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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Group's unaudited revenue amounted to approximately RMB83,280 million for the six months ended 30 June 2025, representing a decrease of 0.2% as compared to the same period of 2024.

The unaudited profit attributable to owners of the Group was approximately RMB1,360 million, and the loss attributable to owners of the Group for the same period of 2024 was approximately RMB2,018 million.

Basic earnings per share was RMB0.172, and the basic loss per share for the same period of 2024 was RMB0.239. The Board does not recommend the payment of an interim dividend.

The Board announces the unaudited consolidated results of the Group for the six months ended 30 June 2025 and the Group's consolidated financial position as at 30 June 2025, together with its consolidated results for the six months ended 30 June 2024 and consolidated financial position as at 31 December 2024 for comparison.

The unaudited condensed consolidated financial statement of the Group for the six months ended 30 June 2025 has been reviewed by the independent auditor, the Board and the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	3	**83,279,904**	83,470,594
Cost of sales		**(67,299,968)**	(70,217,099)
Gross profit		**15,979,936**	13,253,495
Investment and other income, net	4	**2,053,943**	1,183,823
Selling and distribution costs		**(1,929,612)**	(1,892,785)
Administrative expenses		**(8,934,012)**	(9,913,658)
Finance costs, net	5	**(2,286,152)**	(2,441,944)
Share of results of associates		**680,218**	340,979
Share of results of joint ventures		**(5,510)**	(6,990)
Impairment loss under expected credit loss model, net		**(433,358)**	(195,724)
Profit before income tax	6	**5,125,453**	327,196
Income tax expense	7	**(1,160,642)**	(619,549)
Profit/(loss) for the period		**3,964,811**	(292,353)
Profit/(loss) for the period attributable to:			
Owners of the Company		**1,360,196**	(2,017,616)
Holders of perpetual capital instruments		**216,671**	270,128
Non-controlling interests		**2,387,944**	1,455,135
Profit/(loss) for the period		**3,964,811**	(292,353)
Earnings/(loss) per share			
– Basic and diluted (RMB)	9	**0.172**	(0.239)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit/(loss) for the period	**3,964,811**	(292,353)
Other comprehensive income/(expense), net of tax:		
Item that will not be reclassified to profit or loss:		
Actuarial loss on defined benefit obligations	**–**	(870)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**85,489**	(63,817)
Share of associates' other comprehensive (expense)/income	**(1,456)**	19,019
Changes in fair value on hedging instruments designated as cash flow hedges	**1,946**	10,679
Other comprehensive income/(expense) for the period, net of tax	**85,979**	(34,989)
Total comprehensive income/(expense) for the period	**4,050,790**	(327,342)
Total comprehensive income/(expense) attributable to:		
Owners of the Company	**1,384,674**	(2,049,671)
Holders of perpetual capital instruments	**216,671**	270,128
Non-controlling interests	**2,449,445**	1,452,201
Total comprehensive income/(expense) for the period	**4,050,790**	(327,342)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**30 June 2025** *RMB'000* **(unaudited)**	31 December 2024 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**205,214,534**	204,239,365
Right-of-use assets		**26,378,721**	27,046,941
Investment properties		**1,531,117**	1,492,807
Goodwill		**35,133,581**	34,376,630
Intangible assets		**31,793,862**	31,290,814
Interests in associates		**34,457,755**	33,115,674
Interests in joint ventures		**517,583**	223,093
Financial assets at fair value through profit or loss		**3,870,239**	3,754,092
Financial assets at fair value through other comprehensive income		**42,969**	42,969
Deposits		**2,149,508**	2,577,030
Trade and other receivables	*10*	**2,534,771**	3,205,042
Deferred income tax assets		**8,707,710**	8,603,357
		352,332,350	349,967,814
Current assets			
Inventories		**21,566,677**	16,951,294
Trade and other receivables	*10*	**95,270,468**	87,592,581
Financial assets at fair value through profit or loss		**4,391,338**	9,423,632
Derivative financial instruments		**670**	1,448
Amounts due from related parties		**2,320,243**	2,727,631
Pledged bank deposits		**3,563,035**	3,809,312
Cash and cash equivalents		**26,295,467**	23,533,564
		153,407,898	144,039,462

	Notes	**30 June 2025** *RMB'000* **(unaudited)**	31 December 2024 *RMB'000* (audited)
Current liabilities			
Trade and other payables	*11*	**90,359,713**	91,379,837
Amounts due to related parties		**6,951,725**	5,814,777
Borrowings – amount due within one year		**102,530,326**	82,128,645
Lease liabilities		**385,590**	418,137
Derivative financial instruments		**2,066**	4,689
Employee benefits payable		**22,145**	25,817
Current income tax liabilities		**1,126,182**	1,380,346
Dividends payable to non-controlling interests		**336,128**	311,080
		201,713,875	181,463,328
Net current liabilities		**(48,305,977)**	(37,423,866)
Total assets less current liabilities		**304,026,373**	312,543,948
Non-current liabilities			
Borrowings – amount due after one year		**103,150,101**	109,781,897
Deferred income		**2,263,649**	2,278,646
Lease liabilities		**1,996,218**	2,148,167
Employee benefits payable		**327,624**	329,186
Deferred income tax liabilities		**3,511,842**	3,478,167
		111,249,434	118,016,063
Net assets		**192,776,939**	194,527,885

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Capital and reserves		
Share capital	**7,593,021**	8,434,771
Reserves	**92,577,858**	94,686,353
Equity attributable to:		
Owners of the Company	**100,170,879**	103,121,124
Holders of perpetual capital instruments	**16,199,516**	16,322,353
Non-controlling interests	**76,406,544**	75,084,408
Total equity	**192,776,939**	194,527,885

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was established as a joint stock company with limited liability in the PRC on 28 March 2005. On 23 March 2006, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The address of registered office and principal place of business of the Company is Tower 2 (Building B), Guohai Plaza, 17 Fuxing Road, Haidian District, Beijing, the PRC.

The Company's Parent is a state-owned enterprise established on 3 January 1984 under the laws of the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the production and sale of basic building material and new materials, and provision of engineering technology services businesses. Hereinafter, the Company and its subsidiaries are collectively referred to as the "Group".

The condensed consolidated financial statements are presented in RMB which is the functional currency of the Company, unless otherwise stated.

The condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and in compliance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". These condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**").

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

Principal activities are as follows:

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

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

The segment result is disclosed as EBITDA/(LBITDA), i.e. the profit/(loss) earned by each segment without allocation of depreciation and amortisation, certain unallocated other income, administrative expenses and finance costs, share of results of associates, share of results of joint ventures and income tax expense. This is the measure reported to the management for the purpose of resource allocation and assessment of segment performance. The management is in the opinion that this approach combined with other reported measures, enables the management and investors a better understanding of the operating results of its business segments for the period under evaluation.

The Group generally experiences higher cement demands in the second half of the year compared to the first half of the year. As a result, the Group typically reports lower revenue and results in the first half of the year.

(a) For the six months ended 30 June 2025:

	Cement	Concrete	New materials	Engineering Technology services	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Condensed consolidated statement of profit or loss							
Revenue							
External sales							
At a point of time	**26,470,904**	**10,470,899**	**26,262,315**	**2,289,015**	**2,290,520**	**–**	**67,783,653**
Over time	**–**	**–**	**420,950**	**15,075,301**	**–**	**–**	**15,496,251**
	26,470,904	**10,470,899**	**26,683,265**	**17,364,316**	**2,290,520**	**–**	**83,279,904**
Inter-segment sales *(Note)*	**244,156**	**4,655**	**73,079**	**3,941,544**	**4,460,649**	**(8,724,083)**	**–**
	26,715,060	**10,475,554**	**26,756,344**	**21,305,860**	**6,751,169**	**(8,724,083)**	**83,279,904**
Adjusted EBITDA (unaudited)	**6,114,992**	**699,716**	**5,567,788**	**2,003,782**	**126,220**	**–**	**14,512,498**
Depreciation and amortisation	**(5,317,434)**	**(402,102)**	**(1,755,025)**	**(303,989)**	**(122,323)**	**–**	**(7,900,873)**
Unallocated other income							**151,674**
Unallocated administrative expenses							**(26,402)**
Share of results of associates	**38,539**	**11,797**	**14,858**	**43,117**	**571,907**	**–**	**680,218**
Share of results of joint ventures	**2,905**	**–**	**(8,662)**	**–**	**247**	**–**	**(5,510)**
Finance costs, net	**(1,501,413)**	**(394,867)**	**(189,730)**	**(584)**	**(280,536)**	**–**	**(2,367,130)**
Unallocated finance costs, net							**80,978**
Profit before income tax							**5,125,453**
Income tax expense							**(1,160,642)**
Profit for the period (unaudited)							**3,964,811**

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

(b) As at 30 June 2025:

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

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering technology services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Condensed consolidated statement of financial position						
Assets						
Segment assets	**232,098,324**	**48,307,476**	**92,484,222**	**41,836,622**	**7,773,842**	**422,500,486**
Interests in associates	**7,003,456**	**503,490**	**3,031,436**	**2,651,465**	**21,267,908**	**34,457,755**
Interests in joint ventures	**423,665**	**–**	**93,918**	**–**	**–**	**517,583**
Unallocated assets						**48,264,424**
Total consolidated assets (unaudited)						**505,740,248**
Liabilities						
Segment liabilities	**140,048,814**	**22,606,396**	**41,018,258**	**34,173,177**	**6,914,836**	**244,761,481**
Unallocated liabilities						**68,201,828**
Total consolidated liabilities (unaudited)						**312,963,309**

(c) For the six months ended 30 June 2024:

	Cement RMB'000	Concrete RMB'000	New materials RMB'000	Engineering Technology services RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Condensed consolidated statement of profit or loss							
Revenue							
External sales							
At a point of time	29,486,704	10,954,853	23,241,901	2,224,654	3,529,221	–	69,437,333
Over time	–	–	132,130	13,901,131	–	–	14,033,261
	29,486,704	10,954,853	23,374,031	16,125,785	3,529,221	–	83,470,594
Inter-segment sales (Note)	206,870	14,194	174,435	4,447,550	5,996,037	(10,839,086)	–
	29,693,574	10,969,047	23,548,466	20,573,335	9,525,258	(10,839,086)	83,470,594
Adjusted EBITDA/(LBITDA) (unaudited)	3,287,340	322,816	4,852,614	1,850,736	(414,564)	–	9,898,942
Depreciation and amortisation	(5,207,941)	(393,704)	(1,569,717)	(263,502)	(149,595)	–	(7,584,459)
Unallocated other income							143,167
Unallocated administrative expenses							(22,499)
Share of results of associates	(94,652)	1,605	25,367	29,041	379,618	–	340,979
Share of results of joint ventures	(6,518)	–	(1,495)	–	1,023	–	(6,990)
Finance costs, net	(1,750,359)	(299,926)	(225,312)	19,451	(212,417)	–	(2,468,563)
Unallocated finance costs, net							26,619
Profit before income tax							327,196
Income tax expense							(619,549)
Loss for the period (unaudited)							(292,353)

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

(d) As at 31 December 2024:

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering technology services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Condensed consolidated statement of financial position						
Assets						
Segment assets	229,610,948	47,754,612	85,134,943	40,249,872	7,252,692	410,003,067
Interests in associates	6,982,978	491,694	3,070,867	2,601,588	19,968,547	33,115,674
Interests in joint ventures	120,513	–	102,580	–	–	223,093
Unallocated assets						50,665,442
Total consolidated assets (audited)						494,007,276
Liabilities						
Segment liabilities	138,759,882	20,392,785	38,200,200	32,461,196	7,196,107	237,010,170
Unallocated liabilities						62,469,221
Total consolidated liabilities (audited)						299,479,391

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Adjusted EBITDA for reportable segments	**14,386,278**	10,313,506
Adjusted EBITDA/(LBITDA) for other segments	**126,220**	(414,564)
Total segments profit	**14,512,498**	9,898,942
Depreciation of property, plant and equipment	**(5,936,502)**	(5,680,946)
Depreciation of in right-of-use assets	**(1,013,843)**	(1,007,124)
Amortisation of intangible assets	**(950,528)**	(896,389)
Corporate items	**125,272**	120,668
Operating profit	**6,736,897**	2,435,151
Finance costs, net	**(2,286,152)**	(2,441,944)
Share of results of associates	**680,218**	340,979
Share of results of joint ventures	**(5,510)**	(6,990)
Profit before income tax	**5,125,453**	327,196

4. INVESTMENT AND OTHER INCOME, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government subsidies:		
– VAT refunds *(Note (a))*	**359,073**	254,781
– Government grants *(Note (b))*	**636,194**	821,550
– Interest subsidy	**1,737**	7,668
Gain/(loss) on disposal of subsidiaries, net	**16,425**	(3,748)
Gain on partial disposal of interest in an associate	**51,987**	–
Gain/(loss) on disposal of other investments	**75,068**	(17,382)
Gain/(loss) on deregistration of a subsidiary	**44,290**	(12,672)
Increase/(decrease) in fair value of financial assets at fair value through profit or loss, net	**104,954**	(580,717)
Increase/(decrease) in fair value of derivative financial instruments, net	**602**	(23,309)
Net rental income from:		
– Investment properties	**26,736**	16,738
– Land and buildings	**47,218**	37,184
– Equipment	**77,720**	89,245
Gain on disposal of property, plant and equipment	**60,365**	5,454
Gain on disposal of intangible assets	**35,099**	15,329
Technical and other service income	**393,045**	374,986
Claims received	**30,810**	45,502
Waiver of payables	**46,844**	58,742
Others	**45,776**	94,472
	2,053,943	1,183,823

Notes:

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

(b) Government grants are awarded to the Group by the local government agencies as incentives primarily to encourage the development of the Group and the contribution to the local economic development.

5. FINANCE COSTS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses:		
– Interest on bank borrowings	**1,877,673**	2,037,573
– Interest on lease liabilities	**57,835**	61,746
– Interest on bonds and other borrowings	**812,321**	891,546
Less: interest capitalised to construction in progress	**(152,909)**	(166,029)
	2,594,920	2,824,836
Interest income:		
– Interest on bank deposits	**(203,624)**	(301,237)
– Interest on loans receivables	**(105,144)**	(81,655)
	(308,768)	(382,892)
Finance costs, net	**2,286,152**	2,441,944

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of:		
Property, plant and equipment	**5,936,502**	5,680,946
Investment properties	**26,402**	22,499
Right-of-use assets	**1,013,843**	1,007,124
	6,976,747	6,710,569
Amortisation of intangible assets	**950,528**	896,389
Total depreciation and amortisation	**7,927,275**	7,606,958
Impairment loss on goodwill*	**–**	4,685
Impairment loss on property, plant and equipment*	**15,063**	239
Cost of inventories recognised as expenses	**54,405,964**	62,516,797
Staff costs	**10,312,502**	10,585,358
Write down of inventories, net	**31,643**	2,872
Net foreign exchange (gain)/loss	**(155,628)**	240,395

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

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax expense	**1,266,671**	946,009
Deferred income tax credit	**(106,029)**	(326,460)
	1,160,642	619,549

PRC income tax is calculated at 25% (2024: 25%) of the estimated assessable profit of the Group as determined in accordance with relevant tax rules and regulations in the PRC for both periods, except for certain subsidiaries of the Company, which are exempted or taxed at preferential rate of 15% (2024: 15%) entitled by the subsidiaries in accordance with relevant tax rules and regulations in the PRC or approvals obtained from the tax bureaus in the PRC.

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

Taxation on profits outside the PRC has been calculated on the estimated assessable profits for the six months ended 30 June 2025 and 2024 at the rates of taxation prevailing in the countries in which the Group operates.

8. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends	**1,199,697**	1,931,562

During the six months ended 30 June 2025, dividend of RMB0.158 per share amounting to approximately RMB1,199.70 million in aggregate (2024: RMB0.229 per share amounting to approximately RMB1,931.56 million in aggregate) was announced as the final dividend for the immediate preceding financial year.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: nil).

9. EARNINGS/(LOSS) PER SHARE – BASIC AND DILUTED

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit/(loss) attributable to owners of the Company	**1,360,196**	(2,017,616)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares in issue	**7,918,560**	8,434,771

No adjustments to the above data has been made in calculating diluted earnings/(loss) per share as the Group did not have any potential ordinary shares outstanding during both periods.

10. TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables, net of allowance for credit losses *(Note)*	**54,992,702**	47,530,229
Bills receivable	**9,075,160**	11,671,177
Contract assets	**10,410,209**	8,764,769
Other receivables, deposits and prepayments	**23,327,168**	22,831,448
	97,805,239	90,797,623
Analysed for reporting purposes:		
Non-current portion	**2,534,771**	3,205,042
Current portion	**95,270,468**	87,592,581
	97,805,239	90,797,623

Note: The Group normally allowed an average of credit periods of 60 to 180 days to its trade customers except for customers of engineering technology services segment, for which the credit periods are normally ranging from 1 to 2 years.

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within two months	**13,919,002**	6,519,099
More than two months but within one year	**21,527,982**	21,822,297
Between one and two years	**10,840,698**	11,534,849
Between two and three years	**5,350,561**	4,631,271
Over three years	**3,354,459**	3,022,713
	54,992,702	47,530,229

The carrying amounts of trade and other receivables approximate to their fair values. Bills receivable are aged within six months.

As at 30 June 2025, bills receivable with carrying amounts of approximately RMB64.73 million (31 December 2024: approximately RMB81.55 million) are pledged to secure borrowings granted to the Group.

11. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within two months	**16,435,413**	19,035,700
More than two months but within one year	**22,676,121**	18,937,280
Between one and two years	**4,163,468**	4,257,376
Between two and three years	**1,630,858**	2,211,528
Over three years	**2,422,346**	1,918,460
Trade payables	**47,328,206**	46,360,344
Bills payable	**12,085,803**	13,181,420
Contract liabilities	**11,131,738**	10,597,139
Other payables	**19,813,966**	21,240,934
	90,359,713	91,379,837

The ageing analysis of trade payables is based on invoice date.

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

The carrying amounts of trade and other payables approximate to their fair values.

BUSINESS REVIEW AND PROSPECTS

The major operating data of each segment of the Group for the six months ended 30 June 2025 and 30 June 2024 are set out below:

BASIC BUILDING MATERIALS SEGMENT

	For the six months ended 30 June		
	2025	2024	Growth rate
Sales volume – cement *(in thousand tonnes)*	**87,268**	101,862	-14.3%
Sales volume – clinker *(in thousand tonnes)*	**10,511**	11,982	-12.3%
Total sales volume of cement and clinker *(in thousand tonnes)*	**97,779**	113,844	-14.1%
Average selling price – cement *(RMB per tonne)*	**253.5**	244.6	3.6%
Average selling price – clinker *(RMB per tonne)*	**219.4**	210.7	4.1%
Average selling price of cement and clinker *(RMB per tonne)*	**249.8**	241.1	3.6%
Sales volume – commercial concrete *(in thousand m^3)*	**35,133**	35,205	-0.2%
Average selling price – commercial concrete *(RMB per m^3)*	**298.2**	312.0	-4.4%
Sales volume – aggregate *(in thousand tonnes)*	**62,965**	64,224	-2.0%
Average selling price – aggregate *(RMB per tonne)*	**36.3**	36.7	-1.1%

NEW MATERIALS SEGMENT

	For the six months ended 30 June		
	2025	2024	Growth rate
Fiberglass			
Sales volume *(in thousand tonnes)*	**2,032**	2,010	1.1%
Average selling price *(RMB per tonne)*	**4,547**	4,048	12.3%
Gypsum board			
Sales volume *(in million m^2)*	**1,156.3**	1,168.1	-1.0%
Average selling price *(RMB per m^2)*	**5.61**	6.12	-8.3%
Wind power blade			
Sales volume *(MW)*	**15,260**	7,520	102.9%
Average selling price *(RMB per MW)*	**340,777**	377,563	-9.7%
Coating			
Sales volume *(in thousand tonnes)*	**719.29**	446.22	61.2%
Average selling price *(RMB per tonne)*	**3,491**	3,996	-12.6%
Waterproofing membrane			
Sales volume *(in million m^2)*	**126.8**	117.1	8.3%
Average selling price *(RMB per m^2)*	**13.57**	14.60	-7.1%
Lithium battery separator			
Sales volume *(in million m^2)*	**1,299.7**	814.4	59.6%
Average selling price *(RMB per m^2)*	**0.71**	0.93	-23.7%
Carbon fiber			
Sales volume *(in thousand tonnes)*	**10.43**	6.90	51.2%
Average selling price *(RMB per tonne)*	**86,890**	104,130	-16.6%

ENGINEERING TECHNOLOGY SERVICES SEGMENT

	For the six months ended 30 June		
	2025	2024	Growth rate
Engineering service income *(RMB in millions)*	**21,305.9**	20,573.3	3.6%

OVERVIEW OF THE FIRST HALF OF THE YEAR

DEVELOPMENT ENVIRONMENT

In the first half of 2025, the international environment remained complex and volatile. The Chinese government adhered to the overall policy of seeking progress while maintaining stability, accelerated the construction of a new development pattern, and effectively implemented more proactive macroeconomic policies. New growth drivers continued to develop and strengthen, and high-quality development achieved new progress. In the first half of the year, GDP grew by 5.3% year-on-year, and fixed-asset investment increased by 2.8% year-on-year. Among these, infrastructure investment maintained stable growth, rising by 4.6% year-on-year. The real estate sector remained in a period of deep adjustment, with real estate development investment declining by 11.2% year-on-year.

The Chinese government has accelerated the construction of a modern industrial system, actively promoting the green and low-carbon transformation of industries through scientific and technological innovation, implementing the energy security strategy to promote the rapid progress of new energy, and artificial intelligence leading a new round of scientific and technological revolution and industrial transformation. This brings new opportunities and challenges for the Company’s sustainable development.

OPERATION IN THE FIRST HALF OF 2025

The Group actively responded to the many challenges in the operating environment, continuing to expand growth, optimize existing assets, seize opportunities for change, and improve quality. It focused on reform and innovation, Management of Three Delicacies, collaboration and cooperation, openness and sharing, integration and optimization, and Party leadership to respond to the changing situation, stabilize the overall situation, and open up new prospects, achieving new results in high-quality development.

Basic building materials segment

In the first half of 2025, the cement production in China reached 815 million tonnes, marking the lowest level since 2010 for the same period, with a year-on-year decrease of 4.3%. The decline narrowed by 5.7 percentage points compared to the same period of 2024. However, the industry actively promoted ecological construction, leading to a recovery in cement prices, coupled with a decline in coal costs, which contributed to the continued improvement of industry profitability. In the first half of 2025, the cement industry achieved a total profit of RMB16.4 billion, marking a turnaround from a loss to a profit compared to the same period of 2024.

The basic building materials segment of the Group faced a challenging and complex environment.

- **Externally,** the Group has vigorously promoted the development of the industry ecosystem, adhering to the "price, cost and profit" business philosophy, and strengthening rigid and precise staggered peak measures;

- **Internally**, the Group has deepened the Management of Three Delicacies, thoroughly exploring cost-saving opportunities to reduce costs and expenses. In the first half of the year, costs of cement and clinker decreased by 7.4% year-on-year. Both the gross profit margins of cement and clinker and commercial concrete achieved year-on-year growth, resulting in a significant improvement in profitability for the basic building materials business;

- **"Cement+"** took new strides, establishing 5 specialized cement production bases and fully advancing the Chizhou and Congyang aggregate projects;

- **Internationalization** achieves new milestones, with the Tunisia project completed;

- **"Dual Carbon"** initiative had new progress, actively integrating into the carbon market, with all 210 key emitters completing carbon market registration, participating in the development of 4 industry and group standards related to cement enterprise carbon management, and Ningxia Building Materials selected as the sole cement company among the first batch of pilot units for national carbon footprint labeling certification.

New materials segment

Fiberglass

In the first half of 2025, the State continued to increase its support for the new energy industry and new energy equipment manufacturing sector, particularly through favorable policies for key industries such as new energy vehicles, wind power, and new energy storage. These policies provided strong support for the release of effective demand in the fiberglass industry. In particular, emerging markets were increasingly demanding higher-performance fiberglass products, with electronic-grade specialty fiberglass fabrics in short supply, driving the industry toward sustainable, high-quality, and healthy development.

- The Group's fiberglass business seized opportunities presented by market demand growth, promoted structural optimization with high-end products, launched a special project to reduce costs and increase efficiency throughout the entire production process, and relied on digital intelligence systems to effectively convert cost advantages into momentum for profit growth. In the first half of the year, **both volume and price increased**, and gross profit margin grew year-on-year by 11.1 percentage points;

- **Building momentum for development.** The second phase of the Jiujiang Intelligent Manufacturing Base and the first phase of the Taiyuan Base have commenced production, while the electronic-grade fiberglass and supporting projects at the Huai'an Zero-Carbon Intelligent Manufacturing Base and the second phase of the Taiyuan Base have officially commenced construction;

- **Continuously capturing the high-end market.** The Group expanded the production capacity of specialty fibers, and commissioned low-dielectric ball kiln production lines and low-expansion production lines. A total of 5 low-dielectric and low-expansion specialty fiber production lines have been completed. All specialty fiber fabric products have been certified by leading domestic and international customers and are now in mass production. Low-expansion fiber fabrics have broken foreign monopolies, making the Group the sole domestic and second global supplier capable of mass-producing low-expansion-coefficient fiber fabric products. Ultra-low-loss, low-dielectric fiber fabrics have pioneered industry-leading copper-clad laminate manufacturer certifications, achieving market introduction and industrial-scale supply.

Gypsum board

In the first half of 2025, urbanization, old-area renovation, partial-area renovation and upgrading, and further market service decentralization, as well as deepened support for green building and good housing policies and the rapid development of prefabricated buildings and components, have provided a market foundation for stable demand for gypsum board. Market competition, coupled with higher environmental, energy consumption, and quality standards have driven the gradual exit of inefficient and uncompetitive production capacity, further increasing industry concentration.

- The Group's gypsum board business **continued to expand volume and reduce costs**, strengthening channel penetration and new product promotion. Sales of home decoration boards increased significantly year-on-year. The Group promoted cost reduction plans and implemented a management mechanism of "target decomposition, process control, and effect evaluation" to reduce costs and improve efficiency, with unit costs decreasing year-on-year by 6.2%;

- **Adhering to product optimization, upgrading, and innovative applications.** The Group continued to develop high-end products and whole-house system solutions, providing one-stop services for prefabricated interior decoration. It explored the market development and synergistic profit-generating potential between the "one body and two wings" businesses, actively promoting the transformation into a comprehensive manufacturer and service provider of consumer building materials;

- **Accelerating the advancement of international business operations.** The production bases in Tanzania and Uzbekistan continued to achieve significant year-on-year growth in revenue and profit; the production line for 40 million square meters per year gypsum board in Thailand has entered the trial production phase; the production line project for 40 million square meters per year paper-faced gypsum board in Bosnia and Herzegovina made orderly progress.

Wind power blade

In the first half of 2025, the wind power industry of China continued its strong growth momentum. Driven by energy transition and policy support, newly installed capacity saw significant growth, customer demand continued to be released, wind turbine bid prices stabilized after a decline, and the industry ecosystem continued to improve. Combined with cost reductions in technology and the supply chain, as well as economies of scale, the profitability of China's wind power industry was restored.

- The Group's wind power blade business seized market opportunities, deepened customer strategies, **continued to consolidate its leading position in the industry**, strengthened management efficiency and digital intelligence capabilities, further reduced costs and increased efficiency, and achieved a year-on-year unit costs decrease of 10.7%;

- **The dual-drive strategy of domestic and overseas markets has been steadily implemented.** Domestic regional coverage has been refined to respond to the growing market demand in the northwest region, with production capacity at the Xinjiang base being enhanced. The Group has accelerated the construction of its Shantou base to secure a leading position in the offshore wind power sector. Overseas production capacity has been expanded, with all 4 production lines at the Brazil base fully operating, and the Uzbekistan project has been progressing steadily;

- **Accelerating the development of core technologies.** The first domestically developed set of 220m+ diameter recyclable wind power blades has been successfully installed. The Group completed the trial production and development of the 16MW floating turbine blade SI122F, and achieved a major breakthrough in the field of offshore wind power.

Other businesses

- The Group's **coating business** has steadily advanced management integration. Carpoly has been successfully integrated, anchoring its high-end positioning and achieving coverage of blank outlets. Zhejiang Daqiao's integration has been proceeding orderly, targeting the industrial coating segment, enriching its product system, and improving its market layout in the East China region.

- **Waterproofing membrane business** promoted the layout of civil construction products and repair services, continued to expand the dealer network, and increased market share. The product formula was optimized and upgraded to improve operational quality, achieving revenue and profit growth against the trend.

- **Lithium battery separator business** maintained its core competitiveness by building a high-quality customer and product structure, continuously reducing costs and improving efficiency, and pursuing technological innovation and product upgrades. The first overseas project, the Hungary base, has progressed steadily, launching the internationalization of the lithium battery separator industry; the Group has achieved a large-scale supply of 5μm ultra-thin base film for lithium battery separators, and ultra-thin high-strength 4μm/3μm products have formed technical reserves. The formula development and on-machine verification of semi-solid battery separators have been completed.

- **The graphite new materials business** has smoothly promoted the restructuring and management integration of Inner Mongolia Hengke, with streamlined operations driving improved efficiency and quality. Operational performance has seen a significant improvement.

- Focused on cultivating strategic industries such as hydrogen energy storage and transportation. **The hydrogen energy cylinders business** continued to maintain its leading position in the industry, with hydrogen storage cylinder market share and vehicle model announcements remaining as the leader of the industry.

- **Carbon Fiber business** has partnered with leading customers to jointly develop applications in the new energy sector, steadily increasing its market share in both "emerging and traditional" sectors. The 30,000-tonne carbon fiber project in Lianyungang progressed smoothly, actively utilizing clean energy sources such as nuclear steam and photovoltaic power generation to achieve a green transformation of the high-performance carbon fiber industry.

Engineering Technology Services Segment

In the first half of 2025, under the combined influence of the "dual carbon" and "dual control" policies, there was significant demand for green intelligent technology upgrades of domestic production lines. At the same time, driven by the "One Belt and One Road" and the EU's decarbonization and carbon tariff policies, global demand for new technologies and equipment continued to grow.

The engineering technology services segment of the Group has continued to consolidate its full-industry-chain business advantages and full-lifecycle service capabilities. In the first half of the year, it successfully secured 13 overseas cement plant projects, maintaining its position as the world's leading cement engineering services provider for 17 consecutive years;

- The Group has also vigorously advanced its global layout in high-end equipment manufacturing and expanded into new industries, with overseas equipment business revenue accounting for 51% of total revenue and revenue from new industries reaching 37%;

- Accelerating digital transformation to empower production and operational services, the Group has developed a comprehensive solution encompassing "smart factories + digital mines + expert systems", providing operations and maintenance services for 71 cement production lines and 312 mine projects;

- It has led the industry's green and low-carbon transformation by intensifying research and promotion of green technologies and equipment such as low-carbon cement, oxygen-enriched combustion, and fluidized bed calcination, and setting industry benchmarks for green and low-carbon applications through diverse application scenarios;

- The Group has deepened its global localized operations, with new overseas contracts increasing by 19% year-on-year, overseas revenue growing by 25% year-on-year.

DEEPEN REFORM AND ENHANCE THE EFFECTIVENESS OF TECHNOLOGICAL INNOVATION

- **Further promote reform and empowerment**

  Comprehensively advanced the reform of the Supervisory Committee and the assumption of its functions, strengthened the board of directors through tiered and categorized measures, further enhanced the functional roles of all governance entities; optimized differentiated management of relatively controlled mixed-ownership enterprises to enhance operational vitality; strengthened market value management, completed the offer repurchase and cancellation of 840 million shares of the Company's outstanding shares for HK$3.392 billion, representing approximately 9.98% of the Company's total share capital before cancellation and approximately 18.47% of the Company's issued H Shares before cancellation. The Company also increased its holdings in China Jushi by 89.91 million shares for RMB1 billion, representing 2.25% of China Jushi's total share capital, raising its shareholding ratio to 29.22%.

- **Accelerating the integration of innovation chains and industrial chains**

  Projects involving artificial intelligence-enabled specialty fiberglass, carbon fiber, and composite materials for large aircraft have been selected by the State-owned Assets Supervision and Administration Commission (SASAC) as one of its "Top 100 Projects" in emerging industries. High-performance fiberglass, carbon fiber, and other new materials have enabled the world's longest wind power blades to pass static testing. The world's first production line using a suspended hot activation calcination process for coal gangue has successfully been commissioned. High-performance concrete for wind turbine hybrid towers has achieved bulk sales, and the construction of a cement kiln calcination spodumene project has begun. The Group has collaborated with Suzhou City, Suzhou Laboratory, Nanjing University, and others to build the "Suzhou Advanced Materials Valley". As of the end of June 2025, it had 20 specialized, innovative "small giant" enterprises, 10 single-champion enterprises, and 257 high-tech enterprises.

DIGITAL TRANSFORMATION SYSTEM PROMOTION

Systematically promote the implementation of the blueprint

- "One Cloud" smoothly went live on 74 systems, completing overseas institutions' research on the demand for a global "One Network".

Empowerment applications continue to deepen

- By bridging the "last mile" gap in the industrial application of AI, the Group has optimized the entire chain from procurement and supply to cement production and sales. The basic building materials large model has already achieved data value-added in more than 140 cement production scenarios, with an average reduction of RMB2.03 per tonne in costs at factories that have undergone acceptance testing.

Gradient cultivation of intelligent benchmarks

- A total of 31 smart cement factories, 72 smart production lines for new materials, and 18 digital mines have been built.

ACCELERATE THE IMPLEMENTATION OF GREEN AND LOW-CARBON TRANSFORMATION

- **Comprehensively deepen green production**

  The proportion of cement ultra-low emission production lines reached 36.59%, an increase of 14.49 percentage points compared to the end of 2024; Cement alternative fuel production lines accounted for 45%, an increase of 12 percentage points from the end of 2024; The cement fuel substitution rate of the Group reaches 5.88%, representing an increase of 1.97 percentage points compared to the end of 2024; the installed capacity of "photovoltaic+" increased by 40.36 MW, with a cumulative installed capacity of 707.88 MW, and green electricity usage increased by 359% year-on-year. The comprehensive energy consumption per tonne of cement and clinker decreased by 3.04% year-on-year, while emissions of carbon dioxide, nitrogen oxides, sulphur dioxide, and dust decreased by 4.18%, 7.34%, 1.72%, and 0.9% year-on-year, respectively. 8 green factories were added, bringing the cumulative total to 153 green mines and 265 green factories.

- **Accelerate the implementation of dual carbon goals**

  The proportion of cement and clinker production capacity with first-class energy efficiency reached 47.92%, an increase of 13.42 percentage points over the end of 2024; the second phase of the electronic-grade fiberglass and supporting projects at the Huai'an Zero-Carbon Intelligent Manufacturing Base commenced construction; and the China United Qingzhou CCUS project was selected into the national list of advanced green and low-carbon technology demonstration projects.

OUTLOOK FOR THE SECOND HALF OF 2025

The external environment for economic development remains uncertain, and internal structural adjustments are under considerable pressure. However, amid the evolving landscape, opportunities lie within the challenges. Internationally, infrastructure demand in emerging markets continues to grow, application scenarios for new materials are expanding, and the transition to green and low-carbon development is in a critical window of opportunity. Domestically, the foundation for China's economic recovery is being consolidated, with overall stable economic operations and positive signs of recovery, demonstrating strong resilience and vitality in mitigating fluctuations. From an industry perspective, consensus on industry ecosystem development is further deepening, the effects of a series of policies are gradually being released, supply-side reforms in the industry are continuing to advance, promising continued improvement in the industry ecosystem.

The Group will remain steadfast in its commitment to achieving its annual targets and objectives. Focusing on accelerating the development of a world-class materials enterprise, it will continue to prioritize four key areas: operational management, optimizing layout, deepening reforms, and value management:

1. The Group will focus on steady operations, prioritize efficiency, and continue to consolidate the upward trend in business performance. It will continue to deepen commitment to the Management of Three Delicacies: lean operations focusing on promoting "stability", refined management focusing on increasing efficiency through "reduction", and streamlined organization focusing on improving quality through "reduction".

2. The Group will continue to optimize the layout, accelerate the transformation and upgrading of industries, and focus on both the basic building materials sector and strategic emerging industries. It will accelerate the optimization and upgrading of basic building materials, with the cement business centered on enhancing profitability, prioritizing the growth of specialty cement and high-performance concrete, seizing opportunities from national key projects, and continuously expanding application scenarios. The commercial concrete business will accelerate its layout in key domestic regions such as the Yangtze River Delta, using a light-asset model to further enhance market control. The aggregate business will focus on improving the input-output ratio and accelerating the completion and efficiency of ongoing projects. The strategic emerging industries will comprehensively utilize investment in new construction, mergers and acquisitions, industrial funds, and strategic cooperation to improve tiered layout, focus on key products, and accelerate the construction of industrial clusters. It will accelerate the implementation of internationalization strategies, coordinate resource elements, and enhance international operational capabilities.

3. The Group will enhance the quality and effectiveness of reforms, complete the final phase of reform deepening and upgrading with high quality, further empowering operations through reforms. It will comprehensively complete the reform of the Supervisory Committee and the assumption of functions, and continue to optimize corporate governance. It will accurately implement medium- and long-term incentives, strengthen medium- and long-term incentives oriented toward technological innovation, and maximize the effectiveness of incentives. It will deeply integrate into the national innovation system, strengthen the construction of original technology sources, and promote high-efficiency transformation and industrialization of achievements.

4. The Group will strengthen value management and adhere to a value management philosophy centered on enhancing intrinsic value. It will balance value creation and value realization, and actively safeguard shareholder rights, further improve the ESG system, continuously enhance ESG governance and practices, and empower the Company's sustainable development.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

MATERIAL TRANSACTIONS

Share Acquisition in Carpoly

References are made to the announcements of the Company dated 20 September 2023, 29 December 2023, 8 January 2024 and 26 March 2025, and the 2023 annual report and the 2024 annual report of the Company, setting out the details of the share acquisition in Carpoly.

Pursuant to the share transfer agreement entered into by BNBM, certain shareholder shareholding platforms of Carpoly and certain employee shareholding platforms of Carpoly (together, the "**Original Shareholders**") (the "**Carpoly Share Transfer Agreement**"), the Original Shareholders have made certain performance undertakings that the realised net profit of the relevant performance commitment assets during each undertaking period between 2024 to 2026 will not be less than the committed net profit for that respective period. The committed net profit was RMB413 million (the "**2024 Performance Target**") for the performance period for the 2024 financial year. However, based on Carpoly's latest audited financial statements, the realised net profit of the relevant performance commitments assets for the financial year ending 31 December 2024 was RMB335,663,063.69, which did not meet the 2024 Performance Target. Consequently, in accordance with the agreed compensation mechanism in the Carpoly Share Transfer Agreement, the shortfall of RMB77,336,936.31 will be deducted as performance compensation from the remaining Share Acquisition Price to be paid by BNBM to the Original Shareholders for the 2024 financial year.

Please refer to the announcement of the Company dated 26 March 2025 for further details of the fulfillment of performance undertakings in relation to the share acquisition in Carpoly.

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

During the six months ended 30 June 2025, the Company repurchased a total of 841,749,304 H shares on the Stock Exchange pursuant to a conditional cash offer, at a total consideration of HK$3,392,249,695. All repurchased shares were cancelled on 12 March 2025. Details of the repurchased shares are as follows:

Repurchase completion date	Number of H shares repurchased	Price paid per share *(HK$)*	Total consideration paid *(HK$)*
12 March 2025	841,749,304	4.03	3,392,249,695
	841,749,304		**3,392,249,695**

The Board believes that the share repurchase offer demonstrates the Company's confidence in its long-term prospects and intrinsic value, thereby sending a positive signal to the market and to the Company's stakeholders, including employees and customers. The offer is also expected to enhance trading liquidity and refresh the Company's shareholder structure. Overall, it will enhance the long-term value of the Company and its shareholders and is in the best interests of both the Company and its shareholders.

Save as disclosed in this announcement, during the six months ended 30 June 2025, the Company and its subsidiaries had not purchased, sold or redeemed listed securities (including sale of treasury shares) ("**securities**" and "**treasury shares**", having the meanings ascribed by the Listing Rules) of the Company.

CORPORATE GOVERNANCE CODE

Except for Code Provision B.2.2 of the CG Code, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the six months from 1 January 2025 to 30 June 2025. All the Directors of the current session of the Board elected on 19 November 2021 were subject to retirement by rotation by 19 November 2024, according to Code Provision B.2.2, which states that every Director should be subject to retirement by rotation at least once every three years. However, on 6 December 2024, the Company announced a cash offer (subject to pre-conditions and conditions) by Morgan Stanley Asia Limited on behalf of the Company to buy-back up to 841,749,304 H Shares at HK$4.03 per H Share (the "**H Share Buy-back Offer**"). In light of the implementation of the H Share Buy-back Offer, in order to ensure the smooth continuation of the senior management of the Company, with the exception of the following Directors, the remaining Directors of the current session of the Board have not retired by rotation.

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

SPECIAL COMMITTEES UNDER THE BOARD

The Strategic Steering Committee

The Company has established a strategic steering committee. The Strategic Steering Committee of the Company shall comprise four Directors. On 25 October 2024, Mr. Li Xinhua resigned as a non-executive Director and a member of the Strategic Steering Committee due to retirement. There are currently three remaining Directors on the Strategic Steering Committee, including two executive Directors and one independent non-executive Director. The Strategic Steering Committee is responsible for studying and reviewing the Company's operation objectives and long-term development strategies, business and organizational development proposals, major investing and financing plans and other material matters that will affect the development of the Company; supervising and inspecting the implementation of the annual operation plan and investing plans under the authorization of the Board; and making recommendations to the Board. During the Reporting Period, the Strategic Steering Committee has reviewed the proposal on Company's investment plan for the year of 2025, the proposal on Company's 2025 budget, the proposals for the plan of the Company and relevant subsidiaries to issue debt financing instruments, the proposals for the plan of the Company to apply for credit facilities from banks and other financial institutions, the proposals for the plan of the Company and subsidiaries at all levels to provide financing guarantees, the proposals for the plan of the Company and subsidiaries at all levels to engage in annual financial derivative business, the operation of the Company for the year of 2024 and the proposals relating to the working arrangement in 2025.

Nomination Committee

The Company has established a nomination committee. The Nomination Committee of the Company comprises three Directors, including one executive Director and two independent non-executive Directors. The terms of reference adopted by the Nomination Committee are in compliance with the provisions of the CG Code. The Nomination Committee is responsible for formulating procedures and standards for electing the Directors of the Company, senior management members as well as members of the Remuneration and Performance Appraisal Committee, the Audit Committee, the Strategic Steering Committee and the Environmental, Social and Governance Committee; conducting preliminary review on the qualifications and conditions of the Directors of the Company, senior management members as well as members of the Remuneration and Performance Appraisal Committee, the Audit Committee, the Strategic Steering Committee and the Environmental, Social and Governance Committee; assisting the chairman of the Board on reporting relevant matters to the Board; reviewing the board diversity policy and the director nomination policy. During the Reporting Period, the Nomination Committee has discussed and reviewed the structure, size and composition of the Board and the special committees, diversity of the Board as well as the independence of the independent non-executive Directors. Save for the above matters to be considered, the Nomination Committee also reviewed the resolutions in relation to the Directors of the fifth session of the Board and the determination of the remuneration for the new Directors.

The Nomination Committee has reviewed the diversity policy and its effectiveness of the Board. The current members of the Board of the Company are in line with the diversity policy in terms of gender, age, cultural and educational background, professional experience and skills, in line with the Company's current business development needs, and is conducive to improving corporate governance and standardized operation. The Board currently includes two female members, which complies with the relevant requirements under Rule 13.92 of the Listing Rules. The Nomination Committee submitted the above review results to the Board meeting. The Board carefully considered and agreed with the above conclusions made by the Nomination Committee on the review of the diversity of the Board.

Remuneration and Performance Appraisal Committee

The Company has established a remuneration and performance appraisal committee. The Remuneration and Performance Appraisal Committee comprises three Directors, including one executive Director and two independent non-executive Directors. The terms of reference adopted by the Remuneration and Performance Appraisal Committee are in compliance with the provisions of the CG Code. The Remuneration and Performance Appraisal Committee is responsible for recommending the specific remuneration and reviewing the performance of the Directors and senior management of the Company, based on the remuneration and performance appraisal management policies and framework pertaining to Directors and senior management which have been formulated by the Board. As of the date of this announcement, the Remuneration and Performance Appraisal Committee has reviewed the resolutions in relation to the performance and remuneration of the senior management of the Company in 2024.

Audit Committee

The Company has established an audit committee. The Audit Committee of the Company comprises three Directors, including three independent non-executive Directors, one of whom possesses the appropriate professional qualification and accounting and related financial management experience. The terms of reference adopted by the Audit Committee are in compliance with the provisions of the CG Code. The Audit Committee is responsible for monitoring the Company's external auditors and their work, the Company's financial reporting procedures, internal control, risk management and internal control, reviewing the Company's internal audit plan and results reports, and formulating and reviewing the Company's corporate governance policies and their compliance and disclosure.

As of the date of this announcement, the Audit Committee has reviewed the appointment of auditors for the year 2025 and the 2025 interim report. Save for the above matters to be considered, the Audit Committee was also briefed by the Audit Department on the report on the internal audit work plan of the Company for the year 2025, by the legal compliance department on the report of Company's major operation risk forecast and assessment report for the year 2025 and the summary report on rule of law for the year 2024, by the auditors on the audit of the financial report for 2024, and by the management on the operation report for the year 2024.

Environmental, Social and Governance Committee

The Company has established an environmental, social and governance committee. The Environmental, Social and Governance Committee of the Company comprises three Directors, including one executive Director and two independent non-executive Directors. The Environmental, Social and Governance Committee is responsible for researching and formulating the Company's overall ESG management goals, management strategies and management guidelines, and regularly evaluating the adequacy and effectiveness of the Company's ESG structure; monitoring and reviewing the Company's ESG policies and practices; evaluating and determining the Company and all its subsidiaries' ESG (including climate change) risks and opportunities to ensure that the Company establishes appropriate and effective ESG (including climate change) risk management and internal control systems; and reviewing major ESG management matters. During the Reporting Period, the Environmental, Social and Governance Committee has reviewed the proposal on the Company's ESG Report for the year 2024, discussed the development trends of ESG and been briefed on the progress of ESG strategy and work tasks.

THE MODEL CODE

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

SUBSEQUENT EVENTS

As at the date of this announcement, the Group had no significant events after the Reporting Period which need to be disclosed.

DEFINITIONS

"BNBM"	北新集團建材股份有限公司 (Beijing New Building Materials Public Limited Company)
"Board"	the board of directors of the Company
"Carpoly"	嘉寶莉化工集團股份有限公司 (Carpoly Chemical Group Co Ltd)
"Cement+"	to develop, optimize and expand cement, commercial concrete, aggregate businesses which are the extension of industry chain of cement-related products and the new focal point of profit growth
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China Jushi"	中國巨石股份有限公司 (China Jushi Co., Ltd.) (previously known as 中國玻纖股份有限公司 China Fiberglass Company Limited)
"China United Qingzhou"	青州中聯水泥有限公司 (China United Cement Qingzhou Co., Ltd.)
"Company" or "CNBM"	中國建材股份有限公司 (China National Building Material Company Limited)
"Director(s)"	the director(s) of the Company
"Domestic Shares"	the ordinary shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are subscribed for in RMB
"Group"	the Company and, except where the context otherwise requires, all its subsidiaries

"H Share(s)"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK$
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"Management of Three Delicacies"	lean operation, refined management and refined organization
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Ningxia Building Materials"	寧夏建材集團股份有限公司 (Ningxia Building Materials Group Co., Limited)
"Parent"	中國建材集團有限公司（曾用名中國建築材料集團有限公司）China National Building Material Group Co., Ltd.* (formerly known as China National Building Materials Group Corporation)
"Parent Group"	the Parent and its subsidiaries
"PRC"	the People's Republic of China
"Reporting Period"	from 1 January 2025 to 30 June 2025
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"State" or "PRC Government"	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company

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

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*