acquisition of subsidiaries under common control		-	-	(16,531)	-	-	-	-	-	(16,531)
Purchase of treasury shares		-	(161,428)	-	-	-	-	-	-	(161,428)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	(10,297)	-	10,297	-
Dividends approved in respect of the previous year	39(b)	-	-	-	-	-	-	-	(5,065,978)	(5,065,978)
Share of change of capital reserve of investees		-	-	-	3,956	-	-	-	-	3,956
Safety production fund		-	-	-	-	-	-	3,088	(3,088)	-
Balance at 31 December 2024		5,299,303	(500,588)	16,425,551	221,226	2,649,654	(768,132)	45,958	137,556,161	160,929,133

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(a) Movements in components of equity (continued)

The Company	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2025		5,299,303	(500,588)	16,425,551	221,226	2,649,654	(768,132)	45,958	137,556,161	160,929,133
Changes in equity for 2025:										
Profit for the year		-	-	-	-	-	-	-	6,693,989	6,693,989
Other comprehensive income		-	-	-	-	-	144,713	-	-	144,713
Total comprehensive income		-	-	-	-	-	144,713	-	6,693,989	6,838,702
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	(157,528)	-	157,528	-
Dividends approved in respect of the previous year	39(b)	-	-	-	-	-	-	-	(5,013,207)	(5,013,207)
Share of change of capital reserve of investees		-	-	-	16,215	-	-	-	-	16,215
Safety production fund		-	-	-	-	-	-	7,651	(7,651)	-
Other		-	-	-	(8,542)	-	-	-	8,542	-
Balance at 31 December 2025		5,299,303	(500,588)	16,425,551	228,899	2,649,654	(780,947)	53,609	139,395,362	162,770,843

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2025	2024
	RMB'000	RMB'000
Final dividend proposed after the statement of financial position date of RMB0.61 (2024: RMB0.71) per ordinary share	**3,219,007**	3,746,713

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025	2024
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.95 (2024: RMB0.96) per ordinary share	**5,013,207**	5,065,978

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital

	31 December 2025		31 December 2024	
	No. of shares ('000)	**Amount RMB'000**	No. of shares ('000)	Amount RMB'000
Registered:				
H shares of RMB1 each	**1,299,600**	**1,299,600**	1,299,600	1,299,600
A shares of RMB1 each	**3,999,703**	**3,999,703**	3,999,703	3,999,703
	5,299,303	**5,299,303**	5,299,303	5,299,303
Issued and fully paid:				
H shares of RMB1 each	**1,299,600**	**1,299,600**	1,299,600	1,299,600
A shares of RMB1 each	**3,999,703**	**3,999,703**	3,999,703	3,999,703
	5,299,303	**5,299,303**	5,299,303	5,299,303

(d) Treasury shares

As at 31 December 2025, 22,242,535 ordinary shares are held as treasury shares (2024: 22,242,535 ordinary shares).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves

(i) Share premium

Share premium represents net assets acquired from Conch Holdings in excess of the par value of shares issued, proceeds from the issuance of H shares and A shares (or fair value of A shares) issued in excess of their par value, net of underwriting commissions, professional fees and other reorganisation costs for listing purpose, and the effect of combination under common control. The differences between the cost of acquisition of non-controlling interests in subsidiaries and the carrying amount of the net assets additionally acquired

(ii) Capital reserve

The capital reserve comprises the following:

- cash contributed by Conch Holdings; and
- share of change of capital reserve of the investees.

(iii) Statutory surplus reserve

In accordance with the Company Law of the PRC and the Company's articles of association, the Company and its subsidiaries shall appropriate 10% of their annual statutory net profit (after offsetting any prior years' losses) as determined in accordance with CAS to the statutory surplus reserve account. When the balance of such reserve fund reaches 50% of the registered capital of the Company or any of its subsidiaries, further appropriation to that company will become optional.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (continued)

(iii) Statutory surplus reserve (continued)

The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital after proper approval. However, except for offsetting prior years' losses, the statutory surplus reserve of the Company and each subsidiary should be maintained at a minimum of 25% of the registered capital after utilisation.

For the year ended 31 December 2025, the subsidiaries of the Company appropriated the statutory surplus reserve in accordance with the articles of association. No statutory surplus reserve was appropriated for the Company in 2025, since the balance of the statutory surplus reserve reached 50% of the registered capital of the Company.

(iv) Other reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from profit after tax an amount to a legal reserve for the safety production purpose. The reserve can be utilised for improvements of safety on the manufacturing work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss and other comprehensive income as incurred, and at the same time the corresponding amounts of safety reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see note 2(g)).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Nature and purpose of reserves (continued)

(vi) Retained profits

The distribution of dividends is made in accordance with the Company's articles of association at the recommendation of the Board of Directors and subject to approval by shareholders in general meetings. Pursuant to the Notice [1995] 31 issued by the Ministry of Finance of the PRC on 24 August 1995, the amount of profit available for distribution to equity shareholders will be determined based on the lower of unappropriated profits in the Company's financial statements determined in accordance with (i) CAS and regulations, and (ii) IFRSs.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of the adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is calculated as bank loans and other borrowings plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital represents total equity attributable to equity shareholders of the Company, less unaccrued proposed dividends.

During 2025, the Group's strategy, which was unchanged from 2024 was to maintain the adjusted net debt-to-capital ratio at a range considered reasonable by management. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

39 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2025 and 2024 was as follows:

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
Current liabilities:			
Bank loans	33	**6,610,662**	7,486,649
Lease liabilities	35	**30,346**	30,932
Current portion of long-term payables	36	**183,724**	102,665
Current portion of corporate bonds	34	**112,632**	101,404
Non-current liabilities:			
Bank loans	33	**7,018,946**	10,086,381
Lease liabilities	35	**220,156**	240,355
Long-term payables	36	**1,168,719**	694,716
Corporate bonds	34	**12,500,000**	11,500,000
Total debt		**27,845,185**	30,243,102
Add: Proposed dividends	39(b)	**3,219,007**	3,746,713
Less: Cash and cash Equivalents	29(a)	**(10,676,117)**	(16,337,147)
Adjusted net debt		**20,388,075**	17,652,668
Total equity		**203,687,943**	200,336,802
Less: Proposed dividends	39(b)	**(3,219,007)**	(3,746,713)
Adjusted capital		**200,468,936**	196,590,089
Adjusted net debt-to-capital ratio		**10.17%**	8.98%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in listed entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bank acceptance notes receivable is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in note 42, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 42.

Trade and bills receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2025: 14.29% (2024: 28.15%) of the total trade receivables was due from the Group's five largest customers.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.Trade receivables are mainly due within 30 to 180 days from the date of billing. Debtors with overdue accounts receivable will have their shipments suspended, and all payments made will be offset against the overdue debt. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables based on different customer segments due to different loss patterns.

The following table provides information about the Group's exposure to credit risk and ECLs for trade debtors as at 31 December 2025 and 2024:

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2025	
	Expected loss rate	Gross carrying amount	Loss allowance
Debtors from sales and trading of clinker, cement products and other materials and others		RMB'000	RMB'000
Current (not past due)	0%	8,770,138	–
1 – 6 months past due	1%	89,398	894
6 – 12 months past due	10%	48,067	4,807
12 – 24 months past due	20%	132,171	26,434
More than 24 months past due	100%	20,658	20,658
		9,060,432	52,793
Individual assessment	100%	10,450	10,450
		9,070,882	63,243
Debtors from sales and trading of concrete products			
Current (not past due)	0.1%	334,437	182
1 – 3 months past due	2%	61,687	1,124
3 – 6 months past due	4%	70,122	2,540
6 – 12 months past due	6%	26,524	1,594
12 – 24 months past due	20%	52,336	10,592
24 - 36 months past due	57%	35,669	20,407
		580,775	36,439

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2025	
	Expected loss rate	Gross carrying amount	Loss allowance
Debtors from sales and trading of clinker, cement products and other materials and others		RMB'000	RMB'000
Debtors from solid and hazardous waste treatment service and others			
Current (not past due)	1%	538,566	5,650
1 – 6 months past due	9%	62,384	5,814
6 – 12 months past due	21%	43,296	9,036
1 to 2 years past due	71%	35,726	25,479
Over 2 years	100%	19,684	19,684
		699,656	65,663
Individual assessment	100%	52,832	52,832
		752,488	118,495

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2024	
	Expected loss rate	Gross carrying amount	Loss allowance
Debtors from sales and trading of clinker, cement products and other materials and others		RMB'000	RMB'000
Current (not past due)	0%	8,987,429	–
1 – 6 months past due	1%	94,904	949
6 – 12 months past due	10%	58,310	5,831
12 – 24 months past due	20%	44,317	8,863
More than 24 months past due	100%	10,109	10,109
		9,195,069	25,752
Individual assessment	100%	12,096	12,096
		9,207,165	37,848
Debtors from sales and trading of concrete products			
Current (not past due)	0%	568,233	380
1 – 3 months past due	2%	106,308	2,164
3 – 6 months past due	4%	134,139	5,764
6 – 12 months past due	8%	105,205	8,006
12 – 24 months past due	19%	59,890	11,359
24-36 months past due	58%	6,587	4,026
More than 36 months past due	100%	439	439
		980,801	32,138

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

		2024	
	Expected loss rate	Gross carrying amount	Loss allowance
Debtors from sales and trading of clinker, cement products and other materials and others		RMB'000	RMB'000
Debtors from solid and hazardous waste treatment service and others			
Current (not past due)	1%	785,158	3,703
1 – 6 months past due	6%	90,245	5,304
6 – 12 months past due	21%	42,075	8,994
1 to 2 years past due	79%	26,947	21,289
Over 2 years	100%	12,550	12,550
		956,975	51,840
Individual assessment	100%	18,541	18,541
		975,516	70,381

Expected loss rates are based on the historical loss rate calculated by the migration model, with adjustments made for forward-looking factors on this basis.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

Trade and bills receivables (continued)

Movement in the expected credit loss allowance account in respect of trade debtors during the year is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Balance at 1 January	**140,367**	107,411
Impairment losses recognised during the year	**77,810**	32,956
Balance at 31 December	**218,177**	140,367

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

Other than endorsed bank acceptance notes with full recourse which were derecognised by the Group (see note 25), the following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025 Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and bills payables	5,098,970	–	–	–	5,098,970	5,098,970
Other payables and accruals	8,512,096	–	–	–	8,512,096	8,512,096
Bank loans	6,866,144	1,984,070	4,456,326	1,033,611	14,340,151	13,629,608
Corporate bonds	264,607	3,263,650	9,877,300	–	13,405,557	12,612,632
Lease liabilities	40,697	31,800	92,442	148,589	313,528	250,502
Long-term payables	199,648	197,778	457,782	670,752	1,525,960	1,352,443
Amounts due to related parties	785,491	–	–	–	785,491	785,491
	21,767,653	5,477,298	14,883,850	1,852,952	43,981,753	42,241,742

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

	2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and bills payables	5,816,206	–	–	–	5,816,206	5,816,206
Other payables and accruals	7,899,153	–	–	–	7,899,153	7,899,153
Bank loans	7,944,863	4,463,221	4,898,901	1,354,251	18,661,236	17,573,030
Corporate bonds	245,650	245,650	12,104,950	–	12,596,250	11,601,404
Lease liabilities	32,741	34,587	97,814	181,203	346,345	271,287
Long-term payables	107,408	104,962	307,449	416,637	936,456	797,381
Amounts due to related parties	938,654	–	–	–	938,654	938,654
	22,984,675	4,848,420	17,409,114	1,952,091	47,194,300	44,897,115

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's net cash at the end of the reporting period.

	2025		2024	
		RMB'000		RMB'000
Net fixed rate borrowings:				
Bank loans	**1.10% ~ 2.98%**	**6,175,991**	1.35% ~ 3.30%	6,594,325
Lease liabilities	**3.50% ~ 4.90%**	**250,502**	3.60% ~ 4.90%	271,287
Corporate bonds	**1.80% ~ 2.20%**	**12,500,000**	2.10% ~ 2.20%	11,500,000
Current portion of corporate bonds	**1.80% ~ 2.20%**	**112,632**	2.10% ~ 2.20%	101,404
Long-term payables	**1.82% ~ 4.90%**	**1,168,719**	2.73% ~ 4.90%	694,716
Current portion of long-term payables	**1.82% ~ 4.90%**	**183,724**	2.73% ~ 4.90%	102,665
Less: Prepayments and other receivables	**3.60%**	**(84,648)**	3.60%	(87,500)
Restricted cash deposits	**0.01% ~ 4.00%**	**(582,620)**	0.10% ~ 3.25%	(696,368)
Bank deposits with maturity over three months	**1.10% ~ 12.00%**	**(56,080,559)**	1.15% ~ 13.00%	(64,001,638)
Cash and cash equivalents	**1.10%**	**(22,000)**	–	–
Other financial assets	**1.78%~1.80%**	**(2,706,382)**	–	–
		(39,084,641)		(45,521,109)
Variable rate borrowings:				
Bank loans	**0.64% ~ 3.30%**	**7,453,618**	1.10% ~ 7.06%	10,978,705
Less: Restricted cash deposits	**0.10% ~ 1.89%**	**(273,191)**	0.10% ~ 2.30%	(338,247)
Cash and cash equivalents	**0.01% ~ 17.00%**	**(10,653,960)**	0.01% ~ 15.00%	(16,335,859)
		(3,473,533)		(5,695,401)
Total		**(42,558,174)**		(51,216,510)

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2025, the Group does not hold fixed-rate financial instruments measured at fair value. The risk of market interest rate fluctuations faced by the Group is primarily associated with its floating-rate financial instruments.

At 31 December 2025, for the floating-rate non-derivative financial instruments that expose to cash flow interest rate risk held by the group at the end of the reporting period, assuming all other variables remain unchanged, a hypothetical increase of 100 basis points in interest rates would result in an estimated increase in the Group's shareholder equity and net profit by RMB23,403,000 (2024: increase RMB43,388,000).

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables, bank loans and other borrowings and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are United States Dollar, Thai Baht, Hong Kong Dollar and RMB. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of cash and cash equivalents, receivables, payables, bank loans and other borrowings denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk

At 31 December 2025, the following table details the Group's exposure currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date (United States Dollar referred to as "USD", Thai Baht referred to as "THB", Hong Kong Dollar referred to as "HKD"):

	Exposure to foreign currencies (expressed in RMB'000)									
	2025					2024				
	USD	**THB**	**HKD**	**RMB**	**EUR**	USD	THB	HKD	RMB	EUR
The functional currency is RMB:										
Trade and bills payables	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Cash and cash equivalents	**1,748,469**	**-**	**69**	**-**	**-**	325,373	-	288,059	-	-
Bank loans	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Other receivables	**351,440**	**-**	**-**	**-**	**-**	1,096,231	-	-	-	-
The functional currency is Indonesia Rupiah:										
Cash and cash equivalents	**6,325**	**-**	**-**	**9,565**	**-**	73,822	-	-	12,613	-
Bank loans	**-**	**-**	**-**	**(3,098,000)**	**-**	(1,226,071)	-	-	(2,858,000)	-
The functional currency is Lao Kip:										
Cash and cash equivalents	**12,549**	**-**	**-**	**291**	**-**	4,129	-	-	69	-
Bank loans	**-**	**-**	**-**	**(705,200)**	**-**	-	-	-	(697,500)	-

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk (continued)

	Exposure to foreign currencies (expressed in RMB'000)									
	2025					2024				
	USD	**THB**	**HKD**	**RMB**	**EUR**	USD	THB	HKD	RMB	EUR
The functional currency is Myanmar Kyat:										
Cash and cash equivalents	**3,077**	**-**	**-**	**10,626**	**-**	3,149	-	-	7	-
Bank loans	**-**	**-**	**-**	**(804,000)**	**-**	-	-	-	(700,000)	-
The function currency is HKD:										
Cash and cash equivalents	**151,095**	**-**	**-**	**958**	**-**	78,265	-	-	414	-
Bank loans	**-**	**-**	**-**	**(1,550,000)**	**-**	-	-	-	(1,550,000)	-
The function currency is Uzbekistani Som:										
Cash and cash equivalents	**20,501**	**-**	**-**	**137**	**-**	77	-	-	30,274	-
Bank loans	**(351,440)**	**-**	**-**	**(2,454,000)**	**-**	(503,188)	-	-	(2,697,000)	-
The function currency is USD:										
Cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	-	-	-	20,321	-
Bank loans	**-**	**-**	**-**	**(675,000)**	**-**	-	-	-	(35,000)	-
Net exposure arising from recognised assets and liabilities	**1,942,016**	**-**	**69**	**(9,264,623)**	**-**	(148,213)	-	288,059	(8,473,802)	-

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025		2024	
	Increase/(decrease) in foreign exchange rates	**(Decrease)/increase in profit after tax and retained profits RMB'000**	Increase/(decrease) in foreign exchange rates	(Decrease)/increase in profit after tax and retained profits RMB'000
USD	**1%**	**14,565**	1%	(1,112)
HKD	**1%**	**1**	1%	2,160
RMB	**1%**	**(69,485)**	1%	(63,554)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and retained profits measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis is performed on the same basis for 2024.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(e) Equity price risk

The Group is exposed to equity price changes arising from listed equity investments held for trading and non-trading purpose (see notes 22 and 26). Other than unquoted securities held for strategic purposes, all of these investments are listed. The Group's listed investments are listed on SSE and HKEX. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs. Listed investments that are not held for trading purposes have been chosen based on Group's longer-term strategic plans.

At 31 December 2025, it is estimated that an increase/(decrease) of 1% (2024: 1%) in the relevant stock price (for listed investments), with all other variables held constant, would have increased/decreased the Group's profit after tax (and retained profits) and other components of consolidated equity as follows:

	2025			2024		
		Effect on profit after tax and retained profits RMB'000	**Effect on fair value reserve RMB'000**		Effect on profit after tax and retained profits RMB'000	Effect on fair value reserve RMB'000
Change in quoted share price						
Increase	**1%**	**4,101**	**11,765**	1%	3,819	16,424
Decrease	**(1%)**	**(4,101)**	**(11,765)**	(1%)	(3,819)	(16,424)

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement

(i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3: Fair value measured using significant unobservable inputs

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

		Fair value measurements as at 31 December 2025 using		
	Fair value at 31 December 2025 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement				
Financial assets:				
Financial assets measured at FVPL:				
– Structured deposits	3,001,339	–	3,001,339	–
– Wealth management product issued by bank	9,050,650	–	9,050,650	–
– Income certificates	300,563	–	300,563	
– Listed equity securities	546,801	546,801	–	–
Financial assets measured at FVOCI:				
– Listed equity securities	1,344,658	1,344,658	–	–
– Unlisted equity securities	71,776	–	–	71,776
– Bank acceptance notes	1,548,406	–	1,548,406	–
Non-Recurring fair value measurement	15,864,193	1,891,459	13,900,958	71,776

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

		Fair value measurements as at 31 December 2024 using		
	Fair value at 31 December 2024 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement				
Financial assets:				
Financial assets measured at FVPL:				
– Structured deposits	–	–	–	–
– Wealth management product issued by bank	–	–	–	–
– Listed equity securities	509,203	509,203	–	–
Financial assets measured at FVOCI:				
– Listed equity securities	1,435,177	1,435,177	–	–
– Unlisted equity securities	71,776	–	–	71,776
– Bank acceptance notes	1,423,973	–	1,423,973	–
Non-Recurring fair value measurement				
– Assets held for sale	11,442	–	11,442	–
	3,451,571	1,944,380	1,435,415	71,776

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(i) Financial instruments carried at fair value (continued)

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

For wealth management products issued by banks that are measured at FVPL, the fair value is determined by net value of the products at the end of the reporting period that published by commercial banks.

For structured deposits issued by banks that are measured at FVPL, the fair value is determined by calculating based on the discounted cash flow method.

For bank acceptance notes that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

For assets held for sale, that are measured at FVPL, the fair value is sales determined by reference to the selling price on market and sales order agreed with an independent third party.

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of unlisted equity securities is determined based on medium market multiples (e.g. price-to-earnings ratio, price-to-sales ratio) of comparable companies or comparable transactions with a discount for lack of marketability as appropriate. Since the operating and financial status of the invested company has not undergone major changes, the fair value of unlisted equity securities is approximate to the cost of obtaining the equity securities.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

40 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(f) Fair value measurement (continued)

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

41 COMMITMENTS

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contracted for	**9,661,933**	11,040,741
Authorised but not contracted for	**5,519,520**	5,343,670
	15,181,453	16,384,411

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

42 CONTINGENT LIABILITIES

On 31 December 2025, the Company provided guarantees for the bank loans of its subsidiaries, with a guarantee amount of RMB578,000,000 (31 December 2024: RMB2,276,071,000). The directors of the Company consider that the Company will not have significant risks due to such guarantees. On 31 December 2025, subsidiaries of the Company provided guarantees for subsidiaries within the scope of the Group's consolidated financial statements with a guarantee amount of RMB340,290,000 (31 December 2024: RMB1,195,964,000). On 31 December 2025, the unexpired balance of the letter of guarantee issued by the company and its subsidiaries in the bank was RMB2,291,491,000.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS

(a) Related parties information

In addition to the associates and joint ventures of the Group as disclosed in notes 18 and 19 of these financial statements, the directors are of the view that the following entities are related parties of the Group.

Name of related party	Nature of relationship
Conch Holdings 安徽海螺集團有限責任公司	Substantial shareholder of the Company
China Conch Venture Holdings Limited ("China Conch Venture") 中國海螺創業控股有限公司	Major shareholder of Conch Holdings
Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. and its subsidiaries ("Conch Energy Saving and its subsidiaries") 海螺 (安徽) 節能環保新材料股份有限公司及其附屬公司	Subsidiary of Conch Holdings
Wuhu Conch International Hotel Co., Ltd. ("WH Conch Hotel") 蕪湖海螺國際大酒店有限公司	Subsidiary of Conch Holdings
Anhui Conch Construction Materials Design Centre Co., Ltd. ("Conch Design Institute") 安徽海螺建材設計研究院有限責任公司	Subsidiary of Conch Holdings
Anhui Conch Material Technology Co., Ltd. and its subsidiaries ("Conch New Materials") 安徽海螺材料科技股份有限公司及其附屬公司	Subsidiary of Conch Holdings

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
Wuhu Conch Trading Co., Ltd. ("WH Trading") 蕪湖海螺貿易有限公司	Subsidiary of Conch Holdings
Anhui Conch Science and Technology Innovation Materials Co., Ltd. and its subsidiaries ("Conch Innovation Materials and its subsidiaries") 安徽海螺科創材料有限責任公司及其附屬公司	Subsidiary of Conch Holdings
Anhui International Trade Group Holding Co., Ltd. ("Anhui International Trade and its subsidiaries") 安徽國貿集團控股有限公司及其附屬公司	Subsidiary of Conch Holdings
Anhui Conch Capital Management Company Limited ("Conch Capital") 安徽海螺資本管理有限公司	Subsidiary of Conch Holdings
Anhui Conch Industry Technology Research Institute Co., Ltd. 安徽海螺產業技術研究院有限公司	Subsidiary of Conch Holdings
Anhui Conch Kawasaki Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司	Subsidiary of China Conch Venture
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司	Subsidiary of China Conch Venture

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
Yangzhou Haichang Port Industrial Co., Ltd. ("HC Port") 揚州海昌港務實業有限責任公司	Subsidiary of China Conch Venture
Anhui Conch Venture New Energy-saving Construction Material Co., Ltd. ("Conch Venture Green") 安徽海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Bozhou Conch Venture New Energy-saving Construction Material Co., Ltd. ("Bozhou Conch Venture Green") 亳州海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Anhui Conch Venture Green Energy and its subsidiaries 安徽海創綠能環保有限公司及其附屬公司	Subsidiary of China Conch Venture
Wuhu Conch Venture Enterprise Limited ("Conch Venture Wuhu") 蕪湖海創實業有限責任公司	Subsidiary of China Conch Venture
WH Electric Conch Clean Energy ("Clean Energy") 蕪湖市綠能清潔能源有限公司	Joint venture of the subsidiary of Conch Holdings
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("Conch Kawasaki Equipment") 安徽海螺川崎裝備製造有限公司	Joint venture of the Company

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

Name of related party	Nature of relationship
West Papua Conch") (note(i)) 西巴布亞海螺水泥有限公司	Joint venture of the Company prior to 27 December 2024
Sino-Myanmar International 中緬 (蕪湖) 國際貿易有限公司	Joint venture of the Company
Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司	Joint venture of the Company
Myanmar Conch Cement (Yangon) Company Limited ("Yangon Conch") 緬甸海螺 (仰光) 水泥有限公司	Joint venture of the Company
Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司及其附屬公司	Joint venture of the Company
Jiande Haicheng New Materials Co., Ltd 建德海誠新型材料有限公司	Joint venture of the Company

Note:(i) On 27 December 2024, the Group obtained control over West Papua Conch through a business combination not under common control, thereby establishing West Papua Conch as a subsidiary of the Group. Related-party transactions involving West Papua Conch during the period from 1 January 2024 to 26 December 2024, remain classified as related transactions as defined under the Shanghai Stock Exchange (SSE) Listing Rules.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties

The Group has entered into the following material related party transactions:

(i) Transactions with Conch Holdings

	2025	2024
	RMB'000	RMB'000
Provision of services and sales of goods	**23,622**	5,378
Receiving services and purchase of goods	**6,237**	2,091
Trademark royalty fees	**34,581**	33,019
Acquisition of subsidiaries under common control	**–**	126,400

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(ii) Transactions with other related parties

	2025 RMB'000	2024 RMB'000
Associates:		
Dividend income	**54,957**	38,685
Joint ventures:		
Sales of goods	**55,344**	87,822
Provision of services	**53,110**	72,266
Purchase of property, plant and equipment	**267,586**	443,898
Purchase of materials	**252,004**	461,960
Receiving services	**8,028**	26,829
Dividend income	**143,892**	243,039
Other related parties:		
Sales of goods	**40,870**	340,047
Provision of services	**108,374**	97,079
Purchase of property, plant and equipment	**136,320**	254,939
Purchase of materials	**952,603**	1,169,482
Purchase of right-of-use assets	**–**	38,854
Interest expense on lease liabilities	**1,404**	1,404
Receiving services	**218,522**	265,867

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(ii) Transactions with other related parties (continued)

The company is a state-owned enterprise controlled by the Anhui Provincial People's Government State-owned Assets Supervision and Administration Commission. In the course of our daily business operations, the company has conducted sales transactions of cement and cement products, purchase of raw materials, and so on with several other state-owned enterprises controlled by the Anhui Provincial People's Government State-owned Assets Supervision and Administration Commission on a commercial basis. During the current year, whether considered individually or in the aggregate, these transactions do not constitute material related-party transactions that require separate disclosure.

As at 31 December 2025, no bank loans were guaranteed by Conch Investment, the subsidiary of substantial shareholder of the Company (2024: RMB0).

(iii) Partnership agreements for investment with related parties

On 6 June 2023, the Company, Conch Capital and other investors entered in one partnership agreement for the investment in the Haitong Internet. The total fund size of Haitong Internet is RMB5 billion, of which, the Company agreed to contribute RMB1.5 billion and Conch Capital agreed to contribute RMB0.5 billion, both as limited partners. As at 31 December 2025, the Company paid up RMB0.18 billion.

On 8 September 2023, the Company, Conch Capital and other investors entered in one partnership agreement for the investment in Goldstone Innovation. The total fund size of Goldstone Innovation is RMB5 billion, of which, the Company agreed to contribute RMB1 billion and Conch Capital agreed to contribute RMB1 billion, both as limited partners. As at 31 December 2025, the Company paid up RMB0.24 billion.

The above investments are accounted by the Group as interest in associates (see Note 18).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions between the Group and related parties (continued)

(iv) Loan guarantees provided to other related parties

In 2025, the Group provided loan guarantees of RMB24,000,000 for Yunfu Guangjia, a associate of the Group.(2024: RMB24,000,000).

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	2025	2024
	RMB'000	RMB'000
Short-term employee benefits	**11,324**	12,607
Post-employment benefits	**502**	578
	11,826	13,185

Total remuneration is included in "staff costs" (see note 7(b)).

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

43 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Related party commitments

Related Parties		**31 December 2025 RMB'000**	31 December 2024 RMB'000
Haitong Internet	Investment commitments	**1,320,000**	1,320,000
Goldstone Innovation	Investment commitments	**760,000**	760,000
WH Conch Hotel	Venue lease commitments*	**621**	815
CK Engineering and its subsidiaries	Purchase commitments	**438,784**	490,981
CK Equipment	Purchase commitments	**181,050**	161,502
Conch Design Institute	Purchase commitments	**358,077**	367,336

* Venue lease commitments include only signed contracts applying the new leasing standard's simplified treatment with leases not yet commenced.

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of Conch Holdings, Conch Design Institute, Conch Energy Saving and its subsidiaries, WH Conch Hotel, Conch Investment and its subsidiaries, Conch New Materials and its subsidiaries and Anhui International Trade and its subsidiaries above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The continuing connected transactions with Conch New Materials and its subsidiaries and Conch Investment and its subsidiaries are provided in section 7(10) of the Director's Report in accordance with Chapter 14A of the Listing Rules. The other transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.56.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

44 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**2,166,652**	2,222,961
– Investment property		**27,937**	29,405
– Other property, plant and equipment		**2,138,715**	2,193,556
Intangible assets		**595,987**	549,381
Investments in subsidiaries	17	**63,113,099**	61,533,452
Interest in an associate		**2,225,539**	2,112,437
Interest in joint ventures		**741,452**	921,477
Loans and receivables		**19,862,994**	14,566,960
Financial assets measured at FVOCI		**744,371**	770,494
Deferred tax assets		**351,467**	357,586
Time deposits		**11,142,845**	11,142,845
		100,944,406	94,177,593
Current assets			
Inventories		**368,725**	398,581
Other financial assets		**2,706,382**	–
Trade and bills receivables		**1,247,033**	2,279,251
Prepayments and other receivables		**550,165**	1,854,850
Financial assets measured at FVPL		**12,899,353**	509,203
Amounts due from subsidiaries		**27,837,236**	33,621,735
Amounts due from related parties		**71,126**	101,148
Tax recoverable		**31,334**	–
Restricted cash deposits		**19,415**	19,809
Bank deposits with original maturity over three months		**39,305,487**	52,020,599
Cash and cash equivalents		**4,535,976**	7,655,711
		89,572,232	98,460,887

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

44 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
Current liabilities			
Trade and bills payables		**116,953**	191,415
Other payables and accruals		**114,016**	726,297
Contract liabilities		**48,981**	56,523
Bank loans and other borrowings		**338,661**	927,834
Lease liabilities		**87,152**	88,357
Amounts due to subsidiaries		**16,975,851**	19,554,813
Amounts due to related parties		**32,396**	124,831
Income tax payable		**–**	34,517
		17,714,010	21,704,587
Net current assets		**71,858,222**	76,756,300
Total assets less current liabilities		**172,802,628**	170,933,893
Non-current liabilities			
Deferred income		**24,438**	4,760
Long-term employee benefits payable		**7,347**	–
Corporate bonds		**10,000,000**	10,000,000
		10,031,785	10,004,760
NET ASSETS		**162,770,843**	160,929,133
CAPITAL AND RESERVES	39(a)		
Share capital		**5,299,303**	5,299,303
Reserves		**157,471,540**	155,629,830
TOTAL EQUITY		**162,770,843**	160,929,133

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

45 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of reporting period, the directors proposed a final dividend. Further details are disclosed in note 39(b).

46 IMMEDIATE AND ULTIMATE CONTROLLING COMPANY

At 31 December 2025, the directors consider the immediate parent and ultimate controlling company of the Group to be Conch Holdings and Anhui Provincial Investment Group Holding Co., Ltd. respectively, which are both state-owned enterprises established in the PRC.

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 and its amendments, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS10 and IAS28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for adoption

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application.

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

Notes to the financial statements (continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

47 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and amended standards are unlikely to have a significant impact on the Group's results of operations and financial position.



11. Written Confirmation of the Directors and Senior Management Members on the 2025 Annual Report

Pursuant to the relevant requirements and provisions of Securities Law (as revised in 2019) and "Standards of Contents and Format for Information Disclosure of Companies which are Securities Issuers No.2 – Contents and Format of Annual Reports", as the Directors and members of the senior management of Anhui Conch Cement Company Limited, upon full understanding and review of the annual report of 2025 and summary of the annual report, we are of the view that:

1. the Company has strictly complied with the financial regulations for a joint stock company in its operation, the annual report for year 2025 and its summary have fairly reflected the financial position and operating results of the Company for the year;

2. the audit report of Anhui Conch Cement Company Limited for year 2025 as audited by Ernst & Young Hua Ming LLP and Ernst & Young are objective, true and fair.

We warrant that the information disclosed in the annual report for year 2025 and its summary is true, accurate and complete, and we undertake that they do not contain misrepresentation, misleading statement or material omissions, and we are severally and jointly responsible for the truthfulness, accuracy and completeness of its contents.

Name	Position	Name	Position
Yang Jun	Chairman and Executive Director	Zhu Shengli	Deputy Chairman and Executive Director
Qu Wenzhou	Independent Non-Executive Director	Ho Shuk Yee, Samantha	Independent Non-Executive Director
Han Xu	Independent Non-Executive Director	Li Qunfeng	Executive Director
Yu Shui	Executive Director, General Manager, Secretary to the Board (Joint Company Secretary), General Legal Counsel and Chief Compliance Officer	Wu Tiejun	Executive Director and Deputy General Manager
Fan Zhan	Staff Representative Director	Pan Zhonghong	Deputy General Manager
Li Xin	Assistant to General Manager	Xu Yue	Assistant to General Manager
Liu Qingxin	Assistant to General Manager		

24 March 2026