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**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)**

## **UPDATE ON PUBLICATION OF 2024 INTERIM RESULTS**

Reference is made to (i) the announcements (the “**Announcements**”) of the Company dated 5 November 2024 and 8 November 2024 in relation to, among others, the request to review the Listing Committee’s decision, the appointment of the accountants and the updates on publication of the 2024 Interim Results; and (ii) the interim announcement for the six months ended 30 June 2024 dated 29 November 2024 (the “**2024 Interim Results Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcements.

### **UPDATES ON THE PUBLICATION OF 2024 INTERIM RESULTS AND LRC REVIEW**

As disclosed in the announcement dated 5 November 2024, the Company was not able to publish its 2024 Interim Results by 5 November 2024 in accordance with the LC Decision because of the accounting issue relating to the Associated Company.

To comply with the Stock Exchange’s guidance to issue the 2024 Interim Results (with any caveats about the Associated Company considered appropriate and necessary by the Board) whilst ensuring that the financial statements must still be accurate and complete in all material respects and not be misleading or deceptive, the Group has been using its best endeavor to resolve the matter, including sending legal letters to the Associated Company to enforce its shareholder’s rights (the latest development of which is set out below), and appointing ZhongHui to carry out AUP. Upon the completion of such AUP works, the Company published its 2024 Interim Results Announcement (with caveats) on 29 November 2024 and such 2024 Interim Results Announcement will be further updated after the resolving the accounting issue relating to the Associated Company as detailed below.

The Company has requested to review the LC Decision and the LRC Review hearing has been scheduled to take place on 6 December 2024. For details of the LRC Review, please refer to the announcement of the Company dated 5 November 2024.

## UPDATES ON THE ASSOCIATED COMPANY

Reference is made to Note 12 to the consolidated financial statements in the 2024 Interim Results Announcement states that:

*“As at 30 June 2024, the Group’s interests in associates and amounts due from associates were RMB968,541,000 and RMB590,459,000, respectively. Among them, the balances of the interests in associates and the amounts due from associates in relation to one of our associates, Xinan Zhonglian Wanji Cement Company Limited (“**Wanji Cement**”), were RMB407,258,000 and RMB81,674,000, respectively. The balance of the interests in the associate, Wanji Cement, included the balance as at 31 December 2023 of RMB434,158,000 and the share of loss of associates recognised during this interim period in proportion to shareholding of RMB26,900,000.*

*Considering that Wanji Cement has ceased production since June 2023, the financial information attached to the letter from Wanji Cement received by the Company on 29 August 2024 indicating its net current liabilities of RMB705,146,000, as well as the subsequent letters requesting shareholders to inject capital or provide loans to address operational needs, the Group believes that there are significant uncertainties surrounding Wanji Cement which may cast substantial doubt on its ability to continue as a going concern. Therefore, it is necessary to assess the net book value of Wanji Cement in interests in associates and the recoverability of the amounts due from associates.*

*As at the date of approval of this financial report, despite active communication with Wanji Cement, the Group has not been able to obtain reliable financial information from Wanji Cement to verify whether its financial reports are true and fair, nor has it been able to perform the necessary tests for asset impairments and bad debt provisions for amounts due from associates based on the financial information provided. In respect of its share of losses and impairment loss on receivables of RMB26,900,000 and nil for the period ended 30 June 2024, respectively, and its interests in associates and receivables of RMB407,258,000 and RMB81,674,000 as at 30 June 2024, respectively, the Group is of the opinion that there may be misstatements in the aforesaid figures, which may affect the accuracy of the figures disclosed in the 2024 interim results of the Group.”*

Despite the publication of its 2024 Interim Results Announcement (with caveats) on 29 November 2024, the Group considers it necessary to engage a reputable and independent professional valuer to comprehensively assess the fair value of equity of the Associated Company and the Company’s recoverability of receivables, in order to ensure the accuracy and completeness of the relevant figures of asset impairment and bad debt provision such that the financial information presented will be true and fair.

Additionally, the Company sent out a legal letter in early November 2024, reiterating the Company's right to review financial information. The Company received a response from the Associated Company on 15 November 2024, indicating that the Company has the right to request to review the accounting books and accounting vouchers of the Associated Company, but does not have the right to copy those accounting books and accounting vouchers. If the Company requests to review those accounting books and accounting vouchers, a written request should be submitted, stating the purpose and scope of the review. Upon receiving written application from the Company, the Associated Company will assess whether it complies with the provisions of the Company Law of the People's Republic of China, whether there is any improper motive, and whether it harms the legitimate interests of the Associated Company, and will notify the Company separately whether it agrees to the Company's review request. The Company replied to the Associated Company on 19 November 2024, reapplying to review those accounting books and accounting vouchers, and explaining the purpose and scope of the review. On 28 November 2024, the Company sent a legal letter again to follow up with the Associated Company on the matter. If the Associated Company still fails to respond within a reasonable time, the Company will take further legal action to obtain reliable financial information of the Associated Company in accordance with the PRC Company Law and other regulations.

After performing the necessary tests on asset impairments and bad debt provisions for amounts due from associates, the Company will, where necessary, issue an updated 2024 interim results announcement, which is accurate and complete in all material respects (including but not limited to the disclosure of asset impairments and bad debt provisions for amounts due from associates related to the Associated Company), to ensure that the Group's performance, and financial position are truly and fairly reflected, and the relevant financial information is accurate and complete.

The Company will engage an independent professional valuer to carry out the relevant appraisal works. Upon receipt of the professional opinion of the valuer, the Company will disclose the relevant indicative timetable in respect of the appraisal and updates of the 2024 Interim Results Announcement as soon as practicable.

The Company will take further action in relation to its trading status having taken into account the results of the LRC Review hearing, when it is ready.

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

Hong Kong, 29 November 2024

*As at the date of this announcement, the Board consists of Chairman and executive Director, Mr. Li Xuanyu; Executive Directors, Ms. Li Fengluan, Mr. Ding Jifeng, Mr. Xu Wuxue and Mr. Li Jiangming; Non-executive Director, Mr. Li Liufa; and Independent Non-executive Directors, Mr. Kong Xiangzhong, Mr. Mak Tin Sang, Mr. Du Xiaotang and Mr. Li Wenfeng.*