



中國天瑞集團水泥有限公司

CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code:1252

2025 INTERIM REPORT



中國天瑞集團水泥有限公司
CHINA TIANRUI GROUP CEMENT COMPANY LIMITED

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Corporate Information

REGISTERED NAME OF THE COMPANY

China Tianrui Group Cement Company Limited

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

01252

EXECUTIVE DIRECTORS

Ms. Li Fengluan

Mr. Ding Jifeng

Mr. Li Jiangming

Mr. Jin Mingjie

(appointed with effect from 13 January 2025)

Mr. Li Xuanyu

(resigned with effect from 25 February 2025)

Mr. Xu Wuxue

(resigned with effect from 13 January 2025)

NON-EXECUTIVE DIRECTOR

Mr. Li Liufa (*Chairman of the Board*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kong Xiangzhong

Mr. Mak Tin Sang

Mr. Jiang Senlin

(appointed with effect from 27 August 2025)

Mr. Du Xiaotang

(resigned with effect from 10 March 2025)

AUDIT COMMITTEE

Mr. Mak Tin Sang (*Chairman*)

Mr. Kong Xiangzhong

Mr. Jiang Senlin

(appointed with effect from 27 August 2025)

Mr. Du Xiaotang

(resigned with effect from 10 March 2025)

NOMINATION COMMITTEE

Mr. Kong Xiangzhong (*Chairman*)

Ms. Li Fengluan

(appointed with effect from 20 June 2025)

Mr. Mak Tin Sang

Mr. Li Liufa (ceased to be member with effect from 20 June 2025)

REMUNERATION COMMITTEE

Mr. Kong Xiangzhong (*Chairman*)

Mr. Jin Mingjie

(appointed with effect from 13 January 2025)

Mr. Jiang Senlin

(appointed with effect from 27 August 2025)

Mr. Du Xiaotang

(resigned with effect from 10 March 2025)

Mr. Xu Wuxue

(resigned with effect from 13 January 2025)

PRINCIPAL BANKERS

Bank of China

Industrial and Commercial Bank of China

China Construction Bank

Agricultural Bank of China

Bohai Bank

Zhongyuan Bank

China Everbright Bank

Guangdong Development Bank

REGISTERED OFFICE

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Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Ruzhou City

Henan Province

PRC

PLACE OF BUSINESS IN HONG KONG

Room 1806, 18/F
Harbour Centre
25 Harbour Road
Wan Chai, Hong Kong

COMPANY WEBSITE

<http://www.trcement.com>

JOINT COMPANY SECRETARIES

Mr. Li Jiangming
Ms. Lui Mei Ka

AUTHORIZED REPRESENTATIVES

Mr. Li Jiangming
Ms. Lui Mei Ka

CAYMAN ISLANDS SHARE REGISTRAR AND SHARE TRANSFER AGENT

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111
Cayman Islands

AUDITORS

ZHONGHUI ANDA CPA Limited
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay
Kowloon, Hong Kong

LEGAL ADVISERS

As to Hong Kong law

DeHeng Law Offices (Hong Kong) LLP
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Hong Kong

Room 3507, 35/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

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16-18 Queen's Road Central
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As to PRC law

DeHeng Law Offices
12/F Tower B, Focus Place
No. 19 Finance Street
Xicheng District
Beijing 100033
PRC

HONG KONG SHARE REGISTRAR

Computershare Hong Kong
Investor Services Limited
Rooms 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Financial Highlights

	For the six months ended 30 June		Percentage of Change
	2025 RMB'000	2024 RMB'000	
Revenue	2,962,658	2,583,798	14.7%
Gross profit	679,071	615,063	10.4%
Profit	72,257	25,889	179.1%
Of which: Profit attributable to owners of the Company	73,903	28,290	161.2%
Basic earnings per share (RMB)	0.02	0.01	148.9%

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Percentage of Change
Total assets	36,351,373	37,215,106	-2.3%
Of which: Current assets	25,294,884	25,884,057	-2.3%
Total liabilities	20,268,366	21,239,599	-4.6%
Of which: Current liabilities	17,404,656	18,925,006	-8.0%
Total equity	16,083,007	15,975,507	+0.7%
Of which: Equity attributable to owners of the Company	15,846,134	15,736,988	+0.7%

Management Discussion and Analysis

BUSINESS REVIEW

In the first half of 2025, the cement market demand continued the overall downward trend of the past three years, but the rate of decline slowed. From the perspective of downstream demand, the weakness in downstream demand was primarily driven by the deep adjustment in the real estate sector, compounded by a slowdown in national infrastructure investment growth, insufficient infrastructure-driven growth, and regional structural imbalances, resulting in sustained pressure on the cement industry. In response to the current environment, the Group actively implemented various efficiency enhancement measures, and the Group's performance compared to the same period last year was significantly increased.

In the first half of 2025, the Group recorded a revenue of RMB2,962.7 million, representing an increase of approximately RMB378.9 million or 14.7% as compared with RMB2,583.8 million in the same period of 2024. The profit attributable to owners of the Company amounted to approximately RMB73.9 million, representing an increase of approximately RMB45.6 million or approximately 161.2% from approximately RMB28.3 million in the same period of 2024.

BUSINESS ENVIRONMENT

The Political Bureau of the CPC Central Committee meeting convened on 20 January 2025 emphasised the need to adopt and implement a correct view on achievements, uphold a work ethic characterized by diligence and proactivity, demonstrate determination and capability in delivering results, jointly advance reform through concerted efforts, solidly promote high-quality development, and demonstrate new commitment and accomplishments on the new journey to fully advance the Chinese path to modernization.

The Government Work Report delivered at the Third Session of the 14th National People's Congress on 5 March 2025 highlighted that 2025 marks the concluding year of the 14th Five-Year Plan. It stressed adhering to the general principle of pursuing progress while ensuring stability, fully and faithfully applying the new development philosophy, accelerating efforts to foster a new development pattern, driving high-quality development in a solid manner, deepening reform comprehensively, expanding high-standard opening up, building a modern industrial system, better balancing development and security, implementing more proactive and impactful macroeconomic policies, boosting domestic demand, promoting the integrated development of technological and industrial innovation, stabilizing the property and stock markets, preventing and mitigating risks in key areas and external shocks, stabilizing expectations, stimulating vitality, and promoting a sustained upward trend in the economy.

The Government Work Report set the following main projected targets for development this year: GDP growth of around 5%; surveyed urban unemployment rate of around 5.5% and over 12 million new urban jobs; CPI increase of around 2%; growth in resident income in step with economic growth; basic equilibrium in the balance of payments; grain output of around 1.4 trillion jin (700 million metric tons); reduction of energy consumption per unit of GDP by around 3%, with continued improvements in ecological and environmental quality.

Management Discussion and Analysis

In the first half of 2025, according to the statistical data from the National Bureau of Statistics, the gross domestic product (GDP) reached RMB66,053.6 billion, representing a year-on-year increase of 5.3%. National fixed-asset investment (excluding rural households) stood at RMB24,865.4 billion, up 2.8% year-on-year; excluding real estate development investment, national fixed-asset investment grew by 6.6%. By sector, the infrastructure investment sector rose by 4.6%; the manufacturing investment sector grew by 7.5%, and the real estate development investment sector declined by 11.2%. The floor space of buildings under construction by real estate development enterprises totaled 6,333.21 million square meters, down 9.1% year-on-year. Of this, residential buildings under construction accounted for 4,412.40 million square meters, falling 9.4%. The floor space of newly started buildings was 303.64 million square meters, declining by 20.0%. The floor space of buildings completed reached 225.67 million square meters, decreasing by 14.8%, with completed residential buildings at 162.66 million square meters, down 15.5%. The national sales area of newly built commercial housing was 458.51 million square meters, decreasing by 3.5%; sales volume of newly built commercial housing totaled RMB4,424.1 billion, falling by 5.5%.

In the first half of 2025, the Henan Provincial Bureau of Statistics and the Henan Survey Team of the National Bureau of Statistics announced the economic operation of the province in the first half of the year. Henan's major economic indicators grew faster than the national average, maintaining a stable and improving economic trend. Based on the unified accounting results of regional GDP, the province achieved a GDP of RMB3,168.38 billion in the first half, a year-on-year increase of 5.7% at constant prices, 0.4 percentage points higher than the national average. Fixed-asset investment in the province increased by 5.1%, 2.3 percentage points higher than the national level. Major projects provided strong momentum.

Investment in province-level projects worth RMB100 million or more grew by 9.3%, accelerating by 1.7 percentage points from the first quarter, driving 5.9 percentage points of the province's investment growth. Demand for improved housing continued to expand. The sales area of new commercial residential units of 90–144 square meters rose by 11.3%, accelerating by 1.0 percentage point from the first quarter; sales volume for such units increased by 14.6%, accelerating by 1.5 percentage points.

In the first half of 2025, according to the statistical data from the Liaoning Provincial Bureau of Statistics, the province's GDP reached RMB1,570.79 billion, growing by 4.7% year-on-year at constant prices. By sector, the value-added of the primary industry totaled RMB96.43 billion, up 4.3%; that of the secondary industry reached RMB543.84 billion, up 3.5%; and that of the tertiary industry amounted to RMB930.52 billion, rising 5.3%.

Statistical analysis indicates that in the first half of 2025, both the national GDP and the GDP of Henan and Liaoning provinces registered growth. National and Henan's fixed-asset investment also expanded, providing a certain degree of support for cement and related construction materials. However, the real estate market remained in a continuous downward correction, which has adversely impacted demand for cement and related construction materials.

Management Discussion and Analysis

CEMENT INDUSTRY

In the first half of 2025, according to the analysis by Digital Cement of China Cement Association, the demand for cement continued the overall downward trend of the past three years, with the declining rate being slowed down. Downstream demand analysis indicated that market weakness primarily stemmed from the profound adjustments in the real estate sector, compounded by a deceleration in national infrastructure investment growth. Insufficient infrastructure-driven demand and regional structural imbalances collectively sustained pressure on the cement industry. According to the statistical data from the National Bureau of Statistics, national cement output in the first half of 2025 reached 815 million tonnes, representing a year-on-year decrease of 4.3%, and the range narrowed by 5.7 percentage points compared with the same period last year. Regionally, in the first half of the year, all six major regions nationwide recorded varying degrees of decline compared with the same period last year. The Northeast China, East China, and Southwest China experienced the most significant contractions at 6.5%, 6.5%, and 5.3%, respectively, while the South-Central China registered the smallest decline at 1.58%.

In the first half of 2025, excluding Northeast China, suboptimal implementation of production-staggering measures prevailed across most provinces in East China, South-Central China, and Southwest China. The rates of implementation fell short of targets, with stringent restrictions easing prematurely and inventories shifting from low to high levels. Coupled with declining demand, this exacerbated supply-demand imbalances in the market. In the first quarter, industry players in most regions nationwide mitigated risks through precise controls, with production-staggering days increasing by 5%-10% year-on-year, and made dynamic output adjustments to reduce supply, so that inventories remained within reasonable ranges. This effectively averted cutthroat competition and stabilized markets. However, entering the second quarter, relatively robust market demand in March prompted relaxed adherence to production-staggering of enterprises in core regions from April onward. Implementation rates deteriorated amid steeper-than-expected demand declines, leading to progressively rising inventories.

In the first half of 2025, cement prices broadly followed a "higher in the first and lower then" trajectory. Monitoring data from the Digital Cement of China Cement Association showed the national average cement transaction price rose by 5.4% year-on-year from January to June. Specifically, prices in the first quarter retreated modestly but remained stable overall, supported by slightly stronger-than-anticipated domestic cement demand and effective supply-demand management via production staggering by enterprises. In the second quarter, however, shifting supply-demand dynamics drove sustained cement price declines, with prices falling by RMB20/tonne quarter-on-quarter, exceeding market expectations. According to the price trends in all six major regions, Northeast China's cement market outperformed all others. Indicated by the data from Digital Cement, the average cement prices in Northeast China in the first half of the year exceeded the national mean by nearly RMB100/tonne, surging 21% year-on-year compared with the same period last year.

Customs statistics indicated China exported 2.16 million tonnes of cement from January to May 2025, representing a year-on-year increase of 2.2%, while clinker exports soared 365% year-on-year to 1.01 million tonnes. Analysis by Digital Cement of China Cement Association identified expanded cement exports as an effective measure to alleviate domestic supply-demand conflicts and counteract "rat race" competition. Notably, in June, Tianrui Cement shipped 36,000 tonnes of cement to Central America; Jinyu Jidong Shuangyashan Company exported cement to Russia; and Tibet Gaozheng Cement achieved its first cement export to Nepal.

The above analysis emphasised industry consensus that, amid persistent overcapacity in the current cement industry, rigorous implementation of production staggering, strengthened self-discipline, and prevention of "rat race competition" in the industry remain critical to securing sustainable benefits.

Management Discussion and Analysis

In the first half of 2025, according to analysis by Digital Cement of China Cement Association, the cement industry overall exhibited the following operational characteristics: “persistent demand weakness; a high-then-low price trajectory; and year-on-year profitability improvement”. Regarding financial performance, the cement industry’s total profit for the first half of the year is projected at RMB15–16 billion. This figure marks a stark contrast to the RMB1.1 billion net loss recorded in the same period last year, achieving a significant turnaround from losses to profits. This positive shift is primarily attributable to declining coal prices and the transient recovery of cement prices in the first quarter.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately RMB2,962.7 million in the first half of 2025, representing an increase of RMB378.9 million, or 14.7%, from approximately RMB2,583.8 million in the same period of 2024.

Among others, the revenue from cement sales was approximately RMB2,235.6 million, representing an increase of 19.5% as compared with approximately RMB1,870.2 million in the same period of 2024.

Revenue from sales of limestone aggregate amounted to approximately RMB507.5 million, representing a decrease of RMB101.3 million, or 16.6%, from approximately RMB608.8 million in the same period of 2024.

Clinker is a semi-finished product used to produce cement. The Group’s clinkers produced in the first half of 2025 were primarily used to satisfy the internal demand for cement production, and only approximately 1.0 million tonnes of clinkers were sold externally. Approximately RMB219.6 million of revenue generated from the Group’s clinker sales was recorded in the first half of 2025, representing an increase of RMB114.8 million, or 109.6%, from approximately RMB104.8 million in the same period of 2024.

In the first half of 2025, the Group’s sales revenue from the Central China region amounted to approximately RMB2,325.8 million, representing an increase of RMB193.9 million or 9.1% as compared with approximately RMB2,131.9 million in the same period of 2024. The Group’s sales revenue from the Northeastern China region amounted to approximately RMB636.9 million, representing an increase of RMB185.0 million or 40.9% as compared with approximately RMB451.9 million in the same period of 2024.

In the first half of 2025, revenue from the Group’s sales of cement, clinker and limestone aggregate accounted for approximately 75.5% (same period of 2024: 72.4%), 7.4% (same period of 2024: 4.0%) and 17.1% (same period of 2024: 23.6%) of the total revenue, respectively.

Cost of Sales

During the first half of 2025, the Group strived to lower the unit production cost of cement and clinker by leveraging its economies of scale and through centralized procurement. The Group’s cost of sales was approximately RMB2,283.6 million during the reporting period, representing an increase of RMB314.9 million or 16.0% as compared with the first half of 2024.

The Group’s cost of sales mainly consists of the cost of raw materials, coal and electricity. In the first half of 2025, the Group’s costs of raw materials, coal and electricity accounted for 33.7% (first half of 2024: 28.9%), 36.8% (first half of 2024: 40.5%) and 15.9% (first half of 2024: 14.6%) of the cost of sales, respectively. During the reporting period, the Group’s costs of raw materials, coal and electricity consumed for one tonne of cement and clinker produced were RMB54.5 (first half of 2024: RMB54.7), RMB59.5 (first half of 2024: RMB76.6) and RMB25.7 (first half of 2024: RMB27.6), respectively, representing a decrease of RMB0.2, RMB17.1 and RMB1.9, respectively, as compared with the same period of 2024.

Management Discussion and Analysis

Gross Profit, Gross Profit Margin and Segment Profit

The Group's gross profit was approximately RMB679.1 million in the first half of 2025, representing an increase of RMB64.0 million, or 10.4%, from approximately RMB615.1 million in the same period of last year. The Group's gross profit margin was 22.9% in the first half of 2025, representing a slight decline from 23.8% in the same period of last year.

In the first half of 2025, the Group's segment profit from the Central China region amounted to approximately RMB27.6 million, representing a decrease of approximately RMB64.5 million or 70.0% as compared with approximately RMB92.1 million in the same period of 2024. The decrease was due to the decrease in unit gross profit of cement in the region. The Group's segment profit from the Northeastern China region amounted to approximately RMB31.9 million, as compared with a segment loss of approximately RMB47.7 million in the same period of 2024. The turnaround was mainly attributable to the increase in unit gross profit in the Northeastern China region.

Other Income

Other income was approximately RMB238.2 million for the first half of 2025, representing a decrease of RMB59.6 million, or 20.0%, from approximately RMB297.8 million for the same period of 2024. The decrease was primarily due to the decrease in other government subsidies and revenue from material sales.

Selling and Distribution Expenses

In the first half of 2025, the Group's selling and distribution expenses were approximately RMB58.5 million, representing a decrease of RMB57.4 million or 49.5% as compared with approximately RMB115.9 million for the same period of 2024. The decrease was mainly due to the decrease in transportation cost.

Administrative Expenses

Administrative expenses of the Group were approximately RMB344.5 million for the first half of 2025, representing a decrease of RMB16.8 million, or 4.7%, from approximately RMB361.3 million for the same period of 2024. The decrease was mainly due to the decrease in research and development expenses and cost savings.

Finance Costs

Finance costs were approximately RMB377.8 million for the first half of 2025, representing a decrease of RMB6.6 million, or 1.7%, from approximately RMB384.4 million for the first half of 2024, which was mainly attributable to the decrease in interest accrued as a result of the lower discount rates on discounted notes with recourse and the due repayment of certain borrowings.

Profit before Tax

As a result of the foregoing, the Group's profit before tax was approximately RMB90.0 million for the first half of 2025, representing an increase of approximately RMB59.1 million, or approximately 191.5%, from approximately RMB30.9 million for the same period of 2024.

Income Tax Expenses

Income tax expenses of the Group were approximately RMB17.8 million for the first half of 2025, representing an increase of RMB12.8 million from approximately RMB5.0 million for the same period of 2024. This was mainly due to the withholding income tax of subsidiaries.

Management Discussion and Analysis

Profit Attributable to Owners of the Company and Net Profit Margin

As a result of the foregoing, profit attributable to owners of the Company for the first half of 2025 was approximately RMB73.9 million, representing an increase of RMB45.6 million, or 161.2%, from approximately RMB28.3 million for the same period of 2024. The net profit margin for the first half of 2025 was 2.5%, representing an increase of 1.4 percentage points as compared with 1.1% in the same period of 2024.

FINANCIAL AND LIQUIDITY POSITION

Trade and Other Receivables

Trade and other receivables amounted to RMB20,523.1 million as at 30 June 2025, which remained basically the same as RMB20,764.4 million as at 31 December 2024.

Inventories

Inventories increased from RMB675.7 million as at 31 December 2024 to RMB1,280.9 million as at 30 June 2025, primarily due to an increase in inventory materials and products.

Amounts Due from Associates

The amounts due from associates of approximately RMB241.4 million as of 30 June 2025 (31 December 2024: approximately RMB217.3 million) represents the advance payment paid to Pingdingshan Ruiping Shilong Cement Company Limited for the clinker purchased under the Clinker Supply Framework Agreement, and the shareholder loan due from an associate, Xinan Zhonglian Wanji Cement Company Limited which is indirectly held as to 49% by the Company.

Cash and Cash Equivalents

Cash and bank balance decreased from RMB915.1 million as at 31 December 2024 to RMB467.7 million as at 30 June 2025, primarily due to the effect of cash inflow from operating activities, net of cash outflow from investing activities and financing activities. The Group's cash and cash equivalent were denominated in Renminbi, Hong Kong dollars and US dollars.

Trade and Other Payables

Trade and other payables amounted to RMB5,502.1 million as at 30 June 2025, which remained basically the same as RMB5,570.9 million as at 31 December 2024.

Borrowings

Borrowings and bonds (including corporate bonds) of the Group amounted to approximately RMB12,759.0 million as at 30 June 2025, representing a decrease of approximately RMB1,040.0 million from RMB13,799.0 million as at 31 December 2024. Borrowings due within one year, borrowings from associates due within one year and other financial liabilities decreased from RMB12,115.7 million as at 31 December 2024 to RMB10,584.2 million as at 30 June 2025. Borrowings due after one year and other financial liabilities increased from RMB1,683.3 million as at 31 December 2024 to RMB2,174.7 million as at 30 June 2025. The Group's borrowings were denominated in Renminbi, Hong Kong dollars, and US dollars, and mainly bear interests at floating rates and fixed rates.

Principal Sources of Liquidity

The Group's principal sources of liquidity have historically been cash generated from operations and bank and other borrowings. The Group has historically used cash from such sources for working capital, production facility expansions, other capital expenditures and debt repayments. The Group anticipates these will continue to be the principal purposes for its financing in the future and expects its cash flow will be sufficient to fund the ongoing business requirements. Meanwhile, the Group will further broaden its financing channels to improve its capital structure.

Management Discussion and Analysis

GEARING RATIO, CURRENT RATIO, QUICK RATIO, DEBT EQUITY RATIO

As at 30 June 2025, the Group's gearing ratio was 55.8%, representing a decrease of 1.3 percentage points from 57.1% as at 31 December 2024. The change of gearing ratio was due to the decrease in borrowings.

As at 30 June 2025, the Group's current ratio was 1.5, representing an increase of 6.3% from 1.4 as at 31 December 2024; the Group's quick ratio was 1.4, representing an increase of 3.6% from 1.3 as at 31 December 2024.

As at 30 June 2025, the Group's debt equity ratio was 1.3, which remained basically the same as at 31 December 2024.

Notes:

1. Gearing ratio = total liabilities/total assets x 100%
2. Current ratio = current assets/current liabilities
3. Quick ratio = (current assets-inventory)/current liabilities
4. Debt equity ratio = total liabilities/equity interest, of which, equity interest includes minority interest or non-controlling interest

NET GEARING RATIO

As at 30 June 2025, the Group's net gearing ratio was 60.0%, representing a decrease of 7.2 percentage points from 67.2% as at 31 December 2024. Net gearing ratio is calculated by dividing net debts by equity attributable to owners of the Company.

TOP-UP PLACING AND SHARES SUBSCRIPTION

In January 2025, the Company completed the Placing and the Subscription (as defined in the announcements of the Company dated 24 December 2024, 6 January 2025 and 7 January 2025, respectively (the "Announcements"). For details, please refer to the Announcements and the announcement in relation to the updates on the use of proceeds dated 24 January 2025.

The aggregate gross proceeds of the Subscription was approximately HK\$47.9 million. The aggregate net proceeds of the Subscription, after the deduction of related fees and expenses, was approximately HK\$47.0 million.

During the reporting period, (i) HK\$42.2 million was utilized for repayment of a portion of the Group's debt; (ii) approximately HK\$4.8 million was utilized as general working capital of the Group which shall be applied on, among other things, staff cost, professional fees, and other operation expenses of the Group. All proceeds of the Subscription was fully utilized as at 30 June 2025 according to the plan of the use of proceeds as previously disclosed.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure for the first half of 2025 was approximately RMB109.2 million (first half of 2024: approximately RMB158.5million) and capital commitment as at 30 June 2025 was approximately RMB308.6 million (as at 31 December 2024: approximately RMB345.0 million). Both the capital expenditure and capital commitment were mainly related to the construction of production facilities for cement and aggregate businesses and the acquisition of machinery, office equipment, investment in construction in progress and mining rights. The Group funded capital expenditure through cash generated from operations and bank and other borrowings.

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 30 June 2025, carrying amount of the assets of the Group pledged to secure the bank borrowings granted to the Group amounted to approximately RMB3,692.9 million (as at 31 December 2024: approximately RMB3,993.1 million).

FINANCIAL GUARANTEES

As at 30 June 2025, the Group has provided approximately RMB1,540.0 million (as at 31 December 2024: approximately RMB1,200.0 million) of authorized financial guarantees to related parties, among which approximately RMB1,439.5 million (as at 31 December 2024: approximately RMB1,099.5 million) have been utilized. The Group did not have other financial guarantees. The guarantees provided to the related parties have been provided pursuant to Tianrui Cement Guarantees according to the 2022 Framework Agreement in relation to provision of mutual guarantees, the details of which are set out in the circular of the Company dated 6 December 2022.

SIGNIFICANT INVESTMENTS, ACQUISITION OR DISPOSAL

During the reporting period, the Group was not involved in any significant investment, acquisition or disposal.

MATERIAL LITIGATION

During the reporting period, the Group was not involved in any material litigation or arbitration. To the best of the Directors' knowledge and belief, there was no outstanding or pending litigation or claim of material importance against the Group.

IMPORTANT EVENTS SINCE THE END OF THE REPORTING PERIOD

There is no important event affecting the Group since the end of the reporting period.

MARKET RISKS

Exchange Rate Risk

The businesses of the Group are principally conducted in RMB, and certain bank balances and borrowings are denominated in HK\$ or US\$, hence exposure to exchange rate fluctuation arises. The Group currently does not have any hedging policy on foreign currency. Facing the complex international financial environment, the management will closely monitor the exchange rate fluctuation risk on a real-time basis, rationally plan the local and foreign currency risk exposure, and take appropriate hedging measures to control significant exchange rate fluctuation risk when necessary.

Interest Rate Risk

The Group is exposed to interest rate risk resulting from its long-term and short-term borrowings. The Group reviews its borrowings regularly to monitor its interest rate exposure, and will consider hedging significant interest rate exposure should the need arise. As the Group's exposure to interest rate risk relates primarily to its interest-bearing bank loans, our policy is to keep the borrowings at variable rates of interest so as to minimize fair value interest rate risk, and to manage the interest rate exposure in all of the interest-bearing loans through the use of a mix of fixed and variable rates.

Liquidity Risk

The Group has established an appropriate liquidity risk management system for its short, medium and long-term funding and liquidity management requirements. We manage the liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the operations and mitigate the effects of fluctuations in (both actual and forecasted) cash flows. Our management also monitor the utilization of bank borrowings and ensure compliance with loan covenants.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 5,346 employees (as at 30 June 2024: 5,469). As at 30 June 2025, the employees' cost (including remuneration) was approximately RMB208.2 million (first half of 2024: approximately RMB231.6 million). The remuneration policies, bonus and training programs for employees of the Group have been implemented continuously.

The Company's remuneration policy (the "Remuneration Policy") comprises primarily a fixed component (in the form of a base salary) and variable component (which include discretionary bonus and other merit payments), taking into account other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions.

The Remuneration Committee will meet at least once every year to discuss remuneration-related matters (including the remuneration of Directors and senior management) and review the Remuneration Policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Director(s) and senior management.

PROSPECTS

Favorable policy:

On 1 July 2025, the Sixth Meeting of the Central Commission for Financial and Economic Affairs released pivotal signals, emphasising the need to advance in depth the development of a unified national market by focusing on key challenges, lawfully regulating enterprises' disorderly low-price competition, guiding enterprises to enhance product quality, and facilitating the orderly exit of outdated capacity.

On 18 July 2025, the Ministry of Industry and Information Technology indicated that work plans to stabilize growth in ten key sectors, including steel, non-ferrous metals, petrochemicals, and building materials, would soon be introduced. The Ministry will drive these sectors to restructure, optimize supply, and eliminate outdated capacity.

On 30 July 2025, the Political Bureau of the CPC Central Committee convened, underscoring the need to continuously refine market competition order, lawfully regulate enterprises' disorderly competition, and advance capacity governance in key industries.

On 31 July 2025, the National Development and Reform Commission (NDRC) held a briefing on the development and reform landscape for the first half of 2025. The meeting stressed that the development and reform system must fully implement the decisions of the CPC Central Committee and the State Council, solidly advance reform work in the second half of the year, focus on stabilizing employment, enterprises, markets, and expectations, further strengthen internal circulation, optimize external circulation, and enhance dual circulation. Efforts must be made to achieve annual targets and fulfil all tasks under the 14th Five-Year Plan, laying the groundwork for a strong start to the 15th Five-Year Plan.

On 1 August 2025, the People's Bank of China convened its second-half work meeting and a progress session on the regular, long-term advancement of Central Inspection rectifications. The meeting required meticulous implementation of appropriately accommodative monetary policies, intensified support for technological innovation, consumption stimulation, micro and small enterprises, and foreign trade stabilization. It also called for further deepening financial reforms and high-standard opening-up while defusing financial risks in key areas. On the same day, the NDRC held a press briefing to interpret current economic conditions and policy work. Relevant officials stated that comprehensive measures would be taken to rectify disorderly low-price competition, guide enterprises in scientific and rational pricing, and effectively regulate market price order.

Management Discussion and Analysis

On 7 August 2025, the Ministry of Transport website announced that the Ministry of Transport, Ministry of Finance, and Ministry of Natural Resources jointly issued the New Round Rural Road Enhancement Action Plan. The plan focuses on eight key areas: network quality, safety, transport, governance capacity, travel services, harmonious villages, industrial support, and employment-driven income growth. By 2027, the plan targets: upgrading or reconstructing 300,000 kilometers of rural roads nationwide, establishing a convenient, efficient, and universally accessible rural road network; implementing restorative maintenance projects across 300,000 kilometers, maintaining 70% or higher good/excellent technical condition rate; executing 150,000 kilometers of safety and life protection projects; renovating 9,000 structurally deficient bridges (including lifeline ferry-to-bridge conversions and low-water crossings), further enhancing rural road safety and service capacity.

Regional opportunities:

On 18 July 2025, the General Office of the People's Government of Henan Province issued the Several Policy Measures to Promote Sustained Economic Growth in the Second Half of 2025. The document outlines 36 policy measures across six areas: prioritizing projects and expanding investment; fostering innovation and strengthening industries; boosting consumption and expanding markets; deepening reforms and promoting openness; stabilizing employment and safeguarding livelihoods; and ensuring security and upholding bottom lines. These measures aim to stabilize employment, enterprises, markets, and expectations while driving sustained economic growth. Regarding project prioritization and investment expansion, the document highlights strengthening major project leadership. This includes continuously organizing concentrated completion ceremonies for major projects; establishing a dynamic management mechanism for whitelists covering construction and resource guarantees; seeking inclusion of eligible major projects in the national land-use security list; streamlining "green channel" approvals; expediting safety evaluations, environmental impact assessments, energy appraisals, heritage surveys, and land procedures; advancing the "Double Hundred Projects" through

itemized task lists and dedicated ledgers; and institutionalizing provincial-level project monitoring and coordination. In 2025, the "Double Hundred Projects" and provincial key projects are expected to achieve physical investment exceeding RMB210 billion and RMB1 trillion, respectively.

On 4 August 2025, the People's Government of Henan Province issued the Notice on Several Policy Measures to Support Enterprise Cost Reduction and Efficiency Enhancement in Henan Province. The notice requires adopting a systemic approach that addresses both symptoms and root causes to reduce enterprise costs through coordinated efforts in resource allocation, service provision, industrial development, and management optimization. Province-specific policies will be implemented to lower R&D costs, transition/upgrading costs, labour costs, financing costs, energy costs, logistics costs, land-use costs, import/export costs, and operational costs.

On 19 July 2025, the Liaoning Provincial Development and Reform Commission announced the province's economic performance for the first half of 2025 and key priorities for the next phase at a press conference organized by the Provincial Government Information Office. The meeting emphasized that the second half of 2025 is critical for achieving the goals of the Three-Year Action. Key priorities include prioritizing projects and expanding investment: Accelerating progress on 11,500 ongoing projects and advancing preparatory work for 3,100 planned new projects; speeding up construction of Dalian New Airport, Taizi River Pumped Storage, and Changhai Bridge to generate additional physical workload; and promoting early commencement of projects such as Taoxian Airport's second runway, Benxi-Zhuanghe Expressway, and Qinhuangdao-Shenyang High-Speed Railway Phase II. Project reserves will be strengthened, combining national needs with Liaoning's capabilities, to seize the window of opportunity during the formulation of the national 15th Five-Year Plan. In-depth research will be conducted on national policies and funding directions to carefully plan a batch of major projects. Comprehensive services throughout the project lifecycle will be strengthened to continuously improve project service and support, address issues encountered during project implementation, and promote the quality and efficiency of project construction.

Management Discussion and Analysis

Industry opportunities:

Analysis by the Digital Cement of China Cement Association indicates that cement demand in the second half of the year will continue its downward trajectory. Insufficient demand persists throughout 2025, with industry profitability hinging on supply-side adjustments. Price recovery depends critically on supply-side policy enforcement and corporate self-discipline.

On 1 July 2025, the China Cement Association issued the Guidelines on Further Promoting "Anti-rat Race Competition" and "Stable Growth" for High-Quality Cement Industry Development, requiring member enterprises to align actual production capacity with registered capacity. The unequivocal "anti-rat race competition" policy aims to rigorously enforce peak-shifting production, advance cross-regional coordinated peak-shifting, strengthen "dual-capacity control" and substantiate regional price restoration. The initiative emphasises leveraging industry self-regulation to standardize corporate conduct, maintain market order, and balance cement supply-demand dynamics. Should enterprises strictly organise production based on registered daily/annual capacity, the supply side may achieve substantive reduction. Capacity utilization rates are projected to rebound rapidly, from 53% to approximately 70% (healthy clinker utilization levels). Coupled with rigorous peak-shifting implementation, industry profitability is expected to improve steadily.

Main tasks and measures of the Group

- (I) Implement the national "anti-rat race competition" policy, enforce off-peak production controls in the cement industry, advance energy conservation, carbon reduction, ultra-low emission, and clean production initiatives to safeguard industry order and corporate interests.
- (II) Strengthen refined management across all operational segments, promote the implementation of wind-solar-storage projects, expand the application of green energy and alternative raw materials, advance intelligent upgrades continuously, and enhance the Group's market competitiveness through improving efficiency and optimising costs.
- (III) Uphold product quality as the foundation with customer demand as the orientation and corporate credibility as the cornerstone, deepen customer service, shape the Tianrui Cement brand image, and strive to establish Tianrui Cement as a regionally and nationally recognised "reputable brand product".

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of our Directors and chief executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of Director	Capacity/Nature of interests	Total number of shares	Approximate percentage of shareholding (%)
Mr. Li Liufa	Interest of corporation controlled by the director/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Ms. Li Fengluan	Interest of corporation controlled by the director/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53

(1) Yu Kuo Company Limited ("Yu Kuo") is wholly owned by Carosse Limited ("Carosse"), which is wholly owned by Tianrui (International) Holding Company Limited ("Tianrui International"), which is wholly owned by Tianrui Group Company Limited ("Tianrui Group"). Tianrui Group is 70% owned by Mr. Li Liufa and 30% owned by Ms. Li Fengluan, the spouse of Mr. Li Liufa respectively. Mr. Li Liufa and Ms. Li Fengluan are deemed to be interested in the shares held by Yu Kuo. For details of corporate reorganization, please refer to the announcement dated 8 December 2023.

(2) On 15 January 2025, Yu Kuo pledged 97,000,000 shares in Company as security for loan facility.

(3) On 24 December 2024, 145,000,000 shares held by Yu Kuo were placed to the placee(s) under a top-up placing and subscription, which was completed on 7 January 2025. For details, please refer to the announcements of the Company dated 24 December 2024 and 7 January 2025.

(4) On 21 June 2025, Yu Kuo acquired 147,049,000 shares through an off-market transaction. For details, please refer to the announcement of the Company dated 22 June 2025.

(5) On 23 June 2025, Yu Kuo sold 43,697,000 shares in a share sale.

(6) On 24 June 2025, Yu Kuo sold 27,268,000 shares in a share sale.

(7) Save as disclosed in (3) to (6) above, Yu Kuo did not file other disclosure of interest forms during the six months ended 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors and the senior management of the Company, the persons who had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO were as follows:

Name	Capacity/Nature of interests	Total number of shares	Approximate percentage of shareholding (%)
Yu Kuo	Beneficial owner/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Tianrui Group	Interest of corporation controlled by the substantial shareholder/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Tianrui International	Interest of corporation controlled by the substantial shareholder/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Carosse	Interest of corporation controlled by the substantial shareholder/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Mr. Li Liufa	Interest of corporation controlled by the director/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
Ms. Li Fengluan	Interest of corporation controlled by the director/Long position ⁽¹⁾	1,773,920,822 ⁽²⁾	57.53
The Export-Import Bank of China	Party with security interest over the shares/ Long position	315,000,000	10.72
Buttonwood Investment Holding Company Ltd	Interest of controlled corporation/ Long position	315,000,000	10.72
China Huarong Asset Management Co., Ltd.	Interest of controlled corporation/ Long position	470,000,000	16.00
China Huarong International Holdings Limited	Interest of controlled corporation/ Long position	300,000,000	10.21
Right Select International Limited	Interest of controlled corporation/ Long position	300,000,000	10.21

Disclosure of Interests

Name	Capacity/Nature of interests	Total number of shares	Approximate percentage of shareholding (%)
Best Ego Limited	Party with security interest over the shares/ Long position	300,000,000	10.21
China Huarong (Macau) International Company Ltd	Interest of controlled corporation/ Long position	170,000,000	5.79

(1) Please refer to the notes on page 16 of this report.

(2) Please refer to the notes on page 16 of this report.

Saved as disclosed above, as at 30 June 2025, no other person had any interest or short position which shall be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the period ended 30 June 2025, save as disclosed in the section headed "Directors' Interests in Competing Businesses" and in the section headed "Continuing Connected Transactions and Connected Transactions" in 2024 annual report of the Company, no contract of significance in relation to the Group's business to which the Company, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at any time during the period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the period ended 30 June 2025, save as (1) the indirect shareholding of Mr. Li Liufa and Ms. Li Fengluan (Mr. Li Liufa's spouse) at Ruiping Shilong Cement Company Limited ("Ruiping Shilong"), which engages in the businesses of clinker production and sales in certain regions of Henan province as disclosed in the Company's circular dated 6 December 2022; and (2) the indirect equity interests held by Mr. Li Liufa and Ms. Li Fengluan (Mr. Li Liufa's spouse) at China Shanshui Cement Group Limited ("Shanshui Cement"), which is listed on the Stock Exchange with the stock code as 691.HK and engages in the clinker and cement production in the PRC, none of the Directors nor Controlling Shareholders (as defined in the Listing Rules) was interested in any business which competes or is likely to compete (directly or indirectly) with the business of the Group. The acquisitions of the equity interests at Shanshui Cement had been approved in accordance with the Amended Non-competition Deed (for details please refer to the circular dated 31 October 2014, which was approved at the Company's extraordinary general meeting held on 17 November 2014).

ADVANCE TO ENTITIES

As at 30 June 2025, the Company's advance to entities amounted to RMB14,807.9 million, representing prepayment to certain coal suppliers. Since November 2023, the prepayment to the relevant coal suppliers exceeded 8% of the Company's total assets as at 30 June 2023 and the Company has failed to comply with Rules 13.13 and 13.15 of the Listing Rules to announce its advances to entities. For details of the prepayment to coal suppliers and the remedial measures taken by the Company, please refer to the announcement of the Company dated 24 July 2025.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

- (1) As disclosed in the announcement dated 18 September 2023, the Borrower (as defined below) has settled the loan of RMB80,000,000 to the Lender A (as defined below). As disclosed in the announcement dated 18 September 2023, Tianrui Group Zhengzhou Cement Company Limited (天瑞集團鄭州水泥有限公司) (the "Borrower", a subsidiary indirectly controlled by the Company) has drawn a loan facility (the "Loan A") in an aggregate amount of RMB80,000,000 provided by a lender (the "Lender A", an independent third party) to the Borrower for a term of 12 months from drawdown which is secured by a pledge of 45,000,000 ordinary shares in the issued share capital of the Company (the "Pledged Shares A") by Yu Kuo, the controlling shareholder of the Company, in favour of the Lender A as security for the Loan A pursuant to a share charge agreement. The Pledged Shares A represent approximately 1.53% of the total issued shares of the Company. Pursuant to the terms of the Loan A, Tianrui Group should ultimately own not less than 50% shareholding of the Borrower. As at 30 June 2025, Tianrui Group beneficially owns approximately 57.53% of the total number of issued shares of the Company which indirectly wholly owns the Borrower. A breach of the above obligations will constitute an event of default under the terms of the Loan A, upon default of which the Lender A may demand for immediate repayment of the Loan A.

Disclosure of Interests

For details, please refer to the announcement dated 18 September 2023. Loan A was further extended to maturity date of 17 September 2025 which is secured by the Pledged Shares A.

- (2) The Company has an outstanding loan facility (the “Loan B”) in a principal amount of US\$17,613,000 provided by an independent third-party lender (the “Lender B”) to the Company for term up to August 2025 subject to mutual agreement which is secured by a pledge of 170,000,000 ordinary shares in the issued share capital of the Company by Yu Kuo, the controlling shareholder of the Company, in favour of the Lender B as security for the Loan B. Pursuant to the terms of the Loan B, Mr. Li Liufa and Ms. Li Fengluan are required to collectively own, whether directly or indirectly, at least 51% of the entire issued share capital of the Company, upon default of which the Lender B may demand for immediate repayment of the Loan B.

- (3) As disclosed in the announcement dated 19 January 2024, the Company has made drawdown under a loan facility of RMB166,500,000 (“Loan C”) provided by an independent third-party lender (“Lender C”) to the Company for a term of 12 months which is secured by a pledge of 97,000,000 ordinary shares of the Company held by Yu Kuo. The pledged shares represent approximately 3.3% of the total issued shares of the Company. Pursuant to the terms of the Loan C, Tianrui Group is required to own, whether directly or indirectly, more than 50% of the entire issued share capital of the Company, upon default of which the Lender C may demand for immediate repayment of the Loan C.

As referenced in the announcement dated 24 January 2025, the Company has been granted by the Lender C for extension of Loan C which is up to a maximum amount of RMB99,500,000 and is secured by a pledge of 97,000,000 ordinary shares in the issued share capital of the Company by Yu Kuo, in favour of the Lender C as security for the Loan C. The pledged shares represent approximately 3.15% of the total issued shares of the Company as at the date of the announcement dated 24 January 2025. Pursuant to the terms of the Loan C, Tianrui Group (as guarantor for the Loan C) is required to own, whether directly or indirectly, more than 50% of the entire issued share capital of the Company, upon default of which the Lender C may demand for immediate repayment of the Loan C.

As at 30 June 2025, the above specific performance obligations by the controlling shareholders of the Company continue to exist, and there was no breach of Loan A, Loan B and Loan C by the Company.

Corporate Governance and Other Important Information

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. The principle of the Company's corporate governance is to implement effective internal control measures and to increase the transparency of the Board and accountability to all shareholders.

During the reporting period, the Company had been applying the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its own code to regulate its corporate governance practice. Other than those disclosed in this section below, the Company had been in compliance with all code provisions set out in the Corporate Governance Code during the reporting period.

According to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed a new chief executive officer since the resignation of the former chief executive officer of the Company on 1 December 2015. The Company has been identifying a new chief executive officer in an active manner since then. In the meantime, the Board of the Company established an Executive Committee, which was composed of four executive Directors. The Executive Committee is in charge of the daily operation of the major businesses of the Group, and the chairman of the Board is not one of the Executive Committee members, thus ensure that the authority is not vested in the same individual.

Following the resignation of Mr. Du Xiaotang with effect from 10 March 2025, the Board comprises seven members with only two independent non-executive Directors, and the Audit Committee of the Company comprises only two members. As a result, the Company fails to meet: (i) the requirement under Rule 3.10(1) of the Listing Rules, which stipulates that every board of directors of a listed issuer must include at least three independent non-executive directors; (ii) the requirement under Rule 3.10A of the Listing Rules, which stipulates that a listed issuer must appoint independent non-executive directors representing at least one-third of the board of directors; (iii) the requirement under Rule 3.11 of the Listing Rules, which stipulates that a listed issuer must appoint independent non-executive directors to meet the minimum number required under Rule 3.10(1) or Rule 3.10A of the Listing Rules within three months after failing to meet the requirements; (iv) the requirement under Rule 3.21 of the Listing Rules, which stipulates that the Audit Committee must comprise a minimum of three members; (v) the requirement under Rule 3.23 of the Listing Rules, which stipulates that a listed issuer must appoint appropriate members to the Audit Committee to meet the requirements set out in Rule 3.21 of the Listing Rules within three months after failing to meet the requirements; (vi) the requirement under Rule 3.25 of the Listing Rules, which stipulates that the Remuneration Committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive directors; and (vii) the requirement under Rule 3.27 of the Listing Rules, which stipulates that a listed issuer must appoint appropriate members to the Remuneration Committee to meet the requirements set out in Rule 3.25 of the Listing Rules within three months after failing to meet the requirements. With effect from 27 August 2025, Mr. Jiang Senlin has been appointed as an independent non-executive Director, a member of each of the Audit Committee and the Remuneration Committee. After the appointment of Mr. Jiang Senlin, the Company re-complied with Rules 3.10(1), 3.10(A), 3.11, 3.21, 3.23, 3.25 and 3.27 of the Listing Rules.

Corporate Governance and Other Important Information

COMPLIANCE WITH MODEL CODE BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Having made specific enquiry with the Directors, all of them confirmed that they had complied with the required standards set out in the Model Code during the reporting period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Directors of the Company did not recommend the declaration of any interim dividend for the reporting period (30 June 2024: Nil).

REVIEW OF FINANCIAL INFORMATION

The Audit Committee of the Board of the Company has discussed with the Company's management and reviewed the interim results of the Group for the six months ended 30 June 2025. The financial information in the condensed consolidated financial statements of the interim results have not been audited or reviewed by the auditors of the Company.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	3, 4	2,962,658	2,583,798
Cost of sales		(2,283,587)	(1,968,735)
Gross profit		679,071	615,063
Other income	5	238,193	297,805
Impairment loss under expected credit loss model, net of reversal		4,640	9,083
(Loss) gain on changes in fair value of financial assets at fair value through profit or loss		(678)	20,404
Other gains and (losses)	6	199	(3,414)
Share of (loss) profit of associates		(25,735)	(35,729)
Selling and distribution expenses		(58,540)	(115,900)
Administrative expenses		(344,471)	(361,321)
Other expenses		(24,876)	(10,749)
Finance costs	7	(377,785)	(384,361)
Profit before tax		90,018	30,881
Income tax expense	8	(17,761)	(4,992)
Profit and total comprehensive income for the period	9	72,257	25,889
Profit and total comprehensive income for the period attributable to:			
Owners of the Company - profit attributable		73,903	28,290
Non-controlling interests - (loss attributable)		(1,646)	(2,401)
		72,257	25,889
Earnings per share			
Basic and diluted (RMB)	10	0.02	0.01

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	7,693,454	7,893,482
Long-term prepayments and receivables	13	27,106	27,106
Right-of-use assets		818,809	830,017
Mining rights		1,542,370	1,578,268
Goodwill		10,502	10,502
Interests in associates		770,536	796,271
Deferred tax assets		186,576	186,423
Pledged bank balances	15	7,136	8,980
Sub-total of non-current assets		11,056,489	11,331,049
CURRENT ASSETS			
Inventories		1,280,857	675,668
Loan receivable		—	1,000,000
Trade and other receivables	14	20,523,145	20,764,398
Amounts due from associates	16	241,397	217,259
Financial assets at fair value through profit or loss		5,939	6,879
Pledged bank balances	15	2,775,882	2,304,761
Cash, deposits and bank balances	17	467,664	915,092
Sub-total of current assets		25,294,884	25,884,057
CURRENT LIABILITIES			
Trade and other payables	18	5,502,099	5,570,861
Contract liabilities		573,738	608,995
Lease liabilities due within one year		716	896
Other financial liabilities		955,368	956,368
Amounts due to associates		240	8,931
Short-term loans from an associate	19	800,000	1,120,000
Borrowings due within one year	20	8,828,858	10,039,320
Current tax liabilities		707,714	592,197
Financial guarantee contracts		35,923	27,438
Sub-total of current liabilities		17,404,656	18,925,006

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
NET CURRENT ASSETS		7,890,228	6,959,051
TOTAL ASSETS LESS CURRENT LIABILITIES		18,946,717	18,290,100
CAPITAL AND RESERVES			
Share capital	21	37,582	24,183
Share premium and reserves		15,808,552	15,712,805
Equity attributable to owners of the Company		15,846,134	15,736,988
Non-controlling interests		236,873	238,519
TOTAL EQUITY		16,083,007	15,975,507
NON-CURRENT LIABILITIES			
Borrowings due after one year	20	2,174,748	1,683,293
Lease liabilities due after one year		138	424
Deferred tax liabilities		169,239	169,239
Deferred income		104,452	104,989
Provision for environmental restoration		68,528	70,697
Other long-term payables		346,605	285,951
Sub-total of non-current liabilities		2,863,710	2,314,593
		18,946,717	18,290,100

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Equity attributable to owners of the Company									
	Issued capital	Share premium	Capital reserve	Statutory				Total	Non-controlling interest	Total equity
				reserve fund	Other reserve	Revaluation reserve	Retained earnings			
				RMB'000	RMB'000	RMB'000	RMB'000			
	RMB'000	RMB'000	(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	24,183	1,066,648	789,990	1,694,456	950,138	31,768	10,909,253	15,466,436	319,631	15,786,067
Profit/(loss) and total comprehensive income/(expense) for the year	—	—	—	—	—	—	279,412	279,412	(65,197)	214,215
Statutory fund appropriation	—	—	—	36,438	—	—	(36,438)	—	—	—
Financial guarantee provided to related parties	—	—	—	—	(8,860)	—	—	(8,860)	—	(8,860)
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	—	(15,915)	(15,915)
At 31 December 2024 (audited)	24,183	1,066,648	789,990	1,730,894	941,278	31,768	11,152,227	15,736,988	238,519	15,975,507
Profit and total comprehensive income for the period	—	—	—	—	—	—	73,903	73,903	(1,646)	72,257
Financial guarantee provided to related parties	—	—	—	—	(8,485)	—	—	(8,485)	—	(8,485)
Transaction costs of new ordinary shares issuance	13,399	30,329	—	—	—	—	—	43,728	—	43,728
At 30 June 2025 (unaudited)	37,582	1,096,977	789,990	1,730,894	932,793	31,768	11,226,130	15,846,134	236,873	16,083,007
At 1 January 2024 (audited)	24,183	1,066,648	789,990	1,694,456	950,138	31,768	10,909,253	15,466,436	319,631	15,786,067
Profit and total comprehensive income for the period	—	—	—	—	—	—	28,290	28,290	(2,401)	25,889
At 30 June 2024 (unaudited)	24,183	1,066,648	789,990	1,694,456	950,138	31,768	10,937,543	15,494,726	317,230	15,811,956

Notes:

- Capital reserve represents the excess of capital injection over the registered capital of Tianrui Group Cement Company Limited ("Tianrui Cement"), a subsidiary of the Group, upon a group reorganisation in prior years.
- The amount mainly represented statutory reserve fund. According to the relevant laws of the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to allocate a portion of its profit after tax to statutory reserve fund. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years' losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.
- Movement in other reserves mainly represent the fair value of financial guarantee contracts at initial recognition provided to Tianrui Group Company Limited ("Tianrui Group") and its subsidiaries debited to other reserves totaling RMB148,127,000 up to 30 June 2025 (2024: RMB139,642,000).
- The revaluation reserve represents the revaluation surplus of previously held interests in associates of Tianrui Cement recognised directly in equity when Tianrui Cement acquired additional interests in those entities and obtained control.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	1,301,576	2,167,528
Investing activities		
Interest received	20,344	36,206
Payments for property, plant and equipment	(99,290)	(233,351)
Payments for right-of-use assets	—	(2,000)
Proceeds from disposal of property, plant and equipment	1,373	645
Payments for mining rights	(1,000)	(19,053)
Changes of deposits paid for acquisition of business, property, plant and equipment and prepaid lease payments	—	5,141
Decrease in restricted pledged bank balances	—	142,521
Increase in restricted pledged bank balances	(469,277)	—
Net cash used in investing activities	(547,850)	(69,891)
Financing activities		
Interest paid	(377,785)	(384,361)
Repayment of borrowings	(3,254,749)	(5,091,300)
New borrowings raised	2,751,380	3,353,247
Repayment of loan from an associate	(320,000)	(550,000)
Net cash (used in) generated from financing activities	(1,201,154)	(2,672,414)
Decrease in cash and cash equivalents	(447,428)	(574,777)
Cash and cash equivalents at beginning of period	915,092	1,174,841
Cash and cash equivalents at end of period represented by cash and bank balances	467,664	600,064

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. GENERAL INFORMATION

China Tianrui Group Cement Company Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 February 2011. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 23 December 2011. The registered office of the Company is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is located at No. 63, Guangcheng East Road, Ruzhou City, Henan 467500, the People's Republic of China (the “PRC” or “China”).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “Group”) are manufacture and sale of cement, clinker and limestone aggregate. Its immediate holding company is Yu Kuo Company Limited and its ultimate parent company is Tianrui Group Company Limited (“Tianrui Group”), which is controlled by Mr. Li Liufa and Ms. Li Fengluan, a non-executive director and an executive director of the Company, respectively.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

In the current interim period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchange Ability

The application of the amendments to IFRS Accounting Standards in the Reporting Period has no material impact on the Group's condensed consolidated financial statements. The Group has also not applied any new or amended standards that are not effective in respect of the Reporting Period.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE

Disaggregation of revenue from contracts with customers:

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Sales of cement	2,235,558	1,870,230
Sales of clinker	219,606	104,771
Sales of limestone aggregate	507,494	608,797
	2,962,658	2,583,798
Revenue recognition at a point in time	2,962,658	2,583,798

The Group sells cement, clinker and limestone aggregate directly to external customers and revenue is recognised when the control of the goods has been transferred to the customers, being when the goods have been delivered to the customers.

The Group receives deposits from certain customers when they enter into sale and purchase agreements with the Group. Such advance payments are recorded as contract liabilities and the revenue is recognised when the control of the goods is transferred to the customers.

4. SEGMENT INFORMATION

Segment information has been identified on the basis of internal management reports, which are regularly reviewed by an executive committee, which is composed of directors of the Company and top management (being the chief operating decision maker), in order to allocate resources to the operating segments and to assess their performance.

The Company's chief operating decision maker reviews the Group's internal reports which are mainly based on two broad geographical locations for the purposes of resource allocation and performance assessment. This is the basis upon which the Group is organised. Management has determined the operating segments based on these reports. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION — continued

The following is an analysis of the Group's revenue and results by reportable segments:

	Segment revenue For the six months ended 30 June		Segment profit For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Central China	2,325,756	2,131,876	27,621	92,113
Northeastern China	636,902	451,922	31,903	(47,710)
Total	2,962,658	2,583,798	59,524	44,403
Unallocated financial income/(corporate administrative expenses and financial costs)			7,043	(13,522)
Unallocated other income			23,451	—
Profit before tax			90,018	30,881

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit before tax and the unallocated corporate administrative expenses (including Directors' emoluments).

Segment revenues are derived from sales to external customers. There are no inter-segment sales.

5. OTHER INCOME

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Value-added tax refund	44,558	43,077
Incentive subsidies from the government	29,503	74,462
Interest on bank deposits	20,344	36,206
Interest income from suppliers	23,451	—
Interest income from loans to an associate	1,672	1,940
Rental income	14,655	9,395
Reversal of deferred income	537	4,982
Income from sundry operations	93,034	118,269
Software service income	7,992	7,340
Others	2,447	2,134
	238,193	297,805

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

6. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Foreign exchange gain/(loss), net	4,820	(3,454)
Gain on disposal of property, plant and equipment, net	538	40
Gain on disposal of financial assets at FVTPL	2,941	—
Other losses	(8,100)	—
	199	(3,414)

7. FINANCE COSTS

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest on:		
Bank and other borrowings	353,229	294,637
Bills discounted with recourse	24,525	89,503
Lease liabilities	31	221
	377,785	384,361

The borrowing costs on general borrowing pool capitalised are calculated by applying a capitalisation rate of 6.59% per annum (same period of 2024: 6.15% per annum) for the period ended 30 June 2025.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
— current interim period	20,744	9,570
— over-provision in prior years	(2,830)	(2,510)
Deferred tax	(153)	(2,068)
	17,761	4,992

No provision for Hong Kong profit tax has been made during both years as the Group's income neither arisen nor is derived from Hong Kong.

Certain subsidiaries of the Group operating in the PRC are eligible for preferential tax rate of 15% under relevant preferential tax policy for high-technology enterprises starting from financial year 2022 for a period of 3 years.

9. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Profit and total comprehensive income for the period has been arrived at after charging:

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation of property, plant and equipment	292,646	326,856
Amortisation of right-of-use assets	11,089	13,554
Amortisation of mining rights, included in cost of sales	36,898	26,731
Total depreciation and amortisation, in aggregate	340,633	367,141
Depreciation, labour and material costs recognised as cost of sales	2,211,246	1,968,735
Staff costs including retirement benefit	208,228	231,628

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

10. EARNINGS PER SHARE

The basic earnings per share attributable to owners of the Company for each of the Reporting Period is calculated based on the following data:

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Earnings		
Profit for the period attributable to owners of the Company	73,903	28,290

	For the six months ended 30 June	
	2025 '000 (unaudited)	2024 '000 (unaudited)
Number of shares		
Weighted average number of shares for the purpose of calculating basic earnings per share	3,083,282	2,938,282

No diluted earnings per share is presented as the Company did not have any potential ordinary shares outstanding.

11. DIVIDENDS

During the current interim period, no dividend has been paid, declared or proposed to be paid, nor has any dividend been proposed during the current interim period.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group disposed of certain plant and machinery with an aggregate carrying amount of RMB835,000 (for the six months ended 30 June 2024: RMB605,000) for cash proceeds of RMB1,373,000 (for the six months ended 30 June 2024: RMB645,000), resulting in a gain on disposal of RMB538,000 (for the six months ended 30 June 2024: RMB40,000).

As at 30 June 2025, the carrying amount of buildings, whose certificates of ownership were still being applied, was approximately RMB224,933,000 (31 December 2024: RMB231,487,000).

13. LONG-TERM DEPOSITS

As at 30 June 2025 and 31 December 2024, the amounts represent deposits and advances paid for acquisition of business, and acquisition of property, plant and equipment and land use rights.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade receivables	94,625	166,965
Less: allowances for credit losses	(30,852)	(35,492)
	63,773	131,473
Other receivables	345,566	422,702
Less: allowances for credit losses	(85,886)	(85,886)
	259,680	336,816
Bills receivables	3,953,634	3,502,789
Discounted bills with recourse	414,472	286,076
Interest receivable from Tianrui Group	—	665,363
Prepayments to suppliers	15,088,665	15,132,903
Interest receivable from suppliers	708,293	684,842
Prepayments for various taxes	34,628	24,136
	20,523,145	20,764,398

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES — continued

The aged analysis of the Group's trade receivables (net of allowances for credit losses) from the goods delivery date to the end of each Reporting Period is as follows:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 90 days	56,046	25,118
91–180 days	874	1,939
181–365 days	3,925	6,897
Over 1 year	2,928	97,519
Total	63,773	131,473

15. PLEDGED BANK BALANCES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Bank balances pledged for:		
Trade facilities	2,775,882	2,174,761
Bank borrowings granted to the Group	—	130,000
Obligation to restoration of limestone mines	7,136	8,980
	2,783,018	2,313,741
Balances classified under current assets	(2,775,882)	(2,304,761)
Balances classified under non-current assets	7,136	8,980

The pledged bank balances carry market interest rate ranging from 0.10% to 1.70% per annum as at 30 June 2025 (31 December 2024: 0.10% to 1.70% per annum).

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

16. AMOUNTS DUE FROM ASSOCIATES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Advance payments to Pingdingshan for the purchase of goods	135,191	135,600
Amounts due from Wanji Cement ((Note (i))	81,206	81,659
Amounts due from Zhengzhou Hangrui	25,000	—
Total	241,397	217,259

Note:

- (i) The amount represents the loan to Wanji Cement which is unsecured, bears interest at 5% per annum and has no fixed terms of repayment.

17. CASH, DEPOSITS AND BANK BALANCES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Cash	1,928	3,029
Bank balances	38,093	100,574
Deposits placed with Tianrui Finance (a non-bank financial institution)	427,643	811,489
	467,664	915,092

The amounts represent cash and bank balances held by the Group. As at 30 June 2025, bank balances carried interest at market rates of 0.05% to 0.95% per annum (31 December 2024: 0.46% to 1.30% per annum).

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

18. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade payables	1,254,142	1,368,667
Bills payables	3,592,017	3,296,013
Construction costs payables	216,576	213,443
Other tax payables	87,770	75,507
Other long-term payables — current portion	73,819	73,819
Other payables and accrued expenses	277,775	543,412
	5,502,099	5,570,861

The aged analysis of the Group's trade payables from the goods receipt date to the end of each Reporting Period is as follows:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within 1–90 days	774,993	781,632
91–180 days	114,482	99,716
181–365 days	111,913	115,238
Over 1 year	252,754	372,081
Total	1,254,142	1,368,667

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. LOAN FROM AN ASSOCIATE

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Short-term loan from Tianrui Finance	800,000	1,120,000

The loan from Tianrui Finance is unsecured and bears interest at the rate ranging from 2.20% to 2.77% (31 December 2024: 2.76% to 2.77%) per annum.

20. BORROWINGS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Bank borrowings:		
— Fixed-rate	7,207,927	6,130,707
— Variable-rate	416,750	1,588,300
Other borrowings from non-bank financial institutions:		
— Fixed-rate	2,108,313	2,172,707
— Variable-rate	357,144	701,789
	10,090,134	10,593,503
Bank borrowings relating to bills discounted with recourse	913,472	1,129,110
	11,003,606	11,722,613
Secured	7,947,165	7,778,783
Unsecured	3,056,441	3,943,830
	11,003,606	11,722,613

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. BORROWINGS — continued

The borrowings are repayable as follows:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Within one year or on demand	8,828,858	10,039,320
More than one year, but not exceeding two years	1,757,998	1,331,081
More than two years, but not exceeding five years	416,750	352,212
	11,003,606	11,722,613
Less: Amounts due within one year shown under current liabilities	(8,828,858)	(10,039,320)
Amounts due after one year	2,174,748	1,683,293

During the current interim period, the Group obtained new bank loans amounting to RMB2,751,380,000 (30 June 2024: RMB3,353,247,000). The loans carried interest at market rates of 2.20% to 12.00% (31 December 2024: 2.76% to 12.00%). The Directors consider that the carrying amounts of the borrowings recognised in the condensed consolidated financial statements approximate to their fair values.

21. ISSUED CAPITAL

The Company

	Number of shares	Share capital HK\$'000	RMB'000
Ordinary share of HK\$0.01 each:			
Authorised			
On incorporation	38,000,000	380	316
Additions	9,962,000,000	99,620	80,754
At 1 January 2024, 31 December 2024 and 30 June 2025	10,000,000,000	100,000	81,070
Shares issued			
At 1 January 2024 and 31 December 2024	2,938,281,647	29,383	24,183
New ordinary shares issued	145,000,000	1,450	13,399
At 30 June 2025	3,083,281,647	30,833	37,582

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. PLEDGE OF ASSETS

As at the end of each Reporting Period, the carrying amount of the assets of the Group pledged to secure the bank borrowings granted to the Group is analysed as follows:

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Property, plant and equipment	2,446,087	2,612,282
Right-of-use assets	563,450	571,862
Mining rights	683,400	678,937
Pledged bank balances	—	130,000
	3,692,937	3,993,081

23. CAPITAL COMMITMENTS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Capital expenditure of the Group in respect of acquisition of property, plant and equipment		
— contracted for but not provided for in the condensed consolidated financial statements	308,604	345,028

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

24. RELATED PARTY DISCLOSURES

In addition to the transactions and balances detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with related parties during the current interim period:

Nature of transaction	Name of related party	Note	For the six months ended 30 June	
			2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Purchase of goods	Pingdingshan Ruiping Shilong Cement Company Limited (平頂山瑞平石龍水泥有限公司)	i	30,557	6,348
Interest income	Xinan Zhonglian Wanji Cement Company Limited (新安中聯萬基水泥有限公司)		1,672	—
			32,229	6,348
Office rental expenses	Tianrui Group Company Limited (天瑞集團股份有限公司)		900	900

Note:

- i. An associate of the Group.

Financial guarantees

As at 30 June 2025, other than the authorized financial guarantee provided to related parties of approximately RMB1,540,000,000 (31 December 2024: RMB1,200,000,000), of which approximately RMB1,439,500,000 (31 December 2024: RMB1,099,500,000) were actually utilized, the Group does not have other financial guarantees. The guarantees provided to the related parties have been provided pursuant to Tianrui Cement Guarantees according to the 2022 Framework Agreement in relation to provision of mutual guarantees, the details of which are set out in the circular dated 6 December 2022.

After considering the risk of the financial guarantees, the Group recognised financial guarantee liabilities of RMB35,923,000 (31 December 2024: RMB27,438,000) in the condensed consolidated financial statements.