CHINA TIANRUI GROUP CEMENT COMPANY LIMITED
中國天瑞集團水泥有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1252)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND RESUMPTION OF TRADING

SUMMARY/FINANCIAL HIGHLIGHTS

	2024	2023
	RMB'000	*RMB'000*
Revenue	**6,117,025**	7,888,810
Gross profit	**1,346,599**	1,629,323
EBITDA	**2,258,004**	1,476,495
Profit/(loss) and total comprehensive income/(expense) for the year	**214,215**	(623,524)
Of which: Profit/(loss) and total comprehensive income/(expense) for the year attributable to owners of the Company	**279,412**	(633,875)
Earnings/(loss) per share		
Basic and diluted (RMB)	**0.10**	(0.22)

	2024	2023
	RMB'000	*RMB'000*
Total assets	**37,215,106**	40,573,494
Of which: Current assets	**25,884,057**	27,326,926
Total liabilities	**21,239,599**	24,787,427
Of which: Current liabilities	**18,925,006**	18,814,217
Total equity	**15,975,507**	15,786,067
Of which: Equity attributable to owners of the Company	**15,736,988**	15,466,436

The board (the "**Board**") of directors (the "**Directors**") of China Tianrui Group Cement Company Limited (the "**Company**") is pleased to announce the audited financial results of the Company and its subsidiaries (collectively, the "**Group**", "**our Group**", "**our**" or "**we**") for the year ended 31 December 2024 (the "**Year**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	3, 4	**6,117,025**	7,888,810
Cost of sales		**(4,770,426)**	(6,259,487)
Gross profit		**1,346,599**	1,629,323
Other income	5	**1,886,596**	396,574
(Impairment loss)/reversal of impairment loss under expected credit loss model, net of reversal		**(23,178)**	5,005
Loss on changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(3,219)**	(2,248)
Other gains and losses	6	**(616,191)**	(197,640)
Distribution and selling expenses		**(147,981)**	(239,672)
Administrative expenses		**(759,384)**	(905,591)
Other expenses		**(73,180)**	(69,984)
Share of results of associates		**(208,489)**	(93,533)
Finance costs	7	**(922,872)**	(1,152,053)
Profit/(loss) before tax		**478,701**	(629,819)
Income tax (expense)/credit	8	**(264,486)**	6,295
Profit/(loss) and total comprehensive income/(expense) for the year	9	**214,215**	(623,524)
Profit/(loss) and total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		**279,412**	(633,875)
Non-controlling interests		**(65,197)**	10,351
		214,215	(623,524)
		2024 *RMB*	2023 *RMB*
Earnings/(loss) per share			
Basic and diluted	10	**0.10**	(0.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**7,893,482**	9,279,029
Long-term prepayments and receivables		**27,106**	151,490
Right-of-use assets		**830,017**	1,037,347
Mining rights		**1,578,268**	1,554,988
Goodwill		**10,502**	84,845
Other intangible assets		**—**	14,000
Interests in associates		**796,271**	1,004,269
Deferred tax assets		**186,423**	104,811
Pledged bank balances		**8,980**	15,789
		11,331,049	13,246,568
CURRENT ASSETS			
Inventories		**675,668**	819,126
Loan receivable		**1,000,000**	—
Trade and other receivables	12	**20,764,398**	19,606,156
Amounts due from associates		**217,259**	595,332
Financial assets at FVTPL		**6,879**	13,085
Pledged bank balances		**2,304,761**	5,118,386
Cash, deposits and bank balances		**915,092**	1,174,841
		25,884,057	27,326,926
CURRENT LIABILITIES			
Trade and other payables	13	**5,570,861**	4,707,418
Contract liabilities		**608,995**	444,437
Lease liabilities due within one year		**896**	2,180
Other financial liabilities		**956,368**	256,200
Amounts due to associates		**8,931**	—
Short-term loans from an associate		**1,120,000**	1,120,000
Borrowings due within one year		**10,039,320**	11,969,069
Current tax liabilities		**592,197**	270,485
Financial guarantee contracts		**27,438**	44,428
		18,925,006	18,814,217
NET CURRENT ASSETS		**6,959,051**	8,512,709
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,290,100**	21,759,277

	Notes	**2024**	2023
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital		**24,183**	24,183
Share premium and reserves		**15,712,805**	15,442,253
Equity attributable to owners of the Company		**15,736,988**	15,466,436
Non-controlling interests		**238,519**	319,631
TOTAL EQUITY		**15,975,507**	15,786,067
NON-CURRENT LIABILITIES			
Borrowings due after one year		**1,683,293**	4,623,425
Lease liabilities due after one year		**424**	5,664
Deferred tax liabilities		**169,239**	154,975
Deferred income		**104,989**	175,372
Provision for environmental restoration		**70,697**	45,811
Other long-term payables		**285,951**	358,073
Other financial liabilities due after one year		**—**	609,890
		2,314,593	5,973,210
		18,290,100	21,759,277

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Tianrui Group Cement Company Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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 Province, the PRC (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 is Tianrui Group Company Limited ("**Tianrui Group**"), which is controlled by Mr. Li Liufa and his spouse Ms. Li Fengluan, a non-executive director and an executive director of the Company, respectively.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

2.1 Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards (which include all International Financial Reporting Standards ("**IFRSs**"), International Accountings Standards ("**IAS**") and Interpretations) approved by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

2.2 New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and 7	*Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and 7	*Contract Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Amendments in relation to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 *and IAS 7*[2]

[1] Effective for annual period beginning on or after 1 January 2025.
[2] Effective for annual period beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.
[4] No mandatory effective date yet determined but available for adoption.

The directors of the Company are in process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far, the directors of the Company considers that the adoption of them is unlikely to have significant impact on the Group's consolidated financial statements, except for the application of IFRS 18 which is expected to affect the presentation and disclosure of the Group's consolidated financial statements in future. The Group is still in the process of evaluating the impact of the adoption of IFRS 18.

3. REVENUE

Disaggregation of revenue from contracts with customers:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised at a point in time:		
Sales of cement	**4,367,095**	6,087,333
Sales of limestone aggregate	**1,230,372**	1,502,820
Sales of clinker	**519,558**	298,657
	6,117,025	7,888,810

The Group sells cement, limestone aggregate and clinker directly to external customers and revenue is recognised when control of 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 sign the sale and purchase agreements. Such advance payments are recorded as contract liabilities and revenue is being recognised when the control of the goods is transferred to the customer.

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 executive 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 Group'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. Central China ("**Central China**") includes Henan province and certain parts of Anhui province of the PRC. Northeast China ("**Northeast China**") includes Liaoning province and Tianjin City of the PRC. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

4. SEGMENT INFORMATION (CONTINUED)

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

	Segment revenue		Segment profit/(loss)	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Central China	**4,734,904**	6,449,357	**(180,091)**	(347,027)
Northeast China	**1,382,121**	1,439,453	**(532,970)**	(197,210)
Total	**6,117,025**	7,888,810	**(713,061)**	(544,237)
Unallocated corporate administrative expenses and financial costs			**(95,503)**	(96,387)
Unallocated other income			**1,350,205**	—
Unallocated other gains and losses			**(59,721)**	13,053
Loss on changes in fair value of financial assets at FVTPL			**(3,219)**	(2,248)
Profit/(loss) before tax			**478,701**	(629,819)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) before tax without allocation of certain corporate administrative expenses and finance costs including directors' emoluments, certain other income, certain other gains and losses and changes in fair value of financial assets at FVTPL.

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

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Value-added tax refund	**85,684**	112,207
Incentive subsidies from the government	**75,584**	46,675
Interest income on deposits placed with banks and Tianrui Group Finance Company Limited	**70,692**	97,418
Interest income from suppliers	**684,842**	—
Interest income from loans to an associate	**—**	6,067
Interest income from Tianrui Group	**665,363**	—
Software service income	**31,034**	24,619
Income from sundry operations	**164,629**	6,242
Release of deferred income	**70,383**	17,044
Release of financial guarantee contract	**25,850**	21,872
Commission income	**—**	57,015
Others	**12,535**	7,415
	1,886,596	396,574

6. OTHER GAINS AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
Foreign exchange (loss)/gain, net	**(47,270)**	17,939
Impairment of goodwill	**(74,343)**	(199,388)
Impairment of property, plant and equipment and right-of-use assets	**(463,079)**	(15,352)
(Loss)/gain on disposal of property, plant and equipment, right-of-use assets and other intangible asset, net	**(54,329)**	7,301
Gain on modification of leases	**553**	—
Gain on disposal of financial assets at FVTPL	**11,435**	—
Others	**10,842**	(8,140)
	(616,191)	(197,640)

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on:		
Borrowings	**725,798**	835,428
Bills discounted with recourse	**90,509**	189,650
Lease liabilities	**107**	580
Long-term corporate bonds	**—**	1,276
Loans from an associate	**26,084**	26,891
Other financial liabilities	**95,278**	113,709
Installment of long-term payables	**14,677**	16,010
Less: Amount capitalised	**(29,581)**	(31,491)
	922,872	1,152,053

8. INCOME TAX EXPENSE/(CREDIT)

	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**338,055**	12,027
Overprovision in prior years	**(6,221)**	(18,881)
Deferred tax	**(67,348)**	559
	264,486	(6,295)

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 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.

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% (2023: 25%).

9. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**727,654**	822,650
Amortisation of right-of-use assets	**27,004**	34,560
Amortisation of mining rights, included in cost of sales	**101,773**	97,051
Total depreciation and amortisation	**856,431**	954,261
Less: Amounts capitalised in inventories	**(535,602)**	(633,212)
Amounts included in other expenses	**(57,661)**	(46,159)
	263,168	274,890
Employee benefits expense (including contributions to retirement benefit scheme, and directors' emoluments)	**457,644**	562,259
Less: Amounts capitalised to inventories	**(150,369)**	(188,747)
	307,275	373,512
Auditor's remuneration	**3,740**	4,050
Cost of inventories recognised as an expense	**4,770,426**	6,259,487
Research and development costs recognised as an expense (included in administrative expenses)	**253,012**	356,339

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit/(loss) for the year attributable to owners of the Company	**279,412**	(633,875)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**2,938,282**	2,938,282

Diluted earnings per share is the same as basic earnings per share for both 2024 and 2023 as there were no potential ordinary shares in issue for the Company for both years.

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

12. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables (net of allowances for credit loss) amounting to approximately RMB131,473,000. The credit term granted to customers is normally 180 days upon delivery of goods. The aged analysis of the Group's trade receivables prepared based on the goods delivery date at the end of each reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**25,118**	18,465
91–180 days	**1,939**	—
181–365 days	**6,897**	57,069
Over 1 year	**97,519**	67,171
Total	**131,473**	142,705

The Group does not hold any collaterals over the above balances.

13. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables amounting to appropriately RMB1,368,667,000. The aged analysis of the Group's trade payables presented from the goods receipt date to the end of each reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**781,632**	632,757
91–180 days	**99,716**	68,005
181–365 days	**115,238**	88,984
Over 1 year	**372,081**	286,113
Total	**1,368,667**	1,075,859

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, China’s real estate market continued to encounter in-depth adjustments, coupled with the slowdown in the construction of infrastructure projects in some provinces and municipalities, and the total demand of the cement industry still showed a downward trend. The intensified market competition, and the product prices fluctuating at low levels in the first half of the year affected the profitability of the enterprises, while the stabilization and recovery of cement prices in the second half of the year had a positive impact on the profit. The Group's annual results turned losses into gains as compared to the same period of last year.

As of 31 December 2024, the production capacity of clinker of the Group was 28.4 million tonnes, while the production capacity of cement and limestone aggregate were 56.4 million tonnes and 30.2 million tonnes, respectively. There was no change in production capacity as compared to the same period of last year.

In 2024, the sales volume of cement of the Group amounted to approximately 18.6 million tonnes, representing a decrease of approximately 6.6 million tonnes or 26.2% as compared to approximately 25.2 million tonnes in the same period of 2023. The average price was approximately RMB234.9 per tonne, representing a decrease of RMB6.6 per tonne or 2.8% as compared to the same period of 2023.

In 2024, the sales volume of limestone aggregate of the Group amounted to approximately 37.1 million tonnes, representing a decrease of approximately 6.5 million tonnes or 14.8% as compared to approximately 43.6 million tonnes in the same period of 2023. The average price was approximately RMB33.1 per tonne, representing a decrease of RMB1.4 per tonne or 4.0% as compared to the same period of 2023.

In 2024, the Group sold approximately 2.3 million tonnes of clinker externally, representing an increase of approximately 1.0 million tonnes as compared to approximately 1.3 million tonnes sold in the same period of 2023. Over the years, the clinker we produced was mainly used to meet the Group’s internal need of cement production.

In 2024, the Group recorded a revenue of approximately RMB6,117.0 million, representing a decrease of approximately RMB1,771.8 million or 22.5% as compared to the same period of 2023. The profit attributable to owners of the Company amounted to approximately RMB279.4 million, as compared to the loss attributable to owners of approximately RMB633.9 million in 2023.

BUSINESS ENVIRONMENT

In 2024, a critical year for realizing the goals and tasks of the 14th Five-Year Plan, amid complex and severe situations at home and abroad, the whole country adhered to the general principle of pursuing progress while ensuring stability, fully and faithfully applied the new development philosophy on all fronts, moved faster to create a new pattern of development, and promoted high-quality development. It also deepened reform and opening up across the board and strengthened macro regulation. As a result, the economy maintained stable and progressive operations, with solid advancements in high-quality development, steady growth of new quality productive forces, continued deepening of reform and opening up, risks in key areas resolved in an orderly and effective manner, and robust safeguards for people's livelihoods, marking new strides in Chinese-style modernization.

According to the data of the National Bureau of Statistics, the gross domestic product ("**GDP**") for 2024 was RMB134.9084 trillion, representing an increase of 5.0% over the last year. In terms of regions, in 2024, the GDP of East China was RMB70.2356 trillion, representing an increase of 5.0% over the last year; the GDP of Central China was RMB28.7156 trillion, representing an increase of 5.0%; the GDP of West China was RMB28.7350 trillion, representing an increase of 5.2%; and the GDP of Northeast China was RMB6.3451 trillion, representing an increase of 4.4%. In 2024, new results have been achieved upon the implementation of major regional strategies such as the Guangdong-Hong Kong-Macao Greater Bay Area Development and the ecological conservation and high-quality development of the Yellow River Basin.

In 2024, the fixed assets investment of the whole society amounted to RMB52.0916 trillion, representing an increase of 3.1% over the last year. The fixed assets investment (excluding rural household) grew by 3.2% to RMB51.4374 trillion, of which investment in the purchase of equipment and instruments grew by 15.7%. In the fixed assets investment (excluding rural household), in terms of regions, growth in investment was seen in East China, Central China, West China and Northeast China, which increased by 1.3%, 5.0%, 2.4% and 4.2%, respectively. Infrastructure investment grew by 4.4%, representing a decrease of 1.5% over the last year.

According to data released by the National Bureau of Statistics, in 2024, the investment in real estate development amounted to RMB10.028 trillion, representing a decrease of 10.6% over the previous year. The sales area of newly-built commercial housings nationwide amounted to 973.85 million square meters, a year-on-year decrease of 12.9%, while the sales value of newly-built commercial housings amounted to RMB9.675 trillion, a year-on-year decrease of 17.1%. The area of new housing construction was 738.93 million square meters, representing a decrease of 23.0% over the last year.

In 2024, industrial enterprises above designated size nationwide realized total profits of RMB7,431.05 billion, down 3.3% from the previous year on a comparable basis. The mining industry realized total profits of RMB1,127.19 billion, down 10.0% from the previous year; and the manufacturing industry realized total profits of RMB5,514.11 billion, down 3.9%. The profits of non-metallic mineral products industry declined by 45.1%.

As observed from the above statistics, fixed assets investment and infrastructure investment still maintained a certain degree of growth throughout the year, which serve as important drivers of demand of such building materials as cement and aggregates, whereas the decrease in investment in real estate development throughout the year is an important factor affecting the cement demand.

CEMENT INDUSTRY

In 2024, cement market demand continued the general trend of the past two years, and continued to be affected by the downstream real estate investment contraction and the slowdown of infrastructure projects, with a decline in cement demand across the country and in each of the major consuming regions, and a lower production capacity utilization rate. According to the National Bureau of Statistics, the cumulative cement production of enterprises above the designed size nationwide in 2024 was 1,825 million tonnes, down 9.5% year-on-year (on a comparable basis). In terms of regions, in 2024, cement production in all six major regions nationwide declined considerably as compared to the same period last year, with North China, Northeast China, Central and South China, East China, Southwest China, and Northwest China year-on-year down by 5.6%, 13.7%, 8.6%, 11.5%, 8.6% and 8.1%, respectively.

According to the Digital Cement of China Cement Association, the average price in the national cement market in 2024 decreased by 2.6% as compared to the same period of the previous year. The annual cement market price situation generally presented a complex trend characteristic of "sluggish hovering in the first half of the year, gradually recovering in the second half of the year, and fluctuating frequently". At the meeting of the Political Bureau of the Central Committee of the Party on 30 July 2024, it was proposed to "strengthen industry self-discipline and prevent 'rat race' vicious competition". In the face of the decline in domestic cement market demand, intensified competition, and the actuality that product prices fell below the cost prices, enterprises gradually shifted from competition to coopetition, and profitability improvement claims gradually became the dominant strategy adopted by enterprises. In the second half of the year, especially in the fourth quarter of 2024, the "price cuts to grab the volume" behavior was obviously reduced, and this strategy adjustment had a positive impact on the stabilization and recovery of cement prices. In terms of cement prices in different regions, in 2024, Northeast China showed the eye-catching performance, in which cement price gradually climbed, with the annual average price increasing by up to 20%, and even higher than RMB50-100 per tonne as compared to other regions. In addition, it's the only region nationwide with the year-on-year cement price increasing. The province in Northeast China with the highest year-on-year cement price increase was Liaoning Province, reaching 36%. In the context of the general downturn in the national cement market, Northeast China suddenly stood out in light of its counter-trend cement price rise to provide a reference for enterprises in other regions to improve their business situation.

In 2024, according to the analysis and data of Digital Cement of China Cement Association, affected by the downturn in the real estate market and the slowdown in infrastructure construction in some provinces and cities, the cement market demand slumped, the industry's efficiency dropped significantly, and the industry as a whole suffered a loss of profit in the first half of the year. Nevertheless, in the second half, the cement industry strengthened self-discipline and improved staggered production, and the cement prices were stabilized and rebounded, driving part of the enterprises to achieve profitability and improving the industry benefits rebound significantly. The profit of the cement industry is expected to be approximately RMB25 billion in 2024, representing a year-on-year decrease of approximately 20%, and the decline narrowed significantly.

TRADING OF COALS

As disclosed in the annual report for the financial year ended 31 December 2023 of the Company (the "**2023 Annual Report**"), the Company recorded prepayments to suppliers (the "**Prepayments**") of RMB14,375 million (2022: RMB6,539 million) for the year ended 31 December 2023. Including in prepayments to suppliers as at 31 December 2023 was an amount of RMB14,290.4 million which was mainly for the purchase of coals for trading purpose. Among this RMB14,290.4 million, approximately RMB2,370.4 million was paid for the purchase of raw materials as part of the Group's ordinary course of business.

By way of background, the Company has been procuring and using coals for its cement production in its ordinary course of business. As disclosed in the 2023 Annual Report, in 2023, the Group's cost of sale was approximately RMB6,259.5 million, which mainly consists of costs of raw materials, coals and electricity. The Group mainly procured its coals from three coals suppliers (collectively the "**Coal Suppliers**").

Having taken into account, amongst other things, (i) that the Group has accumulated abundant experiences in procuring coals for its own production use; (ii) that the Group has a stable relationship with the Coal Suppliers; and (iii) bulk purchase discount offered by the Coal Suppliers, the Group decided to tap into the business of trading of coals in 2023 ("**Coal Trading Business**") to enhance its revenue and profit.

As a result, the Group looked for stable supply of coals at a discounted price from the Coal Suppliers in preparation for the Coal Trading Business. In January 2023, the Group entered into several framework purchase agreements with each of the Coal Suppliers. Against such backdrop, as part of market practice, which is also consistent with the Group's previous arrangement with the Coal Suppliers, the Group was required to pay certain prepayment in advance to the Coal Suppliers in order to (i) ensure a stable supply and (ii) enjoy bulk purchase discount. As a result, approximately RMB11,920.1 million prepayment was paid to the Coals Suppliers as at 31 December 2023, among which approximately RMB3,000 million was for prepayment of coals for the Group's self-use and the remaining for prepayment of coals for trading purpose. At that time, the Group expected to commence the Coal Trading Business and utilise the prepayments within 2024.

In early 2024, the Group secured several framework sales contracts with several potential customers for sale of coals.

Nevertheless, in 2024, the Group noted that, amongst other things, the market price of coals had not increased during 2024, the Group considered the profit of the Coal Trading Business was not as attractive as expected, and there might be risks of loss making if the coal price continued to decrease. In addition, during the trading suspension of the Company's shares from April 2024 to December 2024, the Group considered it is important to reinforce the confidence of various major stakeholders in the Group and decided to focus on the Group's principal business of cement production. Hence, the Group had various discussions with the customers and the Coal Suppliers, and wished to wait and observe for a longer period before formally commencing the Coal Trading Business. As such, the Group has also ceased to pay the Coal Suppliers further prepayment in respect of supply of coals and request delivery of coals from the Coal Suppliers for trading purposes.

Subsequently, the Group decided to suspend commencing the Coal Trading Business in October 2024. No sales has been made from the Coal Trading Business. As at 31 December 2024, the Group had an amount of approximately RMB14,781.8 million prepayments to the Coal Suppliers.

In May 2025, the Group has entered into agreement with each of the Coal Suppliers regarding the utilization and repayment of the prepayments. The major recovery plans for the prepayments are as below:

(i) Prepayments of an amount of approximately RMB3,031.7 million will be used for procurement of coals from the relevant Coal Suppliers for the production of cement by the Group in its ordinary course of business (i.e. for self-consumption purposes). The amount is estimated to be utilised before the end of 2025;

(ii) Prepayments of an amount of approximately RMB1,275.7 million will be used for procurement of other raw materials from the relevant Coal Suppliers for the production of cement by the Group in its ordinary course of business (i.e. for self-consumption purposes). The amount is estimated to be utilised before the end of 2025;

(iii) Coals will be sold to Ruzhou Tianrui Coking Company Limited (汝州天瑞煤焦化有限公司) ("**Ruzhou Coking**") and Pingdingshan Ruiping Shilong Cement Company Limited (平頂山瑞平石龍水泥有限公司) ("**Ruiping Shilong**"), which are connected parties of the Company. It is expected that these companies will purchase coals as raw materials from us with estimated amount of RMB2,214.8 million before the end of 2025, which will be supplied by the Coal Suppliers; and

(iv) The Coal Suppliers are expected to repay an amount of approximately RMB5,751.7 million to the Group before the end of 2025.

Based on the above arrangement, approximately RMB12,273.9 million prepayments is expected to be utilised or recovered by the Group from the Coal Suppliers by the end of 2025. The remaining prepayments will be retained for continued procurement from the Coal Suppliers in the future.

FINANCIAL REVIEW

Revenue

The revenue of the Group was approximately RMB6,117.0 million in 2024, representing a decrease of RMB1,771.8 million or 22.5% from approximately RMB7,888.8 million in 2023.

The revenue from cement sales was approximately RMB4,367.1 million in 2024, representing a decrease of RMB1,720.2 million or 28.3% as compared to 2023. Our sales volume of cement decreased by 6.6 million tonnes or 26.2% from approximately 25.2 million tonnes in 2023 to approximately 18.6 million tonnes in 2024. The decrease in revenue was mainly due to the decreases in both the sales volume and selling price of cement.

Revenue from sales of limestone aggregate amounted to approximately RMB1,230.4 million, representing a decrease of approximately RMB272.4 million or 18.1% from approximately RMB1,502.8 million in 2023. The sales volume of limestone aggregate amounted to approximately 37.1 million tonnes, representing a decrease of approximately 6.5 million tonnes or 14.8% as compared to approximately 43.6 million tonnes in 2023. The decrease in revenue was mainly due to the decreases in both the sales volume and selling price of limestone aggregate.

Clinker is a semi-finished product used to produce cement. Our clinkers produced in 2024 were primarily used to satisfy the internal demand for cement production. Only approximately 2.3 million tonnes of the Group's clinkers were sold externally. Approximately RMB519.6 million of revenue generated from our clinker sales was recorded in 2024, representing an increase of RMB220.9 million or 74.0% from approximately RMB298.7 million in 2023. The increase in revenue was mainly due to the increase in the sales volume of clinkers.

In 2024, the Group's sales revenue from Central China amounted to approximately RMB4,734.9 million, representing a decrease of RMB1,714.5 million or 26.6% as compared to approximately RMB6,449.4 million in 2023. The Group's sales revenue from Northeast China amounted to approximately RMB1,382.1 million, representing a decrease of RMB57.4 million or 4.0% as compared to approximately RMB1,439.5 million in 2023.

In 2024, revenue from sales of cement, limestone aggregate and clinker of the Group accounted for approximately 71.4% (2023: 77.2%), 20.1% (2023: 19.0%) and 8.5% (2023: 3.8%) of the total revenue, respectively.

Cost of Sales

In 2024, the Group continued its efforts in reducing unit production costs of cement and clinker by leveraging on our economies of scale and through centralized procurement. The Group's cost of sales was approximately RMB4,770.4 million during the reporting period, representing a decrease of RMB1,489.1 million or 23.8% as compared to 2023. The decrease was primarily due to decrease in purchase prices of coal and raw materials.

The Group's cost of sales mainly consists of costs of raw materials, coal and electricity. In 2024, our costs of raw materials, coal and electricity as a percentage of cost of sales of cement and clinker were approximately 25.5%, 38.2% and 12.7%, respectively. During the period, our costs of raw materials, coal and electricity for one tonne of cement and clinker were approximately RMB50.0, RMB74.9 and RMB24.9, respectively, representing a decrease of RMB2.9, a decrease of RMB11.5 and a decrease of RMB1.1, respectively, as compared to 2023.

Gross Profit, Gross Profit Margin and Segment Profit/(Loss)

The Group's gross profit was approximately RMB1,346.6 million in 2024, representing a decrease of RMB282.7 million or 17.4% from approximately RMB1,629.3 million in 2023. Our gross profit margin increased to approximately 22.0% in 2024 from approximately 20.7% in 2023. The increase in gross profit margin was primarily due to the decrease in the cost per tonne of cement outpacing the decrease in the price per tonne of cement in 2024.

In 2024, the Group's segment loss from Central China amounted to approximately RMB180.1 million, as compared to a segment loss of approximately RMB347.0 million in 2023, with the decrease of loss of RMB166.9 million. The Group's segment loss from Northeast China amounted to approximately RMB533.0 million, as compared to a segment loss of approximately RMB197.2 million in 2023, with the increase of loss of RMB335.8 million.

EBITDA

The Group's EBITDA amounted to RMB2,258.0 million in 2024, representing an increase of RMB781.5 million or 52.9% as compared to approximately RMB1,476.5 million in 2023. The increase in EBITDA was mainly due to the decreases in costs and all expenses in 2024.

Other Income

The Group's other income was approximately RMB1,886.6 million in 2024, representing an increase of RMB1,490.0 million or 375.7% from approximately RMB396.6 million in 2023. The increase was primarily due to the income on interest from deposit with Tianrui Group and the increase in raw coal supply demurrage charges.

Distribution and Selling Expenses

In 2024, distribution and selling expenses of the Group were approximately RMB148.0 million, representing a decrease of RMB91.7 million or 38.3% from approximately RMB239.7 million in 2023. The decrease was primarily due to the decrease in transportation expenses.

Administrative Expenses

Administrative expenses of the Group were approximately RMB759.4 million in 2024, representing a decrease of RMB146.2 million or 16.1% from approximately RMB905.6 million in 2023. The decrease was primarily due to cutting expenditure.

Other Expenses

In 2024, other expenses of the Group were approximately RMB73.2 million, remaining stable as compared to approximately RMB70.0 million in 2023.

Finance Costs

Finance costs of the Group were approximately RMB922.9 million in 2024, representing a decrease of RMB229.2 million or 19.9% from approximately RMB1,152.1 million in 2023, which was primarily attributable to the decrease in the interest on borrowings as the scale of borrowings decreased.

PROFIT/(LOSS) BEFORE TAX

As a result of the foregoing, the Group's profit before tax was approximately RMB478.7 million in 2024, as compared to a loss before tax of RMB629.8 million in 2023.

INCOME TAX EXPENSE/(CREDIT)

Income tax expense of the Group was approximately RMB264.5 million in 2024, changed from income tax credit of approximately RMB6.3 million in 2023, which was attributable to the increase in profit before tax recorded.

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

As a result of the foregoing, the Group's profit attributable to owners of the Company was approximately RMB279.4 million in 2024, as compared to the loss attributable to owners of the Company of approximately RMB633.9 million in 2023.

FINANCIAL AND LIQUIDITY POSITION

Trade and Other Receivables

In 2024, trade and other receivables were approximately RMB20,764.4 million, slight increase as compared to approximately RMB19,606.2 million in 2023.

Amounts Due from Associates

The Group's amounts due from associates of approximately RMB217.3 million in 2024 (2023: approximately RMB595.3 million) represent the advance payment paid to Pingdingshan Ruiping Shilong Cement Company Limited for the clinker purchased under the Clinker Supply Framework Agreement, and shareholder loan due from an associate, China United Cement Xinan Wanji Co., Ltd which is indirectly held as to 49% by the Company.

Inventories

Inventories decreased from approximately RMB819.1 million in 2023 to approximately RMB675.7 million in 2024, primarily due to the decrease in the inventory amount as at the end of 2024.

Cash and Cash Equivalents

Cash and bank balance decreased by RMB259.7 million or 22.1% from approximately RMB1,174.8 million in 2023 to approximately RMB915.1 million in 2024, primarily due to the net effect of cash flow from operating activities, investing activities and financing activities.

Borrowings

In 2024, the balance of total borrowings of the Group decreased by approximately RMB4,779.6 million or 25.7% from approximately RMB18,578.6 million in 2023 to approximately RMB13,799.0 million. Borrowings due within one year and other financial liabilities decreased from approximately RMB13,345.3 million in 2023 to approximately RMB12,115.7 million in 2024; borrowings due after one year and other financial liabilities decreased from approximately RMB5,233.3 million in 2023 to approximately RMB1,683.3 million in 2024.

Principal Sources of Liquidity

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

MATERIAL ACQUISITIONS AND DISPOSALS

In 2024, the Group was not involved in any material investments, acquisitions or disposals.

GEARING RATIO

In 2024, the Group's gearing ratio was approximately 57.1%, representing a decrease of 4.0 percentage points from approximately 61.1% for the year ended 31 December 2023. The change of gearing ratio was due to the decrease in borrowings to owners.

In 2024, the Group's current ratio was approximately 1.4, representing a decrease of 5.8% as compared to 1.5 in 2023, while the quick ratio was approximately 1.3, representing a decrease of 5.5% as compared to 1.4 in 2023.

In 2024, the Group's debt equity ratio was approximately 1.3, representing a decrease of 15.3% as compared to approximately 1.6 in 2023.

Notes:

1. Gearing ratio = total liabilities/total assets × 100%;

2. Current ratio = current assets/current liabilities;

3. Quick ratio = (current assets-inventory)/current liabilities;

4. Debt equity ratio = total liabilities/shareholders' equity interest, of which, shareholders' equity interest includes minority interest and non-controlling interest.

NET GEARING RATIO

In 2024, the Group's net gearing ratio was approximately 67.2%, representing a decrease of 12.2 percentage points from approximately 79.3% in 2023. Net gearing ratio is calculated by dividing net debts by equity attributable to owners of the Company.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Capital expenditure of the Group in 2024 was approximately RMB374.9 million (2023: approximately RMB639.4 million) and capital commitment of the Group in 2024 was approximately RMB345.0 million (2023: approximately RMB529.3 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.

PLEDGE OF ASSETS

In 2024, carrying amount of the assets of the Group pledged to secure the bank borrowings granted to the Group amounted to approximately RMB3,993.1 million (2023: approximately RMB4,030.0 million).

FINANCIAL GUARANTEES

In 2024, the Group provided approximately RMB1,200.0 million (as at 31 December 2023: approximately RMB1,902.0 million) of authorized financial guarantees to related parties, among which approximately RMB1,099.5 million (as at 31 December 2023: approximately RMB1,150.0 million) have been utilized. We 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 the Provision of Mutual Guarantees, the details of which are set out in the circular of the Company dated 6 December 2022.

SIGNIFICANT INVESTMENTS

In 2024, the Group did not hold any significant investment, make any significant investment or acquire any capital assets.

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.

DETAILS OF IMPORTANT EVENTS AFFECTING THE GROUP WHICH HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR UNDER REVIEW

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.

Saved as disclosed in this announcement, the Company is not aware of any important events affecting the Group which have occurred since the end of the financial year under review.

MARKET RISKS

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 monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Exchange Rate Risk

The Group's businesses are principally denominated in Renminbi, and certain bank balances and borrowings are denominated in Hong Kong Dollar or United States Dollar, which expose the Group to exchange rate fluctuation risk. Currently, the Group 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, reasonably limit the domestic and foreign currency risk exposure, and take appropriate hedging measures to control the significant exchange rate fluctuation risk when necessary.

EMPLOYEES AND REMUNERATION POLICY

In 2024, the Group had 5,469 employees (2023: 6,892). In 2024, the employees' cost (including remuneration) was approximately RMB457.6 million (2023: approximately RMB562.3 million). The remuneration policies, bonus and training programs for employees of the Group have been implemented continuously.

PROSPECTS

On 5 March 2025, according to the *Report on the Work of the Government* released on the Third Session of the Fourteenth National People's Congress, 2025 is the concluding year of the 14th Five-Year Plan; the main expected goals for development are: GDP growth of about 5%; implementation of a more proactive fiscal policy; co-ordination of all types of fiscal funds, such as revenues, bonds and other financial resources, to ensure that fiscal policy continues to be effective and more powerful; proposed issue of ultra-long-term special treasury bonds of RMB1.3 trillion, an increase of RMB300 billion over the previous year; proposed grant of local government special bonds of RMB4.4 trillion, an increase of RMB500 billion over the previous year, focusing on investment and construction, land acquisition and storage, acquisition of stock of commercial housings, and repayment of arrears owed by the local government to enterprises, etc.; newly increased annual government debt totaling RMB11.86 trillion, an increase of RMB2.9 trillion over the previous year, with the fiscal expenditure significantly increased; the implementation of moderately loose monetary policy; giving full play to the dual functions of monetary policy tools, both aggregate and structural, with timely reductions of interest rates and quotas to maintain ample liquidity, so that the scale of social financing and the growth of the money supply could be matched with the expected targets for economic growth and the overall level of prices.

In January 2025, the Development and Reform Commission of Henan Province issued the *Notice on the Issuance of the List of Key Construction Projects in Henan Province in 2025 (Yu Fa Gai Zhong Dian [2025] No. 39)*, which disclosed 1,037 key projects in the province in 2025 with a total investment of about RMB3.1 trillion, striving for an annual completion of investment of about RMB1 trillion. Such projects cover six major areas, including innovation-driven capacity enhancement, infrastructure construction, new infrastructure construction, industrial transformation and development, green and low-carbon transformation, and improvement of people's livelihood and social undertakings. For infrastructure construction, 131 projects are selected, a total investment of RMB824.1 billion are made, and the annual planned investment amounts to RMB139.7 billion. The major construction projects include Pingdingshan-Zhoukou Express Railway via Luohe, Zhengzhou-Luoyang Expressway, Zhoukou Port Central Port Area Central Operation Area Project, Qianping Reservoir Irrigation Area, Hanshan Reservoir, Jufeng Mountain Pumped Storage Power Station, Shaanxi Coal Power Central "Two Integrations" Energy Demonstration Base, etc.

In February 2025, the Liaoning Provincial People's Government's notice on the issuance of the *2025 Provincial Government Work Report Key Work Division Plan* proposed to in-depth implement 15 major projects, improve project planning quality, be prepared well for project reserves and preliminary affairs, maintain a reasonable investment structure, and strive to improve the investment efficiency; to accelerate the construction of 300 provincial major projects and 6,000 projects with investment of more than RMB100 million; to start construction of Qinhuangdao-Shenyang Expressway Phase II, Benxi-Zhuanghe Expressway, Changhai Bridge, Liaodong Peninsula Water Resources Allocation Phase I and other key projects; to complete and open to traffic ahead of schedule for Shenyang-Baihe Express Railway, Beijing-Harbin Expressway Expansion, and Benxi-Huanren, Lingyuan-Suizhong and Taian-Heishan Expressways; to accelerate the construction of new infrastructure such as 5G, data, charging and switching stations; to speed up major projects such as China Institute of Atomic Energy Huludao Base, BMW Brilliance's Dadong Plant Upgrading, Refining and Chemical Integration of Dalian Petrochemical (West Central Island), Anshan Iron and Steel Mackerel Phase II, and Ethylene Energy Conservation of Liaoyang Petrochemical.

As for the industry outlook, analysis is made below according to Digital Cement of China Cement Association:

1. From the demand side, cement demand in 2025 will still be downward. Although it is expected that the annual cement demand in 2025 will decline as compared to that in 2024, the trend of rapid decline in demand will be slowed down under the strengthening of the extraordinary counter-cyclical adjustment policy, and the decline is expected to narrow to about 5%.

2. From the supply side, the Ministry of Industry and Information Technology at the end of 2024 issued the *Notice on Further Standardizing the Cement Industry Production Capacity Management*, requiring clinker and cement production lines' actual annual output shall not exceed the filed annual production capacity, which will continue to play an effective role to strengthen the regulation on production capacity and output; on 31 October, the Ministry of Industry and Information Technology issued the *Cement and Glass Industry Production Capacity Replacement Implementation Measures (2024)*, which is conducive to the industry's inefficiency production capacity and clearing accelerating, and superimposed on the control of normalized staggered production on output, so that the cement industry efficiency decline will be effectively curbed, and the cement industry will achieve positive results in resolving excess production capacity.

3. From the perspective of prices and benefits, in 2025, the cement industry will still face a complex market environment. In order to cope with the severe challenges, the cement industry will implement the guiding principles of the meetings of the Political Bureau of the Central Committee of the Party and the Central Economic Work Conference, requiring to "prevent 'rat race' vicious competition" and "comprehensively rectify rat race competition", and to promote all localities to implement policies according to actual conditions and local conditions, carry out staggered production, and reasonably arrange production. The government will also intensify supervision, to strive the industry to improve production capacity and adjust the production structure, in order to ameliorate the contradiction between supply and demand in the market, and to effectively alleviate the situation of losses of cement enterprises. Through the guidance of the government and associations and the enterprises' own efforts, cement prices are expected to fluctuate upward in 2025, and the cement industry is also expected to achieve a rebound in profits in 2025.

Looking forward to 2025, the Group will respond to the general trend of the industry, adhere to the staggered production, implement cost reduction and efficiency enhancement, promote the digital and intellectual transformation, establish branding strategy, safeguard the interests of customers, stabilize clientele, and comprehensively improve the ability to prevent risks and the competitiveness in order to strive for a good operating result in 2025.

In 2025, the Group will endeavor to:

(1) implement the central government's "anti-rat race competition" requirements, respond to the cement industry's staggered production control measures, carry out "energy conservation and carbon reduction" and ultra-low emissions, and safeguard the interests of the industry and enterprises;

(2) strengthen the refined management of each operation link, improve operational efficiency, reduce costs in an all-round way, and improve our competitiveness;

(3) continue to expand the profitable products or business, such as production of high grade low alkali cement, aggregates, dry mix mortar and assembled buildings, and solid and hazardous waste disposal to improve efficiency generation;

(4) continuously promote the construction of smart mines, smart factories, green mines and green factories, and promote the sustainable development of the Company; and

(5) strive for survival through quality, pursue development with credibility, build friendships with our customers, consolidate and develop cooperation with new customers, and provide great services for our customers; we aim to shape the brand image of "Century-Long Project, Tianrui Cement', developing Tianrui Cement into a regionally and even nationally renowned "prestigious brand".

CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENTAL MATTERS

As always, the Company assumes social responsibilities, protects the ecological environment and achieves sustainable development. The Group is the home to a total of 19 class A, class B and performance leading subsidiaries. By strengthening the ecological restoration of mines and greening of factories, 15 mines of the Group were recognized as national or provincial green mines; subsidiaries of the Group had 14 green factories in total, 8 of which were national green factories; during the year, Henan Yongan Cement* (河南永安水泥), Tianrui Yuzhou Cement* (天瑞禹州水泥) and Tianrui Guangshan Cement* (天瑞光山水泥) were selected as provincial green factories in Henan Province. The Group pushed forward the project of collaborative disposal of waste and urban sludge for cement kilns, and continued to carry out activities to improve quality, reduce consumption and enhance efficiency. In addition, the Company actively developed photovoltaic power generation projects in response to the "carbon neutrality" and new energy policies. During the year, Tianrui Xiaoxian Cement* (天瑞蕭縣水泥) was elected as the executive director entity of Anhui Carbon Neutral Industry Association and was selected into the list of Water-saving Enterprises in Anhui Province; Tianrui Yuzhou Cement Qianjing Branch* (天瑞禹州淺井水泥) won the honorary title of "Municipal Water-saving Enterprise"; Tianrui Guangshan Cement successfully passed the low-carbon product certification review by Fangyuan Certification* (方圓認證); Yongan Cement was selected as one of the first batch of Green and Low-carbon Factories in Zhengzhou City and was selected into the public list of Henan Digital Energy and Carbon Management Center; and Tianrui Nanzhao Cement* (天瑞南召水泥) was selected as the founding entity of Henan Green Building Materials Production Integrated Base.

The Group is committed to promoting the transformation and upgrading of the cement industry towards digital intelligence, and utilizing its mature and robust data management capabilities to facilitate the transformation and development of enterprises towards informatization, digitization and intelligence, so as to effectively improve production efficiency and product quality, to reduce costs and energy consumption, and to achieve sustainable development in a green, efficient and intelligent manner, with a total of 21 intelligent factories. During the year, Tianrui Yongan Cement was approved as one of the first batch of Digital Transformation Pilot Enterprises in Zhengzhou City.

The Group continuously implemented the new development concept and insisted on high-quality development. Relying on two provincial technology research and development centers in Henan and Liaoning provinces and a number of municipal research and development centers, the Group successfully realized the research and development and renovation of a number of key technologies such as ultra-low emission, grate cooler, ammonia-free denitrification and high-temperature wind turbine during the reporting period. The number of high-tech enterprises under the Group increased to 19. During the year, Tianrui Xiaoxian Cement was honored as one of the "Top 10 Enterprises in R&D Investment in 2023" in Suzhou City; Liaoyang Tianrui Cement* (遼陽天瑞水泥) was awarded the title of Liaoyang City Model Employee Innovation Workshop; Tianrui Haicheng Cement* (天瑞海城水泥) was selected into the list of Innovative Small and Medium Enterprises in Anshan City for the Year 2024; and Tianrui Xindeng Cement* (天瑞新登水泥) was awarded the honorary title of "Top 30 Manufacturing Companies in Dengfeng City" in 2024. Focusing on the professional skill cultivation of employees and team building, the Group received numerous quality awards. During the year, Tianrui Cement won a total of 29 awards in the Technical Innovation Award Competition of the Building Materials Industry in Henan Province.

The Group is committed to maintaining the Tianrui brand, operating in good faith and contributing to the local economy and society. During the year, Tianrui Guangshan Cement was awarded the honorary medal of "Civilized and Honest Enterprises" in Xinyang City; Dalian Tianrui Cement* (大連天瑞水泥) was awarded the honorary title of "Advanced Entities of Tax Contribution" in Changxing Island Economic Development Zone of Dalian City for the year 2024. The Group cared about employees in aspects of both daily life and health and created a healthy corporate culture by organising training on occupational health knowledge, preparing occupational health checkups for employees, and holding a wealth of healthy cultural and artistic activities. During the year, Tianrui Xiaoxian Cement was awarded the medal of Healthy Enterprises of Suzhou City.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the Independent Auditor's Report on the consolidated financial statements of the Group for the year ended 31 December 2024.

Qualified Opinion

We have audited the consolidated financial statements of China Tianrui Group Cement Company Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Included in trade and other receivables in the consolidated statement of financial position as at 31 December 2024 and 2023 are prepayments paid to certain suppliers (the "**Prepayments**") of approximately RMB14,226.4 million and RMB11,196.4 million, respectively, and related interest receivables on the unutilised prepayments (the "**Interest Receivables**") of approximately RMB684.8 million and nil, respectively. As further explained in Note 26 to the consolidated financial statements, the Prepayments are mainly for the purchase of coals from the relevant suppliers for coal trading purpose, new business in 2024, and also for the purchase of coals and other raw materials for the Group's self-use as part of the Group's ordinary course of business. As part of market practice, which is also consistent with the Group's previous arrangements with the suppliers, the Group was required to pay certain prepayments in advance to the suppliers in order to (i) ensure a stable supply; and (ii) enjoy bulk purchase discount. The Group expected to commence the coal trading business and utilise the Prepayments within 2024. Nevertheless, in 2024, the Group noted that, amongst other things, the market price of coals had not increased during 2024 and the Group considered the profit of the coal trading business was not as attractive as expected, and there might be risks of loss making if the coal price continued to decrease. Subsequently, the Group decided to suspend commencing the coal trading business in October 2024 and to focus on the Group's principal business of cement production.

As such, the Group has formulated settlement plans with the relevant suppliers to recover the Prepayments and the Interest Receivables through, including but not limited to, (i) the repayment of an aggregate amount of approximately RMB5,751.7 million to the Group before the end of 2025; and (ii) the procurement of coals and other raw materials from the suppliers for the production of cements by the Group in its ordinary course of business. For further details, please refer to the paragraph headed "Trading of Coals" above in this announcement. Based on the above arrangements, the management expects that approximately RMB12,273.9 million prepayments will be utilised or recovered by the Group from the suppliers by the end of 2025.

In absence of the information in relation to the financial status of the suppliers on assessing their abilities for the repayments and the supply of coals and other raw materials to the Group, and thus no sufficient information is available for justifying the extent of the recoverability of the Prepayments and the Interest Receivables.

Accordingly, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of the Prepayments and Interest Receivables as at 31 December 2024 and 2023 and whether any impairment should be made for the Prepayments and Interest Receivables during the years ended 31 December 2024 and 2023.

Any adjustments to the figures as described above might have consequential effects on the financial position of the Group as at 31 December 2024 and 2023, the financial performance of the Group for the years ended 31 December 2024 and 2023, and the related disclosures thereof in the consolidated financial statements.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 to the consolidated financial statements, which mentions that during the year, the Group has defaulted in repayments of certain instalments of borrowings of approximately RMB457.4 million and certain instalments of other financial liabilities of approximately RMB246.7 million according to the scheduled repayment dates. As a result, as at 31 December 2024, the Group’s borrowings of approximately RMB877.9 million with original maturity dates of over one year from the end of the reporting period have been reclassified to current liabilities. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Management’s Response to the Qualified Opinion and Going Concern

The management of the Company acknowledges the issues raised by the Auditor regarding the recoverability of the prepayments in relation to the trading of coals. As disclosed in the section headed “Management Discussion and Analysis” in this announcement, the Group has major recovery plans on the prepayments and entered into agreement with each of the Coal Suppliers regarding the utilization and repayment of the prepayments in May 2025. The management of the Company considered that it is unlikely that the qualified opinion concerning the recoverability of the prepayments will recur for the year ending 31 December 2025 upon the execution of such recovery plan. The audit committee of the Company concurs with the views as stated above.

Regarding the overdue repayment of certain loan installments, the management of the Company has implemented the following measures to alleviate liquidity pressure and improve the Group’s financial position, including but not limited to: (i) proactively negotiating with banks and other financial institutions for the renewal of matured borrowings; (ii) utilising undrawn banking facilities available as at the date of this announcement; (iii) implementing policies to monitor cash flows through cost reduction and capital expenditure control; and (iv) approaching potential investors to raise additional funds from capital markets. In light of these initiatives, the management of the Company believes that the Group maintains the capacity to secure financing for its operations and meet financial obligations maturing during the projected period. These circumstances do not give rise to significant uncertainty regarding the Group’s ability to continue as a going concern.

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 its all shareholders.

For the period from 1 January 2024 to 31 December 2024, the Company has adopted the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code on corporate governance practice. Save as disclosed in this section, the Company has been in compliance with all code provisions set out in the Corporate Governance Code throughout the year ended 31 December 2024.

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. As at the date of this announcement, the Company is still in the process of identifying potential candidates to fill the vacancy of the independent non-executive Director, the Audit Committee and the Remuneration Committee. Further announcement(s) will be made in this regard as and when appropriate in accordance with the requirements of the Listing Rules.

During the report period, the Company has failed to maintain communication channels for proper communication with investors. To remedy the issue, the Company has adopted measures to reinforce the communication channels.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as 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. Following specific enquiry with the Directors, all of them have confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2024.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Company has established an audit committee with written terms of reference set out in the Corporate Governance Code. The principal duties of the audit committee include the review and supervision of the Group's financial reporting matters, risk management and internal control procedures. The audit committee comprises two independent non-executive Directors of the Company, namely Mr. Mak Tin Sang and Mr. Kong Xiangzhong.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has reviewed the annual results of the Group for the year ended 31 December 2024 in conjunction with management and the Company's external auditor.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

In 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company will be published and dispatched to the Company's shareholders in the manner required by the Listing Rules in due course.

FINAL DIVIDEND

The Board did not propose the declaration of final dividend for the year ended 31 December 2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.trcement.com and on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The annual report for the year ended 31 December 2024 of the Company containing all the information required by the Listing Rules will also be dispatched to the shareholders of the Company and be published on the same websites in due course.

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for Year 2024 as set out in this announcement have been agreed by the Company's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for Year 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

APPRECIATION

On behalf of the Directors, I would like to express my sincere gratitude to our shareholders, customers and business partners for their continued support, and all our employees for their dedication and hard work.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 1 April 2025. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 23 June 2025.

By order of the Board
China Tianrui Group Cement Company Limited
Li Liufa
Chairman

Ruzhou City, Henan Province, PRC, 20 June 2025

As at the date of this announcement, the Board consists of:

Executive Directors
Ms. Li Fengluan, Mr. Ding Jifeng, Mr. Li Jiangming and Mr. Jin Mingjie

Chairman and Non-executive Director
Mr. Li Liufa

Independent Non-executive Directors
Mr. Kong Xiangzhong and Mr. Mak Tin Sang