HUAXIN CEMENT CO., LTD.*

華新水泥股份有限公司

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

(Stock Code: 6655)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Revenue of the Company for the year 2024 amounted to approximately RMB 34.217 billion, representing an increase of 1.36% over that of 2023.

- Net profit attributable to equity shareholders of the Company for the year 2024 amounted to approximately RMB 2.416 billion, representing a decrease of 12.52% over that of 2023.

- Earnings per share for the year 2024 were RMB 1.16, representing a decrease of 12.78% over that of 2023.

Unless otherwise stated, the currency unit in this announcement is Renminbi ("**RMB**"), the lawful currency of the People's Republic of China ("**PRC**"). Unless otherwise stated, the financial information in this announcement is prepared in accordance with the China Accounting Standards for Business Enterprises ("**PRC Accounting Standards**").

I. Basic Corporate Information of the Company

1. Basic information

Company Name	Huaxin Cement Co., Ltd. ("**the Company**", together with its subsidiaries, the "**Group**")
A Shares stock abbreviation	Huaxin Cement
A Shares stock code	600801
Exchange on which A shares are listed	The Shanghai Stock Exchange
H Shares stock abbreviation	Huaxin Cement
H Shares stock code	06655
Exchange on which H shares are listed	The Stock Exchange of Hong Kong Limited ("**Stock Exchange**")

2. Contact persons and means of contact

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

II. SUMMARY OF ACCOUNTING DATA AND OPERATIONAL INFORMATION

1. Accounting data prepared in accordance with the PRC Accounting Standards (major accounting data and financial indicators for the preceding three years)

(Unit: RMB)

Items	2024	2023	Year-on-year change (%) between 2024 and 2023	2022
Revenue	34,217,347,727	33,757,087,272	1.36	30,470,382,363
Net profit attributable to equity shareholders of the Company	2,416,280,487	2,762,116,715	-12.52	2,698,868,510
Net profit after extraordinary items attributable to equity shareholders of the Company	1,784,428,724	2,322,113,737	-23.15	2,578,634,452
Basic earnings per share (RMB/share)	1.16	1.33	-12.78	1.30
Diluted earnings per share (RMB/share)	1.13	1.32	-14.39	1.28
Basic earnings per share after extraordinary items (RMB/share)	0.86	1.12	-23.21	1.24
Return on net assets, weighted average (%)	8.16	9.82	Decreased by 1.66 percentage points	10.03
Return on net assets after extraordinary items, weighted average (%)	6.02	8.26	Decreased by 2.24 percentage points	9.58
Net cash flow generated from operating activities	5,977,317,233	6,235,555,071	-4.14	4,567,694,220

During the reporting period, the Company adjusted the provisional value of the investee Natal Portland Cement Company (Pty) Ltd. in 2023 in accordance with the Accounting Standards for Enterprises, and restated the consolidated balance sheet as of December 31, 2023.

III. SHAREHOLDERS

1. Shareholders

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

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

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

Notes:

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

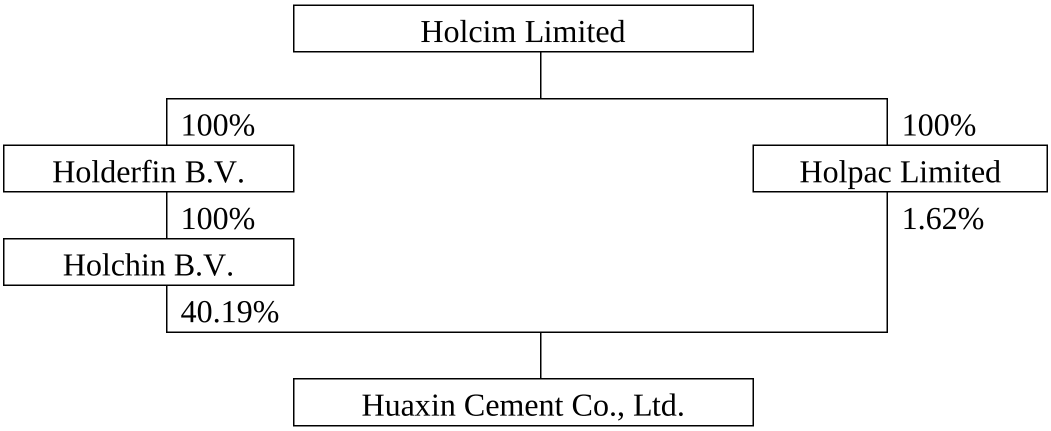
(2) The shares mentioned above are not subject to any trading restrictions.

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

2. Information on the controlling shareholder and de facto controller

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

As at 31 December 2024, Holcim Limited was the controlling shareholder as well as the de facto controller of the Company. The following chart sets out the shareholding relationship structure between the Company and Holcim Limited:



3. 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 listed securities of the Company.

IV. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company has been in compliance with all the applicable principles and code provisions as set out in the CG Code during the Reporting Period.

V. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

VI. REVIEW OF RESULTS BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises five Directors, being Mr. XU Yongmo, as Chairman of the Board and non-executive Director, Mr. LO Chi Kong, as non-executive Director, and Mr. WONG Kun Kau, Mr. ZHANG Jiping and Mr. JIANG Hong, as independent non-executive Directors. The financial report and results announcement of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee. All of the Directors agree and confirm their individual and collective responsibility for preparing the accounts as contained in the financial report for the year under review. The Directors are responsible for the preparation of the financial statements for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the financial status, the results of operations and cash flows of the Group. In preparing the financial statements for the year ended 31 December 2024, applicable accounting policies have been adopted and applied consistently.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been reconciled by the Group's auditor, Ernst & Young Hua Ming LLP, with the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Ernst & Young Hua Ming LLP in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young Hua Ming LLP on the preliminary announcement.

VII. MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS OF THE GROUP

(I).Overview of Operation and Development

Business Highlights

Resilient operation efficiency	• Revenue reached RMB **34.217** billion, with a year-on-year increase of **1.36%** • Net profit attributable to equity shareholders of the Company reached RMB **2.416** billion, demonstrating resilience in hardship
Remarkable achievement in the integrated development	• Aggregate sales reached **143.23** million tons, with a year-on-year increase of **9%** • Concrete sales reached **31.81** million cubic meters, with a year-on-year increase of 17**%** • Eco disposal volume reached 4.41 million tons, with a year-on-year increase of 50,000 tons
Significant progress in the overseas expansion	• Revenue reached RMB **7.984** billion, with a year-on-year increase of **47%** • Overseas sales of cement reached **16.20** million tons, with a year-on-year increase of **37%** • Overseas capacity exceeded **22.50** million tons/year, with a year-on-year increase of **8%** • Closing the deal of cement project in Nigeria and aggregate project in Brazil, accelerating the global presence
Dedicated to green and low-carbon development	• The Group's blended thermal substitution rate reached **21.66%**, with an increase of **1.66** percentage points from 2023; it reached **26.71%** domestically, with an increase of **3.71** percentage points from 2023 • The comprehensive energy consumption of domestic kiln lines was **94.03** kgce/t, with a year-on-year decrease of 0.67 kgce/t, with 31 kiln lines reaching the benchmark level, accounting for **63%**. • The intensity of direct emission of carbon dioxide per ton of cement in China (scope 1) was **583.26** kg, with a year-on-year decrease of 2.61 kg

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

- Upholding the development strategy. Upgrading the former strategy of "Integrated development, overseas expansion, new building material expansion, traditional industry + digital innovation" to current "overseas multiple businesses, domestic integration synergy, carbon reduction and value-added innovation, driven by digitalized AI", and committed to the long-term strategic goal of "building a globally leading multinational corporation in building materials industry".
- Reshuffling organization structure. Dividing the organization structure into three sectors of *business operation, business management and business support* to define responsibilities and roles clearly, maximize efficiency and profit, converge the management with business synergy to the maximum extent and achieve breakthroughs in people's mind and organization capability
- Expediting global presence. During the Reporting Period, the new clinker line with 3,000 tons clinker/day in the Nacala plant in Mozambique was commissioned; the biomass power generation plant in Maweni in Tanzania was connected to the grid and generated electricity; the 2,000 tons clinker/day production capacity was upgraded to 3,000 tons/day in the Chilanga plant in Zambia; the 1,217 tons clinker/day production capacity was renovated to 2,500 tons/day in Ndola; 3,300 tons clinker/day production capacity was upgraded to 5,500 tons/day in the South Africa plant; the new line of 2,000 tons clinker/day production capacity in Malawi was developed; 300,000 tons/year grinding station in Zimbabwe moved forward successfully; successful completion of the acquisition of assets to increase cement production capacity in Nigeria to 10.60 million tons per annum and aggregates production capacity in Brazil to 8.8 million tons per annum. By the end of 2024, the capacity operated and being built in overseas countries is over 25 million tons.
- Technology innovation fuels growth momentum. During the Reporting Period, the Company has developed the ultra-high performance concrete with compressive strength over 600MPa, the first of its kind domestically; self-developed grinding aids and mortar have been applied in African plants; super low cost ductal and synthetic water reducers have been widely used; the Company obtained 19 patent licenses and 8 patent license for utility model.
- Consolidated digital innovation foundation and capability. During the Reporting Period, HIAC system has been launched in 8 cement plants, HATS system has been established in 5 aggregate plants, and HOPE system (a production expert system for the overseas plants) has been deployed in Gayur plant and Zambia, facilitating the plants in cutting cost and increasing efficiency. The "Key Technology of Low Carbon Intelligent Manufacturing of Cement" led by the CEO and executive Director, Li Yeqing, was selected for the National Industry and Information Energy Saving and Low Carbon Technology Equipment Catalogue and won the Annual Sole Innovation Award of World Cement Association. The information and industry fusion has acquired the 3A authentication, being the highest level nationally. Information security projects have been shortlisted as Top 20 Excellent Internet Security Project in China. 6 plants including Cantian, Zigui and Wuxue have been awarded the "intelligent plant", "digital workshop" and "5G plants" at the municipal level.
- Constant dedication to sustainable development. For the year, the consumption of alternative fuels reached 4.41 million tons, increased by 50,000 tons as compared to last year; combined TSR of the Company reached 21.66%, representing a 1.66 percentage points increase compared to the previous year. Domestically, TSR has shown a significant increase of 3.71 percentage points, reaching 26.7%. Diwei plant's project, aimed at achieving zero fossil fuel consumption and referred to as the "dissecting sparrow" initiative, has successfully met the acceptance

criteria, demonstrating a fuel substitution rate of 63.43%. The production was successfully shortlisted as 2024 Global Low-Carbon Development Cases by the GCCA. Furthermore, Honghe plant has been designated as a 2024 National “Green Plant”, with Lincang, Yichang, and Daye plants receiving provincial-level “Green Plant”.

- Concentrating on cost management to enhance competitiveness. Indicator benchmarking has been widely applied to improve organization and efficiency to achieve 100% unified procurement. The procurement of raw material per ton cement achieved six consecutive reductions. New energy vehicle projects have been launched in and out of China to tap the potential of reducing logistic cost and initial results were gained.
- Rein in credit risks. By adhering to a cash-centric business model, the Company scaled down the credit, enhanced customer sentiment monitoring and risk early warning mechanisms, and aggressively cleared long-term receivables to mitigate the risk of bad debts, thereby successfully achieved its annual accounts receivable control target and no instances of acceptance overdue occurred.
- Consistent and wide social recognition. During the Reporting Period, the Company has been awarded with several significant recognitions including the “National May Day Labor Award”, and the distinction of being approved as one of the first “Low-Carbon Standardization Workstations in the Building Materials Industry (Cement)” by the China Building Materials Federation, an honor shared by only three companies in the industry. The collaborative project with Huazhong University of Science and Technology, focusing on Key Technology of Synergy Control of Deep Dehydration of Sludge and Recycling of Pollution and Carbon Reduction was awarded the first prize of the Hubei Province Science and Technology Progress Award for 2023. Additionally, the Company received the first prize of the 31st National Enterprise Management Modernization Innovation Achievements, the “SSE·Gold Quality Corporate Governance Award”, Exemplary ESG Practices in the Building Materials Industry, 2024 ESG Model Enterprise Avant-garde for Technology Innovation, CGMA China Region Excellent Management Accounting Practice.

(II) Major operational information during the Reporting Period

1. Analysis of revenue and cost

Major business performance by products

(Unit: RMB)

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

Major business performance by geographical locations

(Unit: RMB)

Areas	Operating revenue	Operating costs	Gross profit margin (%)	Year-over-year change in operating revenue (%)	Year-over-year change in operating costs (%)	Year-over-year change in gross profit margin (percentage point)
East China Region	6,701,466,182	5,001,283,037	25.37	-1.68	-6.56	Increased by 3.89 percentage points
Central China Region	11,104,144,624	8,852,008,428	20.28	-5.05	0.79	Decreased by 4.62 percentage points
South China Region	510,533,563	555,639,727	-8.84	-29.76	-19.13	Decreased by 14.31 percentage points
South West Region	7,857,909,753	5,983,422,723	23.85	-12.98	-11.9	Decreased by 0.94 percentage points
Overseas	8,043,293,605	5,378,167,926	33.13	46.52	71.96	Decreased by 9.89 Percentage points
Total	34,217,347,727	25,770,521,841	24.69	1.36	4.16	Decreased by 2.02 percentage points

During the Reporting Period, operating revenue increased by RMB 0.46 billion year-on-year. The sales volume of cement and clinker decreased by 1.64 million tons (2.6%) with the sales revenue decreased by RMB 0.488 billion(2.53%). The sales volume of ready-mix concrete ("**RMX**") increased by 4.54 million cubic meter (17%) with the sales revenue increased by RMB 0.763 billion(10%). The sales volume of aggregate increased by 11.86 million tons (9%) with the sales revenue increased by RMB 0.278 billion (5.2%).

During the Reporting Period, operating cost increased by RMB 1.03 billion as compared to last year, including an increase in the sales volume of RMX and aggregate, with a cost increase of RMB 0.971 billion.

By regions, the decline in domestic cement and clinker sales has led to a decrease in operating revenue in all regions. However, with the completion of overseas mergers and acquisitions and equipment upgrades, overseas revenue has increased by 46.5%.

2. Analysis of costs and expenses

By products

(Unit: RMB)

Product	Cost item	Current period amount	Proportion of the total cost (%)	Same period of last year	Proportion of the total cost (%)	Change over the same period of last year (%)
Cement	Raw materials	1,377,501,642	10.0	1,833,027,915	13.7	-24.9
	Fuel and power	7,364,297,544	53.6	7,635,120,047	56.9	-3.5
	Depreciation and amortization	1,375,815,703	10.0	1,013,868,363	7.6	35.7
	Labor and Others	3,630,174,175	26.4	2,943,711,247	21.8	23.3
Clinker	Raw materials	34,911,356	5.4	58,417,908	6.9	-40.2
	Fuel and power	407,494,731	62.5	569,638,378	67.5	-28.5
	Depreciation and amortization	66,595,611	10.2	65,597,152	7.8	1.5
	Labor and Others	143,026,743	21.9	150,165,627	17.8	-4.8
Concrete	Raw materials	4,460,977,030	60.3	3,980,483,868	61.5	12.1
	Fuel and power	511,051,961	6.9	264,493,079	4.1	93.2
	Depreciation and amortization	500,623,275	6.8	450,460,019	7.0	11.1
	Labor and Others	1,931,332,063	26.0	1,772,463,250	27.4	9.0
Aggregate	Raw materials	541,376,030	18.4	256,138,557	8.8	111.4
	Fuel and power	289,573,225	9.9	290,369,055	10.0	-0.3
	Depreciation and amortization	604,326,731	20.6	861,664,269	29.7	-29.9
	Labor and Others	1,502,796,747	51.1	1,494,827,121	51.5	0.5

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

(Unit: RMB)

Item	Current period	Same period of last year	Change (%)
Selling and distribution expenses	1,499,740,302	1,518,891,019	-1.26
General and administrative expenses	1,880,021,968	1,819,305,056	3.34
Finance costs	686,475,224	698,520,798	-1.72

3. Profitability

(Unit: RMB)

Item	Current period	Same period of last year	Change (%)
Operating revenue	4,223,787,895	4,351,500,618	-2.93
Profit before tax	4,111,907,292	4,326,247,137	-4.95
Net profit attributable to shareholders of the Company	2,416,280,487	2,762,116,715	-12.52

During the Reporting Period, the Company overcame the adverse impact of the continued decline in domestic cement demand and achieved breakthroughs in overseas development. The sales volume of cement decreased slightly compared with last year; in the meantime, the integration development made remarkable progress, as evidenced by an increase in aggregate and RMX sales. The total profit decreased by RMB 214 million as compared with last year, in which the net profit attributable to the shareholders of the Company decreased by RMB 346 million.

4. Financial positions

Assets and Liabilities

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

(unit: RMB)

Item	31 December 2024	% in the total assets	31 December 2023 (Restatement)	% in the total assets	Change over the 31 December 2023(%)	Remarks
Financial assets held for trading	31,704,908	0.05	1,495,675	-	2,019.77	Increase of monetary fund
Accounts receivable	2,969,799,883	4.27	2,259,496,157	3.29	31.44	Expansion of the concrete business scale
Financing with receivables	511,791,354	0.74	746,018,692	1.09	-31.40	Increase notes transfer
Other receivables	1,237,502,508	1.78	747,268,432	1.09	65.60	Increase in receivables from asset disposals
Other current assets	616,550,620	0.89	1,459,951,396	2.12	-57.77	Decrease of fixed term deposit
Debt investments	-	-	7,500,000	0.01	-100.00	Reclaim investment
Long-term receivables	46,718,185	0.07	80,976,447	0.12	-42.31	Receivables to be due transferred to current assets
Other non-current financial assets	38,143,738	0.05	26,807,920	0.04	42.29	price of securities held by the Company
Short-term borrowings	296,807,055	0.43	644,333,928	0.94	-53.94	Adjusting debt structure
Debentures payable	2,445,745,035	3.52	3,964,479,030	5.77	-38.31	Corporate bonds to be due transferred to current liabilities
Long-term payables	836,919,326	1.20	330,821,706	0.48	152.98	Increase in the consideration for transferring quarry right

Analysis of cash flow

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

(Unit: RMB)

Item	Amount for current period	Amount for same period of last year	Change (%)
Net cash flows from operating activities	5,977,317,233	6,235,555,071	-4.14
Net cash flows from investing activities	-3,672,026,564	-6,453,904,653	43.10
Net cash flows from financing activities	-1,472,260,983	-951,747,856	-54.69

Net cash outflow from investing activities decreased by RMB 2.782 billion during the Reporting Period compared with last year, mainly due to the decrease in M&A expenditure.

Net cash outflow from financing activities increased by RMB 0.521 billion during the Reporting Period compared with last year, mainly due to the increase in repayment of maturing corporate bonds

Analysis of liquidity

(Unit: RMB)

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

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

(III) Material Acquisitions and Disposals of Subsidiaries and Associated Companies

1.Matters related to the Connected Transaction of the Acquisition of Assets in Nigeria From Holcim

On 1 December 2024, the wholly-owned subsidiaries of the Company, Hainan Huaxin Pan-African Investment Co., Ltd. and Huaxin (Hong Kong) International Holdings Co., Ltd., entered into a Share Purchase Agreement with Holderfin B.V., a limited liability company registered in the Netherlands. Pursuant to this agreement, Hainan Huaxin Pan-African Investment Co., Ltd. will acquire 100% of the equity interest in Caricement B.V. from Holderfin B.V. for a cash consideration of USD560,440,000, subject to customary downward adjustments in line with the value impairment clause. Furthermore, on the condition that Associated International Cement Limited transfers the 27.77% interest in Lafarge Africa Plc to Davis Peak Holdings Limited, Huaxin (Hong Kong) International Holdings Co., Ltd. shall acquire 100% of the equity interest in Davis Peak Holdings Limited for a cash consideration of USD 277,690,000, subject to customary downward adjustments in line with the value impairment clause. As Holderfin B.V. is a subsidiary of Holcim Limited, the transaction contemplated in the Share Purchase Agreement constituted a connected transaction of the Company. The highest applicable percentage ratio in respect of this Acquisition is more than 25% but less than 100% and hence it constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 1 December 2024.

On 19 March 2025, the first extraordinary general meeting approved the Proposal on the Connected Transaction of the Acquisition of Holcim's Assets in Nigeria.

2. Matters related to the acquisition of equity interests in the Brazilian aggregate project

On 16 December 2024, Huaxin (Hainan) Investment Co., Ltd., a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with the sellers (11 natural persons) to acquire 100% of the equity interest in ITATUBA PARTICIPAÇÕES LTDA and 40% of the equity interest in EMBU S.A. ENGENHARIA E COMÉRCIO. As at all material dates and the date of this announcement, ITATUBA PARTICIPAÇÕES LTDA holds 60% of the shares of EMBU S.A. ENGENHARIA E COMÉRCIO. As the highest applicable percentage ratio in respect of the acquisition exceeds 5% but less than 25%, the acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

The acquisition was completed on 17 March 2025 and an initial consideration of USD176.9 million was paid. Both target companies become indirect wholly-owned subsidiaries of the Company and therefore the financial results of the target companies will be consolidated into the consolidated financial statements of the Group. For further details, please refer to the announcements of the Company dated 16 December 2024, 6 January 2025 and 18 March 2025.

3. Asset Sale by Controlling Wholly-Owned Subsidiary

On 25 December 2024, Yunnan Huaxin Dongjun Cement Co., Ltd. ("**Dongjun Cement**"), with Yunnan State-owned Cement Kunming Company, signed a Compensation Agreement on the Expropriation of Land Use Right and Structures, Affiliates and Equipment of Yunnan Huaxin Dongjun Cement Co., Ltd with the government of Changshui Street, Guandu District, Kunming, Yunnan. This agreement pertains to the transfer of state-owned land use rights and associated auxiliaries for a compensation amount of RMB 850 million.

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

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

(IV) Connected Transaction

During the Reporting Period, the connected transactions that the Group is required to disclose are detailed in the section titled "Matters related to the Connected Transaction of the Acquisition of Assets in Nigeria From Holcim". Apart from this, there are no other connected transactions that are required to be disclosed under the Listing Rules.

(V) Outlook for 2025

1. Industrial pattern and trend of development

(1) Macro situation of the domestic building materials industry

2025 will be the concluding year of the “14th Five-Year Plan”, and also the year for planning the “15th Five-Year Plan”. In December 2024, the Central Economic Work Conference highlighted more proactive fiscal policy and moderately easing monetary policy, prioritizing stimulating household consumption, enhancing investment returns, and expanding domestic demand on all fronts as the first strategic priority of the nine major tasks. In respect of the industry, the central government has clearly proposed to stabilize the real estate and stock market, implement more proactive and effective macro policy, moderately ease monetary policy, more proactive fiscal policy, comprehensive measures for the “involution” competition, which is expected to bolster the rebound and quality development of the industry. The cement industry in China faces both opportunities and challenges in 2025. The industry outlook is as follows:

The decline of overall domestic demand for building materials is expected to narrow down. The policy of stabilizing growth is implemented gradually. Diffusing debts alleviates the financial pressures faced by local governments. Additionally, the issuance of special bonds provides significant support for the development of “two key areas” and “two new areas” projects. Concurrently, a slew of supportive policies aimed at “stabilizing the real estate market” has led to marginal improvements in the real estate industry, suggesting a potential increase in demand for building materials. However, the market is still subject to the prevailing downturn in the real estate sector and the evolving structure of infrastructure investment, resulting in sustaining pressure on demand.

Overcapacity exacerbates in the cement industry, and new policy is expected to ease the supply demand imbalance. The weakening demand for cement has increasingly highlighted the problem of overcapacity, making it a key focus of the current supply-side structural reform in the industry. Capacity replacement and regulating the capacity of the cement industry will guide enterprises to comply with production, accelerate the effective clearing of inefficient capacity, and promote industry mergers and acquisitions and integration to enhance concentration. Coupled with normalized off-peak production and eco measures to contract the output, the industry structure of cement is expected to improve and the contradiction between supply and demand is to be eased for a certain period.

Energy conservation, emission reduction, green and low-carbon initiatives, digital intelligence, and extending the industrial chain have become the leading directions for the high-quality development of the industry. With the continuous advancement of China’s “dual carbon” goal, the cement industry will accelerate its transformation towards greener, more intelligent, and more digitized development. Leading cement enterprises will continue to expand their industrial chains, increase investment in technological innovation, promote industry-wide co-processing and utilization of solid wastes, promote digitized and intelligent transformation, and expand into new energy sources. This will significantly enhance energy efficiency and resource utilization levels. Inefficient cement production capacity that fails to meet efficiency and emission standards will gradually phase out.

Driven by the “anti-involution”, the market environment and industry profit are expected to improve. As the “anti-involution” becomes the consensus of the industry, new policies of capacity replacement gradually come into play. The demand and supply in the industry is hereby to improve as well. Cement price is predicted to bottom out and motivate the whole industry to rebound.

(2) Macro industry situation in related international markets

According to the latest World Economic Outlook published by International Monetary Fund, the global economy growth will remain stable but weak. The growth rate is to stand at 3.2% in 2025. The economic development of the countries where the Company's overseas business operates are expected to be ahead of the regional average and is expected to achieve a better development trend. Among them, Kyrgyzstan, Uzbekistan, Cambodia, Tanzania, and Zambia are expected to achieve rapid economic development of 5% or more in 2025.

According to a survey conducted by On Field Investment Research, global cement demand is expected to be steady between 2024 and 2030. Cement market in Turkey, China and Europe are expected to show the weakest trend while the cement market in Sub-Saharan Africa, India, and North America are expected to grow, with an increase of 77%, 42% and 20% by 2030 respectively. The countries where the Company's overseas business operates mostly maintain a growth trend in cement demand.

2. Development strategy of the Company

In 2025, in spite of complex situations, the Company will stay firm with confidence and implement targeted measures, promote the corporate culture of "integrity, dedication, pragmatism, innovation," and adhere to the values of "safety first, customer centric, result orientated, act with integrity, innovative development and people oriented" to pursue the corporate vision of "Beautiful world starts with us". Following the mission of "Clean our living environment, supply reliable building material", the Company will strive to implement and deepen four strategies, being"Multiple business development overseas, domestic integrated synergy, carbon reduction and value-added innovation, and driven by digital AI". The Company will accelerate the high-end, green and intelligent transformation, while pioneering in low carbon and sustainable development to drive Huaxin Cement in becoming a global enterprise.

3. Business Plan

(1) Completion of the 2024 business plan

In 2024, the Company withstood the pressure of declining demand and fierce competition, achieving 96% of the annual budget in cement and clinker sales volume, 104% of the RMX sales, 92% of the aggregate sales, and recognizing operating income of RMB 34.217 billion and fulfilling 92.48% of the annual budget.

In 2024, the actual budget completion rate on overall investment was 68.30%. By the end of 2024, total assets of the Company were RMB 69.513 billion and the asset-liability ratio was 49.80%.

(2) Business Plan for 2025

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

In 2025, the Company plans to invest RMB 13.3 billion, mainly for the construction in the production capacity of aggregate, overseas cement and alternative fuels.

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

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

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

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

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

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

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

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

[7] Accelerating the new energy vehicle project to tap potential and enhance efficiency in the supply chain. Speed up efforts to electrify quarry and logistics. Facilitate the use of electric trucks to lower logistics cost. Carry out highly frequent, less and low inventory for the coal procurement. Stick to the strategy of “direct procurement + market bidding” to lower the cost of raw materials.

[8] Establish a global talent cultivation and incentive system to solidify the foundation of talent. Launching diversified and application-oriented training initiatives, aimed at fostering internationally elite professionals. Promoting talent management programs, the cultivation of talents in aggregate, and RMX businesses and improve the talent ladder at all levels. With a global perspective, expanding overseas recruitment channels through market-based strategies, ensuring the acquisition of international talents

aligning with the Company’s standards. Additionally, reform the compensation and incentive structure, along with the optimization of performance-based reward systems to enhance employee motivation and creativity.

4. Potential Risks

Drop in the domestic demand for cement and severe overcapacity may result in declining performance. In the medium and long term, with the continuous variation of the Chinese investment structure, the demand for cement will show a downward trend or become normalized. The slow progress of the cement industry in removing production capacity, imbalance between supply and demand will become increasingly prominent and utilization rate of clinker is still low, which will intensify market competition. Continued pressure on cement prices will have an adverse impact on the operating performance of the Company.

Risks of safe production and compliant operation of low carbon and emission. The Company’s production operations cover quarry exploitation, cement and cement product production, hazardous waste, household garbage, sludge disposal and other businesses. The PRC government increasingly enforces stringent requirements on enterprise safety production and emission cuts and reducing carbon, especially the Guiding Opinions on the Special Initiative of Energy Conservation and Carbon Reduction in the Cement Industry. Any accident of safety and emission in production, or the energy consumption of plants fails to reach the benchmark will damage the reputation and bring financial loss to the Company, and will have an adverse impact on the Company's operations.

Risks of surging production cost. The energy market has many uncertainties due to the overseas situation, supply demand landscape and policies. With the “dual carbon” objectives, the requirements for energy consumption, carbon reduction, safety, eco protection, transportation overload and quarry treatment will be increasingly stricter. Therefore, enterprises need to invest more in technology upgrade, hence adding further burden on production cost factors.

Risk of international operation and foreign exchange rate. Overseas multi business development is one of the four strategies of the Company. The current international situation is complicated. Factors such as geopolitical conflicts, economic and trade disputes, financial market turmoil, and commodity price fluctuations have increased the risk of instability and uncertainty in the development of the global economy. In addition, the political, economic, social, and religious complexities of different countries, as well as the differences in legal systems, together with fluctuations in exchange rates and its foreign reserves, will bring challenges to the Company's international business development.

To cope with the above risks, the Company will take the following measures to enhance competitiveness and resilience:

[1] The Company shows the sense of responsibility of a large enterprise to actively implement national policies and measures such as “supply-side structural reform” to promote a healthy development of the industry.

[2] The Company insists on developing concept of green and low-carbon building materials through the life cycle, adhering to the concept of "safety and eco-friendly” as the bottom line of production, setting a benchmark for clean and civilized production in the industry, and increasing investment in safe and eco protection to further eliminate/prevent potential environmental risks.

[3] Aligning with the Company’s internal business core competitiveness model of business, the Company proactivity restructures or disposes of production capacity with depleted resources or relatively poor competitiveness, and reasonably adjust and optimize the distribution of production capacity.

[4] The Company strives to optimize emission to lower energy consumption and fuel cost. Through the upgrade of technology and digital innovation to use electric trucks for logistics and adopt multiple measures to squeeze production, procurement and logistics costs.

[5] The Company will strengthen and refine the marketing ability, and focus on the core markets, valuable clients and smart marketing to improve efficiency.

[6] The Company will further optimize the employment and human resources mechanism to promote sustainable, stable and healthy development of the Company.

[7] The Company will actively implement various risk hedging strategies to reduce regional economic and foreign exchange risk exposure.

VIII. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Reporting Period and up to the date of this announcement.

IX. RECOMMENDED DIVIDEND DISTRIBUTION

The net profit of the Company in 2024 amounted to RMB 1,928,498,891, and the consolidated net profit attributable to the shareholders of the Company amounted to RMB 2,416,280,487. The amount of profits of the Company available for distribution was RMB10,748,397,602 as at 31 December 2024.

The Board proposes that on the basis of the total 2,078,995,649 shares, a cash dividend of RMB 0.46 per share (incl. tax) shall be distributed to all shareholders of the Company. The balance will be booked as undistributed profit. The Board also proposes that no capital reserve shall be converted into share capital for 2024.

The profit distribution plan is subject to consideration and approval at the 2024 annual general meeting of the Company (the "**AGM**"). Notice of the 2024 AGM will be published in due course to announce the date of 2024 AGM and the related closure of register of members for H Shares arrangements and the arrangement of closure of register of members for H Shares for the final dividend.

X. FINANCIAL INFORMATION

Financial information extracted from the audited consolidated income statement and consolidated cash flow statement of the Group for the year ended 31 December 2024 and the audited consolidated balance sheet as at 31 December 2024, together with the 2023 comparative figures, which were prepared under the PRC Accounting Standards, are presented as follows:

1. CONSOLIDATED BALANCE SHEET

(Unit: RMB)

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

(Unit: RMB)

Items	Notes	As at 31 December 2024	As at 31 December 2023
			(Restatement)
Current liabilities:			
Short-term borrowings		296,807,055	644,333,928
Notes payable		675,782,946	935,465,582
Accounts payable	4（3）	7,744,026,328	7,827,004,238
Contract liabilities		715,946,303	717,019,466
Employee benefits payable		280,892,309	325,816,159
Taxes payable		755,744,542	705,993,128
Other payables		1,011,487,419	1,046,309,303
Non-current liabilities due within one year		6,619,044,244	6,619,044,244
Other current liabilities		69,172,946	66,563,047
Total current liabilities		18,168,904,092	18,989,407,746
Non-current liabilities:			
Long-term borrowings		9,598,770,711	8,623,019,715
Bonds payable		2,445,745,035	3,964,479,030
Including: preferred shares		149,725,053	147,690,327
Lease liabilities		1,128,631,065	1,348,727,671
Long-term payables		836,919,326	330,821,706
Long-term employee benefits payable		57,915,052	57,915,052
Provisions		917,006,487	791,598,488
Deferred income		251,857,383	264,404,822
Deferred tax liabilities		1,109,442,589	961,556,523
Other Non-current liabilities		99,693,000	99,693,000
Total non-current liabilities		16,445,980,648	16,443,145,076
Total liabilities		34,614,884,740	35,432,552,822
Shareholders' Equity:			
Share capital		2,078,995,649	2,078,995,649
Capital reserve		1,580,482,247	1,586,014,852
Less: Treasury shares		64,638,011	62,203,991
Other comprehensive income		(484,891,409)	(548,746,925)
Special reserve		51,893,030	63,717,385
Surplus reserve		1,111,880,257	1,111,880,257
Retained profits		26,017,705,413	24,703,292,620
Total equity attributable to owners of the Company		30,291,427,176	28,932,949,847
Non-controlling interests		4,606,377,271	4,382,363,067
Total equity		34,897,804,447	33,315,312,914
Total liabilities and equity		69,512,689,187	68,747,865,736

2. CONSOLIDATED INCOME STATEMENT

(Unit: RMB)

Items	Notes	2024	2023
I. Total operating income	4（4）	34,217,347,727	33,757,087,272
Including: Operating income		34,217,347,727	33,757,087,272
Less: Total operating costs		30,884,987,852	29,824,159,526
Including: Cost of sales	4（4）	25,770,521,841	24,741,414,727
Taxes and surcharges		809,484,078	744,928,971
Selling expenses		1,499,740,302	1,518,891,019
Administrative expenses		1,880,021,968	1,819,305,056
Research and development expenses		238,744,439	238,744,439
Finance cost	4（5）	686,475,224	698,520,798
Including: Interest expenses		802,402,368	722,067,696
Interest income		185,025,914	132,479,213
Add: Other income		222,642,959	175,071,378
Investment income		79,875,448	59,287,160
Including: Income from investments in associates and a joint venture		31,896,732	21,308,548
Gains (Losses)from changes in fair value		11,046,850	(36,444,365)
Impairment losses on credit		(91,245,713)	(67,940,915)
Impairment losses on assets		(80,734,034)	(137,928,755)
Gains(Loss) on disposals of assets		749,842,510	426,528,369
II. Operating profit		4,223,787,895	4,351,500,618
Add: Non-operating income		29,628,732	62,786,683
Less: Non-operating expenses		141,509,335	88,040,164
III. Profit before tax		4,111,907,292	4,326,247,137
Less: Income tax expense	4（6）	1,158,438,222	1,108,149,035
IV. Net profit		2,953,469,070	3,218,098,102
(i) Classified by continuity of operations			
1. Net profit from continuing operations		2,953,469,070	3,218,098,102
2. Net profit from discontinued operations		-	-
(ii) Classified by ownership of the equity			
1. Net profit attributable to the owners of the Company		2,416,280,487	2,762,116,715
2. Non-controlling interests		537,188,583	455,981,387

(Unit: RMB)

Items	Notes	2024	2023
V. Other comprehensive income, net of tax		90,828,586	(422,303,449)
Other comprehensive income attributable to owners of the Company, net of tax		63,855,516	(373,489,441)
(i) Other comprehensive income that cannot be reclassified to profit or loss investments		(22,582,380)	(36,162,319)
1. Changes in fair value of other equity instrument		(22,582,380)	(36,162,319)
(ii) Other comprehensive income to be reclassified into profit or loss		86,437,896	(337,327,122)
1. Exchange differences on translation of financial statements denominated in foreign currencies		86,437,896	(337,327,122)
Other comprehensive income attributable to minority interests, net of tax		26,973,070	(48,814,008)
VI. Total comprehensive income		3,044,297,656	2,795,794,653
Total comprehensive income attributable to owners of the Company		2,480,136,003	2,388,627,274
Total comprehensive income attributable to minority interests		564,161,653	407,167,379
VII. Earnings per share	4（7）		
(i) Basic earnings per share (RMB)		1.16	1.33
(ii) Diluted earnings per share (RMB)		1.13	1.32

3. CONSOLIDATED CASH FLOW STATEMENT

(Unit: RMB)

Items	Notes	2024	2023
I. Cash flows from operating activities:			
Cash receipts from sale of goods or rendering of services		30,615,810,728	30,570,922,906
Receipts of tax refunds		58,426,521	79,062,239
Other cash receipts relating to operating activities		538,600,790	371,280,226
Subtotal of cash inflows from operating activities		31,212,838,039	31,021,265,371
Cash payments for goods purchased and services received		17,523,662,001	17,099,349,714
Cash payments to and on behalf of employees		2,907,520,362	2,552,757,596
Payments of various types of taxes		3,303,231,821	3,524,544,060
Other cash payments relating to operating activities		1,501,106,622	1,609,058,930
Subtotal of cash outflows from operating activities		25,235,520,806	24,785,710,300
Net cash flows from operating activities		5,977,317,233	6,235,555,071
II. Cash flows from investing activities:			
Cash receipts from redemption of investments		1,719,071,424	3,236,801,613
Cash receipts from investment income		48,924,053	24,254,545
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		439,000,463	220,665,903
Other cash receipts relating to investing activities		43,600,000	270,418,412
Subtotal of cash inflows from investing activities		2,250,595,940	3,752,140,473
Cash payments for acquisition of fixed assets, intangible assets and other long-term assets		4,534,814,767	4,850,149,645
Cash payments for investments		1,105,300,000	3,230,000,000
Net cash payments for acquisition of subsidiaries and other business units		101,791,361	2,100,895,481
Cash payments for other investing activities		180,716,376	25,000,000
Subtotal of cash outflows from investing activities		5,922,622,504	10,206,045,126
Net cash flows from investing activities		(3,672,026,564)	(6,453,904,653)

(Unit: RMB)

Items	Notes	2024	2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		446,315,472	221,161,655
Cash receipts from borrowings		5,339,388,052	4,977,397,505
Cash receipts from issuance of bonds		1,096,390,560	798,993,208
Other cash receipts relating to financing activities		136,420,406	111,819,354
Subtotal of cash inflows from financing activities		7,018,514,490	6,109,371,722
Cash repayment of borrowings		5,395,800,743	4,360,070,031
Cash payment for distribution of dividends or profits or settlement interest expenses		2,606,497,498	2,195,276,409
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		805,056,681	432,893,052
Other cash payments relating to financing activities		488,477,232	505,773,138
Subtotal of cash outflows from financing activities		8,490,775,473	7,061,119,578
Net cash flows from financing activities		(1,472,260,983)	(951,747,856)
IV. Effect of foreign exchange rate change on cash and cash equivalents		15,894,660	(75,808,355)
V. Net increase in cash and cash equivalents		848,924,346	(1,245,905,793)
Add: Balance of cash and cash equivalents at the beginning of the year		5,370,115,985	6,616,021,778
VI. Balance of cash and cash equivalents at the end of the year		6,219,040,331	5,370,115,985

4. FINANCIAL NOTES

(1). Accounts receivable

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

(Unit: RMB)

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

The aging of accounts receivable is calculated from the date of delivery of goods or provision of services to the customers.

Movements in provision for bad debts of accounts receivable are as follows:

(Unit: RMB)

	31 December 2024	31 December 2023
Opening balance	235,701,561	177,857,087
Provision for the year	104,793,643	72,853,044
Reversal for the year	(12,281,701)	(10,566,896)
Write-off for the year	(9,370,975)	(4,441,674)
Closing balance	318,842,528	235,701,561

(Unit: RMB)

31 December 2024

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

(Unit: RMB)

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

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

(Unit: RMB)

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

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

(Unit: RMB)

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

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

Category of cement receivable:

(Unit: RMB)

	31 December 2024		
	Balance of carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	457,784,375	4	16,472,449
6 to 12 months	32,085,779	5	1,617,996
1 to 2 years	29,172,421	15	4,289,857
2 to 3 years	2,352,165	99	2,326,061
over 3 years	4,396,596	100	4,396,596
Total	525,791,336		29,102,959

(Unit: RMB)

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

Category of RMX receivable:

(Unit: RMB)

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

(Unit: RMB)

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

Portfolio provision: Category of other business receivables

(Unit: RMB)

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

(Unit: RMB)

	31 December 2023		
	Balance of carrying amount estimated to be in default	Expected credit loss rate (%)	Lifetime expected credit loss
Within 6 months	209,890,138	2	3,530,931
6 to 12 months	45,416,292	5	2,109,953
1 to 2 years	46,934,251	12	5,712,494
2 to 3 years	12,595,669	34	4,222,709
over 3 years	30,167,230	47	14,185,266
Total	345,003,580		29,761,353

Amounts due from top 5 clients are summarized as below:

As at 31 December 2024, the top 5 of the balance of accounts receivable were as follows:

(Unit: RMB)

	31 December 2024			
	Closing balance	Percentage of total closing balance of accounts receivable (%)	Provision for bad debts	Net amount
First	65,448,960	2	3,804,631	61,644,329
Second	32,218,492	1	5,224,029	26,994,463
Third	20,959,660	1	1,119,868	19,839,792
Fourth	20,785,397	1	2,293,190	18,492,207
Fifth	16,760,815	1	840,221	15,920,594
Total	156,173,324		13,281,939	142,891,385

(Unit: RMB)

	31 December 2023			
	Closing balance	Percentage of total closing balance of accounts receivable (%)	Provision for bad debts	Net amount
First	49,852,408	2	6,718,447	43,133,961
Second	34,018,492	1	4,196,579	29,821,913
Third	19,501,326	1	2,145,146	17,356,180
Fourth	17,928,225	1	1,972,105	15,956,120
Fifth	15,806,474	1	1,738,712	14,067,762
Total	137,106,925		16,770,989	120,335,936

(2). Receivables financing

(Unit: RMB)

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

Due to the needs of daily fund management, the subsidiaries of the Group endorsed or discounted bank acceptance bills. The business model for managing the above notes is aimed both at collecting contractual cash flows and at selling them The Group therefore classified bank acceptance bills as financial assets at fair value through other comprehensive income.

As at 31 December 2024, there was no bank acceptance bill pledged but undue used for issuing bank acceptance bill. (31 December 2023: Nil).

The Group's bills endorsed or discounted but not yet due are as follows:

(Unit: RMB)

	31 December 2024		31 December 2023	
	Derecognized	Not Derecognized	Derecognized	Not Derecognized
Bank acceptance bills	2,280,249,072	-	2,036,671,648	-
	2,280,249,072	-	2,036,671,648	-

(3). Accounts payable

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

(Unit: RMB)

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

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

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

(4). Operating income and costs

(Unit: RMB)

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

In 2024 and 2023, there was no single customer's revenue exceeded 10% of the Group's revenue.

Disaggregated operating revenue from contracts with customers is as follows:

(Unit: RMB)

Revenue recognition time	2024	2023
Revenue recognized at a point in time	33,526,111,747	33,097,148,643
Revenue recognized over a period of time	675,498,303	645,829,991
Lease Income-Operating Leases	15,737,677	14,108,638
	34,217,347,727	33,757,087,272
Main product types		
Sales of cement	18,030,536,669	18,331,734,881
Sales of RMX	8,415,290,740	7,652,223,198
Sales of aggregate	5,641,834,160	5,363,828,939
Sales of clinker	760,340,715	947,002,919
Sales of leases r	15,737,677	14,108,638
Others	1,353,607,766	1,448,188,697
	34,217,347,727	33,757,087,272

The revenue recognized in the current year and included in the carrying amount of contract liabilities at the beginning of the year is as follows:

(Unit: RMB)

	2024	2023
Sale of products	585,341,505	642,914,995
	585,341,505	642,914,995

(5). Finance costs

(Unit: RMB)

	2024	2023
Interest expenses	736,856,740	664,197,382
Interest expenses on lease liabilities	72,013,406	72,347,746
Less: Interest income	185,025,914	132,479,213
Less: Capitalized interest	6,467,778	14,477,432
Exchange gains	46,850,085	89,704,059
Others	22,248,685	19,228,256
	686,475,224	698,520,798

In 2024, the amount of capitalized borrowing costs has been included in construction in progress of RMB 6,467,778 (2023: RMB 14,477,432)

(6). Income tax expense

(Unit: RMB)

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

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

(Unit: RMB)

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

(7). Earnings per share

(Unit: RMB)

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

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

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

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

In calculating the weighted average number of additional ordinary shares resulting from conversion of dilutive potential ordinary shares into ordinary shares, dilutive potential ordinary shares issued in the prior period are assumed to be converted at the beginning of the current period, and dilutive potential ordinary shares issued in the current period are assumed to be converted on the issue date.

Basic and diluted earnings per share are calculated as follows：

(Unit: RMB)

	2024	2023
Earnings		
Net profit for the year attributable to ordinary shareholders of the Company	2,416,280,487	2,762,116,715
Less： Expected future cash dividends to unlockable restricted shareholders	1,082,421	427,379
	2,415,198,066	2,761,689,336
Add： Expected future cash dividends to unlockable restricted shareholders	1,082,421	427,379
Less： The effect of subsidiaries dilutive potential ordinary share	64,761,040	26,694,823
Adjusted net profit for the year attributable to the ordinary shareholders of the Company	2,351,519,447	2,735,421,892
Attributed to：		
continuing operations	2,351,519,447	2,735,421,892
Shares		
Weighted average number of ordinary shares in issue of the Company	2,074,905,969	2,074,039,458
Restricted shares	1,928,967	848,093
Adjusted weighted average number of ordinary shares in issue of the Company	2,076,834,936	2,074,887,551

(8). Dividend

According to the resolution of the Board of Directors on 26 March 2025, the Board of Directors proposes to distribute cash dividends of RMB0.46 per share (including tax) to all shareholders based on the total share capital of the Company of 2,078,995,649 shares at the end of 2024, and the balance will be transferred to the undistributed profit. The above proposal is subject to approval by the General Meeting of Shareholders.

XI. PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.huaxincem.com).

The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to shareholders of the Company who requested printed copies and will be made available on the abovementioned websites in due course.

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

Wuhan, Hubei Province, the PRC
26 March 2025

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Li Yeqing (President) and Mr. Liu Fengshan (Vice President), as executive Directors; Mr. Xu Yongmo (Chairman), Mr. Martin Kriegner, Mr. Lo Chi Kong and Ms. Tan Then Hwee, as non-executive Directors; Mr. Wong Kun Kau, Mr. Zhang Jiping and Mr. Jiang Hong, as independent non-executive Directors.

** For identification purpose only*