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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)**

## **DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES**

This announcement is made by China Tianrui Group Cement Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.13 and 13.15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

References are made to the annual results announcement of the Company for the year ended 31 December 2024 dated 20 June 2025, respectively (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

### **PREPAYMENT TO COAL SUPPLIERS**

On 3 January 2023, the Group entered into three supplemental framework purchase agreements (“**Framework Purchase Agreements**”) with three coal suppliers, namely (i) Dalian Ruixiang Environmental Technology Co., Ltd.\* (大連瑞象環保科技有限公司) (“**Dalian Ruixiang**”), (ii) Henan Yukuo Trading Co., Ltd.\* (河南裕闊商貿有限公司) (“**Henan Yukuo**”) and (iii) Zhongyuan Yukuo Trading Co., Ltd.\* (中原裕闊商貿有限公司) (“**Zhongyuan Yukuo**”) (collectively, the “**Coal Suppliers**”), respectively, for the purchase of coals for trading purposes. The principal terms of the Framework Purchase Agreements are summarised below:

Duration of the agreement:	1 January 2023 to 31 December 2024
Services agreed:	The supplier shall provide the buyer with the coal required for production and operations and be responsible for related delivery. In addition to supplying coal for the buyer's production needs, the supplier commits to fully supporting the buyer in conducting coal trading business during the effective period of this agreement. In principle, coal trading shall be carried out directly between the supplier and the buyer.
Quantity:	the buyer shall provide the coal procurement plan for the next month to the supplier by the 25th of each month, including the quantity for own use and for coal trading purposes.
Prepayment terms:	the buyer shall provide the supplier with prepayments (including but not limited to cash and acceptance bills) for coal procurement covering no less than six months, in accordance with the procurement plan.
Detention fee:	<p>Pursuant to the supplemental agreements entered into between the Company and Henan Yukuo, Dalian Ruixiang and Zhongyuan Yukuo which amended the Framework Purchase Agreements, the interest rate pertaining to the detention fees (the "<b>Detention Fees</b>") payable by each of the Coal Suppliers to the Company at each year end was amended to 4.5% per annum.</p> <p>The Detention Fees were calculated according to the following: (procurement balance as at the beginning of the month + procurement balance as at the end of the month) x 50% - the actual procurement amount during the month.</p>

The Framework Purchase Agreements are supplemental to certain purchase agreements entered into between the Group and the Coal Suppliers in 2021 and 2022 for purchase of coals for the Group's own production use. In 2024 and 2025, the Group entered into further supplemental agreements with the Coal Suppliers mainly to, among others, (i) extend the duration of the Framework Purchase Agreements and (ii) record the arrangements to recover/utilize the prepayments as agreed with the Coal Suppliers.

Pursuant to the Framework Purchase Agreements, the Group shall provide prepayments for coal procurement covering no less than six months, in accordance with the procurement plan provided by the Group each month which sets out the quantity for own use and for coal trading purposes. 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 for the year ended 31 December 2023, including RMB11,920.1 million were paid as prepayment to the Coal Suppliers. As at 31 December 2024, the Group had an amount of approximately RMB2,286.2 million, RMB8,814.6 million and RMB3,680.9 million prepayments to Dalian Ruixiang, Henan Yukuo and Zhongyuan Yukuo respectively.

For details of the background of the coal trading business, reasons for the prepayments and the recovery plans for the Prepayments, please refer to pages 15 and 16 of the Announcement.

## **INFORMATION ON THE COAL SUPPLIERS**

Dalian Ruixiang is a limited liability company incorporated in the PRC and founded in 2015, and is principally engaged in the development of environmental technology, equipment manufacturing, waste-to-energy solutions, and commodity trading (including coal and recycled materials). To the best of the knowledge, information and belief of the directors of the Company (the "**Directors**"), it is owned as to 60% by Luan Songjing (樂松京), and 20% each by Wang Quansheng (王全生) and Zheng Baozuo (張寶座).

Henan Yukuo is a limited liability company incorporated in the PRC and founded in 2017, and is principally engaged in the processing and trading of coal, processing of mineral products, machinery sales/leasing, logistics services, and import/export operations. To the best of the knowledge, information and belief of the Directors, it is indirectly owned as to 70% by Cao Zhiyuan (曹志遠) and 30% by Sui Shengchao (隨勝超).

Zhongyuan Yukuo is a limited liability company incorporated in the PRC and founded in 2011, and is principally engaged in the wholesale and retail of coal, mineral products and building materials. To the best of the knowledge, information and belief of the Directors, it is owned as to 60% by Xu Weibin (徐偉斌) and 40% by Liu Tianxuan (劉天軒).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Coal Suppliers and their ultimate beneficial owners are independent third parties of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

Since November 2023, the Prepayments exceeded 8% of the Company's total assets as at 30 June 2023. As such, the Company should be required to announce the details of this advance to an entity in accordance with Rules 13.13 and 13.15 of the Listing Rules. However, since the Prepayments were paid in the ordinary course of business according to the then business strategy of the Group, the Directors mistakenly considered that the Prepayments were not loans or other kind of financial assistance to any party which constituted an advance to an entity under Rule 13.13 of the Listing Rules. As such, the Directors consider that the non-compliance incident is a one-off misinterpretation of the application of Rule 13.13 of the Listing Rules.

## **Remedial Measures**

In order to avoid the recurrence of similar non-compliance in the future, the following remedial measures will be taken by the Group by the end of 2025 to ensure that the Listing Rules, including Rule 13.13 of the Listing Rules, is strictly complied with:

- (i) training on the Listing Rules (in particular Chapter 13 of the Listing Rules) will be arranged for all directors, senior management and all staff of the financial department of the Company;
- (ii) monitoring the level of advances, including multiple prepayments to certain entities, against the assets ratio (as defined under Rule 14.07(1) of the Listing Rules) to ensure compliance with Rule 13.13 of the Listing Rules;
- (iii) for transactions which exceed a certain threshold amount (to be determined with reference to the historical transactions of the Group), the finance department of the Company shall perform a size test and consider the disclosure requirements (where necessary);

- (iv) transaction proposals, size test calculations and documents shall be approved by the secretary to the Board and should be properly retained by the relevant departments.

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

Hong Kong, 24 July 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; and Independent Non-executive Directors, Mr. Kong Xiangzhong and Mr. Mak Tin Sang.*

*\* For identification purposes only*