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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)

CONNECTED TRANSACTION
CAPITAL CONTRIBUTION TO CNBM AVIATION

On 25 July 2025, Sinoma Science & Technology (a non-wholly-owned subsidiary of the Company), CNBM United Investment and CNBM Aviation entered into the Capital Increase Agreement to make a capital contribution totaling RMB500 million to CNBM Aviation. Among which, Sinoma Science & Technology will subscribe for RMB200 million and CNBM United Investment will subscribe for RMB300 million. Upon completion of the Capital Contribution, the registered capital of CNBM Aviation will be increased from RMB1,050 million to RMB1,550 million, and the respective shareholdings of the Group and CNBM United Investment, being 40% and 60%, remain unchanged.

IMPLICATIONS OF LISTING RULES

As of the date of this Announcement, as the Parent owns, directly and indirectly, an aggregate of approximately 50.01% equity interest in the Company, it is a controlling shareholder of the Company. CNBM United Investment and CNBM Aviation are the subsidiaries of the Parent and therefore they are connected persons of the Company. Therefore, the capital contribution made by Sinoma Science & Technology constitutes a connected transaction of the Company. As one or more applicable percentage ratios are higher than 0.1% but all applicable ratios are less than 5%, the capital contribution made by Sinoma Science & Technology is subject to the reporting and announcement requirements under the Listing Rules but is exempt from the circular and shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

OVERVIEW

As at the date of this announcement, the Group holds 40% equity interests of CNBM Aviation through Sinoma Science & Technology and China Composites. CNBM Aviation is an indirect subsidiary of the Parent, with the remaining 60% equity interests held by CNBM United Investment.

Sinoma Science & Technology and China Composites entered into a share transfer agreement on 25 July 2025, pursuant to which China Composites will transfer its entire equity interests in CNBM Aviation (i.e., 15% equity interests of CNBM Aviation) to Sinoma Science & Technology for a consideration of RMB146,875,860 (tax inclusive). Upon the completion of the above transfer, Sinoma Science & Technology will directly hold 40% of the equity interests of CNBM Aviation. The Internal Equity Transfer does not constitute a notifiable transaction of the Company.

On the same day, Sinoma Science & Technology, CNBM United Investment and CNBM Aviation entered into the Capital Increase Agreement to make a capital contribution totaling RMB500 million to CNBM Aviation after completion of the Internal Equity Transfer. Among which, Sinoma Science & Technology will subscribe for RMB200 million and CNBM United Investment will subscribe for RMB300 million. Upon completion of the Capital Contribution, the registered capital of CNBM Aviation will be increased from RMB1,050 million to RMB1,550 million, and the respective shareholdings of the Group and CNBM United Investment, being 40% and 60%, remain unchanged.

Share capital structure of CNBM Aviation before and after the Internal Equity Transfer and the Capital Contribution:

Unit: RMB10,000

Name of Shareholder	As at the date of this announcement		After the Internal Equity Transfer but before the Capital Contribution		After the Capital Contribution		Capital Contribution method
	Subscription Amount	Shareholding percentage	Subscription Amount	Shareholding percentage	Subscription Amount	Shareholding percentage	
CNBM United Investment	63,000	60%	63,000	60%	93,000	60%	Cash
Sinoma Science & Technology	26,250	25%	42,000	40%	62,000	40%	Cash
China Composites	15,750	15%	–	–	–	–	Cash
Total	**105,000**	**100%**	**105,000**	**100%**	**155,000**	**100%**	

CAPITAL CONTRIBUTION

Principal Terms of the Capital Contribution Agreement

Parties

(1) Sinoma Science & Technology;

(2) CNBM United Investment; and

(3) CNBM Aviation

Date of the agreement and effectiveness

25 July 2025

The Capital Contribution Agreement shall take effect on the date when all of the following conditions are met (whichever is later): (i) the Capital Contribution Agreement is signed by the legal representative or authorized representative of all the signing parties and affixed with the official seals; (ii) the Internal Equity Transfer is approved by the authorized bodies of China Composites and Sinoma Science & Technology; (iii) the Capital Contribution is approved by the authorized bodies of CNBM United Investment, Sinoma Science & Technology and CNBM Aviation; and (iv) the Internal Equity Transfer and Capital Contribution are approved by the Parent.

Nature of the Transaction

As shareholders of CNBM Aviation after the completion of the Internal Equity Transfer, Sinoma Science & Technology and CNBM United Investment shall make a capital contribution totaling RMB500 million to CNBM Aviation in cash in proportion to their respective shareholdings after the completion of the Internal Equity Transfer. Among which, Sinoma Science & Technology and CNBM United Investment will make a capital contribution of RMB200 million and RMB300 million, respectively, all of which will be accounted for as registered capital.

After the Capital Contribution, the registered capital of CNBM Aviation will be increased from RMB1,050 million to RMB1,550 million, representing an increased registered capital of RMB500 million. The respective shareholdings of Sinoma Science & Technology and CNBM United Investment in CNBM Aviation remain unchanged following the Capital Contribution as compared to those after the Internal Equity Transfer but before the Capital Contribution.

Basis for Determination of Capital Contribution	The parties agree that the Capital Contribution price shall be RMB1 per registered capital unit based on the audit report for the year 2024 of CNBM Aviation (Grant Thornton Audit No. 110C006737) issued by Grant Thornton Zhitong Certified Public Accountants LLP and in accordance with the requirements under the Company Law of the PRC with respect to the paid-in capital contribution by the shareholders of a company.
Payment Method	Sinoma Technology and CNBM United Investment agree that each party shall pay 50% of its capital contribution within five working days after CNBM Aviation completes the relevant industrial and commercial registration/filing procedures for the change in registered capital pursuant to the change of registration provisions. The remaining 50% shall be paid to CNBM Aviation either in a lump sum or in installments, in accordance with the shareholder resolution passed by CNBM Aviation regarding the actual payment of the remaining capital contribution.
Treatment of Profits and Losses	The accumulated undistributed profits of CNBM Aviation as of the audit reference date (i.e. 31 December 2024) shall be enjoyed by the shareholders after the completion of the Capital Contribution in proportion to their actual paid-in capital.
Change of Registration	CNBM Aviation shall, within 10 working days after the closing date of the Internal Equity Transfer or at such other time as agreed upon by the parties, complete industrial and commercial registration/filing procedures with the market supervision and administration authority of the place of its registration in respect of the change in the registered capital of CNBM Aviation in connection with the Capital Contribution.
Governance and Operation of CNBM Aviation after the Capital Contribution	Sinoma Science & Technology and CNBM United Investment agree that, during the period in which they hold equity interests in CNBM Aviation in accordance with their respective shareholdings following the Internal Equity Transfer, the corporate governance structure of CNBM Aviation shall be as follows:

(1). CNBM Aviation shall have a board comprising five members, with three nominated by CNBM United Investment and two nominated by Sinoma Science & Technology, all elected by the shareholders' meeting. The board of directors shall have one chairman, elected by the board of directors from the director candidates nominated by CNBM United Investment.

(2). CNBM Aviation shall appoint one General Manager, to be recommended by CNBM United Investment and appointed by the board of directors; and one Chief Financial Officer, to be recommended by Sinoma Science & Technology and appointed by the board of directors. The General Manager shall serve as the legal representative of the company.

INFORMATION ON RELEVANT PARTIES

The Group

The Company is a leading building materials company in the PRC with significant operations in basic building materials, new materials and engineering services businesses.

Sinoma Science & Technology is a non-wholly owned subsidiary of the Company and is principally engaged in the business of wind power blades, glass fibre and lithium battery separator. Its A shares are listed and traded on the Shenzhen Stock Exchange (stock code: 002080.SZ).

China Composites is a subsidiary of the Company in which the Company owns 100% of its shares, and is principally engaged in carbon fiber and wind power blades through equity participation.

The Parent

The Parent is a state-owned limited liability company, which is principally engaged in non-metallic materials manufacturing and capital investment. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council.

CNBM United Investment

CNBM United Investment is a wholly-owned subsidiary of the Parent, and is principally engaged in investment management, assets management and investment consultation.

CNBM Aviation

CNBM Aviation is principally engaged in general projects in the field of aviation technology, such as technical consultation, technology development, technology transfer, technical services; sales of civil aviation materials; information technology consulting services; import and export of goods; import and export of technology.

The net profit (before tax and after tax) of CNBM Aviation for the fiscal years ended 31 December 2023 and 31 December 2024, based on the audited accounts prepared in accordance with the Chinese accounting standards is as follows:

	Fiscal Year Ended 31 December 2023		**Fiscal Year Ended 31 December 2024**	
	Net Profit Before Tax *(RMB)*	**Net Profit After Tax** *(RMB)*	**Net Profit Before Tax** *(RMB)*	**Net Profit After Tax** *(RMB)*
CNBM Aviation	-68,249,346.12	-68,249,346.12	-91,174,654.24	-91,174,654.24

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION

Aerospace composite materials are high-end composite materials with broad market prospects, and the Capital Contribution is an important move for Sinoma Science & Technology to accelerate its layout of future industries. Currently, CNBM Aviation is still in the construction phase. The Capital Contribution helps ensure the smooth implementation of the major project of CNBM Aviation, meet the capital needs for project construction, and will help the Group obtain investment returns from the development of business of CNBM Aviation in the future.

The Board (including the independent non-executive Directors) believes that the terms of the Capital Contribution are fair and reasonable and the Capital Contribution is conducted in the ordinary course of business, on normal commercial terms, and is in the interests of the Company and its Shareholders as a whole.

As the Directors Mr. Zhou Yuxian, Mr. Wang Yumeng, Mr. Wei Rushan and Ms. Miao Xiaoling are employed by the Parent or its subsidiaries outside the Group, they are deemed to have a material interest in the Capital Contribution. They have abstained from voting with respect to the relevant board resolution(s) on the Capital Contribution.

Save as the Directors mentioned above, none of the Directors had material interests in the Capital Contribution or was required to abstain from voting on the relevant Board resolution(s).

IMPLICATIONS OF LISTING RULES

As of the date of this Announcement, as the Parent owns, directly and indirectly, an aggregate of approximately 50.01% equity interest in the Company, it is a controlling shareholder of the Company. CNBM United Investment and CNBM Aviation are the subsidiaries of the Parent and therefore they are connected persons of the Company. Therefore, the capital contribution made by Sinoma Science & Technology constitutes a connected transaction of the Company. As one or more applicable percentage ratios are higher than 0.1% but all applicable ratios are less than 5%, the capital contribution made by Sinoma Science & Technology is subject to the reporting and announcement requirements under the Listing Rules but is exempt from the circular and shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

DEFINITIONS

"Board"	the board of directors of the Company
"Capital Contribution"	the capital contribution to CNBM Aviation by Sinoma Science & Technology and CNBM United Investment pursuant to the Capital Contribution Agreement after the completion of the Internal Equity Transfer
"Capital Contribution Agreement"	the capital contribution agreement dated 25 July 2025 entered into among Sinoma Science & Technology, CNBM United Investment and CNBM Aviation
"China Composites"	China Composites Group Corporation Limited* (中國複合材料集團有限公司), a limited liability company registered and incorporated under the laws of the PRC, a wholly-owned subsidiary of the Company
"CNBM Aviation"	China National Building Material (Shanghai) Aviation Technology Co., Ltd.* (中建材(上海)航空技術有限公司), a limited liability company registered and incorporated under the laws of the PRC, a connected person of the Company
"CNBM United Investment"	CNBM United Investment Co., Ltd.* (中建材聯合投資有限公司), a company registered and incorporated under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Parent and a connected person of the Company
"Company"	China National Building Material Company Limited (中國建材股份有限公司), a joint stock limited company registered and incorporated under the laws of the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited

"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"Internal Equity Transfer"	the transfer of 15% equity interests of CNBM Aviation from China Composites to Sinoma Science & Technology
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Parent"	China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a state-owned limited liability company registered and incorporated under the laws of the PRC and a controlling shareholder of the Company
"PRC"	The People's Republic of China, excluding, for the purpose of this announcement, Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Sinoma Science & Technology"	Sinoma Science & Technology Co., Ltd.* (中材科技股份有限公司), a joint stock limited company registered and incorporated under the laws of the PRC, which is a non-wholly-owned subsidiary of the Company and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002080.SZ)
"%"	Percentage

On behalf of the Board
China National Building Material Company Limited*
Pei Hongyan
Secretary of the Board

Beijing, the PRC
25 July 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*