華潤建材科技控股有限公司
China Resources Building Materials Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1313)

2026 INTERIM RESULTS ANNOUNCEMENT

	For the six months ended 30 June		
	2026	2025	
	(unaudited)	(unaudited)	**Change**
Turnover *(RMB million)*	**8,636.0**	10,205.6	(15.4)%
(Loss) profit attributable to owners of the Company *(RMB million)*	**(441.2)**	306.7	
Basic (loss) earnings per share	**RMB(0.063)**	RMB0.044	
Interim dividend per share	**HK$0.014**	HK$0.014	
	As at	As at	
	30/6/2026	31/12/2025	
	(unaudited)	(audited)	**Changes**
Total assets *(RMB million)*	**69,709.4**	70,393.5	(1.0)%
Equity attributable to owners of the Company *(RMB million)*	**43,987.5**	44,508.7	(1.2)%
Gearing ratio *(note 1)*	**32.2%**	30.7%	
Net assets per share – book *(note 2)*	**RMB6.30**	RMB6.37	(1.1)%

notes:

1. Gearing ratio is calculated by dividing the total bank borrowings, loans from related parties and medium-term notes by equity attributable to owners of the Company.

2. Net assets per share – book is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the relevant reporting period.

The board (the "Board") of directors (the "Directors") of China Resources Building Materials Technology Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026 (the "Period") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the six months ended 30 June **2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited)
Turnover	*3*	**8,635,971**	10,205,584
Cost of sales		**(7,922,090)**	(8,318,370)
Gross profit		**713,881**	1,887,214
Other income		**157,261**	132,577
Selling and distribution expenses		**(189,655)**	(189,479)
General and administrative expenses		**(917,370)**	(1,250,450)
Exchange (loss) gain		**(7,008)**	1,421
Finance costs	*4*	**(189,509)**	(229,041)
Share of results of associates		**(135,132)**	(41,912)
Share of results of joint ventures		**4,168**	21,208
(Loss) profit before taxation	*5*	**(563,364)**	331,538
Taxation	*6*	**26,439**	(160,568)
(Loss) profit for the period		**(536,925)**	170,970
Other comprehensive (expense) income:			
Item that will not be subsequently reclassified to profit or loss:			
Change in fair value of other investment		**(1,440)**	1,500
Items that will be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**73,488**	31,314
Share of other comprehensive (expense) income of associates		**(10,603)**	13,009
Total comprehensive (expense) income for the period		**(475,480)**	216,793
(Loss) profit for the period attributable to:			
Owners of the Company		**(441,249)**	306,653
Non-controlling interests		**(95,676)**	(135,683)
		(536,925)	170,970
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(376,948)**	353,704
Non-controlling interests		**(98,532)**	(136,911)
		(475,480)	216,793
Basic (loss) earnings per share	*7*	**RMB(0.063)**	RMB0.044

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30/6/2026** ***RMB'000*** **(unaudited)**	As at 31/12/2025 *RMB'000* (audited)
Non-current assets			
Fixed assets		**29,365,951**	29,967,541
Right-of-use assets		**5,256,671**	5,346,162
Other investment		**16,396**	18,501
Intangible assets		**17,802,466**	17,859,425
Interests in associates		**4,850,263**	5,105,656
Interests in joint ventures		**1,767,671**	1,770,061
Other non-current assets		**1,388,556**	1,345,677
Deferred tax assets		**1,107,660**	1,001,012
Long term receivables		**311,143**	312,143
Pledged bank deposits		**522,807**	521,325
		62,389,584	63,247,503
Current assets			
Inventories		**2,181,668**	1,819,258
Trade receivables	*8*	**2,200,008**	1,860,585
Other receivables		**864,530**	1,040,965
Taxation recoverable		**59,496**	23,515
Cash and bank balances		**2,014,150**	2,401,672
		7,319,852	7,145,995
Current liabilities			
Trade payables	*9*	**2,624,309**	3,168,462
Other payables		**5,549,660**	5,601,461
Taxation payable		**28,255**	113,231
Loans from non-controlling shareholders		**210,668**	209,982
Medium-term notes – amount due within one year		**1,000,000**	-
Bank loans – amount due within one year		**3,993,577**	2,658,746
		13,406,469	11,751,882
Net current liabilities		**(6,086,617)**	(4,605,887)
Total assets less current liabilities		**56,302,967**	58,641,616

	As at 30/6/2026 *RMB'000* (unaudited)	As at 31/12/2025 *RMB'000* (audited)
Non-current liabilities		
Bank loans – amount due after one year	**6,962,331**	7,790,759
Medium-term notes – amount due after one year	**2,000,000**	3,000,000
Loans from non-controlling shareholders	**2,982**	2,982
Other long term payables	**1,771,442**	1,668,266
Deferred tax liabilities	**275,361**	279,394
	11,012,116	12,741,401
	45,290,851	45,900,215
Capital and reserves		
Share capital	**617,812**	617,812
Reserves	**43,369,644**	43,890,886
Equity attributable to owners of the Company	**43,987,456**	44,508,698
Non-controlling interests	**1,303,395**	1,391,517
Total equity	**45,290,851**	45,900,215

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for equity investment designated at fair value through other comprehensive income and certain trade receivables, which are measured at fair value.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the revised standards effective as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

In the Period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the Period.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the above amendments to HKFRS Accounting Standards in the Period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Segment information has been identified on the basis of different products in internal management reports which are prepared in accordance with accounting policies conformed with HKFRS Accounting Standards, that are regularly reviewed by the chief executive officer in order to allocate resources to the operating segments and to assess their performance.

The Group's operating and reportable segments are: cement, concrete and aggregates and others. Segment results represent the profits earned by each segment without allocation of central administration costs, Directors' salaries, share of results of associates and joint ventures, interest income, finance costs and exchange differences.

All of the revenue in cement segment, concrete segment and aggregates and others segment are from sale of goods, which are recognized when the goods are transferred at a point in time. The performance obligation is satisfied upon delivery of goods.

The information of the segment results is as follows:

For the six months ended 30 June 2026 (unaudited)

	Cement *RMB'000*	**Concrete** *RMB'000*	**Aggregates and others** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
TURNOVER– SEGMENT REVENUE					
External sales	**5,175,381**	**1,960,307**	**1,500,283**	**-**	**8,635,971**
Inter-segment sales	**255,583**	**9,149**	**299,940**	**(564,672)**	**-**
	5,430,964	**1,969,456**	**1,800,223**	**(564,672)**	**8,635,971**

Inter-segment sales are charged at prevailing market prices.

RESULTS					
Segment results	**(173,068)**	**82,152**	**(24,560)**	**-**	**(115,476)**
Interest income					**14,734**
Exchange loss					**(7,008)**
Finance costs					**(189,509)**
Unallocated net corporate expense					**(135,141)**
Share of results of associates					**(135,132)**
Share of results of joint ventures					**4,168**
Loss before taxation					**(563,364)**

For the six months ended 30 June 2025 (unaudited)

	Cement *RMB'000*	Concrete *RMB'000*	Aggregates and others *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
TURNOVER– SEGMENT REVENUE					
External sales	6,248,989	2,081,335	1,875,260	-	10,205,584
Inter-segment sales	373,475	1,851	312,763	(688,089)	-
	6,622,464	2,083,186	2,188,023	(688,089)	10,205,584

Inter-segment sales are charged at prevailing market prices.

RESULTS					
Segment results	546,125	157,021	99,521	-	802,667
Interest income					13,423
Exchange gain					1,421
Finance costs					(229,041)
Unallocated net corporate expense					(236,228)
Share of results of associates					(41,912)
Share of results of joint ventures					21,208
Profit before taxation					331,538

4. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interests on:		
Bank loans and medium-term notes	**159,863**	200,018
Loans from non-controlling shareholders	**3,958**	3,272
Provision for environmental restoration	**14,440**	13,795
Payable for acquisition of assets	**16,678**	25,355
Lease liabilities	**7,205**	2,701
	202,144	245,141
Less: Amount capitalized to fixed assets	**(12,635)**	(16,100)
	189,509	229,041

5. (LOSS) PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) profit before taxation has been arrived at after charging (crediting):		
Total staff costs (including Directors' emoluments)	**1,210,264**	1,356,471
Impairment losses on trade receivables	**48,484**	17,075
Amortization of mining rights	**294,768**	306,454
Depreciation of fixed assets	**950,078**	1,035,720
Depreciation of right-of-use assets	**136,825**	120,108
Impairment of fixed assets	**-**	112,199
Short term lease payments	**11,501**	14,699
Variable lease payments – motor vehicles	**213,662**	162,389
Interest income	**(14,734)**	(13,423)

6. TAXATION

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current taxation		
Hong Kong Profits Tax	**7,021**	11,923
Chinese Mainland Enterprise Income Tax	**64,242**	191,565
	71,263	203,488
Deferred taxation		
Hong Kong	**(521)**	(1,490)
Chinese Mainland	**(97,181)**	(41,430)
	(97,702)	(42,920)
	(26,439)	160,568

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for both periods.

Chinese Mainland Enterprise Income Tax includes the income tax calculated at 25% on the taxable income of the group entities in the People's Republic of China ("China" or "PRC") but excluding Hong Kong and Macao (the "Chinese Mainland"), the withholding tax calculated at 5% on dividends in the Chinese Mainland, and the deferred tax calculated at 5% on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong, for both periods.

7. (LOSS) EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) earnings		
(Loss) earnings attributable to the owners of the Company for the purpose of basic (loss) earnings per share	**(441,249)**	306,653

	For the six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Number of share(s) of HK$0.10 each in the share capital of the Company ("Share(s)")		
Weighted average number of Shares for the purpose of basic (loss) earnings per share	**6,982,937,817**	6,982,937,817

No diluted (loss) earnings per share is presented as the Company did not have any potential ordinary shares outstanding.

8. TRADE RECEIVABLES

	As at 30/6/2026 *RMB'000* **(unaudited)**	As at 31/12/2025 *RMB'000* (audited)
Trade receivables from third parties	**2,046,122**	1,720,717
Trade receivables from related parties	**153,886**	139,868
	2,200,008	1,860,585

The Group has a policy of allowing an average credit period of 0 to 60 days from the date of issuance of invoices to its customers.

The following is an aging analysis of trade receivables (net of loss allowance) presented based on the invoice date at the end of each reporting period.

	As at 30/6/2026 *RMB'000* **(unaudited)**	As at 31/12/2025 *RMB'000* (audited)
0 to 90 days	**1,328,342**	1,125,417
91 to 180 days	**221,747**	209,530
181 to 365 days	**340,809**	250,453
Over 365 days	**309,110**	275,185
	2,200,008	1,860,585

9. TRADE PAYABLES

	As at 30/6/2026 *RMB'000* **(unaudited)**	As at 31/12/2025 *RMB'000* (audited)
Trade payables to third parties	**2,479,065**	3,054,067
Trade payables to related parties	**145,244**	114,395
	2,624,309	3,168,462

The Group normally receives credit period of 30 to 90 days from its suppliers. The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period.

	As at 30/6/2026 *RMB'000* **(unaudited)**	As at 31/12/2025 *RMB'000* (audited)
0 to 90 days	**2,052,978**	2,767,003
91 to 180 days	**223,401**	223,102
181 to 365 days	**234,972**	98,380
Over 365 days	**112,958**	79,977
	2,624,309	3,168,462

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.014 per Share for the Period (2025: HK$0.014). The interim dividend, which amounts to approximately HK$97.8 million (2025: HK$97.8 million), will be distributed on or about Friday, 23 October 2026 to shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company after the close of business on Friday, 18 September 2026.

The interim dividend will be payable in cash to each Shareholder in HK$ by default. Shareholders will also be given the option to elect to receive all or part of the interim dividend in RMB at the exchange rate of HK$1.0: RMB0.86466, being the benchmark exchange rate of HK$ to RMB as published by the People's Bank of China on the date of the 2026 interim results announcement, i.e. Friday, 21 August 2026. If Shareholders elect to receive the interim dividend in RMB, such dividend will be paid to Shareholders at RMB0.01210524 per Share. To make such election, Shareholders should complete the Dividend Currency Election Form which is expected to be dispatched to Shareholders in late September 2026 as soon as practicable after the record date of Friday, 18 September 2026 to determine Shareholders' entitlement to the interim dividend, and lodge it with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 12 October 2026.

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on Friday, 23 October 2026 at the Shareholders' own risk.

If no duly completed Dividend Currency Election Form in respect of the Shareholder is received by the Company's share registrar by 4:30 p.m. on Monday, 12 October 2026, such Shareholder will automatically receive the interim dividend in HK$. All dividend payments in HK$ will be made in the usual ways on Friday, 23 October 2026.

If Shareholders wish to receive the interim dividend in HK$ in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2026 to Friday, 18 September 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged not later than 4:30 p.m. on Friday, 11 September 2026 with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

BUSINESS ENVIRONMENT

In the first half of 2026, facing a complex and volatile external environment alongside the internal pressures of domestic economic transformation, the Chinese government adhered to the general principle of pursuing progress while maintaining stability, completely, accurately and thoroughly implemented the new development philosophy, and accelerated the construction of a new development paradigm. With the goal of creating a market-oriented, law-based, and globalized first-class business environment, the Chinese government implemented more proactive and effective macroeconomic policies with precision and developed new quality productivities tailored to local conditions. All regions and departments had taken proactive actions and implemented comprehensive policies to continuously deepen the reform of "Streamlining Administration and Delegating Power, Improving Regulation, and Upgrading Services", strengthen the protection of intellectual property rights, implement taxation support policies, expand institutional opening up, seek to ease the pain points and difficulties of corporate operations, and continuously optimize government services and primary resource guarantees. This had promoted a sustained improvement in the business environment and laid solid micro-foundation for economic recovery. In the first half of 2026, the gross domestic product of China grew by 4.7% year-on-year to RMB69.6 trillion, and national fixed asset investment (excluding rural households) decreased by 5.7% year-on-year to RMB22.6 trillion.

In terms of stabilizing investment, in 2026, the Chinese government had strengthened the counter-cyclical and cross-cyclical adjustments to fiscal and monetary policies, and implemented a more proactive fiscal policy and a moderately loosened monetary policy. The Government Work Report this year specifically arranged RMB4.4 trillion of local government special bonds to be newly issued and RMB800.0 billion of ultra-long-term special government bonds to be issued to support the construction of "Two Major Initiatives". Simultaneously, RMB800.0 billion of new-type policy-based financial instruments would be issued. The progress of new special bonds issued in the first quarter was approximately 26%, significantly higher than the corresponding periods in 2024 and 2025. Entering the second quarter, investment growth slowed down due to factors such as slowdown in the issuance of new special bonds, inadequate effective bridging between existing funds and new construction projects, and reforms of the investment approval system. According to the statistics published by the National Bureau of Statistics of China, in the first half of 2026, the national infrastructure investments (excluding the industries for production and supply of electricity, heat, gas and water) decreased by 2.4% year-on-year. Since June, the issuance of new special bonds had accelerated significantly, with issuance exceeding RMB570.0 billion that month, achieving the highest monthly figure so far this year. The National Development and Reform Commission had completed the allocation of the third batch of "Two Major Initiatives" projects, and RMB800.0 billion of ultra-long-term special government bonds for the year had all been issued, covering 1,417 major projects.

In 2026, China continued to deepen its real estate policy regulation, with coordinated efforts from multiple ministries to stabilize the market, prevent risks, and promote transformation. The central government adhered to the principle of combining the construction of the "Three Major Projects" with city-specific policies, continued the systems of special loans for ensuring the delivery of buildings and a white list of real estate companies, provided precise support for the financing of high-quality real estate enterprises, and promoted the smooth transition of the industry to a new development model. According to the statistics published by the National Bureau of Statistics of China, in the first half of 2026, real estate development investment in China decreased by 18.0% year on-year to RMB3.8 trillion (among which, residential development investment decreased by 17.8% year-on-year). The floor space of houses under construction by real estate developers nationwide decreased by 12.5% year-on-year to 5,540 million m^2. The floor space of houses newly started construction decreased by 23.4% year-on-year to 230 million m^2. The floor space of houses completed decreased by 23.7% to 170 million m^2. The floor space of new commodity housing sold decreased by 11.6% year-on-year to 400 million m^2. The sales amount of new commodity housing sold decreased by 13.6% year-on-year to RMB3.8 trillion. Funds available to real estate developers amounted to RMB4.0 trillion, representing a year-on-year decrease of 20.2%. Although the industry as a whole remains in a deep adjustment cycle, the floor space of new commodity housing sold in June increased by 45.5% month-on-month and the sales amount increased by 34.8% month-on-month, which showed signs of marginal recovery. The effectiveness of inventory reduction continued to become apparent, with the floor space of commodity housing for sale declining year-on-year for four consecutive months. Local governments continued to optimize the real estate business environment, simplify project approval procedures, strengthen the supervision of pre-sale funds and the construction of credit system, and strived to stabilize market expectations.

In terms of urban renewal and transformation of urban villages, in May 2026, the State Council of China issued the "'Fifteenth Five-Year' Plan for Urban Renewal", which specifically required to complete the renovation of 500,000 sets of dilapidated and old houses, transformation of approximately 4,000 urban villages and renovation of 115,000 old communities during the "Fifteenth Five-Year" Period. In the first half of the year, the scale of central funding in financial support for urban renewal exceeded RMB310.0 billion, including RMB160.0 billion of ultra-long-term special government bonds to support the renovation of urban underground pipe networks and RMB97.0 billion of special arrangement for central budgeted investment in urban renewal. Among the newly issued special bonds, those related to urban renewal had exceeded RMB180.0 billion, and special bonds for transformation of urban villages approached RMB80.0 billion, representing a year-on-year increase of 34%. In the first half of the year, approximately 27,000 old urban communities nationwide newly started renovations, which benefited approximately 5 million households.

THE INDUSTRY

According to the statistics published by the National Bureau of Statistics of China, in the first half of 2026, the total cement production in China amounted to approximately 740.0 million tons, representing a year-on-year decrease of 8.0%. Cement production in Guangdong, Guangxi, Fujian, Hainan, Yunnan, Guizhou, Shanxi and Hunan were approximately 52.3 million tons, 38.8 million tons, 19.7 million tons, 6.4 million tons, 42.9 million tons, 24.1 million tons, 14.3 million tons and 29.2 million tons respectively, representing year-on-year changes of approximately -10.9%, -8.2%, -18.4%, 3.1%, 4.5%, 6.7%, -6.6% and -3.7% respectively.

During the Period, according to the statistics of the China Cement Association, there were 3 new clinker production lines nationwide with new annual clinker production capacity of approximately 7.4 million tons in total. Among which, in the major operating regions of the Group, there were no new annual clinker capacity.

In terms of policies for the cement and aggregates industries, in 2026, multiple ministries coordinated efforts to introduce numerous special policies focusing on energy conservation, carbon reduction, capacity regulation and control, capacity expansion of carbon markets and green transformation to foster high-quality development of the industries. In the first half of the year, guided by the "Fifteenth Five-Year" top-level national planning for carbon peaking, the government had systematically deployed a comprehensive policy package covering intensive energy-saving and carbon-reduction upgrades, scope expansion of carbon markets, ultra-low emissions transformation, and regulation and control of production capacity, which created a policy landscape characterized by a combination of rigid supply-side constraints and structural demand-side opportunities.

In terms of energy conservation and emission reduction, in June 2026, the National Development and Reform Commission of China, the Ministry of Industry and Information Technology of China, the Ministry of Ecology and Environment of China, the State-owned Assets Supervision and Administration Commission of the State Council of China, and the National Energy Administration of China jointly issued the "Notice on Launch of Three-Year Action for Energy Conservation and Carbon Reduction Transformation in Key Industries". The notice specified that, from 2026, nine key industries, including steel, electrolytic aluminum, cement and coal power, would be prioritized for three-year comprehensive energy conservation and carbon reduction transformation. By the end of 2028, the proportion of production capacity in key industrial sectors such as cement that meet the current energy efficiency benchmark level shall increase by an average of 20 percentage points, and production capacity below the energy efficiency basic level shall be basically eliminated, which will result in cumulative energy savings of over 100 million tons of standard coal and reductions in carbon dioxide emissions of over 200 million tons. In terms of the cement industry, energy conservation and carbon reduction transformation will be promoted in key processes such as cement and clinker production through the application of high-efficiency equipment such as six-stage preheaters and fourth-generation central roller crushers with high-efficiency grate coolers, transformation of oxygen-enriched (all-oxygen) combustion systems and high-efficiency burners in kilns will be rolled out, application of vertical mill final grinding systems and separate grinding process technology will be supported, and green and low-carbon substitution of raw materials and fuels will be implemented. The National Development and Reform Commission of China, together with relevant ministries, had strengthened central government investment support by providing funding subsidies of up to a proportion of 20% of the total approved investment for eligible renovation projects for energy conservation and carbon reduction.

In terms of green development, in August 2026, three ministries including the Ministry of Industry and Information Technology jointly issued the "Notice on Organizing the Recommendation of Energy Efficient and Carbon Efficient Front-Runner Enterprises in Key Industries in 2026", which had included five industries including cement and clinker in the scope of recommendations for the first batch of front-runner enterprises. This is the first-ever selection for carbon efficient front-runner enterprises in China.

In terms of "Dual Carbon", in July 2026, the State Council of China issued the "'Fifteenth Five-Year' Action Plan for Carbon Peaking", which specified that, by 2030, carbon dioxide emissions per unit of gross domestic product shall be reduced by 17% compared to 2025, and the proportion of non-fossil energy consumption shall reach 25%. During the "Fifteenth Five-Year" Period, carbon dioxide emissions per unit of value-added for industrial enterprises above designated scale shall be reduced by more than 17%. The plan requires for strengthening regulated management of cement production capacity, intensively and effectively controlling "two-high" projects, implementing carbon emission replacement measures on an equal or reduced basis for any new (renovated or expanded) construction of "two-high" industrial projects, and comprehensively implementing energy-saving and carbon-reduction transformation across traditional industries. During the "Fifteenth Five-Year" Period, approximately 100 national-level zero-carbon industrial parks and approximately 500 zero-carbon factories shall be established.

In terms of production safety, in 2026, focusing on key areas such as mine safety, administrative penalties and fulfillment of primary responsibilities, the Chinese government introduced multiple targeted regulations and standards, and strengthened rigid constraints and precise law enforcement, which promoted the safe and compliant development of the cement and related mining industries. In January, the National Mine Safety Administration of China issued the "Key Points of Mining Production Safety Work in 2026", which outlined the "hard rulers" for safety work throughout the year through twenty-eight hard measures and made the overall entrustment of mines as a separate regulation for the first time. It also specified that the replacement rate of dangerous and onerous positions in non-coal mines with smart equipment or robots should be not less than 20%. The "Administrative Penalty Measures for Violations of Production Safety Laws" had come into effect on 1 February 2026, which unified the discretionary standards for administrative penalties in industries such as mining, hazardous chemicals, industry and trade. In June, the National Mine Safety Administration of China issued the "Guiding Opinions on Further Strengthening the Implementation of Primary Responsibilities of Mining Enterprises for Production Safety", which proposed systematic measures from aspects such as consolidating the responsibilities of all parties in enterprises, and regulating and controlling major risks and hazards. The combined effects of the aforesaid policies had continuously tightened the bottom line for safety and compliance supervision in the cement and mining industry, and drove for the transformation of safety governance modes towards pre-emptive prevention.

TRANSFORMATION AND INNOVATION

The Group has always upheld the philosophy of green and low-carbon development, integrated requirements for ecological and environmental conservation, energy conservation and carbon reduction into every step of production and operations to actively contribute to building a beautiful China and strive to foster harmonious coexistence between man and nature. In reliance on the construction of environment, health and safety systems, the Group continuously improved the end-to-end environmental management mechanisms, vigorously advanced the creation of green mines and green factories, persistently increased investment in energy-conserving and carbon-reducing technological transformation upgrades and strengthened smart upgrade. By combining technological breakthroughs with management optimization, the Group continued to consolidate the achievements of green industrial transformation, which fostered high-quality and sustainable development. In the first half of 2026, the Group had a total of 38 mines that were registered as green mines of provincial-level or AR-level, and 9 mines had passed the selection for national green mines.

In the first half of 2026, the Group's unfailing efforts in technological innovation and corporate social responsibility work were recognized by the industry and the society. These include:

- In May 2026, one scientific and technological achievement of the Group was included in the list of winners of the "2025 Building Materials Science and Technology Awards" jointly released by the China Building Materials Federation and the China Ceramic Society. Among which, the "Development and Application of Carbon-Reduction Grinding Aid Technology for Cement" project collaborated between the Company and the Jinan University won the second prize of science and technology progress.

DISPOSAL

In February 2026, the Group sold the mining rights of second limestone quarry for flux in Nali Station, Pingguang Forest, Shangsi County, Fangchenggang City, Guangxi, through tendering for a total consideration of RMB100.0 million.

PRODUCTION CAPACITY

Changes to Production Plants

In terms of clinker, during the Period, the Group demolished several production lines through capacity replacement. Following the completion of capacity replacement, the Group had annual clinker production capacities of 52.3 million tons through subsidiaries and 11.9 million tons through associates.

In terms of concrete, during the Period, the Group had 8 newly cooperated concrete batching plants and halted the cooperation of 1 concrete batching plant. The total annual concrete production capacity increased by approximately 3.8 million m^3 as compared with the end of 2025.

Capacity Utilization

The utilization rates of the Group's cement, concrete and aggregates production lines during the Period were 53.5%, 31.4% and 75.8% respectively, as compared with 56.8%, 32.0% and 80.2% respectively in the first half of 2025.

COST MANAGEMENT

Operational Management

In the first half of 2026, guided by the management theme of "Strengthening Foundations and Mitigating Risks, Making Breakthroughs and Cultivating New Developments", the Group continued to drive cost reduction and efficiency enhancement across the entire cement value chain. In terms of lean management, significant reductions in energy consumption and production costs were achieved through a series of measures, including optimization of coal mix for cement kilns, upgrade of transformer energy efficiency ratings and deployment of energy-saving fans.

The Group actively responded to the national strategy of "carbon peaking and carbon neutrality", robustly advanced the operational management and control of basic building materials and upgrade plan for energy-saving. Energy efficiency levels continued to improve through a series of measures, including continuous promoting the use of alternative fuels and raw material grinding aids, strengthening comprehensive utilization of industrial waste resources, advancing process optimization and energy-saving equipment transformation. In the first half of 2026, 13 production lines had met the benchmark levels stipulated in the requirements of GB16780-2021 "The Norm of Energy Consumption Per Unit Products of Cement", representing 38% of our production capacity.

In terms of mine operations and management, the Group had achieved cost reduction and efficiency enhancement through multiple measures, including implementing lean management across all operational processes, promoting the use of new energy equipment, and exercising strict cost management and control. In terms of ecological restoration, the Group secured injection of mine ecological restoration funds, adhered to the principle of "concurrent mining and restoration", and strictly fulfilled its primary responsibility for ecological restoration of mines. The Group continuously and systematically promoted the application of new energy electric mining trucks and electrical engineering machinery, drove for digitalized, intelligentized and green transformation of mining operations through integration of information technology, and enhanced the efficiency of resource development, utilization, and production management.

In terms of project construction management, the Group ensured compliance and orderly implementation through whole-process management and control of project construction. Supervision and inspection on prominent issues of project construction were conducted, and practical solutions were offered to address actual on-site problems. Processing of licenses was expedited through review on licenses and risks assessment for each project. Implementation of defect elimination and deficiency rectification matters was proactively expedited and regular production safety hazard inspections and treatments were carried out for all projects under construction and aggregates production lines which had commenced production in recent years to ensure "no safety, no production".

In terms of energy saving and consumption reduction, the Group continuously optimized its energy and raw material structure by use of alternative fuels and raw material grinding aids, and comprehensive utilization of industrial waste such as yellow phosphorus slag and calcium carbide slag. At the same time, upgrade and transformation of energy-saving equipment was actively advanced and clean energy projects such as photovoltaic and energy storage were vigorously developed, which had effectively reduced electricity costs and promoted carbon emissions reduction. Specifically, the replacement of fuel-powered mining trucks with electric mining trucks had reduced energy costs, while repairs of core components were done in-house to further enhance cost reduction and efficiency improvement. In terms of water resource management, in reliance on efficient water recycling system and rainwater harvesting and utilization system, zero discharge of wastewater from production had been achieved.

In terms of managerial improvement, the Group intensively implemented lean improvement initiatives by establishing a three-tiered model for project management and control that highlighted key priorities, fostered vertical collaboration, and ensured implementation at all levels. In terms of operational excellence, the Company focused on advancing construction of intelligent factories and development and application of artificial intelligence large models, and had successfully built an intelligent production management and control system. China Resources Cement (Tianyang) Limited of the Group won the title of "Lighthouse Factory" for its leading intelligentization practices.

In terms of aggregates business management, the Group adhered to the concept of "maximizing output for higher turnover". The Group focused on operational aggregates projects to systematically identify production and sales bottlenecks for each project and unlock potential for increased output, formulated tailored proposals and targets of "maximizing output for higher turnover" for each production plant specifically, and concentrated efforts on resolving key challenges to ensure effective implementation of the strategy of "maximizing output for higher turnover" and drive for continuous improvement in aggregates capacity utilization and operational standards. Full industry chain coordination across cement, aggregates, and concrete was implemented and markets were proactively cultivated to precisely align with end-user demand, and demand-driven production was adopted to dynamically optimize product portfolios and aggregates particle size mix for enhancing overall competitiveness. Operations management evaluation system of "standards revision, comprehensive evaluation and evaluation-driven reform" was built for comprehensive enhancement of operational management level.

Procurement Management

In the first half of 2026, affected by reduced coal production in Indonesia, geopolitical conflicts in the Middle East and mining accidents in Shanxi, the coal market underwent deep adjustments under the triple pressure of lower supply, higher demand and lower inventories, which had led to tiered increase in coal prices at northern ports. During the Period, the Group purchased a total of approximately 2.8 million tons of coal, among which, approximately 61%, 18% and 21% were sourced from northern China, neighbouring areas of the Group's production plants and overseas respectively.

In the first half of 2026, the Group achieved coal consumption costs and procurement prices below market prices, primarily through measures such as sourcing coal produced by China Coal under long-term contracts, developing imported coal unloading at ports in Southern China, securing volume-based incentives from Jinneng, flexibly purchasing low-priced spot imported coal at ports in Southern China, planning port layout and expanding new channels.

In the future, coal procurement operations will continue to secure stable supply from key coal channels from Northern China. Market analysis will be conducted to flexibly procure spot-market coal, and procurement channels will be further explored to ensure coal procurement costs below market average. In terms of inventory strategy, the Group will continue to adhere to a model of lean inventory in combination with opportunistic stockpiling, building up reserves when market trends signal a clear upward trajectory to reduce annual procurement costs while refining loss management and strictly controlling rates of tonnage and thermal value loss.

As aggregates constitute the core raw materials for concrete production, the Group continuously deepened internal aggregates collaboration to unleash advantages in integrated holistic efficacy. At the same time, direct procurement from the source was promoted, supplier channels were expanded, and business benchmarking and dynamic price control were reinforced. In addition, according to fluctuations in market supply and demand, the Group optimized procurement strategies and flexibly introduced channels through a set of strategies to foster competition.

Logistics Management

In the first half of the 2026, the Group adopted a series of targeted measures to drive for a significant downward trend in overall logistics cost. In terms of shipping, the Group continuously optimized the matching of vessel types for aggregates to effectively narrow the price differentials between cement carriers, self-unloading vessels and open hatch vessels, and developed a transport model utilizing 10,000-ton class seagoing vessels to reduce shipping costs through multi-stage coordination. In terms of truck transportation, the Group vigorously advanced a two-way logistics mechanism for raw materials, established an efficient distribution logistics chain, and increased the proportion of new energy electric vehicles used for transport at the same time to continuously reinforce efficacy in management, control and reduction of logistics costs.

In the first half of 2026, the annual shipping capacity of the Group along the Xijiang River was approximately 18.0 million tons, which secured stable and continuous logistics capabilities for the Group's business development. The Group continuously optimized the layout of its silo terminals and occupied high-quality silo terminal resources. During the Period, the Group operated 32 silo terminals with total annual capacity of approximately 31.8 million tons, which are mainly located in the Pearl River Delta Region of Guangdong. This consolidates the Group's leading market position in Southern China.

Sales and Marketing

Product Promotion

In the first half of 2026, the Group continued to focus on the promotion of specialized products such as cement for nuclear power stations, Portland cement for roads and medium to low-heat cement to create differentiated competitive advantages. In the first half of the year, a total of approximately 300,000 tons of specialty cement was supplied. In the first half of 2026, the Group continued to strengthen the supply of nuclear power projects. The Group successfully won bids for nuclear power projects such as Lufeng No. 1 and No. 2 units and Taishan Phase II in South China, and was shortlisted in the tender for the Xiapu nuclear power project in Ningde, Fujian.

Brand Building

In the first half of 2026, the Group continued to deepen the development of the "Runfeng" and "Runpin" brands, and focused on shaping brand value, expanding terminal application scenarios and strengthening customer relationships to steadily enhance brand influence and market recognition. Amendments of the "China Resources Building Materials Technology 'Runfeng' Brand Management Measures" and the "China Resources Building Materials Technology 'Runpin' Brand Building Management Measures" were advanced to further standardize participation behaviour in brand rankings and continuously refine brand management mechanisms. Relying on the "Runpin" brand building, the Group steadily progressed the lease signing and implementation of supporting processes for the showroom at Shuitou, Fujian, and successfully executed brand exposure and exhibition activities such as CCTV advertising, the Beijing China International Supply Chain Expo, the Jinjiang "City Star" Exhibition and the government exhibition of Qingyuan Building Materials Alliance, and simultaneously launched terminal empowerment initiatives such as visiting terminal distributor outlets and packaging outstanding distributors with promotional videos, to continuously consolidate the brand foundation. Aligning with the new stage of brand development, the Group successfully hosted the 2026 tenth anniversary brand activity, which had systematically showcased a decade of fruitful achievements, reinforced emotional connections with customers, conveyed confidence in brand development, further forged market consensus and empowered business development.

Transformation and Innovation

New Business Development

In the first half of 2026, the Group actively promoted the development of new businesses, fully utilized the integrated synergistic advantages between cement, aggregates and concrete, actively explored mortar business cooperation, and continued to optimize business structure, with continuous increases in the proportions of assets and revenue of new businesses.

Aggregates

In the first half of 2026, the Group did not commission any new aggregates projects.

As of 30 June 2026, based on its own existing cement mines, the Group's annual production capacity of aggregates in operation through its subsidiaries (inclusive of trial production) was approximately 115.2 million tons, and the total annual production capacities of aggregates attributable to the Group according to our equity interests of the associates located in Yunnan and Fujian were approximately 4.4 million tons. Upon completion of construction of all projects, the annual production capacity of aggregates controlled by the Group through its subsidiaries is expected to reach 125.9 million tons and the annual production capacity of aggregates attributable to the Group according to our equity interests of associates and joint ventures will reach approximately 11.3 million tons.

Functional Building Materials

In the first half of 2026, consumption and investment both faced downward pressure, growth rate of total retail sales remained sluggish, real estate investment continued to decline, and the floor area of new construction starts remained in negative growth, which resulted in the continued pressure on the overall functional building materials sector and further intensified competition. Relying on core products such as engineered stone, the Group systematically proceeded with the closure of underperforming production plants and the optimization of production capacity structures, deepened lean cost-reduction initiatives across the entire value chain, focused on the expansion of project-based sales channels and the optimization of product portfolios, and simultaneously drove organizational reshaping and enhancement of workforce efficiency, achieving steady improvement in operational quality amidst a complex market environment.

Digital Transformation

As a benchmark enterprise of China Resources Group in digitalization and intelligentization, the Company continued to promote the construction of digitalization and intelligentization, fostered new drivers of growth through digital and intelligent transformation, and supported cost reduction and efficiency enhancement across the entire value chain.

Intelligent Factories

In terms of intelligent factories, the Group fully utilized the "lighthouse factory" mechanism to expand "lighthouse networks", continued to explore innovative applications and data governance in "AI+ Manufacturing", and further increased the adoption rate of intelligent technologies across key business processes and the adoption rate of next-generation intelligent terminals and intelligent agents, in order to unleash the value of digitalization (including artificial intelligence) scenarios across the entire business value chain. The Group continued to transform production and operations management model, reduced manual data entry for quality inspections, achieved real-time monitoring of carbon emissions, supported the asset-light expansion of the concrete business, and continued to unlock the potential of existing systems to cut costs, improve quality and boost efficiency, which will lay a solid foundation for the Company to fully achieve digitalized operations and intelligentized decision-making.

In terms of artificial intelligence, the Group actively explored the application of artificial intelligence in the building materials industry to help boost business efficiency and stabilize quality. Systematically advancing the effective implementation of its "AI+" actions and with "AI+" manufacturing as the major driver, the Group focused on exploring nine types of scenarios, including particle size identification for coarse aggregates, intelligent bag dust collection and intelligent concrete mix design. Part of exploratory applications of multi-modal, end-to-end intelligent control had been implemented in Zhushui and Fengkai, which had achieved optimization of energy consumption metrics and enhanced the level of automated control. Building upon the foundation of the Tianyang Industrial Park, the visual-based intelligent safety pre-warning system had undergone iterative upgrades for real-time monitors of key indicators such as the timeliness of alarm processing, compliance with high-risk operations and the management of counterparty's operations, which established a whole-process, closed-loop management and control mechanism that covers "monitoring, alerting, and responding". The shift from "reactive response" to "proactive prevention" in safety management was promoted. 50 units of intelligent bag dust collection systems had been promoted, to achieve dual optimization of equipment operation and maintenance and energy consumption management and control, reduce compressed air usage and achieve lower power consumption of dust collection fan. Particle size identification for coarse aggregates had been put on trial application at Tianyang production plant, which utilized visual inspection technology to monitor large-particle sizes in real time and shifted from manual inspection to automated inspection, reduced quality-related incidents, and formed a closed-loop management mechanism of "inspection, pre-warning, response, and traceability". Intelligent concrete mix design had been implemented for application at 5 production plants, achieving material cost reduction. Optimization of advanced control of kiln grinding operations through large models was explored to enhance automation rates of kiln grinding from 90% to 99%. The launch of three intelligent agents for concrete product design, production safety management system and intelligent expense reimbursement for application and the release of "Deep Concrete" large model had continuously expand the boundaries of intelligent services.

As of the end of June 2026, the Group has actively promoted the tiered development of intelligent factories, with 6 production plants (Heqing, Shangsi, Yangchun, Yongding, Jinsha and Changzhi) recognized as advanced-level intelligent factories.

Smart Logistics

In terms of smart logistics, during the first half of the year, the Group continued to focus on the three areas of cost reduction and efficiency improvement, risk management, and experience enhancement, advanced and completed the upgrade and promotion of the Smart Code system to 6 production plants, including Zhanjiang, Yangchun, and Luoding, which further facilitated the cross integration of positions at these production plants and reduced both hardware failure rates and maintenance costs. The completion of the lightweight integration of the dispatch system for 1 pilot asset-light concrete plant was supported to help strengthen credit management and control for asset-light plants. The application consolidation and iterative development for personalized requirements were continuously advanced to consistently enhance user experience.

Smart Marketing

In terms of smart marketing, during the first half of the year, the Group's project for digital transformation of marketing model had been fully launched in the cement, aggregates, concrete and tile adhesives businesses of each region with a coverage rate of 100%. The logistics distribution and supply chain financing business on the platform continued to launch steadily. As of the end of June 2026, the cumulative transaction volume of the e-commerce platform reached approximately 460.0 million tons, with approximately 58,000 registered users, 627 carriers and approximately 137,000 vehicles (vessels) settled cumulatively. At the same time, the cumulative distributed business volume of the platform reached 1.0 million tons.

RESEARCH, DEVELOPMENT AND INNOVATION

Innovation is an important momentum to stimulate corporate vitality and motivate long-term corporate development. As of 30 June 2026, the Group had 699 technology talents, among whom, there were 5 China Resources Group-level scientific and technological leading talents, 5 company-level scientific and technological leading talents, and 19 company-level scientific and technological backbone talents. There were 191 full-time technological research and development employees, among whom, there were 6 official senior-level engineers, 7 employees with doctorate degrees, and 35 employees with master's degrees.

In the first half of 2026, the Group actively promoted research, development and application of new products and new technologies. China Resources Cement (Changjiang) Limited prioritized the two benchmark projects of co-processing of hazardous fly ash by use of cement kilns and a research and development platform for carbon neutrality, which leveraged cutting-edge technological innovation empowerment to explore new pathways for the green and low-carbon transformation of traditional manufacturing industry. Deeply committed to the research and development of cement grinding aid technology, high-performance low-carbon grinding aids were launched, and integrated solutions encompassing energy saving, carbon reduction, quality improvement, consumption reduction and efficiency enhancement were tailor made for cement enterprises, which had been successfully applied at over 20 subsidiary production plants. In addition, the Group continuously advanced the development and implementation of key technologies such as the utilization of premium aggregates, high-quality manufactured gravel and basalt tailings, as well as the implementation of projects such as concrete mix designs by artificial intelligence, to actively embrace artificial intelligence and foster high-quality corporate development.

In the first half of 2026, the Group was honoured with 1 award from first-class industry associations, among which, the "Development and Application of Carbon-Reduction Grinding Aid Technology for Cement" project won the second prize of the Science and Technology Progress Award of the China Building Materials Federation. As of 30 June 2026, the Company held a total of 347 valid patents, including 131 invention patents, 214 utility model patents and 2 exterior design patents, 18 new authorized patents were added and the number of new article submissions was 36.

EMPLOYEES

General Information

As at 30 June 2026, the Group employed a total of 16,093 employees, all of whom were full-time, among whom, 326 were based in Hong Kong and the remaining 15,767 were based in the Chinese Mainland (16,825, 342, 16,483 respectively as at 31 December 2025). A breakdown of our employees by function is set out as follows:

	As at 30/6/2026	As at 31/12/2025
Management	**480**	492
Finance, administration and others	**2,148**	2,243
Production staff	**8,246**	8,792
Technical staff	**4,382**	4,425
Sales and marketing staff	**837**	873
Total	**16,093**	16,825

Among our 480 senior and middle-level managerial staff, 86% are male and 14% are female, 87% possess university degrees or above, 11% have received post-secondary education and the average age of managerial staff is approximately 47 (492, 85%, 15%, 86%, 13%, 47 respectively as at 31 December 2025).

The Group has established a remuneration allocation mechanism based on job value and combined with performance contribution, personal ability and talent development, paid in form of cash bonuses. In the first half of the year, the Group reshaped the human resources management system and optimized the remuneration and benefits system. The total staff costs (including Directors' emoluments) was approximately RMB1,210,264,000 during the Period (RMB1,356,471,000 in the corresponding period of 2025).

In the first half of 2026, in line with the Company's talent development targets, we continued to advance the "3+1" talent team cultivation. Focusing on corporate operational management, we promoted the penetration of strategy, organization and culture across all levels. Focusing on core personnel and young talents, we refined various special training programmes while reinforcing the quality of online learning to provide diverse resources and learning platforms for the development of our employees.

REVIEW OF OPERATIONS

Turnover

The consolidated turnover for the Period amounted to RMB8,636.0 million, representing a decrease of 15.4% from RMB10,205.6 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the six months ended 30 June					
	2026			2025		
	Sales volume *'000 tons/m³*	**Average selling price** *RMB per ton/m³*	**Turnover** *RMB'000*	Sales volume *'000 tons/m³*	Average selling price *RMB per ton/m³*	Turnover *RMB'000*
Cement products	**25,127**	**206.0**	**5,175,381**	25,309	246.9	6,248,989
Concrete	**7,957**	**246.4**	**1,960,307**	6,877	302.7	2,081,335
Aggregates	**35,624**	**30.6**	**1,089,467**	36,336	36.2	1,315,625
Others			**410,816**			559,635
Total			**8,635,971**			10,205,584

During the Period, our external sales volume of cement products, concrete and aggregates decreased by 0.2 million tons, increased by 1.1 million m^3 and decreased by 0.7 million tons respectively, representing a decrease of 0.7%, an increase of 15.7% and a decrease of 2.0% respectively from the corresponding period last year. During the Period, approximately 83.6% of the cement products the Group sold were 42.5 or higher grades (82.1% for the corresponding period in 2025) and approximately 31.7% were sold in bags (30.8% for the corresponding period in 2025). Internal sales volume of cement for our concrete production was 1.2 million tons (1.4 million tons for the corresponding period in 2025), representing 5.2% of the total volume of cement sold (5.7% for the corresponding period in 2025).

The average selling prices of cement products, concrete and aggregates for the Period were RMB206.0 per ton, RMB246.4 per m^3 and RMB30.6 per ton respectively, representing decreases of 16.6%, 18.6% and 15.5% respectively from the corresponding period last year.

Cost of Sales

The unit cost of the Group's cement products was RMB193.9 per ton, representing a decrease of 3.4% from the corresponding period last year. Through cost reduction initiatives such as multi-channel procurement of alternative raw materials, the Group had effectively offset the pressure from the year-on-year increase in coal prices, thereby achieving an overall reduction in the unit costs of cement products.

The cost of sales of cement products of the Group comprised coal, electricity, materials and other costs, which represented 37.3%, 13.1%, 17.6% and 32.0% of their costs respectively for the Period (37.1%, 13.5%, 17.4% and 32.0% for the corresponding period in 2025 respectively). Materials cost is the major component of the cost of sales of concrete, representing 70.9% of the cost of sales of concrete for the Period (71.1% for the corresponding period in 2025).

The average price of coal the Group purchased for the Period was approximately RMB721 per ton, representing an increase of 5.9% from the average price of RMB681 per ton for the corresponding period in 2025, while the average thermal value of coal increased by 0.3% to 5,358 kcal per kg. During the Period, our unit coal consumption decreased to 127.5 kg per ton of clinker produced from the average of 129.0 kg for the corresponding period last year. Our standard coal consumption decreased to 97.5 kg per ton of clinker produced for the Period from the average of 98.2 kg for the corresponding period last year. As a result of the increase in coal price, our average coal cost for the Period increased by 4.8% to RMB91.9 per ton of clinker produced from RMB87.7 for the corresponding period in 2025.

Our average electricity cost decreased by 5.9% from RMB27.0 per ton of cement to RMB25.4 for the Period. During the Period, our electricity consumption was 70.6 kwh per ton of cement (68.4 kwh for the corresponding period in 2025). During the Period, our residual heat recovery generators generated 627.9 million kwh of electricity, representing a decrease of 0.6% over 631.5 million kwh for the corresponding period last year. The electricity generated during the Period accounted for approximately 27.9% of our required electricity consumption (28.1% for the corresponding period in 2025) and we achieved a cost saving of approximately RMB266.7 million for the Period (RMB267.9 million for the corresponding period in 2025).

Other costs mainly comprised staff cost, transportation cost, depreciation, and repairs and maintenance cost. Repairs and maintenance cost included in the cost of sales of cement products for the Period was RMB253.6 million, representing an increase of 4.4% from RMB242.8 million for the corresponding period in 2025.

Gross Profit and Gross Margin

The consolidated gross profit for the Period was RMB713.9 million, representing a decrease of 62.2% from RMB1,887.2 million for the corresponding period in 2025 and the consolidated gross margin was 8.3%, representing a decrease of 10.2 percentage points from 18.5% for the corresponding period in 2025. The Company continuously deepened cost reduction measures across the entire value chain. During the Period, the unit costs of sales of cement, concrete and aggregates decreased as compared with the corresponding period in 2025. However, the selling prices of the aforesaid three products decreased as compared with the corresponding period in 2025. The contribution from reduction in costs of sales was not able to offset the impact of decreases in selling prices, resulting in decreases in consolidated gross profit and consolidated gross margin. The gross margins of cement products, concrete and aggregates for the Period were 6.2%, 12.0% and 13.6%, as compared with 20.1%, 14.0% and 25.3% respectively for the corresponding period in 2025.

Other Income

Other income for the Period was RMB157.3 million, representing an increase of 18.6% from RMB132.6 million for the corresponding period in 2025.

Selling and Distribution Expenses

Selling and distribution expenses for the Period were RMB189.7 million, representing an increase of 0.1% from RMB189.5 million for the corresponding period in 2025. As a percentage of consolidated turnover, selling and distribution expenses for the Period increased to 2.2% from 1.9% for the corresponding period in 2025.

General and Administrative Expenses

General and administrative expenses for the Period were RMB917.4 million, representing a decrease of 26.6% from RMB1,250.5 million for the corresponding period in 2025. During the Period, nil impairment of fixed assets (RMB112.2 million for the corresponding period in 2025) was charged to general and administrative expenses. As a percentage to consolidated turnover, general and administrative expenses decreased to 10.6% for the Period from 12.3% for the corresponding period in 2025.

Share of Results of Associates

The associates of the Group contributed a loss of RMB135.1 million for the Period (a loss of RMB41.9 million in the corresponding period in 2025), of which a profit of RMB6.8 million, a loss of RMB38.0 million, a loss of RMB82.7 million and a loss of RMB12.4 million (a profit of RMB9.5 million, a profit of RMB0.4 million, a loss of RMB13.9 million and a loss of RMB27.0 million for the corresponding period in 2025) were attributable to the Group's associates operating in Inner Mongolia, Fujian, Yunnan and Guangdong respectively.

Share of Results of Joint Ventures

The joint ventures of the Group contributed a profit of RMB4.2 million for the Period (a profit of RMB21.2 million for the corresponding period in 2025).

Taxation

The effective tax rate of the Group for the Period was 4.7%, as compared with 48.4% for the corresponding period in 2025. Had the effect of the results of associates and joint ventures, the exchange difference, as well as the withholding tax in the Chinese Mainland for dividends and the deferred tax on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong been excluded, the effective tax rate of the Group for the Period would be 4.3% (44.2% for the corresponding period in 2025).

Net Margin

Net margin of the Group for the Period was (6.2)%, which was 7.9 percentage point lower than that of 1.7% for the corresponding period last year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's sources of funding mainly included cash on hand, bank loans, medium-term notes, loans from related parties, issue of equity securities and cash flows generated from operations.

As at 30 June 2026, the Group's cash and bank balances and pledged bank deposits included the following amounts:

	As at 30/6/2026	As at 31/12/2025
	'000	*'000*
HK$	**154,186**	51,855
RMB	**2,255,197**	2,865,266
US$	**21,706**	1,550

Bank and other borrowings of the Group as at 30 June 2026 and 31 December 2025 and their breakdown were as follows:

	As at 30/6/2026	As at 31/12/2025
	RMB'000	*RMB'000*
Bank loans	**10,955,908**	10,449,505
Medium-term notes	**3,000,000**	3,000,000
Loans from related parties	**213,650**	212,964
	14,169,558	13,662,469

As at 30 June 2026, bank and other borrowings of the Group which carried interests at fixed and variable rates amounted to RMB5,590.4 million and RMB8,579.1 million respectively (RMB4,090.1 million and RMB9,572.4 million respectively as at 31 December 2025). These borrowings were denominated in the following currencies:

	As at 30/6/2026	As at 31/12/2025
	'000	*'000*
HK$	**2,300,000**	2,300,000
RMB	**12,171,886**	11,585,063

These borrowings are repayable as follows:

	As at 30/6/2026 *RMB'000*	As at 31/12/2025 *RMB'000*
Within one year	**5,204,245**	2,868,728
After one year but within two years	**3,100,831**	2,335,803
After two years but within three years	**3,071,906**	5,163,301
After three years but within four years	**966,963**	1,001,040
After four years but within five years	**838,695**	900,078
After five years	**986,918**	1,393,519

As at 30 June 2026, the Group's banking facilities amounted to HK$2,300.0 million and RMB28,751.0 million, of which RMB19,792.8 million was unutilized and remained available for drawdown. As at 30 June 2026, bank loans of RMB1,705.8 million (RMB1,603.7 million as at 31 December 2025) were secured by fixed assets and right-of-use assets of the Group.

Under the terms of certain agreements for total banking facilities of HK$3,300.0 million and RMB1,000.0 million equivalent with expiry dates from August 2026 to March 2028, China Resources (Holdings) Company Limited ("CR Holdings") is required to hold not less than 35% of the issued share capital in the Company. Under the terms of an agreement for banking facility up to HK$750.0 million equivalent which has not been utilized, CR Holdings is required to maintain at least 51% shareholding in the Company. Under the terms of certain agreements for the total banking facilities of HK$3,300.0 million and RMB1,000.0 million equivalent, the net gearing ratio of the Company (calculated by dividing net borrowings by equity attributable to owners of the Company, and as may be adjusted to exclude certain non-tangible assets) shall not exceed 180%. The Group was in compliance with the above financial covenants as at 30 June 2026 and 31 December 2025.

On 28 September 2023, the Company was informed that the registration of medium-term notes of the Company in the amount of RMB15 billion had been accepted by the National Association of Financial Market Institutional Investors of PRC, valid for two years from the date of the approval notice (ref. no. Zhong Shi Xie Zhu [2023] MTN1065), i.e. 22 September 2023. On 22 April 2024, the Company completed the issuance in China of the 2024 first tranche of the medium-term notes in the amount of RMB1 billion at the coupon rate of 2.44% per annum for a term of three years. On 22 August 2025, the Company completed the issuance in China of the 2025 first tranche of medium-term notes in the amount of RMB2 billion at a coupon rate of 2.12% per annum for a term of three years. The proceeds had been applied for the repayment of domestic bank loans of the Company and its subsidiaries, being the intended use as disclosed in the relevant prospectuses. These medium-term notes are unsecured and remained outstanding as at 30 June 2026.

The Group adopts robust and prudent treasury policies in financial management. Treasury management, financing and investment activities are all managed and monitored by the senior management of the Company, and all treasury activities of the Group are centralized. The Group regularly monitors its current and expected liquidity needs as well as compliance with bank loan agreements in order to maintain its sufficient cash reserves and flexibility in funding for meeting the Group's short-term and long-term liquidity needs.

The Group's business transactions were mainly carried out in HK$ and RMB. The Group's exposure to currency risk was attributable to the bank balances and debts which were denominated in currencies other than the functional currency of the entity to which these bank balances and debts were related. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations. These will include hedging significant currency exposure and/or adjusting the proportion of the Group's borrowings denominated in other currencies. The Group was not engaged in any hedging contract as at 30 June 2026 and 31 December 2025. As at 30 June 2026, non-RMB denominated debts accounted for 14% of the total debts of the Group (15% as at 31 December 2025).

The Group had net current liabilities of RMB6,086.6 million as at 30 June 2026. Taking into account the cash and bank balances, the unutilized banking facilities, the expected future internally generated funds, the new banking facilities and other sources of financing to be obtained, the Board is confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future.

CHARGES ON ASSETS

As at 30 June 2026, certain assets of subsidiaries of the Company with an aggregate carrying value of RMB1,567.1 million (RMB1,386.3 million as at 31 December 2025) were pledged with banks for obtaining banking facilities utilized by those subsidiaries.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had issued guarantees to banks in respect of banking facilities in the amount of RMB2,017.5 million (RMB1,692.5 million as at 31 December 2025) granted to associates and joint venture, of which RMB1,753.5 million (RMB1,357.8 million as at 31 December 2025) had been utilized.

FUTURE PLAN AND CAPITAL EXPENDITURE

Total payments for capital expenditure of the Group are expected to be approximately RMB1,497.6 million in the second half of 2026, which will be financed by borrowings and internally generated funds.

STRATEGIES AND PROSPECTS

In 2026, the international environment remained complex and challenging as the global economic and trade landscape underwent profound adjustment, geopolitical risks continued to spill over, and external pressures grew unabated. Facing a complex and volatile external conditions alongside the internal challenges of domestic economic transformation, the Chinese government adhered to the general principle of pursuing progress while maintaining stability, implemented more proactive and effective macroeconomic policies with precision, strengthened the counter-cyclical adjustments to fiscal and monetary policies, coordinated efforts to expand domestic demand, optimize supply, prevent risks and stabilize expectations, and continued to deepen reform and expand opening up, whilst dedicated to stimulating vitality of operating entities. Following the accelerated implementation of various measures to stabilize the economy and the gradual materialization of policy efficacy, the national economy recovered steadily, high-quality development advanced solidly, new-quality productivity was cultivated more rapidly, and overall economic performance remained stable and shifted toward new drivers and higher quality, which continuously consolidated the foundation for a stable and better economy.

Looking ahead, the Group will firmly centre on its annual management theme of "Strengthening Foundations and Mitigating Risks, Making Breakthroughs and Cultivating New Developments" to deepen reform, seek progress whilst maintaining stability, and solidly lay various groundworks for the opening of the "Fifteenth Five-Year". The Group will cultivate core markets of primary businesses, deepen cost reduction and efficiency gains across the entire value chain, and continuously optimize market strategies to unleash the advantages of integrated synergy and enhance the quality of its main business assets and regional pioneer capabilities. The Group will proactively explore opportunities in building material solutions, international layout, and new materials business, improve the quality and effectiveness of research and development by focusing on "smart, green, and integrated" directions, and develop new quality productivity according to local conditions. The Group remains committed to orderly investment and divestment to optimize asset quality and promote business quality and efficiency improvement.

CORPORATE GOVERNANCE

During the Period, the Company has complied with the applicable code provisions set out in Part 2 of Appendix C1 Corporate Governance Code to the Listing Rules.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any treasury shares as defined under the Listing Rules) during the Period.

As at 30 June 2026, the Company did not hold any treasury shares.

CHANGE OF INDEPENDENT AUDITOR

KPMG had served as the independent auditor of the Company since May 2023, and had retired from office upon the conclusion of the annual general meeting held on 29 May 2026. In order to promote good corporate governance and maintain the independence and objectivity of the Company's independent auditor, the Board and the audit committee of the Company (the "Audit Committee") have reviewed the need to change the independent auditor. After careful consideration, the Board proposed not to re-appoint KPMG as the independent auditor of the Company at the annual general meeting.

While the Company and CR Holdings do not have any standalone written policy prescribing a fixed tenure or mandatory cycle for change of independent auditor, in order to promote good corporate governance and maintain the independence and objectivity of the Company's independent auditor, the Audit Committee regularly assesses the independence and objectivity of the independent auditor as part of its ongoing responsibilities under its terms of reference. Although the service tenure of the outgoing independent auditor has not reached the limit prescribed in the relevant regulations issued by the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, taking into account the prevailing market conditions and headwinds of recent global economy, in order to prevent and mitigate familiarity threats that may be raised over time due to increasingly close relationship of the independent auditor with the Company and the associated risks to performance standards arising from commercial dynamics, the Audit Committee took a more prudent approach at this juncture and considered the change of independent auditor of the Company after three completed cycles of audits as a good corporate governance practice and measurement so as to further maintain the independence and objectivity of the Company's independent auditor. Pursuant to its terms of reference, the Audit Committee will continue to act as the key representative body for overseeing the Company's relations with the independent auditor, regularly review and monitor the independent auditor's independence and objectivity, and report and make recommendations to the Board where appropriate.

The Board has confirmed that there is no disagreement between KPMG and the Company, and there is no other matter in respect of proposed change of independent auditor needs to be brought to the attention of the Stock Exchange, the Shareholders or creditors of the Company.

The Board would like to take this opportunity to express its sincere gratitude to KPMG for its professional services and support to the Group in previous years.

In light of KPMG's retirement, the Company had conducted a selection process for the audit services. Based on the result of the aforesaid process and with the recommendation of the Audit Committee, the Board resolved to propose the appointment of Grant Thornton Hong Kong Limited ("Grant Thornton") as the independent auditor of the Company following the retirement of KPMG.

In assessing the proposed appointment of Grant Thornton as the independent auditor of the Company, the Audit Committee has considered a number of factors in accordance with its terms of reference, the "Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors" issued by the Hong Kong Accounting and Financial Reporting Council ("AFRC") in December 2021 (the "Guide"), including section 2 "Selection and Appointment of Auditors" of the Guide, and the "Guidance Notes on Change of Auditors" published by AFRC in September 2023, including but not limited to: (i) Grant Thornton's audit proposal and fee proposal; (ii) its industry knowledge and technical competence in handling audit engagements for listed companies; (iii) governance and leadership competence; (iv) compliance with relevant ethical requirements; (v) communication and interaction with the Audit Committee; and (vi) monitoring process. Further details of analysis of the aforesaid factors have been set out on pages 4 to 7 of the Company's circular dated 7 May 2026.

Based on the above assessment, the Board and the Audit Committee are satisfied that Grant Thornton is independent, competent and capable (including manpower, expertise, time and other resources) to perform a high quality audit for the Company, consider that Grant Thornton meets the regulatory requirements and is suitable to act as the independent auditor of the Company, and are of the view that the proposed change of independent auditor is in the best interests of the Company and the Shareholders as a whole.

The aforesaid proposal had been approved by the Shareholders at the annual general meeting held on 29 May 2026.

REVIEW OF INTERIM REPORT

The Company's interim report encompassing the condensed consolidated financial statements for the Period which were not audited has been reviewed by the Audit Committee.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report for the Period will be published on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.cr-bmt.com) in due course.

APPRECIATION

I would like to take this opportunity to thank the Directors, the management team and all employees for their contributions and hard work, which had contributed to the high-quality development of the Group's business. On behalf of the Board, I would also like to express our gratitude to Shareholders, customers, suppliers, business partners and other stakeholders for their persistent trust and unfailing support to the Group.

By order of the Board
CHINA RESOURCES BUILDING MATERIALS TECHNOLOGY HOLDINGS LIMITED
JING Shiqing
Chairman

Hong Kong, 21 August 2026

As at the date of this announcement, the executive Directors are Mr. JING Shiqing, Mr. XIE Ji and Mr. LI Baojun; the non-executive Directors are Mr. YU Shutian, Mr. ZHOU Bo, Mr. DENG Ronghui and Mr. LI Nan; and the independent non-executive Directors are Dr. Hon NG Kam Wah Webster, Madam YAN Bilan, Mr. TANG Yi Hoi and Mr. GONG Xiaofeng.