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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
(1) CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION; AND
(2) CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

ENTERING INTO NEW PARENT FRAMEWORK AGREEMENTS BETWEEN THE COMPANY AND THE PARENT

On 28 August 2025, the Company entered into the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Products and Services, Master Agreement on Mutual Provision of Equipment, Master Agreement on Mutual Provision of Engineering Services and Master Agreement on Housing Leasing regarding the Continuing Connected Transactions with the Parent Group by the Group for the period from 1 January 2026 to 31 December 2028 to renew the Original Master Agreement on Purchase of Mineral, Original Master Agreement on Mutual Provision of Products and Services, Original Master Agreement on Purchase of Equipment, Original Master Agreement on Mutual Provision of Engineering Services and Original Master Agreement on Housing Leasing, respectively.

ENTERING INTO FINANCIAL SERVICES FRAMEWORK AGREEMENT BETWEEN THE COMPANY AND FINANCE COMPANY

On 28 August 2025, the Company entered into the Financial Services Framework Agreement with Finance Company regarding the continuing connected transactions of financial services between the Group and Finance Company for the period from 1 January 2026 to 31 December 2028 to renew the Original Financial Services Framework Agreement.

ENTERING INTO FUND LENDING FRAMEWORK AGREEMENT BETWEEN NINGXIA BUILDING MATERIALS AND SAIMA IOT

On 28 August 2025, Ningxia Building Materials, a subsidiary of the Company, entered into the Fund Lending Framework Agreement with Saima IOT, pursuant to which, Ningxia Building Materials has conditionally agreed to provide loans to Saima IOT.

LISTING RULES IMPLICATIONS AND INDEPENDENT SHAREHOLDERS' APPROVAL

The Parent directly and indirectly holds 50.01% of the issued share capital of the Company as at the date of this announcement and is a controlling shareholder of the Company. Therefore, members of the Parent Group (including Finance Company and the Connected Subsidiaries of the Company) constitute connected persons of the Company under the Listing Rules, and the transactions contemplated under the New Parent Framework Agreements, the Financial Services Framework Agreement and the Fund Lending Framework Agreement constitute continuing connected transactions of the Company.

Based on the new annual caps for the Continuing Connected Transactions with the Parent Group under the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Equipment and Master Agreement on Housing Leasing, the new annual caps for the continuing connected transactions of supply of engineering services to the Parent Group under the Master Agreement on Mutual Provision of Engineering Services and the annual caps for the continuing connected transactions with Saima IOT under the Fund Lending Framework Agreement, certain applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules are higher than 0.1% but less than 5%. As a result, the Continuing Connected Transactions with the Parent Group under the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Equipment and Master Agreement on Housing Leasing, the continuing connected transactions of supply of engineering services to the Parent Group under the Master Agreement on Mutual Provision of Engineering Services and the continuing connected transactions with Saima IOT under the Fund Lending Framework Agreement are exempt from the independent shareholders' approval requirement under Rule 14A.76 of the Listing Rules and are only subject to the reporting and announcement requirements under the Listing Rules.

Based on the new annual caps for the Continuing Connected Transactions with the Parent Group under the Master Agreement on Mutual Provision of Products and Services and the new annual caps for the continuing connected transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules are higher than 5%. As a result, the Continuing Connected Transactions with the Parent Group under the Master Agreement on Mutual Provision of Products and Services and the continuing connected transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules for the proposed Deposit Caps under the Financial Services Framework Agreement exceeds 25%, the deposit services to be provided by Finance Company to the Group are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The deposit services transactions contemplated under the Financial Services Framework Agreement will also constitute a major transaction which is subject to the reporting, announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules.

The loan services to be provided under the Financial Services Framework Agreement by Finance Company to the Group are on normal or better commercial terms and are in the interest of the Group. No security over the assets of the Group will be granted to Finance Company in respect of such loans. Such services will therefore be fully exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

The Company expects that, regarding other financial services under the Financial Services Framework Agreement, the terms of such services will be on normal commercial terms or better. As one or more of the applicable percentage ratios for the caps on the total fees payable by the Group to Finance Company in respect of such services are more than 0.1% but less than 5%, such services to be provided by Finance Company to the Group are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

The transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, and the deposit services transactions under the Financial Services Framework Agreement and their respective proposed annual caps will be subject to the Independent Shareholders' approval at the EGM. The Parent and its associates will abstain from voting on the relevant resolutions to approve the above at the EGM. An Independent Board Committee comprising all the independent non-executive Directors (who have no material interest in the Master Agreement on Mutual Provision of Products and Services, the Master Agreement on Mutual Provision of Engineering Services and the Financial Services

Framework Agreement) has been established to advise and provide recommendation to the Independent Shareholders on the terms of the transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, the deposit services transactions under the Financial Services Framework Agreement and their respective proposed annual caps, and to advise the Independent Shareholders on how to vote. Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Master Agreement on Mutual Provision of Products and Services, the Master Agreement on Mutual Provision of Engineering Services and the Financial Services Framework Agreement, a letter from the Independent Board Committee, a letter from Gram Capital, and the notice of the EGM will be despatched to the Shareholders of the Company on or around 25 September 2025, as more time is needed to finalise the content of the circular.

I. ENTERING INTO NEW PARENT FRAMEWORK AGREEMENTS BETWEEN THE COMPANY AND THE PARENT

Introduction

Reference is made to the announcement of the Company dated 28 October 2022 in relation to the renewal of and entering into continuing connected transaction framework agreements between the Company and the Parent. The Original Master Agreement on Purchase of Mineral, Original Master Agreement on Mutual Provision of Products and Services, Original Master Agreement on Purchase of Equipment, Original Master Agreement on Mutual Provision of Engineering Services and Original Master Agreement on Housing Leasing governing such continuing connected transactions will expire on 31 December 2025. As the Group intends to continue to conduct such continuing connected transactions for the three years ending 31 December 2028, on 28 August 2025, the Company and the Parent entered into the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Products and Services, Master Agreement on Mutual Provision of Equipment, Master Agreement on Mutual Provision of Engineering Services and Master Agreement on Housing Leasing to renew the Original Master Agreement on Purchase of Mineral, Original Master Agreement on Mutual Provision of Products and Services, Original Master Agreement on Purchase of Equipment, Original Master Agreement on Mutual Provision of Engineering Services and Original Master Agreement on Housing Leasing, respectively.

Principal Terms of the New Parent Framework Agreements

The term of each of the New Parent Framework Agreements is three years commencing from 1 January 2026.

1. Master Agreement on Purchase of Mineral

(i) Parties: The Company
The Parent

(ii) Description of transaction: Purchase of ores (limestone ore and clay ore required for the production of cement, including limestone, clastic limestone and clay) from the Parent Group.

(iii) Basis of pricing: The price of the ores will be determined based on the following priorities:

(a) the market price available from or to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business in the same or nearby area, or in the PRC, and the current prices will be monitored, revised and adjusted in accordance with the changes in market prices from time to time so as to be in line with the markets. The Group will seek quotes from two or more comparable independent third parties through public tender or price inquiry. When using the method of public tender, the Group will issue the information in relation to the potential transactions, and obtain the bidding documents and details of their qualification and pricing from the independent third parties. When using the method of price inquiry, the Group will obtain quotes from two or more suppliers as independent third parties; and

(b) the price based on the actual costs incurred plus a reasonable profit with reference to the general range of profit in the industry, and will be determined on terms not less favourable than those sold by independent third parties to the Group or sold by the Parent Group to independent third parties. The Group will determine whether the profit margin is in line with the market practice with reference to the historical average price in relation to minerals and other products (to the extent available) issued by relevant industrial

associations and/or the profit margin of comparable products disclosed by other listed companies.

2. Master Agreement on Mutual Provision of Products and Services

(i) Parties: The Company
The Parent

(ii) Description of transaction:

(a) Purchase of certain products and services from the Parent Group. These products include raw materials and commodities (including grinding aid, spare parts, refractory materials, coal, carbon fibre, pultruded products, etc.). The services to be purchased include repair, design and installation of equipment, property management services, technology services, warehouse leasing services, logistics and supply chain services and others.

(b) Supply of certain products and services to the Parent Group. These products include raw materials and commodities (including clinker, cement, lightweight building materials, glass fibre and its products, alternative fuel products, etc.). The services to be supplied include the supply of water, electricity and steam services, mining, operations and maintenance services, warehouse leasing services, logistics and supply chain services and others.

(iii) Basis of pricing: The prices of the products and services to be purchased or supplied by the Group shall be based on the following priorities:

(a) the prices prescribed by the price control authorities of the PRC;

(b) if the prices mentioned in (a) above are not available, the guided prices issued by the relevant PRC government authorities;

As for the price prescribed by the price control authorities of the PRC and the guided prices issued by the relevant PRC government authorities, the state-prescribed fees and guided prices are applicable to water, electricity and coal, which are related to the cost of such products and services and published by the relevant PRC government authorities from time to time. According to the Pricing Law of the PRC, the PRC government may implement state-prescribed or guided price for specific products and services, if necessary, and such price will be promulgated in accordance with the requirements of relevant laws, regulations or administrative rules from time to time. If any state-prescribed price or guided price becomes available to the agreement in the future, the parties will execute such price first in accordance with the pricing principle of the agreement.

(c) if the prices mentioned in (a) and/or (b) above are not available, the market price available from or to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business in the same or nearby area, or in the PRC, and the current prices will be monitored, revised and adjusted in accordance with the changes in market prices from time to time so as to be in line with the markets, among which:

c.1 While purchasing products or services from the Parent Group, the Group will seek quotes from two or more comparable independent third parties through public tender or price inquiry. When using the method of public tender, the Group will issue the information in relation to potential transactions and obtain the bidding documents as well as details of the qualification and pricing from the independent third parties. When using the method of price inquiry, the Group will obtain quotes from two or more suppliers as independent third parties;

c.2 While providing products or services to the Parent Group, the Group will charge to the Parent Group the same price as to the independent third party in accordance with the internal practice. The Group will make reference to the price of comparable products charged to two or more independent third parties in the same or nearby area, or in the PRC prior to the negotiation of the applicable price with the Parent Group; and

(d) if none of the prices mentioned in (a), (b) and (c) above is available, the prices will be determined based on the actual costs incurred in providing the same products and services plus a reasonable profit with reference to the general range of profit in the industry, and (i) the prices of products or services purchased by the Group from the Parent Group will be determined on terms not less favourable to the Group than those provided by independent third parties to the Group or provided by the Parent Group to independent third parties; (ii) the prices of products or services provided by the Group to the Parent Group will be determined on terms that are no more favourable to the Group than those provided by the Group to independent third parties or provided by independent third parties to the Parent Group. The Group will determine whether the profit margin is in line with the market practice with reference to the historical average price in relation to relevant products (to the extent available) issued by the relevant industrial associations and/or the profit margin of comparable products and services disclosed by other listed companies.

3. Master Agreement on Mutual Provision of Equipment

(i) Parties: The Company
The Parent

(ii) Description of transaction:

(a) Purchase of certain equipment from the Parent Group for use in the production. The equipment includes roller press machine, waste heat power generation equipment, equipment required under thin-film solar power engineering project and other auxiliary equipment, plate making line equipment for gypsum board production lines, drying machine and other auxiliary equipment.

(b) Supply of certain equipment to the Parent Group for use in the production. The equipment includes roller press machine, vertical mills, cooler machines, elevators, burners and other equipment required for cement and mining engineering projects, as well as steel structure products, waterproof equipment production lines and other auxiliary equipment.

(iii) Basis of pricing: The prices of the equipment to be purchased or supplied by the Group shall be based on the following priorities:

(a) the market price available from or to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business in the same or nearby area, or in the PRC, and the current prices will be monitored, revised and adjusted in accordance with the changes in market prices from time to time so as to be in line with the markets.

a.1 While purchasing equipment from the Parent Group, the Group will seek quotes from two or more comparable independent third parties through public tender or price inquiry. When using the method of public tender, the Group will issue the information in relation to the potential transaction, and obtain the bidding documents as well as details of the qualification and pricing from the independent third parties.

When using the method of price inquiry, the Group will obtain quotes from two or more suppliers as independent third parties;

a.2 While providing equipment to the Parent Group, the Group will charge to the Parent Group the same price as to the independent third party in accordance with the internal practice. The Group will make reference to the price of comparable equipment charged to two or more independent third parties in the same or nearby area, or in the PRC prior to the negotiation of the applicable price with the Parent Group; and

(b) the price based on the actual costs incurred plus a reasonable profit with reference to the general range of profit in the industry, and (i) the prices of equipment purchased by the Group from the Parent Group will be determined on terms not less favourable to the Group than those provided by independent third parties to the Group or provided by the Parent Group to independent third parties; (ii) the prices of equipment provided by the Group to the Parent Group will be determined on terms that are no more favourable to the Group than those provided by the Group to independent third parties or provided by independent third parties to the Parent Group. The Group will determine whether the profit margin is in line with the market practice with reference to the historical average price in relation to relevant equipment (to the extent available) issued by the relevant industrial associations and/or the profit margin of comparable equipment disclosed by other listed companies.

4. Master Agreement on Mutual Provision of Engineering Services

(i) Parties: The Company
The Parent

(ii) Description of transaction:

(a) Procurement of engineering design, construction and supervisory services from the Parent Group.

(b) Provision of engineering design, construction and supervisory services to the Parent Group.

(iii) Basis of pricing: The price of the engineering services to be procured from or provided to the Parent Group by the Group will be determined based on the following priorities:

(a) determined by the relevant guided prices issued by the relevant PRC government authorities, being the prices agreed by both parties within the range as stipulated by applicable PRC laws and regulations. As for the guided prices issued by the PRC government authorities, the state-prescribed fees and guided prices are applicable to water, electricity and coal, which are related to the cost of such products and services and published by the relevant PRC government authorities from time to time. According to the Pricing Law of the PRC, the PRC government may implement state-prescribed or guided price for specific products and services, if necessary, and such price will be promulgated or adjusted in accordance with the requirements of relevant laws, regulations or administrative rules from time to time. If any state-prescribed price or guided price becomes available to the agreement in the future, the parties will execute such price first in accordance with the pricing principle of the agreement;

(b) if the prices mentioned in (a) above are not available, the market price available from or to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business in the same or nearby area, or in the PRC, and the current prices will be monitored, revised and adjusted in accordance

with the changes in market prices from time to time so as to be in line with the markets, among which:

b.1 While purchasing engineering services from the Parent Group, the Group will seek quotes from two or more comparable independent third parties through public tender or price inquiry. When using the method of public tender, the Group will issue the information in relation to potential transactions and obtain the bidding documents as well as details of the qualification and pricing from the independent third parties. When using the method of price inquiry, the Group will obtain quotes from two or more suppliers as independent third parties;

b.2 While providing engineering services to the Parent Group, the Group will charge to the Parent Group the same price as to the independent third party in accordance with the internal practice. The Group will make reference to the price of comparable products charged to two or more independent third parties in the same or nearby area, or in the PRC prior to the negotiation of the applicable price with the Parent Group; and

(c) if the prices mentioned in (a) and (b) above are not available, the prices will be determined based on the actual costs incurred in providing equivalent engineering services plus a reasonable profit with reference to the general range of profit in the industry, and (i) the prices of engineering services provided to the Group by the Parent Group will be determined on terms not less favourable to the Group than those provided to the Group by independent third parties or by the Parent Group to independent third parties; (ii) the prices of engineering services provided by the Group to the Parent Group will be determined on terms that are no more favourable to the Group than those provided by the Group to independent third

parties or by independent third parties to the Parent Group. The Group will determine whether the profit margin is in line with the industry conditions with reference to the historical average price in relation to the provision of engineering services (to the extent available) issued by the relevant industrial associations and/or the profit margin of comparable services disclosed by other listed companies.

Provided that if the contract is granted by way of tender, the price should be determined in accordance with the procedures of the local regulatory authority for the tender in the location of the construction project.

5. Master Agreement on Housing Leasing

(i) Parties: The Company
The Parent

(ii) Description of transaction: Provision of housing leasing services by the Group to the Parent Group, and provision of housing leasing services by the Parent Group to the subsidiaries of the Company.

(iii) Basis of pricing: The rent of the housing to be tenanted or leased by the Group shall be based on the following priorities:

(a) the market price available from or to independent third parties on arm's length basis based on normal commercial terms in the ordinary and usual course of business in the same or nearby area, or in the PRC.

a.1 While leasing houses from the Parent Group to the subsidiaries of the Company, we will take into consideration the following factors: (i) prevailing market rent of similar properties in the vicinity that are used for similar purposes; (ii) rent recently negotiated by the Company on arm's length basis with independent third party owners of similar properties in the vicinity; and (iii) the

conditions of the properties, including but not limited to their locations and ancillary facilities.

a.2 While leasing houses to the Parent Group, we will take into consideration the following factors: (i) prevailing market rent of similar properties in the vicinity that are used for similar purposes; (ii) rent recently negotiated by the Company on arm's length basis with independent third party tenants of similar properties in the vicinity; and (iii) the conditions of the properties, including but not limited to their locations and ancillary facilities.

(b) if the price mentioned in (a) above is not available, the price will be determined based on the actual costs of house depreciated in a stipulated period of time plus a reasonable profit, and (i) the price of leasing houses from the Parent Group to the subsidiaries of the Company will be determined on terms not less favourable than those provided by independent third parties to the Group or provided by the Parent Group to independent third parties; (ii) the price of leasing houses to the Parent Group by the Group will be determined on terms not more favourable than those provided by independent third parties to the Parent Group or provided by the Group to independent third parties.

The New Annual Caps and Basis of Determination

Details of the new annual caps of each of the Continuing Connected Transactions with the Parent Group (numbered 1, 2a, 2b, 3a, 3b, 4a, 4b, 5a and 5b) for the three years ending 31 December 2028 are as follows:

1. Purchase of limestone, clastic limestone and clay from the Parent Group pursuant to the Master Agreement on Purchase of Mineral

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ending 31 December 2025
Historical transaction amounts *(in RMB million)*	73.678	108.362	5.887 (historical transaction amount for the first six months ended 30 June 2025) 94.180 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	216.444	223.340	224.304

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
New annual caps *(in RMB million)*	127.554	128.652	129.049

Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; (ii) the Group's anticipation and comparison of the supply and demand in the mineral market, and the Group's anticipated production volume of cement in the period from 2026 to 2028.

2a. Purchase of products and services from the Parent Group pursuant to the Master Agreement on Mutual Provision of Products and Services

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	11,422.078	9,956.297	3,842.766 (historical transaction amount for the first six months ended 30 June 2025) 8,180.195 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	14,753.794	15,444.541	16,489.793

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	15,300.760	16,232.896	18,305.538

Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; (ii) it's anticipated that the business needs for procurement of engineering spare parts products, mining services, operations and maintenance services, alternative fuel products and distributed control system renovation services from Sinoma International, a Connected Subsidiary (approximately 15.60% of its shares are held by China Building Materials Academy Co., Ltd., a subsidiary of the Parent) will further grow; and (iii) the Group's demand for raw materials required for production, equipment, technology services, logistics services and procurement of property management services in the future is anticipated to grow.

2b. Provision of products and services to the Parent Group pursuant to the Master Agreement on Mutual Provision of Products and Services

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	1,689.381	1,750.163	864.951 (historical transaction amount for the first six months ended 30 June 2025) 1,736.418 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	3,091.808	3,348.952	4,379.097

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
New annual caps *(in RMB million)*	2,595.044	2,604.868	3,000.424
Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; (ii) affected by the overall macroeconomic environment, the expected related business of providing products and services to the Parent Group by Sinoma International in the past three years has not been carried out, and sales volume was lower than expected. Therefore, the business structure has been optimised and the transaction amount for the next three years has been reduced; and (iii) the Group's anticipation and comparison of the supply and demand in the products and services market, and the Group's anticipated production volume of products in the period from 2026 to 2028.		

3a. Purchase of equipment from the Parent Group pursuant to the Master Agreement on Mutual Provision of Equipment

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	179.210	460.743	150.214 (historical transaction amount for the first six months ended 30 June 2025) 301.808 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	1,533.420	1,266.920	1,130.320

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	976.998	1,123.255	1,249.946

Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; and (ii) the Group's anticipated demand for production, equipment renovation plan for the future by taking into account the existing scale of relevant business segments of the Group.

3b. Provision of equipment to the Parent Group pursuant to the Master Agreement on Mutual Provision of Equipment

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	334.996	423.511	513.137

Basis of determination of the new annual caps	The new annual caps are determined based on the current and future purchase needs of equipment of the Parent Group. The Group intends to supply the Parent Group with roller press machine, vertical mills, cooler machines, elevators, burners and other equipment required for cement and mining engineering projects, as well as steel structure products, waterproof equipment production lines and other auxiliary equipment.

4a. Procurement of Engineering Services from the Parent Group pursuant to the Master Agreement on Mutual Provision of Engineering Services

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	7,070.348	6,933.759	2,733.856 (historical transaction amount for the first six months ended 30 June 2025) 2,857.272 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	10,236.633	11,347.807	12,133.646

	For the year ended 31 December 2026	**For the year ended 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	5,428.537	5,540.323	5,472.899

Basis of determination of the new annual caps	The new annual caps are determined based on (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; and (ii) the business requirements for the procurement of engineering services from the Connected Subsidiary Sinoma International and its subsidiaries, which are subject to the ongoing decline in domestic cement prices and the slowdown in investment.

4b. Provision of Engineering Services to the Parent Group pursuant to the Master Agreement on Mutual Provision of Engineering Services

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	168.431	90.218	24.593 (historical transaction amount for the first six months ended 30 June 2025) 20.188 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	1,167.338	1,248.787	1,345.562

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	544.490	522.260	542.030

Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; and (ii) the plan for the provision of engineering services and construction by the Group in the future and the business opportunities anticipated by taking into account the existing scale and anticipated changes of relevant business requirements of the Parent Group.

5a. Tenant of housing from the Parent Group pursuant to the Master Agreement on Housing Leasing

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts (the total value of the right-of-use assets involved in the housing operation lease to be entered into by the subsidiaries of the Company as lessee) *(in RMB million)*	34.915	39.341	1.407 (historical transaction amount for the first six months ended 30 June 2025) 47.662 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps (the total value of the right-of-use assets involved in the housing operation lease to be entered into by the Group as lessee) *(in RMB million)*	53.350	57.350	61.350

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps (the total value of the right-of-use assets involved in the housing operation lease to be entered into by the Group as lessee) *(in RMB million)*	46.678	46.683	46.683

Basis of determination of the new annual caps	The new annual caps are determined based on (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; and (ii) considering the current and future rental needs of the Group.

5b. Rental of housing to the Parent Group pursuant to the Master Agreement on Housing Leasing

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(in RMB million)*	102.477	75.996	54.076 (historical transaction amount for the first six months ended 30 June 2025) 80.987 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(in RMB million)*	103.691	118.577	138.872

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(in RMB million)*	94.760	94.326	94.386

Basis of determination of the new annual caps	The new annual caps are determined based on: (i) the actual transaction amounts for the two years ended 31 December 2024 and the first six months ended 30 June 2025 and the estimated transaction amount for the last six months ending 31 December 2025; and (ii) the current and future lease needs of the Parent Group.

Internal Control Mechanism

The Group has the following internal control mechanism in place to ensure the individual transactions are conducted within the New Parent Framework Agreements:

1. The Group employs and maintains separate business, operation and accounting personnel of its own from the Parent Group. There is clear segregation of approval authority and duty between the parties.

2. The Company's Finance Department will perform check on transactions entered into under the New Parent Framework Agreements for every half year to ensure compliance with pricing policies and that the annual caps are not exceeded.

3. The annual caps are set based on the estimated transaction amount reported by the members of the Group. While carrying out the specific connected transactions under the Continuing Connected Transactions with the Parent Group, the relevant member of the Group carrying out the specific connected transactions will monitor the actual transaction amount and report to the Company if the actual transaction amount exceeds the estimated transaction amount forming the basis of the annual caps. The Company will monitor at the Group level to confirm that the aggregated transaction amounts are within the annual caps.

4. The Company's external auditors will conduct an annual review of the transactions entered into under the New Parent Framework Agreements to confirm the transaction amounts are within the annual caps and the transactions are entered into in accordance with the terms set out in the relevant framework agreements in all material respects.

5. In accordance with the Listing Rules, the independent non-executive Directors will also perform an annual review of the terms of Continuing Connected Transactions with the Parent Group to confirm that the pricing policy and the annual caps remain fair and reasonable and that appropriate internal control procedures are in place, and will confirm so each year in the annual report published by the Company.

Reasons for and Benefits of Entering into New Parent Framework Agreements with the Parent

The Continuing Connected Transactions with the Parent Group are a continuation of the existing continuing connected transactions of the Company and these transactions are conducted in order to meet the operational and business development needs of the Group. When conducting the procurement transaction with the Parent Group, the Company has comprehensively considered the competitive edges of the Parent Group, including its qualification, experience, quality, industrial advantages and other factors, which are conducive to meeting the needs of the Company. The sales transactions between the Company and the Parent Group increased the Company's revenue subject to the normal commercial payments that are fair and reasonable. The Company has well-established cooperation foundation and smooth communication with the Parent Group, which is conducive to the implementation and furtherance of the transactions.

The Directors (for the Continuing Connected Transactions with the Parent Group under the Master Agreement on Mutual Provision of Products and Services, the continuing connected transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, and their respective proposed annual caps, excluding independent non-executive Directors whose view will be given after taking into account the advice from Gram Capital) consider that the Continuing Connected Transactions with the Parent Group are on normal commercial terms or better and entered into in the ordinary and usual course of business of the Group, and the terms of these transactions and their respective proposed annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Given this and the fact that the purpose of the Continuing Connected Transactions with the Parent Group is to satisfy the operational and business development needs of the Group, the Directors consider that it is beneficial for the Company to carry out the Continuing Connected Transactions with the Parent Group.

Information Relating to the Parent Group and the Company

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.

The Company

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

Implications of the Continuing Connected Transactions with the Parent Group under the Listing Rules

The Parent directly and indirectly holds 50.01% of the issued share capital of the Company as at the date of this announcement and is therefore a controlling shareholder of the Company, accordingly, each of the Parent and its subsidiaries constitutes a connected person of the Company under the Listing Rules.

Based on the new annual caps for the Continuing Connected Transactions with the Parent Group under the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Equipment and Master Agreement on Housing Leasing and the new annual caps for the continuing connected transactions of supply of engineering services to the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, certain applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules are higher than 0.1% but less than 5%. As a result, the Continuing Connected Transactions with the Parent Group under the Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Equipment and Master Agreement on Housing Leasing and the continuing connected transactions of supply of engineering services to the Parent Group under the Master Agreement on Mutual Provision of Engineering Services are exempt from the independent shareholders' approval requirement under Rule 14A.76 of the Listing Rules and are only subject to the reporting and announcement requirements under the Listing Rules.

Based on the new annual caps for the Continuing Connected Transactions with the Parent Group under the Master Agreement on Mutual Provision of Products and Services and the new annual caps for the continuing connected transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules are higher than 5%. As a result, the Continuing Connected Transactions with the Parent Group under the Master Agreement on Mutual Provision of Products and Services and the continuing connected transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. ENTERING INTO FINANCIAL SERVICES FRAMEWORK AGREEMENT

Introduction

Reference is made to the announcement of the Company dated 28 October 2022 in relation to the Original Financial Services Framework Agreement entered into between the Company and Finance Company. The Original Financial Services Framework Agreement governing these continuing connected transactions will expire on 31 December 2025. The Group intends to continue to conduct the above continuing connected transactions for the three years ending 31 December 2028 which will constitute continuing connected transactions with Finance Company pursuant to the Financial Services Framework Agreement.

Principal Terms of the Financial Services Framework Agreement

On 28 August 2025, the Company and Finance Company entered into the Financial Services Framework Agreement for a term of three years commencing from 1 January 2026.

(i) Parties:	The Company Finance Company
(ii) Description of transaction:	Finance Company has agreed to provide the Group with deposit services, loan services and other financial services approved by the NFRA (such as bills acceptance and discounting services, assistance in achieving the collection and payment of the transactional proceeds, clearing and settlement services, financial advisory services, credit authentication and related consulting and agency services) on a non-exclusive basis.
(iii) Basis of pricing	When determining the price for any financial services to be provided as specific transactions to be entered into between the Group and Finance Company pursuant to the Financial Services Framework Agreement, the Group will obtain quotes of interest rate during the same period, fees and terms from at least two general commercial banks in the PRC located in the same or adjacent regions. The Group will compare the quotes so obtained with the corresponding terms proposed by Finance Company and: (a) if the interest rate, fees and terms proposed by Finance Company are more favourable than those proposed by such PRC general commercial banks, the Group will engage Finance Company; and

(b) as a matter of principle, the Group will give priority to using the services of Finance Company if Finance Company and such PRC general commercial banks offer equivalent terms and conditions. The Group has discretion to engage one or more of such PRC general commercial banks as its financial service providers as it thinks fit and beneficial to the Group.

In practice, the Finance Department of the Company will be in charge of obtaining the quotes. If such quotes are more favourable to the Group than the price proposed to be charged by Finance Company, the Finance Department will report such fact to the Finance Director of the Company. Such information will be used by the Group for re-negotiating the price with Finance Company.

Pursuant to the Financial Services Framework Agreement, Finance Company has agreed to provide the financial services to the Group in accordance with the following principles:

(a) **Deposit services:** The interest rate for the Group for its deposits with Finance Company shall comply with the PBOC's regulations on interest rates for deposits of the same type from time to time, and will not be lower than: (i) the benchmark interest rate specified by the PBOC for deposits of the same category during the same period; (ii) the interest rate paid by Finance Company for deposits of the same type placed by members of the Parent Group with Finance Company during the same period under the same conditions; and (iii) the interest rate for deposits of the same type offered by PRC general commercial banks to the Group during the same period under the same conditions.

(b) **Loan services:** The interest rate for loans granted to the Group by Finance Company shall comply with the PBOC's regulations on interest rates for loans of the same type from time to time, and will not be higher than: (i) the benchmark interest rate specified by the PBOC for loans of the same category during the same period; (ii) the interest rate for similar loans charged by Finance Company to members of the Parent Group during the same period under the same conditions; and

(iii) the interest rate charged by PRC general commercial banks to the Group for similar loans during the same period under the same conditions.

Finance Company will provide the loan services on normal commercial terms or better and such loans will not be secured by the assets of the Group.

(c) **Other financial services:** During anytime, the terms and conditions for provision of other financial services by Finance Company to the Group will not be less favourable than: (i) the terms and conditions for provision of services of the same type by Finance Company to members of the Parent Group; and (ii) the terms and conditions for provision of services of the same type by PRC general commercial banks to the Group. The services fees charged by Finance Company for provision of other financial services to the Group will be in accordance with the standard of fees set by the PBOC or the NFRA (if applicable). According to the above principle, such services fees will not be higher than: (i) the fees charged by Finance Company to members of the Parent Group for providing services of the same type during the same period under the same conditions; and (ii) the fees charged to the Group by PRC general commercial banks in the PRC for services of the same type during the same period under the same conditions. The settlement services provided by Finance Company to the Group will be free of charge.

(iv) Capital Risk Control Measures

Pursuant to the Financial Services Framework Agreement, Finance Company made the following undertakings to the Group to manage the related capital risks:

(a) the statutory deposit reserve ratio of Finance Company will not be lower than the minimum permitted by the PBOC at any time;

(b) Finance Company will not use deposits placed by the Group for high-risk investments;

(c) a daily report of the Group's deposit balance with Finance Company for every business day will be delivered by Finance Company to the Company before 17:00 on the following business day;

(d) if Finance Company encounters payment difficulties, the Parent will increase the capital investment in Finance Company accordingly to meet its actual needs to overcome such difficulties;

(e) Finance Company will provide a copy of regulatory reports submitted to the NFRA to the Company; and

(f) a monthly financial statement of Finance Company will be provided to the Company on or before the seventh business day following the end of each month.

(v) Payment: The consideration for the transactions contemplated under the Financial Services Framework Agreement will be paid in accordance with separate agreements for specific transactions.

New Annual Caps and Basis of Determination

Details of the new annual caps of each of the continuing connected transactions with Finance Company for the three years ending 31 December 2028 are as follows:

Proposed Deposit Caps

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical maximum daily deposit balance (including accrued interests) *(RMB million)*	15,393.94	16,188.52	19,389.91 (historical maximum daily deposit balance for the first six months ended 30 June 2025) 20,000.00 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps (maximum daily deposit balance, including accrued interests) *(RMB million)*	18,800	20,400	22,000

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
Proposed new Deposit Caps (maximum daily deposit balance, including accrued interests) *(RMB million)*	26,600	29,700	32,600

Basis of determination of the proposed new Deposit Caps	In determining the proposed maximum daily deposit balance (including accrued interests) in the Group's account with Finance Company during the term of the Financial Services Framework Agreement, the Board has considered the following factors: (i) the maximum daily deposit balance of the deposit services provided by Finance Company to the Group under the Original Financial Services Framework Agreement for the two years ended 31 December 2024 and for the first six months ended 30 June 2025, and the estimated maximum daily deposit balance for the last six months ending 31 December 2025. The Group's deposit funds in Finance Company are approaching the caps. Judging from the changes in the balance of deposits in recent years, it is expected that the balance of the Group's deposits in Finance Company will further increase in the future. Meanwhile, due to risk control and the continuous decline in bank deposit interest rates, the Group plans to focus on flexible deposit services such as agreement deposits and notice deposits, taking into account safety, profitability, and capital utilisation efficiency. Based on the above circumstances, the Group's deposit balance in Finance Company is expected to increase further in the future; (ii) the business development and financial status of the Group; and (iii) the competitive interest rates of deposits in Finance Company. On the premise of regulatory compliance, the deposit interest rates of Finance Company are generally not lower than the rates offered to the Group by general commercial banks in China for similar deposits under the same conditions and the same period; and (iv) Finance Company may provide high-quality services to the Group. Finance Company can proactively connect with external financial resources, align with the Group's strategy, and provide various financial services such as issuing proprietary loans, syndicated loans, subscribing to bonds issued by subsidiaries, issuing 'double-exemption' letters of guarantee (waiving both deposit and handling fees), cross-border fund transfers, and financial advisory services, to provide targeted support and high-quality financial services to subsidiaries on an enterprise-by-enterprise basis, precisely empowering the Group's development in strategic directions such as technological innovation, green and low-carbon initiatives, and internationalisation.

Caps on total fees for other financial services

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical transaction amounts *(RMB million)*	4.4795	2.0387	0.0827 (historical transaction amount for the first six months ended 30 June 2025) 10.0000 (estimated transaction amount for the last six months ending 31 December 2025)
Previous annual caps *(RMB million)*	100	100	100

	For the year ended 31 December 2026	**For the year ended 31 December 2027**	**For the year ending 31 December 2028**
New annual caps *(RMB million)*	39.92	38.55	38.55

Basis of determination of the new annual caps	In determining the caps on total fees for other financial services provided by Finance Company to the Group during the term of the Financial Services Framework Agreement, the Board has considered the following factors: (i) the total fees for other financial services provided by Finance Company to the Group under the Original Financial Services Framework Agreement for the two years ended 31 December 2024 and for the first six months ended 30 June 2025, and estimated amount for the last six months ending 31 December 2025; (ii) the business development and financial status of the Group.

Internal Control Mechanism

The Group has the following internal control mechanism in place to ensure the individual transactions are conducted within the Financial Services Framework Agreement:

1. The Group employs and maintains separate business, operation and accounting personnel of its own from Finance Company. There is clear segregation of approval authority and duty between the parties.

2. The Company's Finance Department will perform quarterly check on transactions entered into under the Financial Services Framework Agreement to ensure compliance with pricing policies and the annual caps are not exceeded.

3. The annual caps are set based on the estimated transaction amount reported by the members of the Group. While carrying out the specific connected transactions under the Financial Services Framework Agreement, the relevant members of the Group carrying out the specific connected transactions will monitor the actual transaction amounts and report to the Company if the actual transaction amount exceeds the estimated transaction amount forming the basis of the annual caps. The Company will monitor at the Group level to confirm that the aggregated transaction amounts are within the annual caps.

4. The Company's external auditors will conduct an annual review of the transactions entered into under the Financial Services Framework Agreement to confirm the transaction amounts are within the annual caps and the transactions are entered into in accordance with the terms set out in the Financial Services Framework Agreement in all material respects.

5. In accordance with the Listing Rules, the independent non-executive Directors will also perform an annual review of the terms of continuing connected transactions under the Financial Services Framework Agreement to confirm that the pricing policy and the annual caps remain fair and reasonable and that appropriate internal control procedures are in place, and will confirm so each year in the annual report published by the Company.

Reasons for and Benefits of Entering into the Financial Services Framework Agreement with Finance Company

1. The interest rates for deposit services and fees for other financial services provided by Finance Company will be equivalent to or more favourable to the Group than those provided by PRC general commercial banks, which avails the Group to a stable source of financial services in its ordinary course of business.

2. The Financial Services Framework Agreement is non-exclusive and does not limit the Group's choice in engaging any banks or financial institutions to satisfy its need for financial services. The entering into the Financial Services Framework Agreement will simply avail the Group to one more service provider and encourage all financial services providers to offer more competitive terms to the Group.

3. The Group will be able to use Finance Company as a medium between the Company and its subsidiaries to more effectively allocate funds among its subsidiaries and manage its existing capital and cash flow.

4. The Group expects to benefit from Finance Company's better understanding of the Group's operations. Such understanding will enable Finance Company to offer more favourable, diversified and flexible financial services than third-party commercial banks.

5. By combining its own advantages as a financial institution and collaborating with banks' financial resources, Finance Company can effectively adjust the types and structure of financing and reduce the Group's comprehensive financing costs through the establishment of banking consortiums, etc.

The Directors (for the deposit services transactions and the proposed Deposit Caps, excluding independent non-executive Directors whose view will be given after taking into account the advice from Gram Capital) consider that the continuing connected transaction contemplated under the Financial Services Framework Agreement are on normal commercial terms or better and entered into in the ordinary and usual course of business of the Group, and the terms of these transactions and their respective proposed annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Information about the Company and Finance Company

The Company

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

Finance Company

Finance Company, a limited liability company incorporated under the laws of the PRC, was established in the PRC as a non-banking financial institution in April 2013. It is licensed by the original China Banking and Insurance Regulatory Commission (incorporated into the NFRA on 18 May 2023) and regulated by the NFRA and is engaged in the provision of financial services which principally include acceptance of deposits, loans, bills acceptance and discounting services and clearing and settlement services.

Finance Company has a registered capital of RMB4,721 million and is a 77.93% held subsidiary of the Parent, and the other 22.07% is held by the Company.

For the six months ended 30 June 2025, Finance Company has a capital adequacy ratio of approximately 21.46% (the regulatory requirement is not lower than 10.5%), and has a non-performing asset ratio of 0%, which is better as compared to the average levels in the finance company industry in the PRC for the six months ended 30 June 2025 of 0.05% (Note).

Note: Statistics for the six months ended 30 June 2025 were provided by CNAFC.

Implications of Continuing Connected Transactions with Finance Company under the Listing Rules

The Parent holds directly and indirectly 50.01% of the issued share capital of the Company as at the date of this announcement and is therefore a controlling shareholder of the Company. Finance Company is a subsidiary of the Parent, and is therefore a connected person of the Company and the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Deposit Services

As one or more of the applicable percentage ratios for the proposed Deposit Caps exceeds 25%, the deposit services to be provided by Finance Company to the Group are subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules. The deposit services transactions contemplated under the Financial Services Framework Agreement will also constitute a major transaction which is subject to the announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules.

Loan Services

The loan services to be provided by Finance Company to the Group are on normal or better commercial terms and are in the interest of the Group. No security over the assets of the Group will be granted to Finance Company in respect of such loans. Such services will therefore be fully exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

Other Financial Services

The Company expects that the terms of such services will be on normal commercial terms or better. As one or more of the applicable percentage ratios for the caps on the total fees payable by the Group to Finance Company in respect of such services are more than 0.1% but less than 5%, such services to be provided by Finance Company to the Group are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

III. ENTERING INTO FUND LENDING FRAMEWORK AGREEMENT BETWEEN NINGXIA BUILDING MATERIALS AND SAIMA IOT

Introduction

On 28 August 2025, Ningxia Building Materials, a subsidiary of the Company, entered into the Fund Lending Framework Agreement with Saima IOT, pursuant to which, Ningxia Building Materials conditionally agreed to provide loans to Saima IOT. Such transactions will constitute continuing connected transactions with Saima IOT pursuant to the Fund Lending Framework Agreement.

Principal Terms of the Fund Lending Framework Agreement

The principal terms of the Fund Lending Framework Agreement are set out as follows:

Parties	(1) Ningxia Building Materials (as the Lender); and (2) Saima IOT (as the Borrower)
Subject matter	The Lender will provide loans to the Borrower for supplementing the daily operating working capital of the Borrower, and provide loans according to the business development needs of the Borrower.

Effective conditions	The Fund Lending Framework Agreement shall come into force from 1 January 2026 after approval by the authorized bodies of both parties, stamping by both parties, and signing and stamping by the legal representatives (or entrusted agents) of both parties.
Term of the Fund Lending Framework Agreement	From 1 January 2026 till 31 December 2028.
Principal and accrued interest amount of the Fund Lending Framework Agreement	The Lender will, based on the principle of marketization, charge interest from the Borrower at the fair market level, and the interest rate will be determined by the interest rate standard specified in the specific loan agreement signed at the time of borrowing, which shall not be lower than the interest rate provided by the Lender to other member companies than the Borrower for similar loans under the same conditions at the same period. Both parties shall separately sign specific agreement in accordance with the terms and conditions set forth in the Fund Lending Framework Agreement, so as to specify details in relation to the fund lending.
Repayment of loans and payment of interest	Interest on specific loans made pursuant to the Fund Lending Framework Agreement shall be accrued on a monthly basis and paid by the Borrower on a quarterly basis. Upon repayment of the loan, the Borrower shall transfer the principal of the loan and any remaining interest to the Lender.

Annual Caps and Basis of Determination

The Company expects that during the term of the Fund Lending Framework Agreement, the maximum daily balance (including accrued interest) of the loans to be provided by Ningxia Building Materials to Saima IOT will be RMB300 million. In calculating such cap, the Directors have taken into account the development of "Find a Car" intelligent logistics platform of Saima IOT and its corresponding capital demand, its own funds and the estimated future profit, etc.

Internal Control Mechanism

To ensure that the transactions contemplated under the Fund Lending Framework Agreement will be conducted in accordance with the terms and conditions thereof, the internal audit department of the Company will review the transactions entered into between Ningxia Building Materials and Saima IOT on a periodic basis to ensure that (i) the transactions are conducted in

accordance with the terms of the Fund Lending Framework Agreement; (ii) the pricing terms are in accordance with the pricing policy of the Fund Lending Framework Agreement and the policy of the Group; and (iii) the annual caps have not been exceeded.

The transactions contemplated under the Fund Lending Framework Agreement are subject to the review by the independent non-executive Directors on an annual basis, who will confirm in the annual report whether the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or more favorable ones; and (iii) in accordance with the Fund Lending Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole. In addition, the transactions will also be subject to the review on an annual basis by the auditors of the Group, who will confirm to the Directors as to whether there is anything which has come to their attention that causes them to believe that such continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (iv) have exceeded the annual caps.

Reasons for and Benefits of Entering into the Fund Lending Framework Agreement with Saima IOT

The loan to be provided by Ningxia Building Materials for Saima IOT will be used for the development of "Find a Car" intelligent logistics platform of Saima IOT and supplementing the daily operating working capital of Saima IOT. The Directors (excluding independent non-executive Directors whose view will be given after taking into account the advice from Gram Capital) consider that the continuing connected transaction contemplated under the Fund Lending Framework Agreement are on normal commercial terms or better and entered into in the ordinary and usual course of business of the Group, and the terms of these transactions and their respective proposed annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Information about the Parties

Ningxia Building Materials

Ningxia Building Materials is a subsidiary of the Company, and is principally engaged in manufacture and sales of cement and cement clinker, commercial concrete, aggregates, cementing materials and other building materials and digital logistics. Its A-shares are listed and traded on the Shanghai Stock Exchange (stock code: 600449).

Saima IOT

Saima IOT is a controlled subsidiary of Ningxia Building Materials, a subsidiary of the Company, which is mainly engaged in the research and development, sales, system integration and technical services of software and hardware in the field of computer technology; Internet

information technology services; provision of intelligent factory construction services; logistics business process management services, cargo transportation agency services, transportation vehicles leasing, wholesale and retail of oil and gas, and wholesale and retail of auto aftermarket products.

Implications of the Continuing Connected Transactions with Saima IOT under the Listing Rules

The Parent holds directly and indirectly 50.01% of the issued share capital of the Company as at the date of this announcement and is therefore a controlling shareholder of the Company. Accordingly, each of the Parent and its subsidiaries constitutes connected person of the Company under the Listing Rules.

As at the date of this announcement, as the Parent indirectly holds 10% equity interest in Saima IOT, a subsidiary of the Company, through CNBM United Investment Co., Ltd.* (中建材聯合投資有限公司), accordingly, each of Saima IOT and its subsidiaries constitutes Connected Subsidiary of the Company under the Listing Rules.

Based on the annual caps for the continuing connected transactions with Saima IOT under the Fund Lending Framework Agreement, one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules is(are) higher than 0.1% but less than 5%. As a result, the continuing connected transactions with Saima IOT under the Fund Lending Framework Agreement are exempt from the independent shareholders' approval requirement under Rule 14A.76 of the Listing Rules and are only subject to the reporting and announcement requirements under the Listing Rules.

IV. APPROVAL BY THE BOARD

As Directors Mr. Zhou Yuxian, Mr. Wang Yumeng, Mr. Wei Rushan, and Ms. Miao Xiaoling are deemed to have a material interest in the New Parent Framework Agreements, the Financial Services Framework Agreement and the Fund Lending Framework Agreement as they held positions in the Parent or its subsidiaries (except for the Group). They have abstained from voting on the relevant Board resolutions. Except for the above Directors, none of the Directors has a material interest in the transactions contemplated under the New Parent Framework Agreements, the Financial Services Framework Agreement and the Fund Lending Framework Agreement or is required to abstain from voting on the relevant Board resolutions. In addition, the Board has authorized any one of the executive Directors to approve and confirm the deposit service transactions and its caps under the Financial Services Framework Agreement, and all other matters incidental thereto or in connection therewith, as he/she may in his discretion consider as desirable and to be in the interests of the Company, within the scope of authority of the Board.

V. INDEPENDENT SHAREHOLDERS' APPROVAL

The transactions under the Master Agreement on Mutual Provision of Products and Services and their caps, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services and their caps, and the deposit services and proposed Deposit Caps under the Financial Services Framework Agreement will be subject to the Independent Shareholders' approval at the EGM. The Parent and its associates will abstain from voting on the relevant resolutions to approve the transactions under the Master Agreement on Mutual Provision of Products and Services and their caps, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services and their caps and the deposit services and proposed Deposit Caps under the Financial Services Framework Agreement at the EGM.

An Independent Board Committee comprising all the independent non-executive Directors (who have no material interest in the Master Agreement on Mutual Provision of Products and Services, the Master Agreement on Mutual Provision of Engineering Services, and the Financial Services Framework Agreement) has been established to advise and provide recommendation to the Independent Shareholders on the terms of the transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, and the deposit service transactions under the Financial Services Framework Agreement and their respective proposed annual caps, and to advise the Independent Shareholders on how to vote.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, details of the Master Agreement on Mutual Provision of Products and Services, the Master Agreement on Mutual Provision of Engineering Services and the Financial Services Framework Agreement, a letter from the Independent Board Committee, a letter from Gram Capital, and the notice of the EGM will be despatched to the Shareholders of the Company on or around 25 September 2025, as more time is needed to finalise the content of the circular.

VI. DEFINITIONS

"associate(s)"	has the meaning given to it in the Listing Rules
"Board"	the board of directors of the Company
"Building Materials Academy"	China Building Materials Academy Co., Ltd.* (中國建築材料科學研究總院有限公司), a wholly-owned subsidiary of the Parent
"CNAFC"	China National Association of Finance Companies (中國財務公司協會)
"Company"	China National Building Material Company Limited* (中國建材股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the H shares of which are listed on the Stock Exchange
"Connected Subsidiary(ies)"	has the meaning given to it in the Listing Rules
"Continuing Connected Transactions with the Parent Group"	the partially-exempted continuing connected transactions to be entered into between the Group and the Parent Group for the three years ending 31 December 2028 comprising transactions contemplated under each of the New Parent Framework Agreements
"Deposit Cap(s)"	the proposed maximum daily balance of deposits including accrued interest placed by the Group with Finance Company during the term of the Original Financial Services Framework Agreement and the Financial Services Framework Agreement, as the case may be
"Director(s)"	directors of the Company

"EGM"	the extraordinary general meeting to be convened by the Company for the purpose of considering and, if thought fit, approving, among others, the transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, the deposit services transactions under the Financial Services Framework Agreement and their respective proposed annual caps.
"Finance Company"	China National Building Material Group Finance Co., Ltd.* (中國建材集團財務有限公司), a limited liability company incorporated under the laws of the PRC
"Financial Services Framework Agreement"	the framework agreement for provision of financial services entered into between the Company and Finance Company on 28 August 2025
"Fund Lending Framework Agreement"	the framework agreement entered into between Ningxia Building Materials and Saima IOT on the provision of loans on 28 August 2025
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of the procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, the deposit services transactions under the Financial Services Framework Agreement and their respective proposed annual caps

"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the committee of independent non-executive Directors, consisting of Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue, which has been formed to advise the Independent Shareholders in relation to the transactions under the Master Agreement on Mutual Provision of Products and Services, the transactions of procurement of engineering services from the Parent Group under the Master Agreement on Mutual Provision of Engineering Services, the deposit services transactions under the Financial Services Framework Agreement and their respective proposed annual caps
"Independent Shareholders"	the shareholders of the Company other than the Parent and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Master Agreement on Housing Leasing"	the Master Agreement on Housing Leasing entered into between the Company and the Parent on 28 August 2025
"Master Agreement on Mutual Provision of Engineering Services"	the Master Agreement on Mutual Provision of Engineering Services entered into between the Company and the Parent on 28 August 2025
"Master Agreement on Mutual Provision of Products and Services"	the Master Agreement on Mutual Provision of Products and Services entered into between the Company and the Parent on 28 August 2025
"Master Agreement on Mutual Provision of Equipment"	the Master Agreement on Mutual Provision of Equipment entered into between the Company and the Parent on 28 August 2025
"Master Agreement on Purchase of Mineral"	the Master Agreement on Purchase of Mineral entered into between the Company and the Parent on 28 August 2025
"NFRA"	National Financial Regulatory Administration

"New Parent Framework Agreements"	Master Agreement on Purchase of Mineral, Master Agreement on Mutual Provision of Products and Services, Master Agreement on Mutual Provision of Equipment, Master Agreement on Mutual Provision of Engineering Services and Master Agreement on Housing Leasing
"Ningxia Building Materials"	Ningxia Building Materials Group Co., Limited* (寧夏建材集團股份有限公司)
"Original Financial Services Framework Agreement"	the Financial Services Framework Agreement entered into between the Company and Finance Company on 28 October 2022
"Original Master Agreement on Mutual Provision of Products and Services"	the Master Agreement on Mutual Provision of Products and Services entered into between the Company and the Parent on 28 October 2022
"Original Master Agreement on Mutual Provision of Engineering Services"	the Master Agreement on Mutual Provision of Engineering Services entered into between the Company and the Parent on 28 October 2022
"Original Master Agreement on Purchase of Equipment"	the Master Agreement on Purchase of Equipment entered into between the Company and the Parent on 28 October 2022
"Original Master Agreement on Purchase of Mineral"	the Master Agreement on Purchase of Mineral entered into between the Company and the Parent on 28 October 2022
"Parent"	China National Building Material Group Corporation* (中國建材集團有限公司), a state-owned limited liability company incorporated under the laws of the PRC and a controlling shareholder of the Company
"Parent Group"	collectively Parent and its subsidiaries (excluding the Group, but including Connected Subsidiaries of the Company)
"PBOC"	The People's Bank of China* (中國人民銀行)
"RMB"	Renminbi, the lawful currency of the PRC
"PRC"	the People's Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement

"Saima IOT"	Saima IOT Technology (Ningxia) Co., Ltd.* (賽馬物聯科技(寧夏)有限公司)
"Shareholder(s)"	holder(s) of ordinary shares of the Company
"Sinoma International"	Sinoma International Engineering Co., Ltd.* (中國中材國際工程股份有限公司), whose A-shares are listed and traded on the Shanghai Stock Exchange (stock code: 600970)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
China National Building Material Company Limited*
Pei Hongyan
Secretary of the Board

Beijing, the PRC
28 August 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*