

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Anhui Conch Material Technology Co., Ltd.

安徽海螺材料科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02560)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- The Group's revenue amounted to RMB2,384.15 million in 2024, remaining basically stable as compared to 2023.
- The Group's profit before taxation amounted to RMB180.18 million in 2024, representing an increase of 5.97% as compared to RMB170.03 million in 2023.
- Net profit for the year attributable to equity shareholders of the Company amounted to RMB125.64 million in 2024, representing an increase of 7.43% as compared to RMB116.95 million in 2023.
- Basic earnings per share of the Company ("**Share**") were RMB0.29 in 2024, as compared to RMB0.27 in 2023.
- In January 2025, the Company completed the issuance of H shares, increasing its issued share capital from RMB434,920,000 to RMB579,894,000.
- The Board proposed the distribution of a final cash dividend of RMB0.17 (tax inclusive) per Share for 2024 (2023: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Anhui Conch Material Technology Co., Ltd. (the "**Company**", and its subsidiaries, collectively, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023, which have been reviewed by the audit committee (the "**Audit Committee**") of the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

(Expressed in Renminbi (“RMB”))

		2024	2023
	Note	RMB'000	RMB'000
Revenue	3	2,384,149	2,395,471
Cost of sales		<u>(1,924,469)</u>	<u>(1,936,349)</u>
Gross profit		459,680	459,122
Other net income	4	22,919	13,639
Distribution costs		(56,925)	(54,908)
Administrative expenses		(157,064)	(157,106)
Research and development costs		(55,005)	(45,843)
Impairment losses on trade receivables		<u>(6,943)</u>	<u>(14,590)</u>
Profit from operations		206,662	200,314
Finance costs	5(a)	<u>(26,484)</u>	<u>(30,285)</u>
Profit before taxation	5	180,178	170,029
Income tax	6(a)	<u>(32,294)</u>	<u>(26,095)</u>
Profit for the year		<u>147,884</u>	<u>143,934</u>
Attributable to:			
Equity shareholders of the Company		125,637	116,953
Non-controlling interests		<u>22,247</u>	<u>26,981</u>
Profit for the year		<u>147,884</u>	<u>143,934</u>
Earnings per share			
Basic and diluted (RMB)	7	<u>0.29</u>	<u>0.27</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

(Expressed in RMB)

	2024 RMB'000	2023 RMB'000
Profit for the year	<u>147,884</u>	<u>143,934</u>
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>36</u>	<u>—</u>
Total comprehensive income for the year	<u>147,920</u>	<u>143,934</u>
Attributable to:		
Equity shareholders of the Company	125,673	116,953
Non-controlling interests	<u>22,247</u>	<u>26,981</u>
Total comprehensive income for the year	<u>147,920</u>	<u>143,934</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Expressed in RMB)

	Note	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment		1,010,046	1,012,990
Right-of-use assets		185,798	181,279
Intangible assets		11,322	13,850
Goodwill		28,691	28,691
Deferred tax assets		28,069	24,100
Non-current portion of trade and other receivables	8	8,534	2,503
		1,272,460	1,263,413
Current assets			
Inventories		101,519	102,897
Trade and other receivables	8	913,893	813,057
Financial assets measured at fair value through profit or loss (“FVPL”)		40,000	—
Cash and cash equivalents		131,387	166,103
		1,186,799	1,082,057
Current liabilities			
Loans and borrowings		720,212	701,636
Trade and other payables	9	344,280	369,422
Contract liabilities		12,481	13,452
Lease liabilities		4,357	1,775
Income tax payables		22,606	12,311
		1,103,936	1,098,596
Net current assets/(liabilities)		82,863	(16,539)
Total assets less current liabilities		1,355,323	1,246,874

	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current liabilities		
Loans and borrowings	198,491	245,644
Lease liabilities	9,612	4,018
Deferred income	39,549	36,410
Deferred tax liabilities	11,283	12,334
	258,935	298,406
Net assets	1,096,388	948,468
Capital and reserves		
Share capital	434,920	434,920
Reserves	555,710	430,037
Equity attributable to equity shareholders of the Company	990,630	864,957
Non-controlling interests	105,758	83,511
Total equity	1,096,388	948,468

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Material accounting policies

(a) Statement of compliance

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

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

(b) Basis of preparation and presentation

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value:

- certain financial instruments investments;
- bills receivables measured at fair value through other comprehensive income (“**FVOCI**”).

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

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

2 Changes in accounting policies

The IASB has issued the following new and amended IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants* (“**2022 amendments**”);
- Amendments to IFRS 16, *Lease — Lease liability in a sale and leaseback*;
- Amendments to IAS 7, *Statement of cash flows* and amendments to IFRS 7, *Financial instruments: Disclosure — Supplier finance arrangements*;

The above developments have had no material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the research and development, production and sales of cement admixture, concrete admixture together with their respective in-process intermediaries.

(i) Disaggregation of revenue

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

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15 and recognised at a point in time		
— Cement admixture and in-process intermediaries	1,256,135	1,427,725
— Concrete admixture and in-process intermediaries	1,124,194	962,520
— Others	3,820	5,226
	<u>2,384,149</u>	<u>2,395,471</u>

The Group's customers base is diversified. There was only one customer of which the revenue from it accounted for 10% or more of the Group's revenue for the year ended 31 December 2024, and the revenue from this customer amounted to approximately RMB718,736,000 (2023: RMB762,404,000).

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group is within one year or less.

(b) Segment reporting

(i) Disaggregation of revenue

Information reported to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on admixture product. Resources are allocated based on what is beneficial for the Group in enhancing its admixture product activities as a whole rather than any specific products. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of IFRS 8, *Operating segments*.

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, non-current portion of trade and other receivables ("**specified non-current assets**"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of right-of-use assets, property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, goodwill and non-current portion of trade and other receivables.

Revenue from external customers

	2024 RMB'000	2023 RMB'000
Mainland China	2,382,747	2,395,471
Asia (except Mainland China)	1,402	—
	<u>2,384,149</u>	<u>2,395,471</u>

Specified non-current assets

	2024 RMB'000	2023 RMB'000
Mainland China	1,231,330	1,239,313
Asia (except Mainland China)	13,061	—
	<u>1,244,391</u>	<u>1,239,313</u>

4 Other net income

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income on cash at bank	1,476	1,795
Government grants (i)	20,631	11,838
Net loss on disposal of property, plant and equipment	(133)	(65)
Net realised gain on financial assets measured at FVPL	110	153
Others	835	(82)
	<u>22,919</u>	<u>13,639</u>

- (i) Government grants mainly represented subsidies received from the local government authorities for encouraging the Group's development in the admixture products in the respective PRC cities.

5 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on loans and other borrowings	26,031	30,602
Interest on lease liabilities	453	284
Less: interest expense capitalised into construction in progress*	<u>—</u>	<u>(601)</u>
	<u>26,484</u>	<u>30,285</u>

- * The borrowing costs were capitalised at nil per annum during the year ended 31 December 2024 (2023: 3.32% per annum).

(b) Staff costs:

	2024	2023
	RMB'000	RMB'000
Salaries, wages and other benefits	183,448	186,853
Contributions to defined contribution plans (i)	20,511	17,325
	203,959	204,178

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items:

	2024	2023
	RMB'000	RMB'000
Cost of inventories (i)	1,744,729	1,743,844
Depreciation of owned property, plant and equipment	63,896	60,990
Depreciation of right-of-use assets	7,114	6,054
Amortisation of intangible assets	2,528	2,370
Loss allowance recognised for trade receivables	6,943	14,590
Short-term lease payments not included in the measurement of lease liabilities	1,221	1,338
Listing expenses	1,854	3,375
Auditors' remuneration	1,696	179

- (i) Cost of inventories includes RMB83,130,000 relating to staff costs, depreciation and amortisation expenses for the year ended 31 December 2024 (2023: RMB83,315,000), which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 Income tax in the consolidated statements of profit or loss

(a) *Current taxation in the consolidated statements of profit or loss represents:*

	2024 RMB'000	2023 RMB'000
Current tax:		
Provision for the year	35,327	27,804
Under-provision in respect of prior years	<u>1,987</u>	<u>1,035</u>
	37,314	28,839
Deferred tax:		
Origination and reversal of temporary differences	(2,886)	(2,744)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	<u>(2,134)</u>	<u>—</u>
	<u><u>32,294</u></u>	<u><u>26,095</u></u>

- (i) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company's mainland China subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the PRC income tax law, all of the Company's PRC subsidiaries are liable to PRC income tax at a rate of 25% except for Linyi Conch, which is entitled to a preferential income tax rate of 15% during the years ended 31 December 2023 and 2024, as it is certified as "High and New Technology Enterprise" ("HNTE"). According to Guoshuihan 2009 No. 203, if an entity is certified as a HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

- (ii) Pursuant to Notice No. 23 issued by the State Administration of Taxation on 23 April 2020 and relevant local tax authorities' notices, certain subsidiaries are entitled to a preferential income tax rate of 15% as qualifying industries operated in western areas in the PRC during the year ended 31 December 2023. However, these subsidiaries are liable to PRC income tax at a rate of 25% for the year ended 31 December 2024 due to the change on new catalog of encouraged industries released by National Development and Reform Commission.
- (iii) Effective from 1 October 2022 to 31 December 2024, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the Enterprise Income Tax Law and its relevant regulations.

(b) *Reconciliation between income tax expense and accounting profit at applicable tax rates:*

	2024 RMB'000	2023 RMB'000
Profit before taxation	<u>180,178</u>	<u>170,029</u>
Notional tax on profit before taxation, calculated at the rates applicable to profit in the tax jurisdictions concerned	43,871	40,357
Super-deduction of research and development expenses	(12,591)	(6,580)
Tax effect of non-deductible expenses	2,372	2,954
Effect on deferred tax balances at 1 January resulting from a change in tax rate	(2,134)	—
Statutory tax concession	(1,211)	(11,671)
Under-provision in prior years	<u>1,987</u>	<u>1,035</u>
Actual tax expense	<u>32,294</u>	<u>26,095</u>

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB125,637,000 (2023: RMB116,953,000) and the weighted average of ordinary shares in issue during the year, which was calculated as follows.

Weighted average number of ordinary shares

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Issued ordinary shares at beginning of year	434,920	361,560
Effect of ordinary shares issued	<u>—</u>	<u>67,247</u>
Weighted average number of ordinary shares at end of year	<u>434,920</u>	<u>428,807</u>
	2024	2023
Profit attributable to ordinary equity shareholders of the Company for the year (in RMB'000)	125,637	116,953
Weighted average number of ordinary shares (in '000)	434,920	428,807
Basic earnings per share (in RMB)	<u>0.29</u>	<u>0.27</u>

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the years ended 31 December 2024 and 2023, therefore, diluted earnings per share are the same as the basic earnings per share.

8 Trade and other receivables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade receivables		
— Third parties	364,670	406,505
— Related parties	223,208	203,234
Less: allowance for doubtful debts	(44,983)	(38,040)
	542,895	571,699
Bills receivable, carried at amortised cost	259,169	187,488
Bills receivable, measured at FVOCI	64,653	10,819
Other receivables from third parties		
— Deposits and prepayments	18,895	20,091
— VAT recoverable	5,584	7,651
— Prepayments for listing expenses	14,583	9,343
— Income tax recoverable	1,636	—
— Others	6,464	5,948
	913,879	813,039
Other receivables from related parties	14	18
Current portion of trade and other receivables	913,893	813,057
Non-current portion of trade and other receivables	8,534	2,503
Total current and non-current trade and other receivables	922,427	815,560

All of the current portion of trade and other receivables are expected to be recovered within one year.

As at 31 December 2024, the Group endorsed undue bills receivable of RMB81,090,000 (31 December 2023: RMB135,377,000) to its suppliers to settle trade payables of the same amount and derecognised these bills receivable and payables to suppliers in their entirety from balance sheet as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred. The Group's continuous involvement in these derecognised undue bills receivable is limited to when the issuance banks of these undue bills are unable to settle the amounts to the holders of these bills. As at 31 December 2024, the maximum exposure to loss from its continuous involvement represents the amount of bills receivable of RMB81,090,000 (31 December 2023: RMB135,377,000), which the Group endorsed to its suppliers. These undue bills receivable were due within six months from date of issuance.

As at 31 December 2024, undue bank acceptance notes receivable of RMB123,275,000 (2023: RMB130,721,000) endorsed to its suppliers to settle the trade payables were not derecognised because management believed that the credit risks of ownership had not substantially transferred. All these undue bank acceptance notes receivable were due within six months.

As at 31 December 2024, undue bank acceptance notes receivable of RMB28,188,000 (2023: Nil) discounted to banks were not derecognised because management believed that the credit risks of ownership had not substantially transferred. The short-term bank loans of RMB28,188,000 (2023: Nil) were recognised accordingly. All these undue bank acceptance notes receivable were due within six months.

(a) Ageing analysis

The following table sets out an ageing analysis of trade receivables, net of loss allowance based on the due date indicated:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Current	399,530	454,657
1–6 months past due	90,950	116,546
7–9 months past due	50,725	379
10–12 months past due	1,690	117
	<u>542,895</u>	<u>571,699</u>

9 Trade and other payables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade payables		
— Third parties	202,030	192,986
— Related parties	9,524	2,726
	211,554	195,712
Other payables and accruals		
— Construction and equipment payables	34,334	69,205
— Deposits	27,899	32,783
— Other taxes and surcharges payables	7,228	5,432
— Accrued payroll and other benefits	45,876	46,135
— Listing expenses payables	4,130	6,630
— Other accrued expenses	10,100	7,567
	341,121	363,464
Other payables to related parties	3,159	5,958
Trade and other payables	344,280	369,422

An ageing analysis of trade and bills payables of the Group, based on the invoice date, is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 1 year	211,217	195,695
Over 1 year	337	17
	211,554	195,712

The amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

10 Dividend

(i) *Dividends payable to shareholders of the Company for the year*

Pursuant to a resolution passed at the Directors' meeting on 25 March 2025, a final dividend of RMB0.17 (tax inclusive) per ordinary share totalling RMB98,582,000, equivalent to approximately HK\$106,455,000, was proposed for shareholders' approval. The dividend has not been provided for in the consolidated financial statements for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Overview

In 2024, the domestic economy operated steadily in overall, with stable progress and solid advancements in high-quality development, providing a relatively stable economic foundation for the cement and concrete admixture industry. Due to the deep adjustments in the domestic real estate sector, the annual domestic cement production decreased by 9.5% compared to 2023 (data sourced from the official website of the National Bureau of Statistics), with a reduction in market demand for admixture products.

However, against the backdrop of increasingly stringent environmental policies such as national carbon emission reduction, the building materials industry has developed new demands for admixture products, focusing on cost reduction, efficiency improvement, and environmental sustainability. This has spurred the continuous introduction of more efficient and functional admixtures. The indispensability of admixtures in cement production, concrete preparation, and project construction has been further strengthened, which will support the industry's ongoing upgrading and development. The resulting structural adjustments and increased industry concentration will gradually enhance the scale effects of leading enterprises.

Business Review

During the Reporting Period, amid complex and ever-changing internal and external situations, the Group aimed to “stabilize current operations, expand existing markets, and capture new growth opportunities” which focused on product development and optimization of technical solutions to provide highly customized application solutions for different cement and concrete production enterprises. Leveraging a comprehensive national layout, fully integrated production capabilities across the industry chain, excellent brand recognition, and superior product quality, the Group remained dedicated to providing outstanding products and related technical support to the cement and concrete preparation market. The decline in industry demand did not slow down the Group's continuous development pace. Throughout the year of 2024, the Group achieved operating revenue of RMB2,384.15 million, remaining basically stable compared to the corresponding period of the previous year, and has been creating new increments and benefits from the admixture and in-process intermediaries required for cement and concrete production and applications.

I. Cement Admixture and In-process Intermediaries Business

As a leading supplier in the cement admixture and in-process intermediaries market in the PRC, the Group currently, in the business of cement admixture and in-process intermediaries required for cement production, leverages its fully integrated industrial chain to comprehensively serve customers at all levels across the industry chain. It provides finished products and technical support to the market terminals engaged in cement production and offers raw materials to enterprises involved in the compounding of cement admixtures. Additionally, it directly supplies products to more than 400 renowned cement manufacturers, including end customers in the cement admixture market such as Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), Taiwan Cement Corporation (台灣水泥股份有限公司), Gansu Shangfeng Cement Co., Ltd. (甘肅上峰水泥股份有限公司), and North Cement Company Limited (北方水泥有限公司).

II. Concrete Admixture and In-process Intermediaries Business

As a key domestic enterprise in concrete admixture and in-process intermediaries, the Group leverages its full-chain product advantages to provide a one-stop solution superior to industry standards for enterprises at all levels, covering polyether monomers, polycarboxylic acid mother liquor, and concrete admixture products. This positions the product as one with significant growth potential for the Company.

Polyether monomers are primarily sold to concrete admixture production enterprises of a certain scale. With the Company's technical support, (i) they can produce concrete admixture products tailored for different application scenarios. Polycarboxylic acid mother liquors mainly serve large-scale projects and small-scale concrete admixture production enterprises, and (ii) they enable convenient on-site compounding of concrete admixtures near construction sites, promptly meeting the demands of concrete production. Concrete admixture products directly serve large-scale concrete production enterprises.

In 2024, the Company's revenue from concrete admixtures and in-process intermediaries increased by 16.8% compared to the corresponding period of the previous year.

III. Overseas Business

The Group has adhered to the strategy of “developing its overseas business”. On the basis of improving its domestic business, the Group is focusing on expanding its footprint in Asia and other countries. It has increased its local production capacity which allows it to better serve overseas Chinese enterprises, providing stronger guarantees for Chinese building materials enterprises in international competition. In 2024, guided by the strategy of “overseas export trade as the forerunner, followed by localized production capacity layouts,” the Group successfully expanded its overseas market reach by exporting to 27 countries. At the same time, one of the Group’s subsidiaries located in Uzbekistan successfully put into operation, creating a new engine for performance growth while leveraging domestic production capacity and expanding overseas.

Operating Results and Analysis

	2024 RMB'000	2023 RMB'000
Revenue	2,384,149	2,395,471
Cost of sales	<u>(1,924,469)</u>	<u>(1,936,349)</u>
Cost ratio	80.72%	80.83%
Gross profit	459,680	459,122
Profit from operations	206,662	200,314
Profit before taxation	180,178	170,029
Income tax	<u>(32,294)</u>	<u>(26,095)</u>
Profit for the year	<u>147,884</u>	<u>143,934</u>
Earnings per share		
Basic and diluted (RMB)	<u>0.29</u>	<u>0.27</u>

During the Reporting Period, the Group's operating revenue amounted to RMB2,384.15 million, remaining basically stable compared to the corresponding period of the previous year; operating costs were RMB1,924.47 million for the Reporting Period, remaining basically stable compared to the corresponding period of the previous year. Profit for the year was RMB147.88 million for the Reporting Period, with a net profit margin of 6.20%, reflecting a slight increase compared to the profit for the year of RMB143.93 million and a net profit margin of 6.01% in the corresponding period of the previous year. The basic earnings per share of the Company were RMB0.29 for the Reporting Period.

1. Revenue

(i) Disaggregation of revenue

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

	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers		
within the scope of IFRS 15 and recognised		
at a point in time		
— Cement admixture and in-process intermediaries	1,256,135	1,427,725
— Concrete admixture and in-process intermediaries	1,124,194	962,520
— Others	3,820	5,226
	<u>2,384,149</u>	<u>2,395,471</u>

During the Reporting Period, the Group's revenue was derived from major product types: (i) cement admixture and in-process intermediaries, (ii) concrete admixture and in-process intermediaries, and (iii) others. A breakdown by business is as follows:

- (1) The revenue from cement admixture and in-process intermediaries amounted to RMB1,256.14 million for the Reporting Period, representing a decrease of 12.02% compared to the corresponding period of the previous year, mainly due to fluctuations in market prices of raw material which impacted downstream product pricing.

- (2) The revenue from concrete admixture and in-process intermediaries amounted to RMB1,124.19 million for the Reporting Period, representing an increase of 16.80% compared to the corresponding period of the previous year, primarily driven by the Group's efforts to develop customers for concrete admixture and in-process intermediaries, resulting in an expanded market share.
- (3) The revenue from others amounted to RMB3.82 million for the Reporting Period (primarily quality coupling sheets), representing a decrease of 26.90% compared to the corresponding period of the previous year, mainly due to the Group's focus on its principal business.

(ii) *Geographic information*

	2024 RMB'000	2023 RMB'000
Revenue from external customers		
Mainland China	2,382,747	2,395,471
Asia (except Mainland China)	1,402	—
	<u>2,384,149</u>	<u>2,395,471</u>
	2024 RMB'000	2023 RMB'000
Specified non-current assets		
Mainland China	1,231,330	1,239,313
Asia (except Mainland China)	13,061	—
	<u>1,244,391</u>	<u>1,239,313</u>

2. *Gross Profit and Gross Profit Margin*

Item	2024		2023		Change in amount (%)
	Amount RMB'000	Gross profit margin (%)	Amount RMB'000	Gross profit margin (%)	
Admixture and in-process intermediaries	457,404	19.22	456,480	19.10	0.20
Others	2,276	59.60	2,642	50.55	-13.85
Total	<u>459,680</u>	<u>19.28</u>	<u>459,122</u>	<u>19.17</u>	<u>0.12</u>

During the Reporting Period, the Group's products achieved a gross profit of RMB459.68 million, remaining basically stable compared to the corresponding period of the previous year.

During the Reporting Period, the gross profit margin for admixture and in-process intermediaries was 19.22%, remaining basically stable compared to the corresponding period of the previous year.

3. *Other Net Income*

During the Reporting Period, the Group's other net income amounted to RMB22.92 million, representing an increase of RMB9.28 million, or 68.04%, compared to the corresponding period of the previous year, mainly due to the increase in government grants received by certain subsidiaries.

4. *Distributions Costs*

During the Reporting Period, the Group's distributions costs amounted to RMB56.93 million, representing an increase of RMB2.02 million, or 3.67%, compared to the corresponding period of the previous year, mainly due to the increase in marketing expenses as the Group expanded its market presence.

5. *Administrative Expenses*

During the Reporting Period, the Group's administrative expenses amounted to RMB157.06 million, remaining basically stable compared to the corresponding period of the previous year.

6. *Research and Development Costs*

During the Reporting Period, the Group's research and development costs amounted to RMB55.01 million, representing an increase of RMB9.16 million, or 19.99%, compared to the corresponding period of the previous year, mainly due to the increased investment in research and development projects by the Group.

7. *Finance Costs*

During the Reporting Period, the Group's finance costs amounted to RMB26.48 million, representing a decrease of RMB3.80 million, or 12.55%, compared to the corresponding period of the previous year, mainly due to a dual reduction in loan quotas and interest rates.

Financial Position

As at the end of the Reporting Period, the Group's total assets amounted to RMB2,459.26 million, representing an increase of RMB113.79 million as compared to the end of the previous year; the equity attributable to equity shareholders of the Company amounted to RMB990.63 million, representing an increase of RMB125.67 million as compared to the end of the previous year; the gearing ratio of the Group calculated as total liabilities divided by total assets at the end of the year was 55.42%, representing a decrease of 4.14 percentage points as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	Change between the end of the Reporting Period and the end of the previous year (%)
Non-current assets	1,272,460	1,263,413	0.72
Current assets	1,186,799	1,082,057	9.68
Non-current liabilities	258,935	298,406	-13.23
Current liabilities	1,103,936	1,098,596	0.49
Net current assets/(liabilities)	82,863	(16,539)	—
Equity attributable to equity shareholders of the Company	990,630	864,957	14.53
Total assets	2,459,259	2,345,470	4.85
Total liabilities	1,362,871	1,397,002	-2.44

1. *Non-current Assets and Current Assets*

As at the end of the Reporting Period, the Group's non-current assets amounted to RMB1,272.46 million, remaining basically stable as compared to the end of the previous year.

As at the end of the Reporting Period, the Group's current assets amounted to RMB1,186.80 million, representing an increase of 9.68% as compared to the end of the previous year, mainly due to an increase in bills receivable.

2. *Non-current Liabilities and Current Liabilities*

As at the end of the Reporting Period, the Group's non-current liabilities amounted to RMB258.94 million, representing a decrease of 13.23% compared to the end of the previous year, mainly due to the decrease in bank loan balance by the repayment of certain project loans.

As at the end of the Reporting Period, the Group's current liabilities amounted to RMB1,103.94 million, remaining basically stable compared to the corresponding period of the previous year.

3. *Equity Attributable to Equity Shareholders of the Company*

As at the end of the Reporting Period, the equity attributable to equity shareholders of the Company amounted to RMB990.63 million, representing an increase of 14.53% compared to the end of the previous year, mainly due to the Company's continued profitability, resulting in an increase in shareholders' equity.

4. *Loans and Borrowings*

As at the end of each reporting period, the bank loans were repayable as follows:

Item	31 December 2024 RMB'000	31 December 2023 RMB'000
Within one year	720,212	701,636
After one year but within two years	75,000	55,000
After two years but within five years	123,491	190,644
Total	<u>918,703</u>	<u>947,280</u>

As at the end of the Reporting Period, the Group had balance of loans and borrowings of RMB918.70 million, representing a decrease of RMB28.58 million compared to the end of the previous year, primarily due to the repayment of certain project loans.

As at the end of the Reporting Period, all of the Group's loans and borrowings were denominated in RMB, with the interests calculated based on fixed rates.

Cash Flows

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Item		
Net cash generated from operating activities	166,780	163,692
Net cash used in investing activities	(136,331)	(91,543)
Net cash used in financing activities	(65,165)	(37,803)
Net (decrease)/increase in cash and cash equivalents	(34,716)	34,346
Cash and cash equivalents at beginning of year	166,103	131,757
Cash and cash equivalents at end of year	131,387	166,103

Net cash generated from operating activities

During the Reporting Period, the Group had net cash generated from operating activities of RMB166.78 million, remaining basically stable compared to the corresponding period of the previous year.

Net cash used in investing activities

During the Reporting Period, the Group had net cash used in investing activities of RMB136.33 million, representing an increase of RMB44.79 million compared to the corresponding period of the previous year, mainly due to the construction of new production plants and purchases of equipment and acquisition of short-term, low-risk wealth management products.

Net cash used in financing activities

During the Reporting Period, the Group had net cash used in financing activities of RMB65.17 million, representing an increase of RMB27.36 million compared to the corresponding period of the previous year, primarily due to the repayment of certain project loans.

Foreign Exchange Exposure and Exchange Rate Risk

The Group's functional currency is RMB. Foreign exchange risks faced by the Group were mainly derived from trade receivables and account payables arising from overseas project construction which were mainly denominated in foreign currencies including US dollars and Uzbekistan UZS. Other than that, most of the assets and transactions of the Group were denominated in RMB, and the capital expenditures of the Group's domestic business were generally funded with the revenue in RMB. As a result, the Group was not exposed to significant foreign exchange risks.

The Group did not use any financial instruments to hedge against any foreign exchange risks.

Capital Commitments

As at the end of the Reporting Period, the Group had capital commitments not provided for in the consolidated financial statements amounting to RMB121,981,000 (2023: RMB10,890,000).

Contingent Liabilities

As at the end of the Reporting Period, the Group did not have any material contingent liabilities.

Charges on Assets

As at the end of the Reporting Period, the Group did not have any charges on assets.

Significant Investments

During the Reporting Period, the Group did not have any significant investments.

Future Plan for Material Investments or Capital Assets

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Company's prospectus dated 31 December 2024 (the "**Prospectus**"), as of the date of this announcement, the Group did not have any plans for material investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

During the Reporting Period, the Group did not have any material acquisition or disposals of subsidiaries, associated companies and joint ventures.

Human Resources

The Group attached great importance to the construction and development of human resources management system, consistently adhered to the strategy of strengthening enterprises with talents. Guided by value creation, it actively explored diversified incentive measures and implemented a mechanism for sharing excess profits, aiming to stimulate employee motivation and fully utilize the incentivizing and regulatory effects of the Group's compensation mechanism. Simultaneously, with the goal of enhancing human resource efficiency, it steadfastly advanced management innovation, fostered the management orientation that respects knowledge, talent, and innovation, thereby providing human resource support and assurance for the Group's high-quality development.

As at the end of the Reporting Period, the Group had 876 employees (31 December 2023: 893 employees). The remuneration of employees is based on qualifications, experience, work performance and market conditions. As required by the PRC regulations on social insurance, the Group participated in the social insurance schemes managed by local government authorities which include pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. During the Reporting Period, the total remuneration of employees (including the remuneration of the Directors) was approximately RMB203.96 million (2023: approximately RMB204.18 million).

Future Plan and Prospects

2025 marks the conclusion of "China's 14th Five-Year Plan". The central government will adhere to the goal of making progress while maintaining stability and promoting high-quality development, and it will also accelerate the forming of a new development environment, with strengthened macro regulation and counter-cyclical adjustments. The proactive fiscal policies and moderately accommodative monetary policies will continue to provide momentum for the development of the construction industry. In particular, it is expected that following the resolution of local government financing vehicle debt through national special bonds, previously backlogged projects will gradually be expedited. Additionally, the focused development of regions such as Xinjiang in 2025 will create new growth opportunities for the admixture industry.

By accelerating its overseas expansion to absorb domestic production capacity and continuously optimizing product costs, the Group will focus on developing highly customized admixtures tailored to diverse demands, while deepening its expertise in existing admixture technologies, so as to continuously provide superior technical solutions to the industry, and drive steady growth for the company.

USE OF PROCEEDS FROM GLOBAL OFFERING

The H shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 January 2025 (the “**Listing Date**”), with the issuance of 144,974,000 H shares.

The net proceeds from the Hong Kong public offering and the international offering (the “**Global Offering**”) of the Company (after deducting the underwriting fees and commissions and related cost and expenses) amounted to approximately HK\$395.9 million. There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

After the Listing Date, the unutilised net proceeds are placed in licensed banks and/or authorized financial institution as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and laws in the relevant jurisdictions (where applicable).

As at the date of this announcement, the Company had not utilized any net proceeds from the Global Offering and will use the net proceeds in accordance with the intended purposes and expected implementation as stated in the Prospectus.

For further details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group strives to attain and maintain relatively high standards of corporate governance that are best suited to the needs and interests of the Group, as it believes that effective corporate governance practices are fundamental to safeguarding the interests of its shareholders and other stakeholders and enhancing shareholder value.

The Board has adopted the principles and code provisions of Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). As the H shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2025, the CG Code was not applicable to the Company prior to the Listing Date. Since the Listing Date and up to the date of this announcement, the Company has fully complied with all the applicable code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors and the supervisors of the Company (the “**Supervisors**”). As the H shares of the Company were listed on the Main Board of the Stock Exchange on 9 January 2025, the Model Code was not applicable to any Directors or Supervisors prior to the Listing Date. Having made specific enquiries to all the Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the required standards as set out in the Model Code since the Listing Date and up to the date of this announcement.

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

As the H shares of the Company had not yet been listed on the Main Board of the Stock Exchange during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee consists of four members, namely Ms. Xu Xu (Chairperson), Mr. Li Jiang, Mr. Chen Jiemiao and Ms. Zeng Xiangfei, all of whom are independent non-executive Directors.

The Audit Committee has reviewed, together with the management of the Company, the applicable accounting principles, standards and practices adopted by the Group and consolidated financial statements of the Group for the Reporting Period and the disclosure in this announcement, and was of the opinion that the preparation of such annual results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

SCOPE OF WORK OF KPMG

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 agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

FINAL DIVIDEND

The Board proposed the distribution of a final cash dividend of RMB0.17 (tax inclusive) (the “**Proposed Final Dividend**”) per Share for the year ended 31 December 2024 after taking into account of the dividend policy adopted by the Company. The aforesaid proposal is subject to the consideration and approval at the 2024 annual general meeting of the Company (the “**AGM**”). The Proposed Final Dividend is expected to be paid on or around Friday, 20 June 2025. The Proposed Final Dividend will be declared in RMB and paid in RMB to shareholder of domestic shares, and in HKD to shareholder of H shares. The exchange rate from RMB to HKD will be based on the average of the middle exchange rates published by the People's Bank of China during the calendar week preceding the announcement of the Proposed Final Dividend.

DIVIDEND TAX

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) which was promulgated on 16 March 2007, and was amended on 24 February 2017 and 29 December 2018, respectively, the Provision for Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) which was promulgated on 6 December 2007 and was amended on 23 April 2019, and the Notice of the State Taxation Administration on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to Non-resident Enterprises Shareholders of Overseas H Shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated and implemented by the State Taxation Administration on 6 November 2008 and 6 December 2024, and other requirements, where PRC resident enterprises distribute dividends for 2008 and subsequent years to non-resident enterprise holders of overseas H shares, they are required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC resident enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise holders of overseas H shares whose names are listed on the H Shares register of members of the Company (i.e. any shareholder holding H shares in the name of a non-individual shareholder, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholders of H shares registered in the name of other organizations and groups). After receiving dividends, the overseas non-resident enterprise shareholders may apply to the competent tax authorities for enjoying treatment under taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that they are the actual beneficiary under the requirements of such taxation treaties (arrangement). Upon the competent tax authorities have verified that there is no error, the tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement) will be refunded.

On 28 June 2011, the State Taxation Administration promulgated the Notice of the State Taxation Administration on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the “**No. 348 Circular**”). Pursuant to the No. 348 Circular, overseas resident individual shareholders holding the shares of a domestic non-foreign-invested enterprise issued in Hong Kong are entitled to the relevant preferential tax treatments pursuant to the provisions in the tax treaties between the country(ies) in which they are domiciled and the PRC, and the tax arrangements between the Mainland and Hong Kong (Macau). Pursuant to the No. 348 Circular, individual income tax at a tax rate of 10% may in general be withheld in respect of the dividend and bonus to be distributed by the domestic non-foreign-invested enterprises whose shares have been issued in Hong Kong, without the need to apply for preferential tax treatments. However, the tax rate for each overseas resident individual shareholder may vary depending on the relevant tax treaties between the country(ies) of their domicile and the PRC.

If the individual shareholders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

If the individual shareholders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such shareholders and according to the relevant tax treaties, for the relevant preferential tax treatment, provided that the relevant shareholders submit the relevant documents and information required by the provisions of the relevant tax treaties in a timely manner. The Company will assist with the tax refund of additional amount of tax withheld and paid subject to the approval of the competent tax authorities.

If the individual shareholders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such shareholders.

If the individual shareholders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

Shareholders are recommended to consult their financial advisors regarding the ownership and disposal of H shares in the PRC, Hong Kong and other tax implications.

ANNUAL GENERAL MEETING

The AGM will be convened on Tuesday, 20 May 2025. The notice of the AGM will be published on the website of the Company (www.conchmst.com) and the website of the Stock Exchange (www.hkexnews.hk) in the manner stipulated by the Listing Rules in due course, and will be, where necessary, despatched to the shareholders of the Company (the “Shareholders”).

CLOSURE OF REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 15 May 2025 to Tuesday, 20 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order for Shareholders to be eligible to attend and vote at the AGM, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of shareholders of H shares), or the office of the Board, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of shareholders of domestic shares) for registration not later than 4:30 p.m. on Wednesday, 14 May 2025. Shareholders whose names are listed on the register of members of the Company on Tuesday, 20 May 2025 are entitled to attend and vote at the AGM.

In order to determine the eligibility of Shareholders for the Proposed Final Dividend, the register of members of the Company will be closed from Monday, 26 May 2025 to Thursday, 29 May 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the Shareholders' entitlement to the Proposed Final Dividend, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of shareholders of H shares), or the office of the Board, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of shareholders of domestic shares) for registration not later than 4:30 p.m. on Friday, 23 May 2025. Shareholders whose names are listed on the register of members of the Company on Thursday, 29 May 2025 are entitled to receive the Proposed Final Dividend.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Use of Proceeds from Global Offering" in this announcement, there were no significant events of the Group requiring disclosure which would materially affect the Group's operating and financial performance subsequent to the Reporting Period and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Company (www.conchmst.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course, and will be, where necessary, despatched to the Shareholders.

By order of the Board
Anhui Conch Material Technology Co., Ltd.
Mr. Ding Feng
Chairman of the Board and non-executive Director

Anhui Province, the People's Republic of China
25 March 2025

As at the date of this announcement, the Board comprises Mr. Ding Feng as the Chairman of the Board and non-executive Director; Mr. Chen Feng and Mr. Bai Lin as executive Directors; Mr. Feng Fangbo, Mr. Zhao Hongyi, Mr. Jin Feng and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.