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CNBM

China National Building Material Company Limited*

中 國 建 材 股 份 有 限 公 司

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

(Stock Code: 3323)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

For the year ended 31 December 2024, the Group's audited consolidated operating revenue amounted to RMB181,301 million, representing a decrease of 13.8% as compared to the same period of 2023.

The audited profit attributable to equity holders of the Company amounted to RMB2,387 million, representing a decrease of 38.2% as compared to the same period of 2023.

Basic earnings per share was RMB0.283, representing a decrease of 38.2% as compared to the same period of 2023.

The Board hereby recommends the distribution of a final dividend of RMB1,199,697,374.56 in total (tax inclusive) for the period from 1 January 2024 to 31 December 2024 (2023: RMB1,931,562,481.60 in total (tax inclusive)) for Shareholders whose names appear on the Company's register of members on Monday, 12 May 2025, representing RMB0.158 per share (tax inclusive) (2023: RMB0.229 per share (tax inclusive)) based on the issued shares of 7,593,021,358 shares as of 27 March 2025. The final amount of the dividend per share will be determined based on the number of shares of the Company in issue as at 12 May 2025.

The Board is pleased to announce the consolidated results and the financial position of the Group for the year ended 31 December 2024 prepared in accordance with IFRSs, together with the consolidated results and financial position for the year of 2023 for comparison.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	3	**181,300,701**	210,216,434
Cost of sales		**(148,591,366)**	(172,770,237)
Gross profit		**32,709,335**	37,446,197
Investment and other income, net	5	**5,533,440**	3,454,100
Selling and distribution costs		**(3,918,324)**	(3,694,350)
Administrative expenses		**(20,624,622)**	(21,122,306)
Finance costs, net	6	**(4,657,818)**	(5,142,062)
Share of results of associates		**1,090,929**	1,512,521
Share of results of joint ventures		**(9,913)**	(3,356)
(Impairment loss)/reversal of impairment loss under expected credit loss model, net		**(629,675)**	69,178
Profit before income tax	7	**9,493,352**	12,519,922
Income tax expense	8	**(2,079,766)**	(2,119,272)
Profit for the year		**7,413,586**	10,400,650
Profit for the year attributable to:			
Owners of the Company		**2,387,299**	3,863,048
Holders of perpetual capital instruments		**514,421**	551,808
Non-controlling interests		**4,511,866**	5,985,794
Profit for the year		**7,413,586**	10,400,650
		RMB	*RMB*
Earnings per share – basic	10	**0.283**	0.458
Earnings per share – diluted	10	**0.283**	0.450

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Profit for the year		**7,413,586**	10,400,650
Other comprehensive (expense)/income, net of tax:	*8(b)*		
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit obligations		**(32,268)**	(1,323)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**(135,309)**	(117,440)
Share of associates' other comprehensive (expense)/ income		**(714)**	76,391
Share of joint ventures' other comprehensive income/ (expense)		**89**	(73)
Changes in fair value on hedging instruments designated as cash flow hedges		**9,944**	(20,874)
Other comprehensive expense for the year, net of tax		**(158,258)**	(63,319)
Total comprehensive income for the year		**7,255,328**	10,337,331
Total comprehensive income attributable to:			
Owners of the Company		**2,267,584**	3,801,338
Holders of perpetual capital instruments		**514,421**	551,808
Non-controlling interests		**4,473,323**	5,984,185
Total comprehensive income for the year		**7,255,328**	10,337,331

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**204,239,365**	198,007,875
Right-of-use assets		**27,046,941**	27,006,928
Investment properties		**1,492,807**	1,612,203
Goodwill		**34,376,630**	32,243,664
Intangible assets		**31,290,814**	29,880,940
Interests in associates		**33,115,674**	32,751,773
Interests in joint ventures		**223,093**	233,073
Financial assets at fair value through profit or loss		**3,754,092**	3,766,633
Financial assets at fair value through other comprehensive income		**42,969**	18,969
Deposits		**2,577,030**	1,739,240
Trade and other receivables	*11*	**3,205,042**	4,688,417
Deferred income tax assets		**8,603,357**	8,437,148
Derivative financial instruments		**–**	7,168
		349,967,814	340,394,031
Current assets			
Inventories		**16,951,294**	21,128,454
Trade and other receivables	*11*	**87,592,581**	81,900,454
Financial assets at fair value through profit or loss		**9,423,632**	9,934,678
Derivative financial instruments		**1,448**	1,463
Amounts due from related parties		**2,727,631**	3,270,468
Pledged bank deposits		**3,809,312**	4,837,876
Cash and cash equivalents		**23,533,564**	27,430,500
		144,039,462	148,503,893

	Notes	**2024** **RMB'000**	2023 RMB'000
Current liabilities			
Trade and other payables	*12*	**91,379,837**	93,783,605
Amounts due to related parties		**5,814,777**	6,613,726
Borrowings – amount due within one year		**82,128,645**	73,980,106
Lease liabilities		**418,137**	291,307
Derivative financial instruments		**4,689**	72,534
Employee benefits payable		**25,817**	28,527
Current income tax liabilities		**1,380,346**	1,544,897
Dividends payable to non-controlling interests		**311,080**	480,596
		181,463,328	176,795,298
Net current liabilities		**(37,423,866)**	(28,291,405)
Total assets less current liabilities		**312,543,948**	312,102,626
Non-current liabilities			
Borrowings – amount due after one year		**109,781,897**	110,925,593
Deferred income		**2,278,646**	2,232,550
Lease liabilities		**2,148,167**	1,833,522
Employee benefits payable		**329,186**	303,804
Deferred income tax liabilities		**3,478,167**	3,293,070
		118,016,063	118,588,539
Net assets		**194,527,885**	193,514,087
Capital and reserves			
Share capital		**8,434,771**	8,434,771
Reserves		**94,686,353**	96,890,711
Equity attributable to:			
Owners of the Company		**103,121,124**	105,325,482
Holders of perpetual capital instruments		**16,322,353**	17,838,445
Non-controlling interests		**75,084,408**	70,350,160
Total equity		**194,527,885**	193,514,087

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period and the assets classified as held for sale that are measured at the lower of carrying amount and fair value less cost to sell.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

Except for the amendments to IFRSs mentioned below, the application of the amendments to IFRSs in the current year had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to IAS 7 "Statement of Cash Flows" stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, IFRS 7 "Financial Instruments: Disclosures" was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by IAS 7.44H (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

2.2 New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures[4]
Amendments to IAS 21	Lack of Exchangeability[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

Except for the new IFRSs mentioned below, the directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18 and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE

	2024	2023
	RMB'000	*RMB'000*
Sale of goods	**154,047,628**	172,646,629
Provision of engineering services	**24,320,519**	35,026,156
Rendering of other services	**2,932,554**	2,543,649
	181,300,701	210,216,434

4. SEGMENTS INFORMATION

(a) Operating segments

For management purpose, the Group was organised into five major operating divisions during the year – cement, concrete, new materials, engineering technology services and others. These activities are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Cement	–	Production and sale of cement
Concrete	–	Production and sale of concrete
New materials	–	Production and sale of fibreglass, composite and light building materials
Engineering technology services	–	Provision of engineering technology services to glass and cement manufacturers and equipment procurement
Others	–	Merchandise trading business and others

No information about geographic location of the Group's operations and assets is presented as such information is not regularly provided to management for resource allocation and performance assessment purposes.

The segment result is disclosed as EBITDA/(LBITDA), i.e. the profit/(loss) earned by each segment without allocation of depreciation and amortisation, net other income, central administration costs, unallocated finance costs, share of results of associates, share of results of joint ventures and income tax expense. This is the measure reported to the management for the purpose of resource allocation and assessment of segment performance. Management views the combination of these measures, in combination with other reported measures, as providing a better understanding for management and investors of the operating results of its business segments for the year under evaluation compared to relying on one of the measures.

Information regarding the Group's reportable segments is presented below:

For the year ended 31 December 2024

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering technology services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Consolidated statement of profit or loss							
Revenue							
External sales							
At a point of time	**66,336,024**	**24,527,333**	**47,604,968**	**102,714**	**6,116,173**	**–**	**144,687,212**
Over time	**–**	**–**	**925,532**	**35,687,957**	**–**	**–**	**36,613,489**
	66,336,024	**24,527,333**	**48,530,500**	**35,790,671**	**6,116,173**	**–**	**181,300,701**
Inter-segment sales (Note)	**212,963**	**25,240**	**21,158**	**9,673,660**	**12,296,470**	**(22,229,491)**	**–**
	66,548,987	**24,552,573**	**48,551,658**	**45,464,331**	**18,412,643**	**(22,229,491)**	**181,300,701**
Adjusted EBITDA	**14,860,604**	**2,107,616**	**8,801,741**	**3,006,356**	**106,459**	**–**	**28,882,776**
Depreciation and amortisation	**(10,987,523)**	**(867,002)**	**(3,377,007)**	**(512,757)**	**(268,883)**		**(16,013,172)**
Unallocated other income, net							**260,262**
Unallocated administrative expenses							**(59,712)**
Share of results of associates	**33,233**	**16,213**	**35,624**	**58,885**	**946,974**		**1,090,929**
Share of results of joint ventures	**(8,815)**	**–**	**(1,650)**	**–**	**552**		**(9,913)**
Finance costs, net	**(3,151,000)**	**(737,221)**	**(451,605)**	**35,450**	**(388,687)**		**(4,693,063)**
Unallocated finance costs, net							**35,245**
Profit before income tax							**9,493,352**
Income tax expense							**(2,079,766)**
Profit for the year							**7,413,586**

Note: The inter-segment sales were carried out with reference to market prices.

Segment assets include all tangible, intangible assets and current assets with the exception of other corporate assets. Segment liabilities include trade creditors, accruals and bills payable attributable to sales activities of each segment with the exception of corporate expense payables.

	Cement	Concrete	New materials	Engineering technology services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other information						
Addition to non-current assets (Note):						
Property, plant and equipment	**9,024,344**	**304,173**	**7,669,676**	**1,134,772**	**75,186**	**18,208,151**
Right-of-use assets	**1,340,831**	**21,859**	**416,034**	**82,716**	**29,575**	**1,891,015**
Intangible assets	**3,431,098**	**12,146**	**208,001**	**34,434**	**39,085**	**3,724,764**
Goodwill	**254,437**	**–**	**1,984,354**	**–**	**–**	**2,238,791**
Unallocated						**500**
	14,050,710	**338,178**	**10,278,065**	**1,251,922**	**143,846**	**26,063,221**
Addition to non-current assets through acquisition of subsidiaries	**822,899**	**–**	**2,274,328**	**–**	**–**	**3,097,227**
Depreciation and amortisation:						
Property, plant and equipment	**7,682,600**	**559,732**	**2,821,504**	**412,008**	**183,963**	**11,659,807**
Right-of-use assets	**1,370,923**	**279,331**	**242,960**	**50,990**	**37,700**	**1,981,904**
Intangible assets	**1,934,000**	**27,939**	**312,543**	**49,759**	**47,220**	**2,371,461**
Unallocated						**59,712**
	10,987,523	**867,002**	**3,377,007**	**512,757**	**268,883**	**16,072,884**

Note: Non-current assets excluded interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, non-current deposits, non-current trade and other receivables, deferred income tax assets and derivatives financial instruments.

	Cement	Concrete	New materials	Engineering technology services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Impairment loss under expected credit loss model, net of reversal	**78,630**	**110,660**	**67,731**	**352,257**	**20,397**	**629,675**
Impairment of goodwill	**–**	**–**	**32,201**	**41,453**	**–**	**73,654**
Impairment of property, plant and equipment	**14,696**	**18,007**	**6,850**	**–**	**43,398**	**82,951**
(Reversal of write down)/write down of inventories	**(8,450)**	**347**	**78,591**	**8,468**	**33,780**	**112,736**
Consolidated statement of financial position						
Assets						
Segment assets	**229,610,948**	**47,754,612**	**85,134,943**	**40,249,872**	**7,252,692**	**410,003,067**
Interests in associates	**6,982,978**	**491,694**	**3,070,867**	**2,601,588**	**19,968,547**	**33,115,674**
Interests in joint ventures	**120,513**	**–**	**102,580**	**–**	**–**	**223,093**
Unallocated assets						**50,665,442**
Total consolidated assets						**494,007,276**
Liabilities						
Segment liabilities	**138,759,882**	**20,392,785**	**38,200,200**	**32,461,196**	**7,196,107**	**237,010,170**
Unallocated liabilities						**62,469,221**
Total consolidated liabilities						**299,479,391**

For the year ended 31 December 2023

	Cement RMB'000	Concrete RMB'000	New materials RMB'000	Engineering technology services RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Consolidated statement of profit or loss							
Revenue							
External sales							
At a point of time	89,643,220	28,805,785	46,034,555	75,981	9,285,008	–	173,844,549
Over time	–	–	537,545	35,834,340	–	–	36,371,885
	89,643,220	28,805,785	46,572,100	35,910,321	9,285,008	–	210,216,434
Inter-segment sales (Note)	331,013	98,959	1,050,957	9,194,252	13,885,340	(24,560,521)	–
	89,974,233	28,904,744	47,623,057	45,104,573	23,170,348	(24,560,521)	210,216,434
Adjusted EBITDA	16,661,259	2,446,001	9,885,767	3,961,597	(862,570)	–	32,092,054
Depreciation and amortisation	(11,605,612)	(809,388)	(3,025,980)	(497,669)	(240,626)	–	(16,179,275)
Unallocated other income, net							287,646
Unallocated administrative expenses							(47,606)
Share of results of associates	355,208	7,442	147,935	(9,521)	1,011,457	–	1,512,521
Share of results of joint ventures	(3,533)	–	(1,538)	–	1,715	–	(3,356)
Finance costs, net	(3,538,695)	(751,718)	(455,327)	36,691	(486,182)	–	(5,195,231)
Unallocated finance costs, net							53,169
Profit before income tax							12,519,922
Income tax expense							(2,119,272)
Profit for the year							10,400,650

Note: The inter-segment sales were carried out with reference to market prices.

	Cement	Concrete	New materials	Engineering technology services	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Other information						
Addition to non-current assets:						
Property, plant and equipment	25,998,354	598,911	21,759	18,396	125	26,637,545
Right-of-use assets	506,155	45,688	613,634	67,902	20,196	1,253,575
Intangible assets	2,996,999	10,744	816,095	37,347	7,293	3,868,478
Goodwill	–	19,775	–	3,376	–	23,151
Unallocated						93,809
	29,501,508	675,118	1,451,488	127,021	27,614	31,876,558
Addition to non-current assets through acquisition of subsidiaries	437,571	–	–	4,215	–	441,786
Depreciation and amortisation:						
Property, plant and equipment	8,181,401	547,665	2,594,354	343,305	198,854	11,865,579
Right-of-use assets	1,747,471	220,141	216,325	98,446	29,287	2,311,670
Intangible assets	1,676,740	41,582	215,301	55,918	12,485	2,002,026
Unallocated						47,606
	11,605,612	809,388	3,025,980	497,669	240,626	16,226,881

Note: Non-current assets excluded interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, non-current deposits, non-current trade and other receivables, deferred income tax assets and derivatives financial instruments.

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering technology services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Reversal of impairment loss under expected credit loss model, net of reversal	(512,009)	49,802	38,132	352,156	2,741	(69,178)
Impairment of goodwill	–	33,684	6,488	136,044	–	176,216
Impairment of property, plant and equipment	182	1,737	11,646	628	–	14,193
Impairment of Intangible assets	–	–	277	–	–	277
(Reversal of write down)/write down of inventories	628,573	713	(361,359)	(1,355)	(25,076)	241,496
Consolidated statement of financial position						
Assets						
Segment assets	233,381,088	45,017,591	77,199,128	36,726,900	7,951,508	400,276,215
Interests in associates	7,628,018	660,245	2,952,898	2,036,903	19,473,709	32,751,773
Interests in joint ventures	128,776	–	104,297	–	–	233,073
Unallocated assets						55,636,863
Total consolidated assets						488,897,924
Liabilities						
Segment liabilities	141,773,348	17,641,087	34,783,611	29,672,666	8,913,563	232,784,275
Unallocated liabilities						62,599,562
Total consolidated liabilities						295,383,837

A reconciliation of total adjusted profit before finance costs, income tax expense, depreciation and amortisation and corporate items is provided as follows:

	2024	2023
	RMB'000	*RMB'000*
Adjusted EBITDA for reportable segments	**28,776,317**	32,954,624
Adjusted EBITDA/(LBITDA) for other segments	**106,459**	(862,570)
Total segments profit	**28,882,776**	32,092,054
Depreciation of property, plant and equipment	**(11,659,807)**	(11,865,579)
Depreciation of right-of-use assets	**(1,981,904)**	(2,311,670)
Amortisation of intangible assets	**(2,371,461)**	(2,002,026)
Corporate items	**200,550**	240,040
Operating profit	**13,070,154**	16,152,819
Finance costs, net	**(4,657,818)**	(5,142,062)
Share of results of associates	**1,090,929**	1,512,521
Share of results of joint ventures	**(9,913)**	(3,356)
Profit before income tax	**9,493,352**	12,519,922

(b) Geographical segments

The Group's revenue from the following geographical markets, based on the locations of customers:

Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
PRC	**154,378,073**	181,819,066
Europe	**4,148,497**	2,144,923
Middle East	**4,912,297**	2,946,717
Southeast Asia	**4,960,931**	5,517,894
Oceania	**1,182,085**	964,552
Africa	**8,489,474**	12,941,833
Americas	**1,288,254**	1,320,709
Others	**1,941,090**	2,560,740
	181,300,701	210,216,434

(c) Information of major customers

No single customer accounted for 10% or more of the total revenue for the years ended 31 December 2024 and 2023.

5. INVESTMENT AND OTHER INCOME, NET

	2024	2023
	RMB'000	*RMB'000*
Government subsidies:		
– VAT refunds *(Note (a))*	**810,469**	1,027,864
– Government grants *(Note (b))*	**1,814,550**	1,564,887
– Interest subsidy	**39,724**	9,460
Discount on acquisition of interests in subsidiaries	**–**	232
Gain on disposal of subsidiaries, net	**251,073**	3,909
Loss on deemed disposal of subsidiaries	**–**	(549,292)
Gain/(loss) on disposal of other investments	**54,578**	(187,466)
(Loss)/gain on deemed disposal of interests in associates	**(122,479)**	96,355
Increase/(decrease) in fair value of financial assets at fair value through profit or loss, net	**137,144**	(955,389)
Decrease in fair value of derivative financial instruments, net	**(22,073)**	(25,338)
Net rental income from:		
– Investment properties	**34,424**	50,640
– Land and building	**64,434**	115,423
– Equipment	**124,896**	131,200
Gain on disposal of property, plant and equipment	**277,130**	236,615
Gain on disposal of investment properties	**511,033**	–
Gain on disposal of intangible assets	**242,607**	450,366
Gain on disposal of right-of-use assets	**176,845**	–
Technical and other service income	**720,957**	534,837
Claims received	**112,145**	130,786
Waiver of payables	**324,297**	603,975
Others	**(18,314)**	215,036
	5,533,440	3,454,100

Notes:

(a) The State Council of the PRC issued a "Notice Encouraging Comprehensive Utilisation of Natural Resources" (the "Notice") in 1996 to encourage and support enterprises, through incentive policies, to comprehensively utilise natural resources. Pursuant to the Notice, the Ministry of Finance and the State Administration of Taxation of the PRC enacted several regulations providing incentives in form of VAT refund for certain environmentally friendly products, including products that recognised industrial waste as part of their raw materials. Under the Notice and such regulations, the Group is entitled to receive immediate or future refund on any paid VAT with respect to any eligible products as income after it receives approvals from the relevant government authorities.

(b) Government grants are awarded to the Group by the local government agencies as incentives primarily to encourage the development of the Group and the contribution to the local economic development. There are no specific conditions that are needed to be fulfilled for receiving such government grants.

6. FINANCE COSTS, NET

	2024	2023
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**3,739,444**	4,337,587
Interest expenses on bonds and other borrowings	**1,717,200**	1,841,758
Interest expenses on lease liabilities	**127,461**	123,989
Less: interest capitalised to construction in progress	**(347,311)**	(356,691)
	5,236,794	5,946,643
Interest income:		
– interest on bank deposits	**(429,475)**	(612,897)
– interest on loans receivable	**(149,501)**	(191,684)
	(578,976)	(804,581)
Finance costs, net	**4,657,818**	5,142,062

Borrowing costs capitalised for the year ended 31 December 2024 arose on the general borrowing pool and were calculated by applying a capitalisation rate of 2.92% (2023: 3.53%) per annum to expenditure on the qualifying assets.

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Depreciation of:		
Property, plant and equipment	**11,659,807**	11,865,579
Investment properties	**59,712**	47,606
Right-of-use assets	**1,981,904**	2,311,670
	13,701,423	14,224,855
Amortisation of intangible assets	**2,371,461**	2,002,026
Total depreciation and amortisation	**16,072,884**	16,226,881
Impairment loss on goodwill*	**73,654**	176,216
Impairment loss on property, plant and equipment*	**82,951**	14,193
Impairment loss on intangible assets*	**–**	277
Loss on goodwill from deregistration of subsidiaries	**17,356**	–
Cost of inventories recognised as expenses	**131,786,360**	160,242,744
Auditor's remuneration		
– Audit services	**3,892**	4,099
– Non-audit service	**1,558**	1,551
Total auditor's remuneration	**5,450**	5,650
Staff costs including directors' remunerations		
– Salaries, bonus and other allowances	**19,577,602**	19,514,654
– Equity-settled share-based payment expenses	**44,527**	67,601
– Retirement plan contributions	**2,296,839**	2,422,173
Total staff costs	**21,918,968**	22,004,428
Write down of inventories, net	**112,736**	241,496
Net foreign exchange loss	**265,133**	207,508

* These impairment losses are included in administrative expenses in the consolidated statement of profit or loss.

8. INCOME TAX EXPENSE

(a) Taxation in the consolidated statement of profit or loss

	2024	2023
	RMB'000	*RMB'000*
Current income tax	**2,276,264**	2,525,362
Deferred income tax	**(196,498)**	(406,090)
	2,079,766	2,119,272

PRC income tax is calculated at 25% (2023: 25%) of the estimated assessable profit of the Group as determined in accordance with relevant tax rules and regulations in the PRC for both years, except for certain subsidiaries of the Company, which are exempted or taxed at preferential rates of 15% entitled by the subsidiaries in accordance with relevant tax rules and regulations in the PRC or approvals obtained by the tax bureaus in the PRC.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective/enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The tax charge for the year can be reconciled to the profit before income tax per consolidated statement of profit or loss as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before income tax	**9,493,352**	12,519,922
Tax at domestic income tax rate of 25% (2023: 25%)	**2,373,338**	3,129,981
Tax effect of:		
Share of results of associates	**(272,732)**	(378,130)
Share of results of joint ventures	**2,478**	839
Tax effect of expenses not deductible for tax purposes	**473,339**	505,556
Tax effect of income not taxable for tax purposes	**(288,565)**	(576,907)
Tax effect of tax losses not recognised	**1,269,581**	1,839,785
Utilisation of tax losses previously not recognised	**(142,437)**	(338,255)
Income tax credits granted to subsidiaries on acquisition of certain qualified equipment	**(4,650)**	(20,522)
Effect of different tax rates of subsidiaries	**(1,330,586)**	(2,043,075)
	2,079,766	2,119,272

(b) Tax effects relating to each component of other comprehensive income

	2024			2023		
	Before taxation *RMB'000*	**Taxation credited** *RMB'000*	**Net of taxation** *RMB'000*	Before taxation *RMB'000*	Taxation credited *RMB'000*	Net of taxation *RMB'000*
Actuarial (loss)/gain on defined benefit obligations	**(32,829)**	**561**	**(32,268)**	(1,560)	237	(1,323)
Currency translation differences	**(135,309)**	**–**	**(135,309)**	(117,440)	–	(117,440)
Share of associates' other comprehensive (expense)/income	**(714)**	**–**	**(714)**	76,391	–	76,391
Share of joint ventures' other comprehensive income/(expense)	**89**	**–**	**89**	(73)	–	(73)
Change in the fair value on hedging instruments designated as cash flow hedges	**13,423**	**(3,479)**	**9,944**	(23,108)	2,234	(20,874)
Other comprehensive (expense)/income	**(155,340)**	**(2,918)**	**(158,258)**	(65,790)	2,471	(63,319)

9. DIVIDENDS

	2024 *RMB'000*	2023 *RMB'000*
Dividends paid		
– RMB0.229 (2023: RMB0.378) per share by the Company	**1,931,562**	3,188,343
Proposed final dividend		
– RMB0.158 (2023: RMB0.229) per share by the Company (see below)	**1,199,697**	1,931,562

The final dividend of RMB1,199,697,000 in total (pre-tax) has been proposed by the board of directors on 27 March 2025 and is subject to approval of the shareholders of the Company in the forthcoming annual general meeting.

10. EARNINGS PER SHARE – BASIC AND DILUTED

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**2,387,299**	3,863,048
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of subsidiaries based on the potential dilution of their shareholdings	**–**	(67,357)
Earnings for the purpose of diluted earnings per share	**2,387,299**	3,795,691

	2024	2023
	'000	*'000*
Weighted average number of ordinary shares in issue	**8,434,771**	8,434,771
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**8,434,771**	8,434,771

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables, net of allowance for credit losses *(Note (a))*	**47,530,229**	49,221,948
Bills receivable *(Note (c))*	**11,671,177**	10,533,744
Contract assets	**8,764,769**	5,470,429
Other receivables, deposits and prepayments	**22,831,448**	21,362,750
	90,797,623	86,588,871
Analysed for reporting purposes:		
Non-current portion	**3,205,042**	4,688,417
Current portion	**87,592,581**	81,900,454
	90,797,623	86,588,871

Notes:

(a) The Group normally allowed an average of credit period of 60-180 days to its trade customers, except for customers of engineering technology services segment, the credit periods are normally ranging from 1 to 2 years.

The ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within two months	**6,519,099**	9,156,966
More than two months but within one year	**21,822,297**	22,311,030
Between one and two years	**11,534,849**	11,033,089
Between two and three years	**4,631,271**	4,610,748
Over three years	**3,022,713**	2,110,115
	47,530,229	49,221,948

(b) As at 1 January 2023, trade receivables from contracts with customers amounted to RMB53.25 million.

(c) The bills receivable are aged within six months.

(d) Carrying amounts of trade and other receivables were denominated in the following currencies:

	2024	2023
	RMB'000	*RMB'000*
RMB	**85,677,165**	80,972,776
EUR	**1,870,162**	2,676,788
USD	**2,042,972**	2,031,056
Others	**1,207,324**	908,251
	90,797,623	86,588,871

(e) As at 31 December 2024, bills receivable of approximately RMB81.55 million (2023: approximately RMB1,103.12 million) are pledged to secure bank borrowings granted to the Group.

12. TRADE AND OTHER PAYABLES

The ageing analysis of trade and other payables, based on invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within two months	**19,035,700**	12,181,924
More than two months but within one year	**18,937,280**	25,892,155
Between one and two years	**4,257,376**	5,262,802
Between two and three years	**2,211,528**	1,015,371
Over three years	**1,918,460**	1,774,779
Trade payables	**46,360,344**	46,127,031
Bills payable	**13,181,420**	15,906,107
Contract liabilities	**10,597,139**	10,032,975
Other payables	**21,240,934**	21,717,492
	91,379,837	93,783,605

The credit period on purchase of goods and services provided from supplier is 30 to 365 days. Bills payable are aged within six months.

13. EVENT AFTER THE REPORTING PERIOD

Completion of share buy-back

On 12 March 2025, the Company completed a share buy-back of which a total of 841,749,304 H shares has been bought back at a total consideration of approximately HK$3,392.25 million (equivalent to approximately RMB3,161.51 million).

Please refer to the Company's announcement dated 6 December 2024, 27 December 2024, 24 January 2025, 27 January 2025, 19 February 2025, 5 March 2025 and 12 March 2025 and circular dated 27 January 2025 for further details of the buy-back of shares.

BUSINESS HIGHLIGHTS

The major operating data of the Group in 2024 and 2023 are set out below:

BASIC BUILDING MATERIALS SEGMENT

	For the year ended 31 December		
	2024	2023	Growth rate
Sales volume – cement *(in thousand tonnes)*	**216,523**	279,077	-22.4%
Sales volume – clinker *(in thousand tonnes)*	**28,257**	29,715	-4.9%
Total sales of cement and clinker *(in thousand tonnes)*	**244,780**	308,792	-20.7%
Average selling price – cement *(RMB per tonne)*	**254.7**	274.5	-7.2%
Average selling price – clinker *(RMB per tonne)*	**219.5**	242.7	-9.6%
Average selling price of cement and clinker *(RMB per tonne)*	**250.6**	271.4	-7.7%
Sales volume – commercial concrete *(in thousand m^3)*	**78,802**	80,836	-2.5%
Average selling price – commercial concrete *(RMB per m^3)*	**311.6**	357.3	-12.8%
Sales volume – aggregate *(in thousand tonnes)*	**141,034**	156,109	-9.7%
Average selling price – aggregate *(RMB per tonne)*	**36.9**	39.1	-5.6%

NEW MATERIALS SEGMENT

	For the year ended 31 December		
	2024	2023	Growth rate
Fiberglass			
Sales volume *(in thousand tonnes)*	**3,978**	3,446	15.4%
Average selling price *(RMB per tonne)*	**4,177**	4,705	-11.2%
Gypsum board			
Sales volume *(in million m^2)*	**2,170.8**	2,171.8	-0.05%
Average selling price *(RMB per m^2)*	**5.87**	6.14	-4.4%
Wind power blade			
Sales volume *(MW)*	**23,996**	21,644	10.9%
Average selling price *(RMB per MW)*	**355,660**	437,719	-18.7%
Lithium battery separator			
Sales volume *(in million m^2)*	**1,895.8**	1,732.8	9.4%
Average selling price *(RMB per m^2)*	**0.80**	1.40	-42.9%
Carbon fiber			
Sales volume *(in thousand tonnes)*	**16.34**	18.04	-9.4%
Average selling price *(RMB per tonne)*	**94,543**	124,324	-24.0%
Waterproofing membrane			
Sales volume *(in million m^2)*	**230.0**	182.5	26.0%
Average selling price *(RMB per m^2)*	**14.44**	15.27	-5.4%
Coatings			
Sales volume *(in thousand tonnes)*	**1,109.45**	157.34	605.1%
Average selling price *(RMB per tonne)*	**3,733**	6,150	-39.3%

ENGINEERING TECHNOLOGY SERVICE SEGMENT

	For the year ended 31 December		
	2024	2023	Growth rate
Engineering service income *(RMB in millions)*	**45,464.3**	45,104.6	0.8%

CHAIRMAN'S STATEMENT

Dear Shareholders,

Time flies and another year is upon us. We have gone through an uncommon 2024 amidst storms and challenges. Over the past year, with the trust and support of our Shareholders, the Board has actively exerted the functions of setting strategies, making decisions and preventing risks, and the management, together with all staff members, has worked hard to bear responsibilities and concentrated their efforts to overcome hardships and strived for progress under pressure. On behalf of the Board, I am going to present the Company's 2024 Annual Report and major results for the year to Shareholders for your review. I would also like to express my sincere gratitude to all parties concerned for your long-standing interest in and support for the development of the Company.

In 2024, the multifaceted challenges faced by the macro-economy, industry condition and business environment produced pressure and difficulties that had exceeded expectations. In such a complex and ever-changing internal and external environment, we withstood the pressure, rose up to the challenge, and demonstrated our indestructible resilience in development.

On the road ahead, the storms will come as they normally do. The experience of enduring through storms is our precious wealth. In the past year, we insisted on making high-quality development our top priority and promoted the transformation of our development mode from scale and speed growth to quality and efficiency growth. The basic building materials business consolidated its efficiency foundation. The profit contribution of the new materials business continued to increase. In addition, the engineering technical services business achieved growth despite the opposing trend.

The steps we took this year were firm and constant. Efforts on both basic building materials and innovative industries were further strengthened. The optimization and upgrade of basic building materials were accelerated. The proportion of "Cement+" revenue continued its increase. The development of innovative industries was intensified, with systematic layout and tiered cultivation enhanced. Exemplary projects were named as one of the "Top 100 Projects" for innovative industries.

The steps we took this year were strong and powerful. We continued to promote industrial innovation through technological innovation, accelerate the construction of original technology base, accelerate the integration of innovation chains and industrial chains, produce a batch of high-quality innovation results and "Listed and Commanded" transformation of achievement projects, and inject strong momentum into high-quality development.

The steps we took this year were agile and dominant. The implementation of intelligent transformation and digital transformation were accelerated, while the level of digital economy constantly improved. Internationalization was accelerated. Overseas investment and localized operations picked up their pace. Green transformation made steady advancement, and the world's largest carbon capture project in the cement industry and the world's first "zero-carbon" fiberglass production base were built.

The steps we took this year were efficient and effective. We implemented deepening reform and enhancing action for state-owned enterprises. The medium and long-term incentives increased in quality and expansion while the development vitality of enterprises was improved. In addition, we commenced the repurchase of 840 million H shares, accounting for 18.47% of the issued H shares.

As the year comes to a close and we welcome the new, in 2025, our development still faces a landscape of strategic opportunities and challenges, with favorable conditions outweighing the adverse factors. New industries, models, and momentum are rapidly growing, while internal development drivers continue to accumulate. The fundamental trend of economic recovery and improvement remains unchanged. The road of progress is never smooth. We shall fix our focus on the established strategic goals, instead of being frustrated by short-term adversities. We shall make full use of the rich resources that we have accumulated in industries, capital, technology, talents, etc., actively respond to the complex and ever-changing business environment, and strive to create a new reality of high-quality development.

2025 is the final year of the Group's 14th Five-Year Plan. We will expand growth, optimize stock, control variables, and improve quality, continuously enhance core capabilities, improve core competitiveness, and adhere to the following four key principles:

Adhere to the balance of current stability and long-term benefits, anchor the goal of "One profit and five ratios", steadily advance while promoting stability, uphold integrity while embracing innovation, establish priorities before tackling challenges, continuously solidify a stable foundation, cultivate momentum for progress, and promote qualitative and effective improvements as well as reasonable growth in quantity.

Insist on working on two ends, focus on the present by improving both the internal and external aspects of basic building materials, and on the long term through transformation and upgrade. We will coordinate internal growth, mergers and acquisitions, restructuring and other models in innovative industries to accelerate the upgrade of industries and consolidate industrial bases.

Adhere to technological innovation, improve the internal transformation of innovation achievement mechanism and the "R&D + investment" mechanism, strengthen the incentive mechanism for scientific and technological talents, fully release the multiplier effect of technological innovation on the production function, and drive a leap in productivity.

Deepen reforms, further improve market-oriented operation mechanisms and China's distinctive modern enterprise system, promote further improvement and extension of coverage of medium-and-long-term incentives, enhance the leading role of the "scientific and technological SOE reform" and "double-hundred action" enterprises and fully complete the reform and deepening and upgrading actions.

Despite the distance from our dream, it will come true if we pursue it; despite the difficulties in fulfilling our wish, it will be fulfilled if we persist. In the past, we had taken one step after another by constantly responding to challenges and overcoming difficulties. In the future, we will continue to move forward steadily towards the goal of high-quality development with firm conviction and relentless efforts. We will open the new chapter through our hard work, and with invincible courage strive to achieve the goal of becoming a world-class materials company.

Zhou Yuxian
Chairman

Beijing, the PRC
27 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS OVERVIEW

DEVELOPMENT ENVIRONMENT

In 2024, to deal with the complex and grim situation where external pressure and internal difficulties had been increasing, the Chinese government adhered to the general tone of seeking progress while maintaining stability, accelerated the construction of a new development pattern, comprehensively deepened reform and opening up, and stepped up its macro-control efforts. The economy was generally stable while making progress. High-quality development was steadily promoted. In 2024, GDP recorded a year-on-year growth of 5.0%, while fixed asset investment recorded a year-on-year growth of 3.2%, among which, investment in infrastructure increased by 4.4% year-on-year, maintaining a steady growth despite a slower pace, amounting to a decrease of 1.5 percentage points as compared with 2023. With respect to the real estate industry, although the optimization and adjustment in policies began to show their effect, investment in real estate development and commencement of construction continued to be in the stage of deep adjustment, with a year-on-year drop of 10.6% in investment in real estate development, representing an increase of 1.0 percentage point as compared with 2023, while newly commenced area recorded a year-on-year decrease of 23.0%, the lowest level since 2007; the level of urbanization steadily increased, with the urbanization rate of the resident population of the end of 2024 being 67.00%, an increase of 0.84 percentage points as compared with the end of 2023.

In 2024, the Chinese government has proposed to vigorously advance the construction of modern industry system to promote industry innovation through technological innovation. At the same time, the development of green and low-carbon economy and the accelerated formation of green and low-carbon supply chain will bring new development opportunities and challenges for the structural reform of the supply side of the industry, the restructuring and upgrading of the industry and the sustainable development of the Company.

OPERATION IN 2024

The Group actively dealt with the many challenges of the business environment, optimized its deployment, improved quality while maintaining stability, and accelerated the substitution of old momentum with the new one. The Group also adhered to its principal responsibilities and businesses, promoted industrial innovation through technological innovation, and accelerated the cultivation and development of new productive forces. Moreover, the Group accelerated transformation and upgrade, targeted to the direction of digitalization, internationalization, and green transformation, and continued to create new competitive advantages. Guided by deepening reform and enhancing actions, the Group has established a foundation for sustainable and high-quality development.

Basic building materials segment

In 2024, affected by the reduction of real estate investment and the slowdown of infrastructure projects, the cement industry in China was caught in a situation of insufficient demand and aggravated overcapacity. The cement production in China fell by 9.5% year-on-year to 1.83 billion tons, representing a 15-year low and a consecutive decline for four years, with accumulated decrease of approximately 24%.

In the face of severe challenges, the basic building materials segment of the Group assessed the situation, prepared overall plans, maintained strategic focus, continued to search for potential, reduced costs while increasing efficiency, promoted transformation and upgrade by surrounding the "Cement+, Internationalization, and Double Carbon", and enhanced its sustainable development capabilities. **Externally, the Group continued to stabilize the construction of the industry ecology,** implemented the "price, cost and profit" business philosophy, transformed from flexible and passive staggered peak to rigid and precise staggered peak, and strictly prevented "involutionary" competition; **Internally, the Group continued to focus on Management of Three Delicacies,** tapping potential to reduce costs and expenses. The production cost of cement and commercial concrete continued its fall; **"Cement+" continued to gain strength** which also improved the optimized deployment and professional management for commercial concrete; **Internationalization achieved a breakthrough.** Overseas cement and clinker sales volume increased 15% year-on-year. The first signing of overseas merger and acquisition was achieved; **The layout of the "double carbon business" was accelerated,** and the world's first cement kiln oxy-combustion coupled carbon capture production line reached its designed production capacity. The Group obtained the shares in CNBM Green Energy, a carbon asset management company and initially established a double carbon management system.

New materials segment

The Group's new materials segment focused on the implementation of strategy, further enhanced the core competitiveness of existing businesses and consolidated its leading position in the market. The Group also expanded its international layout according to its business characteristics, actively cultivated new areas for competition, accelerated the upgrade of industries and the consolidation of new and emerging industries.

The Top-tier Business

Fiberglass

In 2024, driven by the demand from wind power, new energy vehicles and other industries, the demand for fiberglass maintained a slow growth and industry concentration continued to increase further. However, the dual challenges of weak demand in major overseas economies and expected growth in China's domestic production capacity still existed. Product prices fluctuated at a low level. Regional and product structural tensions and surpluses coexisted.

- The Group's fiberglass business continuously **explored industry cycles with its own certainty.** Under the pressure from market competition, our fiberglass business took the lead to direct ecological restoration in the industry, improved industry self-discipline, implemented a re-pricing strategy, targeted segmented profitable markets, focused on differentiated sales, expanded sales, and increased market share;

- **Deeply developed zero-carbon intelligent manufacturing.** The First Phase in Jushi Huaian project (i.e. 100,000 Tons Fiberglass Production line of the First Phase in Jushi Huaian), the world's first zero-carbon fiberglass manufacturing base, was put into operation, while the construction of the second phase of the electronic-grade fiberglass zero-carbon smart manufacturing production line and supporting projects commenced. Electronic-grade fiberglass was deployed again to expand the zero-carbon smart manufacturing area;

- **Focused on high-end manufacturing,** the Group made breakthroughs in the mass production and supply of low-dielectric specialty fibers, accelerated the layout of specialty fiberglass, and strengthened the specialty fiber platform strategy.

Gypsum board

In 2024, the overall demand for gypsum board in the domestic market decreased slightly. As competition intensified and the market requirements for product quality and costeffectiveness continued to increase, demonstrating the advantages of the leading enterprise, the industry concentration of the gypsum board market was further increased.

- The gypsum board business of the Group **promoted upgrade of consumption,** actively explored new directions, "from industry to home decoration" and "from city to county", led the consumption upgrade of "base material and surface material", focused on the home decoration market and developed multiple series of high-end products to achieve the growth of market share;

- **Strengthened technological innovation,** reduced costs while increasing efficiency by using intelligent technology, strengthened the synergy and integration of the "one body and two wings" businesses, and promoted green and low-carbon development;

- **Continued to improve the international layout** while overseas operating performance continued to grow. The Tanzania base operated at full capacity, whereas the Uzbekistan base was profitable from the first year of operation, and the projects under construction in Thailand, Bosnia and Herzegovina made orderly progress.

Wind power blade

In 2024, driven by factors such as technological iteration, policy support, and energy transformation, the wind power blade industry continued to maintain rapid development around the world, especially in the areas of offshore wind power and large blades. However, the industry still faced challenges such as fluctuations in raw material prices and intensified market competition.

- The Group developed new market demands and **maintained its top market share in the wind power blade industry worldwide.** The production of the world's longest 147-meter blade was completed and the static test verification was obtained;

- **Digital intelligence upgrades continued to gain depth,** and the wind power blade R&D design simulation platform was put into operation;

- **The internationalization process steadily progressed.** The Brazilian base achieved mass delivery of products. The Group actively conducted research on major wind power areas around the world and began to plan for the second overseas base.

The Second-tier Business

Lithium battery separator

In 2024, driven by global demand for new energy vehicles, energy storage and consumer electronics, the demand for lithium battery separators continued to grow. However, the concentrated deployment of production lines and the increase in production capacity of domestic lithium battery separator companies has brought the industry to a coexistence of temporary overcapacity and structural shortages. Intensified market competition caused a decline in overall prices.

- The Group's lithium battery separator business, with all six domestic bases completing their base film production lines and entering a new stage of reaching standards and production efficiency, and the overseas European base project also made positive progress;

- **Dynamic study of the changes in market condition and the demand of target customers were conducted,** while focusing on the top customers, establishing systematic strategic cooperation, and promoting the share of the stock of projects and the introduction of new projects. Ultra-thin ultra-high-strength base film 5μm achieved mass production;

- **Key core technologies made stage-by-stage progress.** Aramid model line was completed, becoming the first domestic aramid coated separator. The localized double-release double-receipt coating production line was built, creating the highest localized efficiency in the industry. The development and on-board testing of semi-solid lithium battery separator were completed, meeting the customer's requirements.

Carbon Fiber

In 2024, the domestic demand for carbon fiber was generally stable. There was also an active exploration for emerging applications. The growth rate of production capacity slowed down, and the types of differentiated products increased. However, the industry inventory was still continuing an upward trend. Price was maintained at a low level. The industry's profitability declined.

- The Group's carbon fiber business **focused on technological innovation**, commenced major scientific research and special tasks, and continuously improved the performance indicators of carbon fibers to enhance the product value;

- Focused on **improving quality and efficiency**, optimized the management process, energy saving, price stabilization, cost reduction and efficiency gains;

- Focused on **market expansion**, offering a variety of products to lead the market application. Carbon fiber products were successfully used in the world's longest 147-metre offshore wind power blades and 131-metre onshore wind power blades, in the world's first commercial carbon fiber subway train Carbon Star Express, and continued to develop low-altitude economy, consumer electronics, and other emerging applications market.

Waterproof System

In 2024, competition in the waterproof products market maintained its ferocity. However, the government successively introduced a series of guiding policies to support industry innovation while restricting backward processes and technical equipment, and promoted the green and low-carbon transformation in the industry, which further optimized the market structure.

- The Group's waterproof business **possessed lean operational capabilities,** continued to promote cost reduction and efficiency improvement, and achieved "double growth" in revenue and profit against the trend;

- **Continued to expand the market,** strengthened channel construction, steadily improved production capacity, reasonably optimized base layout, and further increased market share;

- **Promoted transformation in the industry,** carried out new full-product repair business, and created a diversified and competitive business system.

Coating

In 2024, as urbanization and renovation of old neighborhoods progressed, the demand for coating remained stable, However, the issue of overcapacity became increasingly apparent while competition further intensified, resulting in a period of integration of the industry.

- The Group **persisted to rely on internal development to improve its competitiveness,** provided architectural coating service for major engineering projects, actively explored "from product to service" new business models, experimented e-commerce sales for the entire product system, and launched online sales channels for individual consumers;

- **Promoted the growth of external businesses through mergers and acquisitions,** completed the reorganization of Carpoly, created space for development, and successfully enhanced management efficiency and profitability, while reorganizing the great bridge paint, enriched the coating product system, and further expanded the market in East China.

The Third-tier Business

Graphite new materials

In 2024, the new energy industry, especially electric vehicles and energy storage, became the major force of the demand for graphite. The demand for traditional industry and emerging applications was steady and the global graphite capacity was also gradually improved, except that the high quality graphite remained tight, resulting in the rapid growth of its price.

- The graphite business of the Group proactively laid the groundwork for lithium battery anode, promoted the joint reorganization of the graphite industry, successfully achieving the strategic reorganization with Inner Mongolia Hengke and Hebei Hengke with the result of artificial graphite anode sector forms 120,000 tons of graphitization and 60,000 tons of lithium battery anode production capacity;

Hydrogen Energy Cylinders

In 2024, with the global emphasis on clean energy and the development of hydrogen fuel cell vehicle, hydrogen energy cylinders market has vast growth potential.

- The hydrogen energy cylinders business of the Group continue to maintain its leading position in the industry. In 2024, the market share and sales amount of hydrogen storage cylinders continue to rank first in the industry.

- The Group adheres to the development of both emerging products and traditional products, the production line of hydrogen storage cylinders 70MPa IV model achieved mass production. The construction project for the production line with an annual capacity of 100,000 hydrogen cylinders is advancing in an orderly manner. The project of 267 series high-end fire-fighting gas cylinders with an annual output of 150,000, and an annual output of 13,000 medium and large-volume high-clean bottle grinding process production lines were constructed and put into operation, creating a new pattern of industrial development with multi-support and multi-industry.

Engineering Technical Services Segment

In 2024, with the expectation that the cement industry will be included in the national carbon trading market and the policy drivers of "dual carbon", "dual control", and equipment updating, there is continuous demand for transformation, upgrading and renovation of domestic industry. The countries along the "One Belt and One Road" continued to unleash the demand for infrastructure, and the European market also continued to unleash the demand for low-carbon and green renovation. The international market opportunities are optimized.

- The Engineering Technical Services Segment comprehensively promoted strategic transformation and structural upgrading, and built a product matrix with even more pronounced capability advantages and a global service system;

- Continuously consolidated the core advantages of our primary responsibilities and main business. Our global market share in our main business remains number one, successfully obtaining a total of 19 orders of cement production lines across 15 countries;

- Continuously improved the high-end equipment development system. Specialized integration has been fully implemented on schedule, and the high-end equipment smart manufacturing park has been put into operations;

- Accelerating the implementation of "Two Externals, One Service" strategy. Revenue from equipment abroad and external industries accounted for the revenue from equipment increased to 36% and 37%, respectively. The service-related transformation has yielded fruitful results. New contracts signed for operation and maintenance increased by 27% year-on-year;

- Deepening localized intensive cultivation and collaboration, the internationalization index reached 43.6%; promoting the application of low-carbon and ultra-low emission technologies in Europe.

STATE-OWNED ENTERPRISES REFORM

Great advancement of Deepening Reform and Enhancing Action

- Thoroughly implemented reforms and deepened our improvement actions, completing 85% of the main tasks

- Completed differentiated management and control assessment for China Jushi, further leverage the integration advantages of mixed-ownership enterprises

Constant manifestation of the effectiveness of Corporate Governance

- Dynamically optimized the list of powers and responsibilities of the three committees, making the powers and responsibilities of the governing bodies clearer

- To enhance the construction of the Board on a hierarchical basis and on an enterprise-by-enterprise basis, with a total of 23 companies have established standardized boards of directors at all levels, actively implementing the powers of the board of directors

Long-term promotion of market-oriented operation mechanism

- Implemented the contractual tenure system for managers at all levels. Further enhancement of precise assessment and rigid realization

- The market-based employment mechanism has been further promoted, and the proportion of low-level adjustment and incompetent withdrawal of management personnel has reached 7.72%

Medium and Long-Term Incentives Increase in Quality and Expansion

- Added equity incentive for Sinoma Science & Technology (Suzhou) technology-based enterprises, sharing of surplus profit for the TCDRI technology-based enterprises project, and restricted stock incentives for BNBM

- The total coverage of the Group’s medium- and long-term incentives was 187 companies, with the number of employees reaching 5,217

TECHNOLOGICAL INNOVATION

Accelerate the integration of technological innovation and industrial innovation

- Gypsum board achieved "almost-zero emission" of coal-fired heat source, oxy-fuel coupled carbon capture technology in the cement industry, and cement spheroidization vertical grinding and shaping equipment have reached the international leading level

- Breakthrough in key technology for low-temperature sintering control of new low-calcium clinker system and completion of pilot production, achieving direct carbon emission intensity per ton of clinker is reduced by 25%

- The world's longest 147-meter blade completes production and is installed offshore

- Hydrogen storage cylinders empowered the global launch of national first new energy smart intercity EMU

- "High-performance civil aircraft honeycomb sandwich structure passenger and cargo cabin floor" was selected into the Recommended Catalogue of Scientific and Technological Innovation Achievements of Central Enterprises

- Phenolic prepreg, epoxy resin prepreg, T800 grade carbon fiber aviation prepreg and other products solve key raw materials for domestic large aircraft

- Breakthrough in the key technology of aramid coating, fill the gaps in China, and build up core competitiveness

- The cement industry has built the first carbon dioxide online monitoring and measurement system that meets measurement requirements

TECHNOLOGICAL INNOVATION

"New breakthroughs" achieved in core technology research

- Lay out the direction of innovation, draw 13 industrial chain maps, and clarify 52 research and development directions

- 67 national-level projects under research and 24 projects "revealed and led" by the Parent

- In 2024, the Group formulated and revised 3 international standards and 30 national standards, obtained 1,891 new valid patents, including 742 invention patents, with a total of 16,600 valid patents, including more than 4,600 invention patents

The ecological atmosphere of innovation and creation continues to heat up

- Promote the construction of high-energy innovation platforms and create a pilot verification platform for green and lowcarbon cementitious material technology and equipment

- Participate in the construction of major industrial innovation organizations such as the National Energy Administration's "National Hydrogen Energy Storage and Transportation Platform", the State-owned Assets Supervision and Administration Commission's "Green Hydrogen Energy Production, Storage and Transportation Innovation Consortium" and "Deepwater Oil and Gas Exploration and Development Field Innovation Consortium"

- In 2024, there are 6 new "little giant" companies that specialize in new technologies, 2 individual champion companies, and 25 high-tech companies. There are a total of 19 "little giant" companies that specialize in new technologies, 11 individual champion companies, and 254 high-tech companies

DIGITALIZATION

Accelerating the construction of intelligent factories and mines

- In 2024, 4 cement intelligent factories, 1 intelligent production line for new materials and 2 digital mines have been built. 30 intelligent cement factories, 72 intelligent production lines for new materials and 13 digital mines have been built in total

- 10 selected digital transformation pilot demonstration projects/cases from the MIIT, Hefei Southern, China Jushi, Wuzhong Horse Racing, and Jushi Jiujiang were selected into the MIIT's first batch of outstanding smart factories, and 21 subsidiaries won multiple awards from the MIIT

GREEN TRANSFORMATION

Focus on accelerating green and low-carbon transformation

- Use of alternative fuels is equivalent to 968,100 tons of standard coal and 11.54 million tons of alternative raw materials.
- 52 kiln co-disposal production lines with an annual disposal capacity of 5.43 million tons
- The annual power generation capacity of cement clinker production line waste heat is 5.775 billion kilowatt hours
- Tianshan Materials' carbon management platform covers 12 regional companies, and 7 cement clinker lines have been included in the national automatic monitoring pilot
- 49 newly-added and cumulatively 84 completed "Photovoltaic+" energy plants, with a total installed capacity of 632.61MV, and green power usage increased by 110% year-on-year
- The world's first glass fiber zero-carbon manufacturing base goes into operation

Continuing to strengthen green production and manufacturing

- Nitrogen oxides, sulfur dioxide, and dust emissions decreased by 22.42%, 17.69% and 32.43%, respectively year-on-year.
- Comprehensive energy consumption per ton of cement clinker decreased by 2.52% year-on-year
- The proportion of cement clinker primary energy efficiency production capacity increased by 12.6 percentage points year-on-year to 34.5%
- Emission intensity per ton of clinker was 0.8196, a year-on-year decrease of 1.01%
- 16 green mines and 18 green factories were added, bringing the total number of green mines to 257 and 153 green factories

A number of green and low-carbon achievements have been made

- The project applying oxyfuel combustion project of China United Qingzhou put into operation, and won the World Cement Association's "WCA Climate Action Award"

- Wuzhong Horse Racing was selected into the MIIT's "2023 List of "Energy Efficiency" Leaders in Key Industries"

- Aksu Tianshan Duolang received the cement industry's first carbon management system certification, and China Jushi won the industry's first carbon management system assessment certificate

- Built 16 pilot lines or platforms, 25 model lines and more than 40 model projects, including hydrogen utilization, oxyfuel combustion and carbon sequestration building materials

- Released the Company's "2023 Annual Scientific and Technological Innovation White Paper" and "Green and Low-Carbon Technology Achievements Promotion Catalog (2024 Edition)"

FINANCIAL REVIEW

The revenue of the Group decreased by 13.8% from RMB210,216.4 million in 2023 to RMB181,300.7 million in 2024. The profit attributable to equity holders of the Company decreased by 38.2% from RMB3,863.0 million in 2023 to RMB2,387.3 million in 2024.

Revenue

Our revenue in 2024 amounted to RMB181,300.7 million, representing a decrease of 13.8% from RMB210,216.4 million in 2023. This was primarily due to a decrease of RMB27,698.9 million in the revenue of the Group's basic building materials segment, which was partially offset by an increase of RMB928.6 million in the revenue of the new materials segment and an increase of RMB359.8 million in the revenue of the engineering technical services segment.

Cost of sales

Our cost of sales in 2024 amounted to RMB148,591.4 million, representing a decrease of 14.0% from RMB172,770.2 million in 2023. This was primarily due to a decrease of RMB24,076.6 million in the cost of sales of the Group's basic building materials segment, which was partially offset by an increase of RMB2,229.0 million in the cost of sales of the new materials segment and an increase of RMB208.8 million in the cost of sales of the engineering technical services segment.

Other income

Other income of the Group increased by 60.2% from RMB3,454.1 million in 2023 to RMB5,533.4 million in 2024. This was primarily due to an increase of RMB1,057.8 million in net gain of the fair value change of financial assets at fair value through profit or loss, an increase of RMB520.6 million in gain on disposal of assets, an increase in government grants of RMB249.7 million, which was partially offset by the decrease of RMB217.4 million in VAT refunds.

Selling and distribution costs

Selling and distribution costs increased by 6.1% to RMB3,918.3 million in 2024 from RMB3,694.4 million in 2023. This was primarily due to an increase of RMB251.6 million on labour costs.

Administrative expenses

Administrative expenses decreased by 2.4% to RMB20,624.6 million in 2024 from RMB21,122.3 million in 2023. This was primarily due to a decrease of RMB493.1 million in research and development fees, which was partially offset by the increase of RMB68.8 million in provision for property, plant and equipment impairment and the increase of RMB57.6 million in foreign exchange loss.

Finance costs

Finance costs decreased by 9.4% to RMB4,657.8 million in 2024 from RMB5,142.1 million in 2023. This was primarily due to the decrease in the Group's borrowing costs.

Share of results of associates

The Group's share of results of associates decreased by 27.9% to RMB1,090.9 million in 2024 from RMB1,512.5 million in 2023. This was primarily due to the decrease in profit from the Group's associates, China Jushi and associates in the basic building materials segment.

Provision under expected credit losses

The provision under expected credit losses increased to RMB629.7 million in 2024 from RMB-69.2 million in 2023.

Income tax expense

Income tax expense decreased by 1.9% to RMB2,079.8 million in 2024 from RMB2,119.3 million in 2023. This was primarily due to the decrease in profit before tax.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by 24.6% to RMB4,511.9 million in 2024 from RMB5,985.8 million in 2023. This was primarily due to the decrease in operating profit of basic building materials segment and new materials segment.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company decreased by 38.2% to RMB2,387.3 million in 2024 from RMB3,863.0 million in 2023. Net profit margin decreased to 1.3% in 2024 from 1.8% in 2023.

Basic building materials segment

Revenue

Revenue of basic building materials segment of the Group in 2024 amounted to RMB91,101.6 million, representing a decrease of 23.3% from RMB118,800.5 million in 2023, mainly attributable to the decrease in the average selling price of cement products, commercial concrete and aggregate and the decrease in sales volume of cement products, commercial concrete, and aggregate.

Cost of sales

Cost of sales of basic building materials segment of the Group in 2024 amounted to RMB77,929.8 million, representing a decrease of 23.6% from RMB102,006.4 million in 2023, mainly attributable to the decrease in sales volume of cement products, commercial concrete and aggregate and the decrease in coal price.

Gross profit and gross profit margin

Gross profit of basic building materials segment of the Group decreased by 21.6% to RMB13,171.8 million in 2024 from RMB16,794.0 million in 2023, mainly attributable to the decrease in the average selling price of cement products, commercial concrete, and aggregate, which was partially offset by the decrease in coal price. Gross profit margin of the basic building materials segment of the Group increased from 14.1% in 2023 to 14.5% in 2024.

Operating profit

Operating profit of basic building materials segment of the Group decreased by 44.8% to RMB3,976.7 million in 2024 from RMB7,209.2 million in 2023, primarily due to the decrease in gross profit, the decrease in VAT refunds and the increase in allowances for impairment of receivables, which was partially offset by the increase in government grants and the decrease in research and development fees. Operating profit margin of the basic building materials segment of the Group decreased from 6.1% in 2023 to 4.4% in 2024.

New materials segment

Revenue

Revenue of new materials segment of the Group increased by 1.9% to RMB48,551.7 million in 2024 from RMB47,623.1 million in 2023. This was mainly attributable to the increase in the sales volume of glass fiber yarn, wind power blade, lithium battery separator, waterproofing membrane and coatings, which was partially offset by the decrease in the average selling price of glass fiber yarn, gypsum board, wind power blade, lithium battery, waterproofing membrane and coatings.

Cost of sales

Cost of sales of new materials segment of the Group increased by 6.2% to RMB37,994.2 million in 2024 from RMB35,765.1 million in 2023, mainly attributable to the increase in sales volume of glass fiber yarn, wind power blade, lithium battery separator, waterproofing membrane and coatings, which was partially offset by the decrease in the prices of raw material and coals.

Gross profit and gross profit margin

Gross profit of new materials segment of the Group decreased by 11.0% to RMB10,557.5 million in 2024 from RMB11,857.9 million in 2023. Gross profit margin of new materials segment of the Group decreased to 21.7% in 2024 from 24.9% in 2023. This was mainly attributable to the decrease in average selling prices of glass fiber yarn, gypsum board, wind power blade, lithium battery separator, waterproofing membrane and coatings, which was partially offset by the decrease in the prices of raw material and coals.

Operating profit

Operating profit of new materials segment of the Group decreased by 20.7% to RMB5,595.7 million in 2024 from RMB7,052.1 million in 2023. The operating profit margin of new materials segment of the Group decreased to 11.5% in 2024 from 14.8% in 2023, mainly attributable to the decrease in gross profit margin, increase in research and development fees and labour cost, which was partially offset by the increase in government grants.

Engineering technical services segment

Revenue

Revenue of engineering technical services segment of the Group increased by 0.8% to RMB45,464.3 million in 2024 from RMB45,104.6 million in 2023, mainly attributable to the increase in the numbers of production operating services completed for the current period.

Cost of sales

Cost of sales of engineering technical services segment of the Group increased by 0.6% to RMB36,905.4 million in 2024 from RMB36,696.6 million in 2023, mainly attributable to the increase in the numbers of production operating services completed for the current period.

Gross profit and gross profit margin

Gross profit of engineering technical services segment of the Group increased by 1.8% to RMB8,558.9 million in 2024 from RMB8,408.0 million in 2023. Gross profit margin of engineering technical services segment of the Group increased to 18.8% in 2024 from 18.6% in 2023, mainly attributable to the increase in gross profit margin of engineering services.

Operating profit

Operating profit of engineering technical services segment of the Group increased by 0.9% to RMB3,537.2 million in 2024 from RMB3,506.4 million in 2023. Operating profit margin of engineering technical services segment of the Group remained the same at 7.8% in 2024 as compared with 2023, which was mainly attributable to the increase in gross profit margin, the decrease in research and development fees and the decrease in allowances for impairment of goodwill, which was offset by the increase in labour cost, the decrease in net gain of the fair value change of financial assets at fair value through profit or loss.

Liquidity and financial resources

As at 31 December 2024, the Group had unused banking facilities and bonds registered but not yet issued of approximately RMB393,067.55 million in total.

The table below sets out the Group's borrowings as at the dates indicated:

	As at 31 December	
	2024	2023
	(RMB in millions)	
Bank loans	**150,972.5**	145,081.0
Bonds	**40,500.0**	38,900.0
Borrowings from non-financial institutions	**438.0**	924.7
Total	**191,910.5**	184,905.7

The table below sets out maturities of the Group's borrowings as at the dates indicated:

	As at 31 December	
	2024	2023
	(RMB in millions)	
Borrowings are repayable as follows:		
Within one year or on demand	**82,128.6**	73,980.1
Between one and two years	**35,209.6**	39,562.0
Between two and three years	**32,994.5**	42,159.5
Between three and five years (inclusive of both years)	**30,134.1**	12,459.5
Over five years	**11,443.7**	16,744.6
Total	**191,910.5**	184,905.7

As at 31 December 2024, bank loans in the aggregate amount of RMB4,549.2 million were secured by assets of the Group with a total amount of RMB12,735.2 million.

As at 31 December 2024 and 31 December 2023, the debt to assets ratio of the Group, calculated by dividing borrowings by total of assets of the Group, were 38.8% and 37.8%, respectively.

Exchange Risks

The Group conducts its domestic business primarily in RMB. However, overseas engineering projects and product export business are denominated in foreign currencies, primarily US dollars and Euro. Therefore, the Group bears the risks of fluctuations of exchange rate to a certain extent.

Contingent Liabilities

No contingent liabilities were incurred resulting from the Group's provision of guarantee to banks in respect of bank credits used by an independent third party.

Capital Commitments

The following table sets out the Group's capital commitments as at the dates indicated:

	As at 31 December	
	2024	2023
	(RMB in millions)	
Capital expenditure of the Group in respect of acquisition of property, plant and equipment (contracted but not provided for)	**1,396.1**	4,191.4

Capital expenditures

The following table sets the our capital expenditures of the Group for the year ended 31 December 2024 by segment:

	For the year ended 31 December			
	2024		2023	
	(RMB in millions)	*% of total*	*(RMB in millions)*	*% of total*
Basic building materials	**12,639.9**	**53.8**	17,636.2	57.7
Cement	**10,050.3**	**42.8**	11,866.6	38.8
Commercial concrete	**253.5**	**1.1**	935.1	3.1
Aggregate	**2,336.1**	**9.9**	4,834.5	15.8
New materials	**10,165.4**	**43.3**	10,225.1	33.4
Glass Fiber	**1,732.7**	**7.4**	1,486.0	4.8
Gypsum board	**877.6**	**3.7**	857.9	2.8
Wind power blade	**502.9**	**2.1**	1,088.1	3.5
Lithium battery separator	**3,022.9**	**12.9**	5,370.0	17.6
Waterproof	**187.4**	**0.8**	327.4	1.1
Coatings	**2,974.5**	**12.7**	195.7	0.6
Other	**867.4**	**3.7**	900.0	3.0
Engineering technical services	**640.5**	**2.7**	1,585.6	5.2
Others	**55.5**	**0.2**	1,121.3	3.7
Total	**23,501.3**	**100.0**	30,568.2	100.0

Material Investment Plans

As of the date of this report, except for the plans which have been disclosed (to be invested using including internal funds and external borrowings) in this report, there are no other future plans for material investments or capital assets.

Cash Flow From Operating Activities

For the year 2024, net cash inflow of the Group generated from operating activities was RMB23,195.9 million, representing a decrease of RMB5,829.0 million as compared to that of 2023 of RMB29,024.9 million, which was primarily due to the year-on-year decrease in the cash received for sales of goods and provision of labour services, which were partially offset by the cash paid by the Group for purchase of goods and receipt of labour services, as well as the year-on-year decrease in tax.

Cash Flow From Investing Activities

For the year 2024, net cash outflow of the Group generated from investing activities was RMB20,276.7 million, representing a decrease of RMB7,062.7 million as compared to that of 2023 of RMB27,339.4 million, which was primarily due to the year-on-year decrease in cash paid by the Group for acquisition of property, plant and equipment.

Cash Flow From Financing Activities

For the year 2024, net cash outflow of the Group generated from financing activities was RMB6,569.6 million, representing an increase of RMB5,491.5 million as compared to that of 2023 of RMB1,078.1 million, which was primarily due to the year-on-year decrease in net cash received by the Group on borrowings, which were partially offset by the year-on-year decrease in the cash paid for interest and dividends.

OUTLOOK FOR 2025

2025 is the final year of the "14th Five-Year Plan", the year for the planning of the 15th Five-Year Plan, as well as the critical year for promoting comprehensive and in-depth reform. Despite the growing adverse effects of the current changes in the external environment, insufficiency in domestic demand, and the many difficulties and challenges in the economy, the economy in China has stable foundation, multifarious advantages, strong resilience and great potential. The basic trend of rebound and long-term improvement remains unchanged, and the conditions that support the high-quality development of the economy remain solid. The Chinese government will implement more proactive and effective macroeconomic policies, expand domestic demand, promote the integrated development of technological innovation and industrial innovation, carry out risks and external shocks prevention and resolution in key areas, stabilize expectations, stimulate vitality, and promote sustained recovery and improvement of the economy.

The Group will focus on speeding up the construction of a world-class materials enterprise, and comprehensively implementing various tasks such as quality improvement and efficiency enhancement, layout optimization, technological innovation, deepening reform, and value management explore incremental growth opportunities, optimize the utilization of existing resources, grasp the changes and chances and enhance quality:

01 **Enhance the results of operation, uphold "One profit and five ratios", strengthening operational rigidity in passing through economic cycles.** Adhere to cost efficiency first, achieve improvement of the level of operation quality and capital returns, continue to strengthen the "Management of Three Delicacies", to increase the profitability through improving operating efficiency, improve cost reduction through enhancing refined management and boost the operation efficiency through streamlining the organizational structure and strengthen operational resilience through economic cycles.

02 Continue layout optimization focus on both basic building materials and innovative industries. Basic building materials segment actively leverage on Cement +, internationalization, and double carbon to realize value growth. In addition, innovative industries will focus on implementing strategies, accelerating the upgrading of industry gradients; focus on industry trends, accelerating the optimization of development models; focus on key products, accelerating the development of innovative industry clusters Moreover, we will advance the implementation of internationalization strategies, promote the internationalization of all businesses, all factors, and all processes, and achieve new breakthroughs in technology level, operation model, and brand building.

03 Continue to promote technological innovation, digitalization and greening to empower development. Increase the supply of original and leading technologies to achieve sustainable growth through iterative innovation; accelerate digital transformation with the goal of reducing costs, increasing efficiency and improving effectiveness; fully leverage the promotional effect of data elements on the entire business; continue to reinforce the green and low-carbon indicator system, strengthen the supply of green and low-carbon technologies, accelerate the green and low-carbon development of industries.

04 Deepen reform and upgrade, complete the final task of deepening reform and enhancing actions, and improve the overall effectiveness of reform measures. We will improve the effective use of incentives, increase medium-and-long-term incentives with technological innovation as the guide, and expand the coverage of medium-and-long-term incentives. In addition, we will enhance the corporate governance mechanism, further clarify the boundaries of rights and responsibilities of each governance body, deepen the reform of market-oriented operating mechanisms, and continue to strengthen the term system for management team members and the implementation of contractual management.

05 Strengthen value management and adhere to the value management concept that is centered on enhancing intrinsic value. We will complete the repurchase of H shares, continue to promote professional integration, continuously improve ESG governance and the level of practice, strengthen investor communication in multiple channels and in multiple forms, continue to improve the mechanism for market value management, create a good image for CNBM, and actively convey the value of the Company.

CORPORATE GOVERNANCE

The Company adhered to the principles of operating in accordance with laws and regulations, strictly abided by the laws and regulations and regulatory requirements, followed the development of rules in a timely manner, closely integrated the Company's development process and actual situation, revised and improved various internal systems, to meet the operating requirement of the Company. The Company is focused on building a coordinated operation mechanism for compliance, internal control and risk management, in order to build a comprehensive risk defense line for company operations. In terms of corporate governance, the Board of Directors, the Supervisory Committee, and the management uphold the principles of performing their duties in accordance with the law and diligently fulfilling their responsibilities, fully ensuring the Company's steady and compliant business operations while continuously improving the level of corporate governance.

Except for Code Provision B.2.2 of the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Listing Rules, the Company complied with the code provisions of the Code for the year from 1 January 2024 to 31 December 2024. All the Directors of the current session of the Board elected on 19 November 2021 were subject to retirement by rotation by 19 November 2024, according to Code Provision B.2.2, which states that every Director should be subject to retirement by rotation at least once every three years. However, on 6 December 2024, the Company announced a cash offer (subject to pre-conditions and conditions) by Morgan Stanley Asia Limited on behalf of the Company to buy-back up to 841,749,304 H Shares at HK$4.03 per H Share (the "**H Share Buy-back Offer**"). In light of the implementation of the H Share Buy-back Offer, in order to ensure the smooth continuation of the senior management of the Company, with the exception of the following Directors, the remaining Directors of the current session of the Board have not retired by rotation.

The former Director, Mr. Fu Jinguang, resigned as an executive Director of the Company on 20 September 2022 due to work adjustment. Mr. Liu Yan was appointed as an executive Director of the Company upon consideration and approval at the second extraordinary shareholders' meeting of 2022 convened on 19 December 2022. Later, Mr. Liu Yan resigned as an executive Director of the Company due to work adjustments on 16 January 2025. The former Director, Mr. Peng Shou, tendered his resignation as a non-executive Director of the Company due to work adjustment. Mr. Wei Rushan was appointed as an executive Director of the Company upon consideration and approval at the second extraordinary shareholders' meeting of 2022 convened on 19 December 2022. At the eighth meeting of the fifth Board of Directors convened on 27 October 2023, the Company approved the re-designation of the Director, Mr. Xiao Jiaxiang, from an executive Director to a non-executive Director. Later, Mr. Xiao Jiaxiang tendered his resignation as a non-executive Director of the Company on 16 January 2025. The former Director, Ms. Fan Xiaoyan, resigned as a non-executive Director of the Company due to work adjustment, which took effect upon consideration and approval at the 2023 Annual General Meeting convened on 29 April 2024 of the appointment of Mr. Chen Shaolong as a non-executive Director. In addition, on 28 August 2024, Mr. Chang Zhangli resigned as a non-executive director of the Company due to work adjustment; on 25 October 2024, Mr. Li Xinhua resigned as a non-executive Director of the Company due to retirement. Ms. Miao Xiaoling was appointed as an executive Director of the Company upon consideration and approval at the extraordinary shareholders' meeting convened on 19 February 2025.

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

During the year ended 31 December 2024, the Company and its subsidiaries had no repurchase, sale or redemption of listed securities of the Company.

Unless the context otherwise requires, terms used in this section shall have the same meanings as defined in the Offer Document issued by the Company on 27 January 2025. On 6 December 2024, the Company announced the H Share Buy-back Offer, under which Morgan Stanley has expressed its intention to, subject to the satisfaction or waiver of the pre-conditions, make a conditional cash offer on behalf of the Company, to buy-back up to 841,749,304 H Shares, representing approximately 9.98% of the issued Shares and approximately 18.47% of the issued H Shares at the date of such announcement, at the offer price of HK$4.03 per H Share. On 27 January 2025, the Company despatched the offer document relating to, amongst others, the H Share Buy-back Offer, in which it was disclosed under the section headed "REASONS FOR THE OFFER" that, amongst other things, "the Offer demonstrates the Company's confidence in long-term prospects and intrinsic value, thereby sending positive signals to the market as well as the Company's stakeholders including employees and customers. The Offer will also improve the trading dynamics and refresh the Company's shareholders' structure." and "the Offer will also enhance the earnings per Share as well as net asset value per Share upon completion of the Offer." On 19 February 2025, the EGM, H Shareholders' Class Meeting and Domestic Shareholders' Class Meeting considered and approved the relevant resolutions in relation to the H Share Buy-back Offer, and the H Share Buy-back Offer became unconditional in all respects. As of the date of this report, the Company repurchased and cancelled 841,749,304 H shares and the H Share Buy-back Offer was completed. The total of issued shares reduced to 7,593,021,358 shares, and the total number of issued H Shares was reduced from 4,558,146,500 to 3,716,397,196 H Shares, and the aggregate interests of the CNBM Parent Concert Group in the issued Shares were increased from approximately 45.02% to approximately 50.01%. Please refer to the Company's announcement dated 6 December 2024, 27 December 2024, 24 January 2025, 27 January 2025, 19 February 2025, 5 March 2025 and 12 March 2025 and offer document dated 27 January 2025 for further details of the H Share Buy-back Offer.

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

The Company has adopted a set of code no less exacting than the standards set out in the Model Code as its own code of conduct regarding securities transactions by Directors. The standard also applies to the Supervisors. Having made specific enquiry with all Directors and Supervisors, the Company confirms that each of the Directors and Supervisors has complied with the standards of the securities transactions by Directors as required by the Model Code and the Code for Securities Transactions of China National Building Material Company Limited during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three Directors, of whom Mr. Li Jun is the Chairman and both Mr. Liu Jianwen and Ms. Xia Xue are members. All the three members are independent non-executive Directors. Among them, Mr. Li Jun possesses professional qualifications and experience in accounting and related financial management. Such composition is in compliance with the requirements of the Listing Rules. The Audit Committee is responsible for supervising the Company's external auditors and their work, the Company's financial reporting process, internal control, risk management and internal control, reviewing the Company's internal audit plan and results reports, formulating and reviewing the Company's corporate governance policies and their compliance and disclosure. More details of the duties and the working system of the Audit Committee are explicitly specified in the Terms of Reference of the Audit Committee of the Board of Directors (which are accessible on the websites of the Company and the Stock Exchange). The Audit Committee has reviewed the financial report and results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, 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 results announcement have been agreed by the Group's auditor, Moore CPA Limited ("Moore"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore on the preliminary results announcement.

DIVIDENDS

The Board hereby recommends the distribution of a final dividend of RMB1,199,697,374.56 in total (tax inclusive) for the period from 1 January 2024 to 31 December 2024 (2023: RMB1,931,562,481.60 in total (tax inclusive)) for Shareholders whose names appear on the Company's register of members on Monday, 12 May 2025, representing RMB0.158 per share (tax inclusive) (2023: RMB0.229 per share (tax inclusive)) based on the issued shares of 7,593,021,358 shares as of Thursday, 27 March 2025. The final amount of the dividend per share will be determined based on the number of shares of the Company in issue as at Monday, 12 May 2025.

The Company established and implemented the dividend policy in 2019: the Company should maintain sufficient cash reserves to meet the demand for funds, future growth and its equity value when recommending or declaring dividends. In addition to the declaration of dividends, the Board should also take into account the financial performance, cash flow position, business status and strategy, future operation and income, capital demand and expense plan, Shareholders' benefits, limits on the dividend declaration and any other factors the Board may consider to be relevant. According to the Articles of Association of the Company, dividends will be denominated and declared in Renminbi. Dividends on Domestic Shares will be paid in Renminbi and dividends on H Shares will be paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Shanghai-Hong Kong Stock Exchanges Connectivity Mechanism (the "**Shanghai-Hong Kong Stock Connect**") as well as the Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (the "**Shenzhen-Hong Kong Stock Connect**"), whose dividend will be paid in RMB). The pre-tax dividend in Hong Kong dollars on H Share will be determined by applying the relevant exchange rate to the pre-tax dividend per share of RMB0.158 and rounding the result to the nearest HK$0.0001. The relevant exchange rate will be the average middle exchange rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the week prior to the date of declaration of dividends by the annual general meeting.

The proposed final dividend is subject to approval at the annual general meeting to be held on Friday, 25 April 2025.

In accordance with tax law and relevant requirements under taxation regulatory institutions of the PRC, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the period from 1 January 2024 to 31 December 2024 (the "**2024 Final Dividend**") to holders of all non-resident enterprise Shareholders (including HKSCC Nominees Limited, other nominees, trustees or other entities and organizations, who will be deemed as non- resident enterprise Shareholders) whose names appear on the H Share register of members of the Company on Monday, 12 May 2025.

Pursuant to the "Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong stock exchanges connectivity mechanism" (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81) (the "**Shanghai-Hong Kong Stock Connect Tax Policy**") and the "Notice on the Relevant Tax Policies for the Pilot Program of the Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets" (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2016] No. 127) (the "**Shenzhen-Hong Kong Stock Connect Tax Policy**") jointly issued by the Ministry of Finance of the PRC, the State Administration of Taxation and China Securities Regulatory Commission, the dividends derived from the investment by a domestic corporate investor in stocks listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will be included in its total income and subject to enterprise income tax according to the law. In particular, dividends received by resident enterprises in the Mainland which hold H share for at least 12 consecutive months shall be exempted from enterprise income tax according to the law. In respect of the dividends received by domestic corporate investors, H share companies listed on the Stock Exchange will not withhold relevant tax for such corporate investors. The tax payable shall be reported and paid by the enterprises themselves.

As such, when distributing the 2024 Final Dividend to the domestic corporate investors as the holders of H Shares whose names appear on the register of Shareholders of the Company on Monday, 12 May 2025 provided by China Securities Depository and Clearing Corporation Limited ("**China Clearing**"), the Company shall not withhold tax on dividend for the domestic corporate investors. The tax payable shall be reported and paid by the enterprises themselves.

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Shanghai-Hong Kong Stock Connect Tax Policy, the Shenzhen-Hong Kong Stock Connect Tax Policy and other relevant laws and regulations and based on the Company's consultation with the relevant PRC tax authorities, the Company is required to withhold and pay 20% individual income tax for the Company's individual H Shareholders whose names appear on the register of members of H Shares of the Company (the "**Individual H Shareholders**").

Pursuant to the Shanghai-Hong Kong Stock Connect Tax Policy and the Shenzhen-Hong Kong Stock Connect Tax Policy, for dividends received by domestic individual investors from the investment in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the H share companies listed on the Stock Exchange shall withhold and pay individual income tax at a rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from the investment in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the income tax payable shall follow the same requirements in respect of domestic individual investors.

As such, when distributing the 2024 Final Dividend to the domestic Individual H Shareholders (including domestic securities investment funds) whose names appear on the register of Shareholders of the Company on Monday, 12 May 2025 provided by China Clearing, the Company shall withhold and pay individual income tax in accordance with the requirements mentioned above on behalf of the investors.

Pursuant to the Notice on Matters concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (《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》) issued by the State Administration of Taxation and the letter titled "Tax arrangements on dividends paid to Hong Kong residents by Mainland companies" issued by the Stock Exchange, the overseas resident individual shareholders who hold the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties between the countries where they reside and China and the tax arrangements between China mainland and Hong Kong (Macau). The Company will identify the country of domicile of Individual H Shareholders according to their registered address on the H Share register of members of the Company on Monday, 12 May 2025 (the "**Registered Address**"). The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements. Details of arrangements are as follows:

- for Individual H Shareholders who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.

- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the relevant shareholder shall proactively submit to the Company the information required under the "Administrative Measures on Preferential Treatment Entitled by Non- resident Taxpayers under Treaties" (Circular of State Taxation Administration No. 35 of 2019) (《非居民納稅人享受協定待遇管理辦法》國家稅務總局公告2019年第35 號) (the "**Measures on Tax Treaties**") on or before Tuesday, 13 May 2025, requesting for enjoying the preferential treatment under the treaties and keeping the relevant information for record and further review. If the information submitted is complete, the Company will withhold and pay individual income tax pursuant to the relevant provisions in tax laws of the PRC and the tax treaties. If the relevant Individual H Shareholder does not provide the information or the information submitted is incomplete, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.

- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.

- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.

If the domicile of an Individual H Shareholder is not the same as the registered address or if the Individual H Shareholder would like to apply for a refund of the additional amount of tax finally withheld and paid, the Individual H Shareholder shall notify and provide relevant supporting documents to the Company on or before Tuesday, 13 May 2025. Upon examination of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding and paying provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Measures on Tax Treaties if they do not provide the relevant supporting documents to the Company within the time period stated above.

Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders who are eligible to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 22 April 2025 to Friday, 25 April 2025 (both days inclusive), during such period no transfer of shares in the Company will be registered. To be eligible to attend and vote at the forthcoming annual general meeting, holders of H Shares whose transfers have not been registered shall lodge all the share transfer documents and relevant share certificates with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p. m. on Thursday, 17 April 2025 for share registration.

Shareholders whose names appear on the register of members on Monday, 12 May 2025 will be eligible for the final dividend. The register of members of the Company will be closed from Tuesday, 6 May 2025 to Monday, 12 May 2025 (both days inclusive), during such period no share transfer will be registered. In order to qualify for the final dividend mentioned above, holders of H Shares whose transfers have not been registered shall deposit the instrument(s) of transfer and the relevant share certificate(s) at the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p. m. on Friday, 2 May 2025 to facilitate the share transfer registration. The final dividend is expected to be paid on or before Monday, 30 June 2025 to the Shareholders whose names appear on the register of members of the Company on Monday, 12 May 2025.

MATERIAL TRANSACTIONS

The Acquisition of Target Group in Tunisia

On 26 July 2024, Sinoma Cement (a subsidiary of the Company) entered into a share purchase agreement with VOTORANTIM CIMENTOS EAA INVERSIONES S.L.U. (a joint stock company organised under the laws of the Kingdom of Spain) ("**Votorantim Cimentos**"), pursuant to which Votorantim Cimentos agreed to sell, and Sinoma Cement agreed to acquire, all the shares of Société Les Ciments de Jbel Oust (the "**Target Company**") for an aggregate consideration of approximately USD130 million (subject to certain adjustments) and the final consideration (after the adjustments) shall not exceed USD145 million. Upon completion of the acquisition of all the shares of the Target Company by Sinoma Cement from Votorantim Cimentos pursuant to the share purchase agreement (the "**Share Acquisition**"), the Target Company and its subsidiary, Granulats Jbel Oust, will both become indirect subsidiaries of the Company.

The Share Acquisition is in line with the Company's strategy and Tianshan Materials' internationalization development plan. There are vibrant cement markets in countries along the "One Belt and One Road", and the Share Acquisition is expected to accelerate the Group's internationalisation deployment. In addition, the Target Company has a long operating history, stable operation, and is geographically located close to the ports with favourable location conditions and is a mature integrated cement enterprise in the regional market. The acquired assets are of high quality, and the production lines of the Target Company are in line with the Group's production lines and can bring significant synergy to the current businesses of the Group.

For details of the relevant transactions in relation to the acquisition of the Target Group in Tunisia, please refer to the announcement of the Company dated 26 July 2024. As of the date of this report, the transaction in relation to the acquisition of the Target Group in Tunisia has not completed.

Update on the Merger by Absorption by Ningxia Building Materials of CNBM Technology and the Cement Assets Restructuring

Reference is made to the Company's announcements dated 14 April 2022, 15 April 2022, 28 April 2022, 28 December 2022, 27 June 2023, 14 November 2023, 16 January 2024, 23 January 2024, 31 January 2024 and 9 August 2024, the circular dated 28 July 2023, the 2022 annual report, the 2023 interim report and the 2023 annual report, setting out the details of the Merger by Absorption and the Cement Assets Restructuring transactions.

As stated in the announcement of the Company dated 23 January 2024, on 23 January 2024, Ningxia Building Materials received the "Decision on the Termination of Review on the Share Swap and Merger by Absorption of CNBM Technology Corporation Limited by Ningxia Building Materials and the Sale of Major Assets and Relevant Fund Raising and Related Party Transactions" (《關於終止對寧夏建材換股吸收合併中建材信息技術股份有限公司及重大資產出售並募集配套資金暨關聯交易審核的決定》) issued by the Shanghai Stock Exchange. Given that the Merger by Absorption, the Cement Assets Restructuring and the proposed placing of additional new shares by Ningxia Building Materials if and after the Cement Assets Restructuring and the Merger by Absorption are completed (the "**Proposed Transactions**") are in line with the Group's strategic development direction and conducive to eliminating and avoiding horizontal competition between Ningxia Building Materials and Tianshan Materials, after careful and prudent study, the Company and Ningxia Building Materials decided to proceed with the Proposed Transactions through resolutions of their respective boards of directors on 31 January 2024.

As stated in the announcement of the Company dated 9 August 2024, on 9 August 2024, considering the long duration of the Proposed Transactions and the fluctuations and changes in the macro environment and industry environment, taking into account both internal and external factors, the Company has decided to terminate the Proposed Transactions subsequent to its prudent study and after amicable negotiations with Ningxia Building Materials and Tianshan Materials. In addition, on the same day, the Company and the Parent issued notification letters to Ningxia Building Materials and Tianshan Materials respectively (the "**2024 Notification Letters**"), in relation to (1) the further extension of the performance of the non-competition undertaking for the avoidance of industry competition with Ningxia Building Materials issued by the Company and the Parent in December 2017, the performance of which was extended for 3 years pursuant to the notification letter issued in December 2020 (the "**Undertaking to Ningxia Building Materials**"), and (2) the extension of the performance of the non-competition undertaking for the avoidance of industry competition with Tianshan Materials issued by the Company and the Parent in December 2017 (the "**Undertaking to Tianshan Materials**"). The 2024 Notification Letters informed Ningxia Building Materials and Tianshan Materials that due to the termination of the Proposed Transactions, the Company did not manage to perform its undertakings to avoid industry competition within the previous undertaking periods and thus planned to extend the Undertaking to Ningxia Building Materials and the Undertaking to Tianshan Materials. Such undertakings shall be performed within 2 years from the date on which Ningxia Building Materials and Tianshan Materials approve such extension at their respective shareholders' meetings. Apart from this, other contents of the Undertaking to Ningxia Building Materials and the Undertaking to Tianshan Materials remain unchanged. Please refer to the Company's announcement dated 9 August 2024 for further details of the termination of the Proposed Transactions, as well as the extension in the performance of the non-competition undertakings.

Update on Restructuring of Cement Assets

Reference is made to the announcements dated 24 July 2020, 7 August 2020, 2 March 2021, 23 March 2021, 10 August 2021, 10 September 2021, 28 October 2021, 26 March 2024 and 29 April 2024 and the circular dated 4 March 2021, each issued by the Company and in relation to the restructuring of cement assets of the Company (the "**Restructuring**").

As stated in the circular dated 4 March 2021, on 2 March 2021, the Company entered into an impairment compensation agreement (the "**Impairment Compensation Agreement**") with Tianshan Cement (which is currently known as Tianshan Materials), in connection with the provision of impairment compensation to Tianshan Cement in respect of the equity interests in China United Cement Corporation* (中國聯合水泥集團有限公司), South Cement, Southwest Cement and Sinoma Cement (collectively, the "**Target Companies**") disposed of by the Company to Tianshan Cement pursuant to the Restructuring. If there is an impairment during the impairment compensation period (being the years of 2021, 2022 and 2023), the Company shall compensate Tianshan Cement by means of compensation shares (being the shares in Tianshan Cement as acquired by the Company pursuant to the Restructuring, which shall be bought back by Tianshan Cement at a total consideration of RMB1.00 and be cancelled) with respect to the corresponding impairment amount based on the results of the specific impairment audit reports. There was no such impairment for the years of 2021 and 2022.

As stated in the announcement of the Company dated 10 August 2021, on 10 August 2021, the Company entered into a profit guarantee agreement (the "**Profit Guarantee Agreement**") with Tianshan Cement, in connection with the provision of profit guarantee to Tianshan Cement in respect of all entities consolidated into the Target Companies (except certain entities as agreed between the Company and Tianshan Cement) (the "**Guaranteed Assets**"). The profit compensation payable by the Company to Tianshan Cement pursuant to the Profit Guarantee Agreement is supplemental to the Company's obligation to make the impairment compensation under the Impairment Compensation Agreement. Only if the aggregated impairment amount to be compensated under the Impairment Compensation Agreement (the "**Impairment Compensation Amount**") is smaller than the aggregated amount of the unrealized net profits of the Guaranteed Assets under the Profit Guarantee Agreement (the "**Deficiency Amount**") will the Company be required to compensate Tianshan Cement for the shortfall in cash.

Pursuant to the impairment compensation agreement, the Company shall (1) compensate an aggregated impairment amount of approximately RMB20,032.8114 million (the "**Impairment Compensation Amount**") to Tianshan Materials by means of 1,552,931,120 shares in Tianshan Materials (the "**Compensation Shares**", thereby resulting in a decrease of approximately 3.38% in the Company's shareholding in Tianshan Materials) and (2) return the aggregated amount of the cash dividend attributed to such Compensation Shares during the impairment compensation period (being approximately RMB1,108.7928 million) to Tianshan Materials. Further, pursuant to the profit guarantee agreement dated 10 August 2021 entered into between the Company and Tianshan Materials (the "**Profit Guarantee Agreement**"), the Company shall make a profit compensation of approximately RMB1,758.4681 million (being the difference between (i) the aggregated amount of the unrealised net profits of the guaranteed assets under the Profit Guarantee Agreement of approximately RMB21,791.2796 million and (ii) the Impairment Compensation Amount stated above) in cash to Tianshan Materials. Accordingly, for the twelve months ended 31 December 2024, the equity attributable to equity holders of the Company decreased by RMB2,765.7257 million while the non-controlling interests increased by the same amount, but there was no material impact on the Company's consolidated statement of profit or loss.

Qilianshan Assets Restructuring

Reference is made to the announcements of the Company dated 25 April 2022, 11 May 2022, 28 December 2022, 30 December 2022, 28 February 2023, 30 October 2023, 21 December 2023, the 2022 annual report, 2023 interim report and 2023 annual report in relation to the entering into of relevant agreement of assets restructuring between Qilianshan and China Communications Construction Company Limited* (中國交通建設股份有限公司) ("**CCCC**") and China Urban-Rural Holding Group Co. Limited* (中國城鄉控股集團有限公司) ("**China Urban-Rural**"), in connection with Qilianshan's acquisition of 100% equity interests in CCCC Highway Consultants Co., Ltd.* (中交公路規劃設計院有限公司), CCCC First Highway Consultants Co., Ltd. * (中交第一公路勘察設計研究院有限公司), CCCC Second Highway Consultants Co., Ltd.* (中交第二公路勘察設計研究院有限公司), Southwest Municipal Engineering Design and Research Institute of China* (中國市政工程西南設計研究總院有限公司), China Northeast Municipal Engineering Design & Research Institute Co., Ltd. * (中國市政工程東北設計研究總院有限公司) and CCCC Urban Energy Research and Design Institute Co., Ltd. * (中交城市能源研究設計院有限公司) (the "**Swapped-in Target Assets**") held by CCCC and China Urban-Rural, by swapping 100% equity interests in Gansu Qilianshan Cement Group Company Limited* (甘肅祁連山水泥集團有限公司) ("**Qilianshan Cement**") (the "**Swapped-out Target Assets**") and by Qilianshan issuing shares (the "**Consideration Shares**") as consideration to acquire the part of Swapped-in Target Assets held by CCCC and China Urban-Rural with the deficiency amount between the value of the Swapped-out Target Assets and the value of the Swapped-in Target Assets (the "**Qilianshan Assets Restructuring**"). Qilianshan entered into a profit compensation undertakings agreement with CCC and China Urban-Rural, to agree on matters such as the certain profit compensation undertakings and compensation in relation to Swapped-in Target Assets, whereby the actual net profits of the performance commitment period shall not be lower than the committed net profit. During the period from the completion of the Restructuring to 31 December 2024, the actual share of revenue of the relevant performance commitment assets is in compliance with the aforesaid profit guarantee.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 139,519 employees.

The remuneration package of the Company's employees includes salary, bonuses and allowances. In accordance with relevant national and local labour and social welfare laws and regulations, the Group is required to pay, on behalf of employees, a monthly social insurance premium covering pension insurance, injury insurance, medical insurance, unemployment insurance and housing reserve fund. The Company's remuneration policy for its staff is performance based, taking into account duties and responsibilities while bonus is linked to the overall economic efficiency of the Company.

When determining or recommending to the Board the emoluments payable to the independent non-executive Directors, the Remuneration and Performance Appraisal Committee will consider factors such as remuneration paid by comparable companies, the time and duties required from the Directors and senior management, employment conditions elsewhere within the Group and the desirability of performance-based remuneration in accordance with its terms of reference. Other than independent non-executive Directors, the other Directors will not receive remunerations in respect of their directorships in the Company. Some of the Directors receive employee remunerations for their role as senior management of the Company.

The Company endeavors to provide training to its employees. On-job training and continuous training plans include management skills and technical training, overseas exchange schemes and other courses. The Company also encourages employees to improve themselves.

As of 31 December 2024, the gender ratio for the Group's employees was approximately 77% male and approximately 33% female. The Company has implemented a fair employment policy, and the recruitment has been merit-based without any discrimination. We will continue to strive for increasing the proportion of female workers, with reference to the Shareholders' expectations and the recommended best management practice, to achieve an appropriate balance in gender diversity.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

In accordance with the requirements under the Listing Rules which are applicable to the Reporting Period, the 2024 Annual Report containing all information about the Company set out in this preliminary announcement of results for the year ended 31 December 2024 will be posted on the website of the Stock Exchange (website: http://www.hkex.com.hk) on or before 30 April 2025. This information will also be published on the website of the Company (website: http://cnbm.wsfg.hk).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"BNBM"	北新集團建材股份有限公司 (Beijing New Building Materials Public Limited Company)
"BNBM Carpoly"	北新嘉寶莉塗料集團股份有限公司 (BNBM Carpoly Coating Group Company Limited) (formerly known as 嘉寶莉化工集團股份有限公司 Carpoly Chemical Group Co., Ltd.)
"Board"	the board of directors of the Company
"Carpoly"	嘉寶莉化工集團股份有限公司 (Carpoly Chemical Group Co., Ltd.)

"Cement+"	to develop, optimize and expand cement, commercial concrete, aggregate businesses which are the extension of industry chain of cement-related products and the new focal point of profit growth
"China Jushi"	中國巨石股份有限公司 (China Jushi Co., Ltd.) (previously known as 中國玻纖股份有限公司 China Fiberglass Company Limited)
"China United Qingzhou"	青州中聯水泥有限公司 (China United Cement Qingzhou Co., Ltd.)
"CNBM Technology"	中建材信息技術股份有限公司 (China National Building Materials Technology Co.,Ltd.)
"Company" or "CNBM"	中國建材股份有限公司 (China National Building Material Company Limited)
"Controlling Shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Domestic Shares"	the ordinary shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are subscribed for in RMB
"Group"	the Company and, except where the context otherwise requires, all its subsidiaries
"Gypsum board+"	Centered around the core advantage of gypsum board, we will expand assembled interiors and related concentric business, including steel stud, powder mortar, mineral fiber board, calcium silicate board, artificial board, mineral wool, auxiliary accessories, and more
"H Share(s)"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HKD
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRSs"	IFRS Accounting Standards

"Independent Third Party(ies)"	person(s) or company(ies) which is (are) independent from the Company or its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"Management of Three Delicacies"	lean operation, refined management and refined organization
"MIIT"	中華人民共和國工業和信息化部 (Ministry of Industry and Information Technology of the People's Republic of China)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Ningxia Building Materials"	寧夏建材集團股份有限公司 (Ningxia Building Materials Group Co., Limited)
"Parent"	中國建材集團有限公司 (China National Building Material Group Co., Ltd.*) (previously known as 中國建築材料集團有限公司 China National Building Materials Group Corporation)
"PRC"	the People's Republic of China
"Qilianshan"	甘肅祁連山水泥集團股份有限公司 (Gansu Qilianshan Cement Group Company Limited)
"Reporting Period"	from 1 January 2024 to 31 December 2024
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"Sinoma Cement"	中材水泥有限責任公司 (Sinoma Cement Co., Ltd.)
"Sinoma International"	中國中材國際工程股份有限公司 (Sinoma International Engineering Co., Ltd.)

"Southwest Cement"	西南水泥有限公司 (Southwest Cement Company Limited*)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"Tianshan Materials"	天山材料股份有限公司 (Tianshan Material Co., Ltd.) (formerly known as新疆天山水泥股份有限公司 Xinjiang Tianshan Cement Co., Ltd.)

By Order of the Board
China National Building Material Company Limited*
Zhou Yuxian
Chairman

Beijing, the PRC
27 March 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhou Yuxian, Mr. Wei Rushan, Mr. Wang Bing and Ms. Miao Xiaoling as executive directors, Mr. Wang Yumeng, Mr. Shen Yungang and Mr. Chen Shaolong as non-executive directors and Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue as independent non-executive directors.

* *For identification purposes only*