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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)

SUPPLEMENTAL ANNOUNCEMENT
FUND LENDING FRAMEWORK AGREEMENT WITH SAIMA IOT

Reference is made to the announcement (the "**Announcement"**) of China National Building Material Company Limited (the "**Company**") dated 28 August 2025 in relation to, amongst others, the Fund Lending Framework Agreement between Ningxia Building Materials (an A share listed subsidiary of the Company) and Saima IOT. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplemental information on the basis of determination of the annual cap(s) under the Fund Lending Framework Agreement.

FURTHER DETAILS REGARDING THE BASIS OF THE ANNUAL CAP

The annual cap regarding the Fund Lending Framework Agreement is determined by taking into account the following:

1. Funding Needs for the "Find a Car" intelligent logistics platform of Saima IOT

Saima IOT is currently advancing the development and upgrade of its smart logistics platform, requiring investment in algorithm iteration, server expansion and the construction of a data security system to improve cargo matching efficiency within the region.

Taking into account settlement cycles and the projected scale of Saima IOT's operations, daily working capital is required for expanding logistics transportation and post-vehicle services in key regions. Such capital will primarily be used for fuel, maintenance and insurance costs of logistics vehicles; fixed operating expenses such as employee salaries, travel expenses and office supplies; and managing seasonal cash flow fluctuations to ensure business continuity.

Saima IOT has significant funding needs for its core business. Currently, it has external financing of RMB290 million. Considering that Ningxia Building Materials has strong financial capacity and lower financing costs compared to Saima IOT, an intra-group loan by Ningxia Building Materials of RMB300 million has been approved by Ningxia Building Materials and the Company's directors (including its independent non-executive Directors). This not only meets the urgent development needs of Saima IOT but also aligns with Saima IOT's overall goal of reducing costs and optimizing its debt structure.

2. Historical principal amounts of loan agreements entered into between Ningxia Building Materials and Saima IOT

	For the year ended 31 December 2022	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**	**For the year ending 31 December 2025**
Historical loans *(in RMB million)*	600	1,000	0	0

The loans under the loan agreements entered into between Ningxia Building Materials in 2022 (the "**2022 Loan**") and 2023 (the "**2023 Loan**", together with the 2022 Loan, the "**Previous Loans**") had been fully repaid on 30 January 2024 and no further loan agreements were entered into since 31 January 2024.

THE PREVIOUS LOANS

Principal Terms of the Previous Loans

The principal terms of the Previous Loans are set out as follows:

	The 2022 Loan	**The 2023 Loan**
Parties	(1) Ningxia Building Materials (as the Lender); and (2) Saima IOT (as the Borrower)	

	The 2022 Loan	The 2023 Loan
Subject matter	In accordance with the relevant agreement, the lender agreed to provide a loan to the borrower in the form of cash or banker's acceptance bills, based on the needs and progress of the borrower's business of "Find a Car" intelligent logistics platform.	
Date of the agreement	31 May 2022	30 March 2023
Principal amount	RMB600 million	RMB1,000 million
Term of the loan	1 June 2022 to 31 May 2023	1 April 2023 to 31 March 2024
Interest	(1) Interest rate: calculated based on the current one-year loan prime rate with a downward adjustment of 50 basis points (i.e., an annual interest rate of 3.2%).	(1) Interest rate: calculated based on the current one-year loan prime rate with a downward adjustment of 35 basis points (i.e., an annual interest rate of 3.2%).
	(2) Interest should be accrued monthly from the date of drawdown to the date of repayment and paid quarterly. Upon repayment of the loan, both principal and interest shall be settled together and transferred to the lender.	
	(3) If the central bank adjusts the prime rates during the term of the relevant agreement, the interest rate for the borrowed funds shall be modified accordingly following mutual negotiation between both parties, or the loan may be repaid immediately at the original rate and a new agreement is to be signed.	
Use of the loan	The loan is to be used as working capital for the business of "Find a Car" intelligent logistics platform.	
Repayment of the loan	The loan should be repaid on the final maturity date. If the loan is not repaid upon maturity, a penalty interest of 5‰ (five per thousand) per day will be charged on the overdue portion.	
Effectiveness of the agreement	The relevant agreement shall take effect from the date of signing, upon affixing the official seals and signatures of the legal representatives (or authorised representatives) of both parties.	

	The 2022 Loan	The 2023 Loan
Termination of the agreement	Once the lender receives the repayment from the borrower and verifies that both principal and interest are correct, the relevant agreement shall automatically terminate. Otherwise, it shall remain in effect until full settlement of both principal and interest.	

No security or guarantee was provided under either the 2022 Loan or the 2023 Loan.

INFORMATION ON RELEVANT PARTIES

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.

Ningxia Building Materials

Ningxia Building Materials is a subsidiary in which the Company holds 49.03% shares, 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

In June 2021, (1) Ningxia Building Materials, (2) Tianshan Material Co., Ltd. (天山材料股份有限公司)(formerly known as Xinjiang Tianshan Cement Co., Ltd.(新疆天山水泥股份有限公司) (also a subsidiary of the Company) ("**Tianshan Materials**"), (3) China National Building Material Import and Export Co., Ltd. (中建材集團進出口有限公司) (a subsidiary of the Parent) ("**CNBM Trading**"), and (4) an employee shareholding platform entered into a subscription agreement to subscribe to the increased registered capital of Saima IOT in the aggregate amount of RMB150 million. As a result, Saima IOT, previously a wholly-owned subsidiary of Ningxia Building Materials, was held as to 55%, 30%, 10%, and 5% of its issued share capital by the foregoing subscribers, respectively. As both Ningxia Building Materials and Tianshan Materials were subsidiaries of the Company, the Company indirectly controlled 85% equity interest in Saima IOT. As CNBM Trading, a subsidiary of the Parent, held a 10% equity interest in Saima IOT, following the capital subscription, Saima IOT became a connected subsidiary of the Company for the purpose of the Listing Rules. In November 2023, CNBM Trading transferred its 10% equity interest in Saima IOT to another subsidiary of the Parent, CNBM United Investment Co., Ltd.* (中建材聯合投資有限公司) ("**CNBM United Investment**") and Saima IOT remained as a connected subsidiary of the Company.

Saima IOT 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.

REASONS FOR AND BENEFITS OF THE PREVIOUS LOANS

The Previous Loans were provided by Ningxia Building Materials to Saima IOT mainly for the purpose of funding the working capital needed for developing the business of "Find a Car" intelligent logistics platform. Saima IOT was a controlled subsidiary of Ningxia Building Materials. The financial assistance provided under the Previous Loans was within a controllable risk range and was conducive to achieving the Group's overall business objectives.

The 2022 Loan and the 2023 Loan were made to Saima IOT by Ningxia Building Materials out of its external borrowed funds and on better than normal market terms – the interest rates charged by Ningxia Building Materials (as lender) to Saima IOT (as borrower) were higher than the interest rates charged to Ningxia Building Materials under its external borrowing. The 2022 Loan has expired and the 2023 Loan were fully repaid in January 2024 and there was no prejudice to the interest of the shareholders of the Company.

The 2022 Loan was ratified by the Directors (including the independent non-executive Directors) on 28 September 2025 who have reviewed the terms of the 2022 Loan and considered that the 2022 Loan was on normal commercial terms or better and the terms of the 2022 Loan were fair and reasonable and in the interest of the Company and the Shareholders as a whole. Except four Directors (Mr. Zhou Yuxian, Mr. Wang Yumeng, Mr. Wei Rushan and Ms. Miao Xiaoling) who are employed by the Parent or its subsidiaries outside the Group and thus abstained from voting on the relevant Board resolution approving the ratification of the 2022 Loan, none of the Directors has a material interest in the 2022 Loan.

The proposal for the 2023 Loan (which included an outstanding amount of RMB300 million from the 2022 Loan and which was agreed by the parties to the 2023 Loan to be rolled over as moneys borrowed under the 2023 Loan) was approved by the Board on 28 October 2022. The Directors (including the independent non-executive Directors) considered that the 2023 Loan were on normal commercial terms or better and the terms of the 2023 Loan were fair and reasonable and in the interest of the Company and the Shareholders as a whole. Except five directors of the Company as of 28 October 2022 (Mr. Zhou Yuxian and Mr. Chang Zhangli, and Mr. Li Xinhua, Mr. Wang Yumeng and Mr. Peng Shou) who were employed by the Parent or its subsidiaries outside the Group and thus abstained from voting on the relevant Board resolution approving the 2023 Loan, none of the Directors had a material interest in the 2023 Loan.

Both of the Previous Loans were approved by the board of Ningxia Building Materials (including its independent directors). The 2023 Loan was also approved by shareholders' general meeting of Ningxia Building Materials. Both of the Previous Loans were announced on the Shanghai Stock

Exchange on the same dates their respective board approvals were obtained. The announcement on approval of the 2023 Loan by shareholders' general meeting of Ningxia Building Materials was published on the Shanghai Stock Exchange.

LISTING RULES IMPLICATIONS

At of the respective dates of entering into the 2022 Loan and the 2023 Loan, Saima IOT was a Connected Subsidiary of the Company as a result of CNBM United Investment, a subsidiary of the Parent, holding a 10% of its issued share capital. Accordingly, the entering into of each of the Previous Loans constituted a connected transaction of the Company. Although both Ningxia Building Materials and Saima IOT constituted insignificant subsidiaries under the Listing Rules at the relevant time, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Previous Loans (whether on a standalone or aggregated basis) exceeded 0.1% but all such applicable percentage ratios were less than 5%, each of the Previous Loans was subject to the reporting and announcement requirements, but was exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules. However, due to communication issues (as elaborated below), the Company was not informed in a timely manner prior to the execution of each of the 2022 Loan and 2023 Loan. As a result, the Previous Loans were not announced or disclosed previously in the annual reports by the Company as required under Rules 14A.35 and 14A.71(1) to (5) of the Listing Rules.

Following Saima IOT's becoming the Company's Connected Subsidiary in 2021, the Company conducted due diligence and provided training on connected transactions. However, the Company was not informed of the 2022 Loan between Ningxia Building Materials and Saima IOT until after its execution and public disclosure by Ningxia Building Materials on the Shanghai Stock Exchange on 31 May 2022.

In view of the renewal of the Company's continuing connected transactions (as announced on 28 October 2022), the Company requested Ningxia Building Materials to consolidate all proposed funding arrangements for Saima IOT under the upcoming renewal. Accordingly, Ningxia Building Materials notified the Company of the proposed 2023 Loan (which was to cover the outstanding amount of RMB300 million rolled over from the 2022 Loan), which was approved by the Company's Board (including its independent non-executive directors) on 28 October 2022. Ningxia Building Materials indicated that the proposed 2023 Loan might not be entered into, depending on business needs. As no agreement was signed at the time, no announcement was required under Chapter 14A of the Listing Rules. The Company requested prior notice should the loan be executed, to facilitate timely disclosure.

Despite this request, the 2023 Loan was entered into on 30 March 2023 (nearly five months after the Company's board approval) without prior notification to the Company. As the signing of the transaction was not required to be announced under the listing rules of the Shanghai Stock Exchange (which only require disclosure of board and/or shareholder approval of a transaction), Ningxia Building Materials announced the board approval and the shareholder approval for the 2023 Loan on the Shanghai Stock Exchange in October 2022 and November 2022 respectively but did not make any

announcement when the 2023 Loan was signed in March 2023. As a result, the Company remained unaware of its execution until January 2024, upon reviewing Ningxia Building Materials' announcement dated 25 January 2024 regarding a proposed RMB1.5 billion loan to Saima IOT (the "**Proposed 2024 Loan**"), when the Company realised that the 2023 Loan had been executed without its knowledge. The Company then instructed Ningxia Building Materials not to proceed with the Proposed 2024 Loan and requested Saima IOT to fully repay all outstanding amounts under the 2023 Loan, which repayment was completed by 30 January 2024.

Thereafter, Ningxia Building Materials has been providing timely updates to the Company regarding proposed loan arrangements with Saima IOT, resulting in the Company's announcement of the Fund Lending Framework Agreement on 28 August 2025.

The Company has reviewed its internal controls and has implemented the following measures:

1. The Company has tightened its internal procedures for reviewing and assessing the compliance requirements of transactions under Chapters 14 and 14A of the Listing Rules through the procedures as elaborated below and has strengthened its management of proposed investment and security financing transactions by its subsidiaries (including intra-group transactions). The Company established a new funding reporting and control system in early 2024 which covers funding proposals for all members of the Group.

    - Internal Borrowing Reporting and Control System: In January 2024, as approved by the Board of the Company, the "China National Building Material Company Limited Borrowing and Guarantee Management System" was issued. This system clarifies the annual budget management and approval process for the Company and its subsidiaries to conduct intra-group borrowing activities. Within the scope of the budget, subsidiaries borrowing from the Company require Company-level approval, while sub-level subsidiaries' borrowing require approval from their respective parent subsidiaries. All records are to be filed through a digital system. Furthermore, an "Intra-group Borrowing Implementation Guideline" was formulated to establish a borrowing evaluation management system and real-time review mechanism. Intra-group borrowings are reviewed, monitored, and registered through a digital system based on the rules of the system and authorisation protocols. The Company conducts compliance monitoring prior to borrowings, primarily through its review procedures for subsidiary announcements (as elaborated below). If, despite of the enhanced internal controls stated above, a borrowing occurs without a corresponding announcement, the real-time monitoring system can detect the fund flow and trigger remedial actions (such as termination and/or repayment of the loans, rectification approval and announcement disclosure). Throughout the borrowing cycle, the Company tracks and monitors the borrowing and compares it with budget data to ensure Listing Rules compliance, including connected transactions and connected subsidiaries regarding which particular considerations will apply in relation to potential connected transactions.

- Review Procedures for Subsidiary Announcements: Before a subsidiary issues a public announcement, it must first submit a draft of the announcement to the Company. The Company will review and evaluate the draft to determine whether the information meets the Company's disclosure thresholds. If the information does not meet the thresholds, the subsidiary will be advised to issue the announcement independently. If the information is confirmed to require simultaneous disclosure and any other compliance requirements, the Company will go through its internal approval procedures. Once approved, the Company will provide feedback on the announcement and coordinate the disclosure timing with the subsidiary.

2. Risk management reviews were specifically conducted for Saima IOT in 2024, and compliance reviews were carried out on Ningxia Building Materials in 2025. These reviews covered the enhancement of the systems and completion of remedies suggested by these companies. The risk assessment of Saima IoT and the compliance evaluation of Ningxia Building Materials are as follows:

   - In 2024, a risk assessment was conducted for Saima IOT. During the assessment period, no significant risks were identified in the businesses and matters included in the scope of review. However, there were areas for improvement in the achievement of key risk management objectives regarding financial risk, operational risk, the risk management system framework. As of the date of this announcement, all identified deficiencies from the 2024 risk assessment have been rectified.

   - In 2025, an evaluation of the effectiveness of the compliance management system was conducted for Ningxia Building Materials. During the evaluation period, the businesses and matters within the scope of the compliance management system had established appropriate compliance structures, policies, and mechanisms, which were effectively implemented and safeguarded. No major compliance risks were found. However, areas identified for enhancement include the implementation of specific compliance responsibilities by the board of directors and management, the establishment of dedicated compliance roles, the classification and assessment of compliance risks, and the documentation of compliance reviews for major decisions. As of the date of this announcement, a review process for major matters has been established and improved within the office automation system, and a tracking ledger for compliance review opinions on major decisions has been completed. The other matters pending improvement actions are still being progressed and targeted to be completed by March 2026.

3. The Company provided further training on continuing compliance obligations under the Listing Rules and issued its Information Disclosure Compliance Manual in 2023 to all the members of its Group, with particular emphasis on the requirements for connected transactions which was the subject matter of group training in 2023, and which was attended by personnel from

subsidiaries of the Company including Ningxia Building Materials (by its general legal counsel and staff from legal and securities department and investment and development department) and Saima IOT (by its vice general manager and staff from risk control department).

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

Beijing, the PRC
22 October 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 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*