



CNBM

CHINA NATIONAL BUILDING MATERIAL COMPANY LIMITED *

(Stock Code: 03323)



2025

INTERIM REPORT

*For identification only



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This Interim Report, in both Chinese and English versions, is available on the Company's website at <http://www.cnbm-ltd.com> (the "Company Website"). Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website and who for any reason have difficulty in receiving or gaining access to the Corporate Communications posted on the Company Website will promptly upon request be sent the Corporate Communications in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt of the Corporate Communications (either in printed form or via the Company Website). Shareholders may send their requests at any time to receive the Interim Report and/or to change their choice of the means of receipt of the Corporate Communications by notice in writing to the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by sending an email to the Company's H Share Registrar in Hong Kong at cnbm3323-ecom@hk.tricorglobal.com.

Snapshot of Interim Report



VISION AND MISSION

Corporate Vision

Build a world-class material enterprise,
committed to value creation and
shareholder return

Mission

Better materials, better world



About CNBM



Market positions

As a leading listed company in the materials sector around the world, CNBM has exerted profound influence among cement, commercial concrete, fiberglass, electronic fabrics, gypsum board, light steel stud and wind power blade, as well as cement technical equipment engineering system integration services.



Major awards for the first half of 2025

Selected for three consecutive years in

**S&P Global Sustainability
Yearbook (China Edition)**

Wind ESG

**The Only AAA-rated Company in
the Building Materials Industry**

China Building Materials Federation ESG

A+

Snapshot of Interim Report *(Continued)*



Main Business Indicators

Unit: RMB



Financial information

Income

83,280 million

Profit attributable to equity holders

1,360 million

Net cash flow from business activities

2,382 million

Capital expenditure

14,052 million

Net debt ratio

93.1 %

Three major segments



Basic building materials segment

Income **37,191** millionyear-on-year decreased by **8.8**%

Profit attributable to equity shareholders

contributed **-962** million

New materials segment

Income **26,756** millionyear-on-year increased by **13.6**%

Profit attributable to equity shareholders

contributed **1,975** millionyear-on-year increased by **43.2**%

Engineering technology services segment

Income **21,306** millionyear-on-year increased by **3.6**%

Profit attributable to equity shareholders

contributed **699** millionyear-on-year decreased by **1.7**%

Corporate Information

DIRECTORS:

Executive Directors

Zhou Yuxian (*Chairman*)

Wei Rushan (*President*)

Wang Bing

Miao Xiaoling

Non-executive Directors

Wang Yumeng

Shen Yungang

Chen Shaolong

Independent Non-executive Directors

Sun Yanjun

Liu Jianwen

Zhou Fangsheng

Li Jun

Xia Xue

STRATEGIC STEERING COMMITTEE:

Zhou Yuxian (*Chairman*)

Wei Rushan

Zhou Fangsheng

NOMINATION COMMITTEE:

Zhou Yuxian (*Chairman*)

Sun Yanjun

Liu Jianwen

REMUNERATION AND PERFORMANCE APPRAISAL COMMITTEE:

Zhou Fangsheng (*Chairman*)

Sun Yanjun

Zhou Yuxian

Corporate Information *(Continued)*

AUDIT COMMITTEE:

Li Jun (*Chairman*)
Liu Jianwen
Xia Xue

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE:

Zhou Yuxian (*Chairman*)
Li Jun
Xia Xue

SUPERVISORS:

Shareholder Representative Supervisor

Zhang Jianfeng

Independent Supervisors

Li Xuan
Wei Jianguo

Staff Representative Supervisors

Yu Yuehua
Du Guangyuan

Note:

- On 16 January 2025, the Company's Board of Directors received written resignations from Mr. Liu Yan and Mr. Xiao Jiaxiang. Mr. Liu resigned as the Company's executive director due to work adjustments, and Mr. Xiao resigned as the Company's non-executive director due to retirement. Their resignation reports became effective from 16 January 2025.
- On 19 February 2025, following the approval of the extraordinary general meeting of the Company, Ms. Miao Xiaoling succeeded Mr. Liu Yan as the executive director of the Company. Her term of office became effective from 19 February 2025, which is consistent with the current Board of Directors and is subject to re-election.

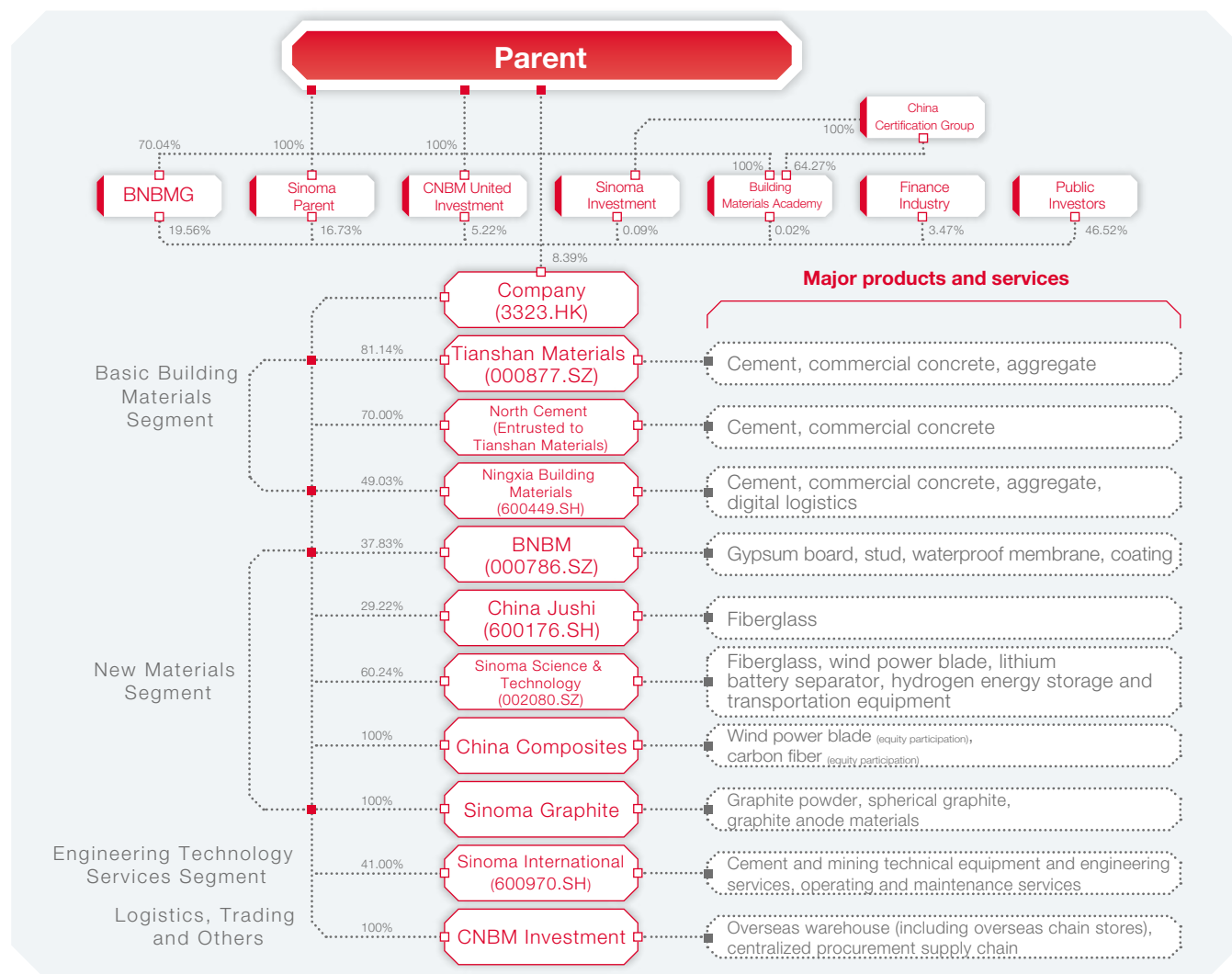
Secretary of the Board	:	Pei Hongyan
Joint Company Secretaries	:	Pei Hongyan Chung Ming Fai
Authorised Representatives	:	Zhou Yuxian Pei Hongyan
Alternate Authorised Representative	:	Chung Ming Fai
Registered Address	:	Tower 2 (Building B), Guohai Plaza, No. 17 Fuxing Road, Haidian District, Beijing, The PRC

Corporate Information *(Continued)*

Principal Place of Business	:	21st Floor, Tower 2, Guohai Plaza, No. 17 Fuxing Road, Haidian District, Beijing, The PRC
Postal Code	:	100036
Place of Representative Office in Hong Kong	:	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, The PRC
Principal Bankers	:	Agricultural Bank of China Limited Bank of Communications Co., Ltd. China Construction Bank Corporation
PRC Legal Adviser	:	Jia Yuan Law Offices F408 Ocean Plaza, 158 Fuxing Men Nei Street, Xicheng District, Beijing, The PRC
Hong Kong Legal Advisers	:	Slaughter and May 47th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, The PRC DLA Piper Hong Kong 25/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong, The PRC
International Auditor (Registered PIE Auditor)	:	Moore CPA Limited
Domestic Auditor	:	Da Hua Certified Public Accountants (Special General Partnership)
H Share Registrar in Hong Kong	:	Tricor Investor Services Limited 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, The PRC
Stock Code	:	03323
Company Website	:	http://www.cnbm ltd.com

Shareholding Structure of the Group

The simplified structure of the Group as of 30 June 2025 is set out below:



Notes:

- The aforementioned percentages are rounded to 2 decimal places. Due to rounding, the total percentage of shareholdings may be discrepant with the total amount.
- The Company completed the offer and cancelled the 841,749,304 H Shares repurchased by the Company on 12 March 2025. The proportion of the Parent's direct and indirect shares held by the Company was changed to 50.01%. Please refer to the announcement of the Company dated 12 March 2025 for the specific number, category and share ratio of shareholdings.
- As of 30 June 2025, the Parent directly and indirectly held 3,797,269,981 shares of the Company (including 3,613,305,981 Domestic Shares and 183,964,000 H Shares), accounting for 50.01% of the total number of issued shares of the Company. Of the 183,964,000 H Shares, it directly held 8,536,000 H Shares, accounting for 0.11% of the Company's total share capital; through its wholly-owned subsidiary Sinoma Investment, it indirectly held 6,800,000 H Shares of the Company, accounting for 0.09% of the Company's total share capital; through its wholly-owned subsidiary CNBM United Investment, it indirectly held 168,628,000 H Shares, accounting for 2.22% of the Company's total share capital.
- On 6 December 2024, the Company issued a plan to increase its holdings of China Jushi shares with special loans and its own funds. As of 31 December 2024, the Company increased its holdings of China Jushi by 0.022% and the number of shares increased from 26.97% to 26.99%. On 17 February 2025, the Company's share purchase plan was completed, with a total purchase of 89,913,017 shares of China Jushi, accounting for 2.25% of China Jushi's total share capital. After the purchase, the Company's shareholding in China Jushi increased from 1,079,739,151 shares to 1,169,652,168 shares, and its shareholding ratio increased from 26.97% to 29.22%.
- The Company directly held 70% equity interest of North Cement and indirectly held 4.6% equity interest of North Cement through South Cement.
- On 19 May 2025, Sinoma International repurchased and cancelled restricted shares granted to 18 incentive recipients that had not yet met the conditions for lifting the restriction on sale. The total number of restricted shares repurchased and cancelled was 2,063,738 shares, resulting in the Company's shareholding ratio in Sinoma International passively increasing from 40.97% to 41.00%.

Financial Highlights

The financial highlights of the Group as at 30 June 2025 and 30 June 2024 are summarized as follows:

	For the six months ended 30 June		
	2025 (unaudited) (RMB in thousands)	2024 (unaudited) (RMB in thousands)	Growth rate
Revenue	83,279,904	83,470,594	-0.2%
Gross profit	15,979,936	13,253,495	20.6%
Profit after tax	3,964,811	-292,353	/
Profit attributable to equity holders of the Company	1,360,196	-2,017,616	/
Distribution made to the equity holders of the Company	1,199,697	1,931,562	-37.9%
Earnings per share-basic (RMB) ⁽¹⁾	0.172	-0.239	/
Earnings before interest, taxes, depreciation and amortisation	15,338,880	10,376,095	47.8%

Note:

- (1) The calculations of basic earnings per share are based on the profit attributable to equity holders of the Company of each period and on the weighted average number of 8,434,770,662 shares for the six months ended 30 June 2024 and the weighted average number of 7,918,559,763 shares for the six months ended 30 June 2025.

	30 June 2025 (unaudited) (RMB in thousands)	31 December 2024 (audited) (RMB in thousands)	Growth rate
Total assets	505,740,248	494,007,276	2.4%
Total liabilities	312,963,309	299,479,391	4.5%
Net assets	192,776,939	194,527,885	-0.9%
Non-controlling interests	76,406,544	75,084,408	1.8%
Equity attributable to equity holders of the Company	100,170,879	103,121,124	-2.9%
Net assets per share-weighted average (RMB) ⁽¹⁾	12.65	12.23	3.4%
Debt to assets ratio ⁽²⁾	40.7%	38.8%	Increased by 1.9 percentage points
Net debt ratio ⁽³⁾	93.1%	86.6%	Increased by 6.5 percentage points

Notes:

- (1) The calculations of weighted average net assets per share are based on the equity attributable to equity holders of the Company of each period and on the weighted average number of 8,434,770,662 in 2024 and the weighted average number of 7,918,559,763 for the six months ended 30 June 2025.
- (2) Debt to assets ratio = total borrowings/total assets x 100%.
- (3) Net debt ratio = (total borrowings – bank balances and cash)/net assets x 100%.

Business Highlights

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

BASIC BUILDING MATERIALS SEGMENT


	For the six months ended 30 June		
	2025	2024	Growth rate
Sales volume – cement (<i>in thousand tonnes</i>)	87,268	101,862	-14.3%
Sales volume – clinker (<i>in thousand tonnes</i>)	10,511	11,982	-12.3%
Total sales volume of cement and clinker (<i>in thousand tonnes</i>)	97,779	113,844	-14.1%
Average selling price – cement (<i>RMB per tonne</i>)	253.5	244.6	3.6%
Average selling price – clinker (<i>RMB per tonne</i>)	219.4	210.7	4.1%
Average selling price of cement and clinker (<i>RMB per tonne</i>)	249.8	241.1	3.6%
Sales volume – commercial concrete (<i>in thousand m³</i>)	35,133	35,205	-0.2%
Average selling price – commercial concrete (<i>RMB per m³</i>)	298.2	312.0	-4.4%
Sales volume – aggregate (<i>in thousand tonnes</i>)	62,965	64,224	-2.0%
Average selling price – aggregate (<i>RMB per tonne</i>)	36.3	36.7	-1.1%

NEW MATERIALS SEGMENT

	For the six months ended 30 June		
	2025	2024	Growth rate
Fiberglass			
Sales volume (<i>in thousand tonnes</i>)	2,032	2,010	1.1%
Average selling price (<i>RMB per tonne</i>)	4,547	4,048	12.3%
Gypsum board			
Sales volume (<i>in million m²</i>)	1,156.3	1,168.1	-1.0%
Average selling price (<i>RMB per m²</i>)	5.61	6.12	-8.3%
Wind power blade			
Sales volume (<i>MW</i>)	15,260	7,520	102.9%
Average selling price (<i>RMB per MW</i>)	340,777	377,563	-9.7%
Coating			
Sales volume (<i>in thousand tonnes</i>)	719.29	446.22	61.2%
Average selling price (<i>RMB per tonne</i>)	3,491	3,996	-12.6%
Waterproofing membrane			
Sales volume (<i>in million m²</i>)	126.8	117.1	8.3%
Average selling price (<i>RMB per m²</i>)	13.57	14.60	-7.1%
Lithium battery separator			
Sales volume (<i>in million m²</i>)	1,299.7	814.4	59.6%
Average selling price (<i>RMB per m²</i>)	0.71	0.93	-23.7%
Carbon fiber			
Sales volume (<i>in thousand tonnes</i>)	10.43	6.90	51.2%
Average selling price (<i>RMB per tonne</i>)	86,890	104,130	-16.6%

ENGINEERING TECHNOLOGY SERVICES SEGMENT

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

An aerial photograph of a landscape. In the foreground, a river flows along the bottom edge. Above the river is a dense green forest. In the middle ground, there are several large, modern buildings with white walls and dark roofs, surrounded by more greenery. To the right of these buildings is a large, red, dome-shaped structure. In the background, there is a town or city with various buildings, and further back, there are hills and a large industrial facility with tall chimneys or towers. The sky is clear and blue. A large, semi-transparent white shape is overlaid on the left side of the image, containing the text.

Management Discussion and Analysis



Management Discussion and Analysis

DEVELOPMENT ENVIRONMENT

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

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

OPERATION IN THE FIRST HALF OF 2025

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

Basic building materials segment

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

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

- **Externally**, the Group has vigorously promoted the development of the industry ecosystem, adhering to the “price, cost and profit” business philosophy, and strengthening rigid and precise staggered peak measures;
- **Internally**, the Group has deepened the Management of Three Delicacies, thoroughly exploring cost-saving opportunities to reduce costs and expenses. In the first half of the year, costs of cement and clinker decreased by 7.4% year-on-year. Both the gross profit margins of cement and clinker and commercial concrete achieved year-on-year growth, resulting in a significant improvement in profitability for the basic building materials business;
- **“Cement+”** took new strides, establishing 5 specialized cement production bases and fully advancing the Chizhou and Congyang aggregate projects;
- **Internationalization** achieves new milestones, with the Tunisia project completed;
- **“Dual Carbon”** initiative had new progress, actively integrating into the carbon market, with all 210 key emitters completing carbon market registration, participating in the development of 4 industry and group standards related to cement enterprise carbon management, and Ningxia Building Materials selected as the sole cement company among the first batch of pilot units for national carbon footprint labeling certification.

Management Discussion and Analysis *(Continued)*

New materials segment



Fiberglass

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

- The Group's fiberglass business seized opportunities presented by market demand growth, promoted structural optimization with high-end products, launched a special project to reduce costs and increase efficiency throughout the entire production process, and relied on digital intelligence systems to effectively convert cost advantages into momentum for profit growth. In the first half of the year, **both volume and price increased**, and gross profit margin grew year-on-year by 11.1 percentage points;
- **Building momentum for development.** The second phase of the Jiujiang Intelligent Manufacturing Base and the first phase of the Taiyuan Base have commenced production, while the electronic-grade fiberglass and supporting projects at the Huai'an Zero-Carbon Intelligent Manufacturing Base and the second phase of the Taiyuan Base have officially commenced construction;
- **Continuously capturing the high-end market.** The Group expanded the production capacity of specialty fibers, and commissioned low-dielectric ball kiln production lines and low-expansion production lines. A total of 5 low-dielectric and low-expansion specialty fiber production lines have been completed. All specialty fiber fabric products have been certified by leading domestic and international customers and are now in mass production. Low-expansion fiber fabrics have broken foreign monopolies, making the Group the sole domestic and second global supplier capable of mass-producing low-expansion-coefficient fiber fabric products. Ultra-low-loss, low-dielectric fiber fabrics have pioneered industry-leading copper-clad laminate manufacturer certifications, achieving market introduction and industrial-scale supply.

Management Discussion and Analysis (Continued)



Gypsum board

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

- The Group’s gypsum board business **continued to expand volume and reduce costs**, strengthening channel penetration and new product promotion. Sales of home decoration boards increased significantly year-on-year. The Group promoted cost reduction plans and implemented a management mechanism of “target decomposition, process control, and effect evaluation” to reduce costs and improve efficiency, with unit costs decreasing year-on-year by 6.2%;
- **Adhering to product optimization, upgrading, and innovative applications.** The Group continued to develop high-end products and whole-house system solutions, providing one-stop services for prefabricated interior decoration. It explored the market development and synergistic profit-generating potential between the “one body and two wings” businesses, actively promoting the transformation into a comprehensive manufacturer and service provider of consumer building materials;
- **Accelerating the advancement of international business operations.** The production bases in Tanzania and Uzbekistan continued to achieve significant year-on-year growth in revenue and profit; the production line for 40 million square meters per year gypsum board in Thailand has entered the trial production phase; the production line project for 40 million square meters per year paper-faced gypsum board in Bosnia and Herzegovina made orderly progress.

Management Discussion and Analysis *(Continued)*



Wind power blade

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

- The Group's wind power blade business seized market opportunities, deepened customer strategies, **continued to consolidate its leading position in the industry**, strengthened management efficiency and digital intelligence capabilities, further reduced costs and increased efficiency, and achieved a year-on-year unit costs decrease of 10.7%;
- **The dual-drive strategy of domestic and overseas markets has been steadily implemented.** Domestic regional coverage has been refined to respond to the growing market demand in the northwest region, with production capacity at the Xinjiang base being enhanced. The Group has accelerated the construction of its Shantou base to secure a leading position in the offshore wind power sector. Overseas production capacity has been expanded, with all 4 production lines at the Brazil base fully operating, and the Uzbekistan project has been progressing steadily;
- **Accelerating the development of core technologies.** The first domestically developed set of 220m+ diameter recyclable wind power blades has been successfully installed. The Group completed the trial production and development of the 16MW floating turbine blade SI122F, and achieved a major breakthrough in the field of offshore wind power.

Management Discussion and Analysis *(Continued)*



Other businesses

- The Group's **coating business** has steadily advanced management integration. Carpoly has been successfully integrated, anchoring its high-end positioning and achieving coverage of blank outlets. Zhejiang Daqiao's integration has been proceeding orderly, targeting the industrial coating segment, enriching its product system, and improving its market layout in the East China region.
- **Waterproofing membrane business** promoted the layout of civil construction products and repair services, continued to expand the dealer network, and increased market share. The product formula was optimized and upgraded to improve operational quality, achieving revenue and profit growth against the trend.
- **Lithium battery separator business** maintained its core competitiveness by building a high-quality customer and product structure, continuously reducing costs and improving efficiency, and pursuing technological innovation and product upgrades. The first overseas project, the Hungary base, has progressed steadily, launching the internationalization of the lithium battery separator industry; the Group has achieved a large-scale supply of 5μm ultra-thin base film for lithium battery separators, and ultra-thin high-strength 4μm/3μm products have formed technical reserves. The formula development and on-machine verification of semi-solid battery separators have been completed.
- **The graphite new materials business** has smoothly promoted the restructuring and management integration of Inner Mongolia Hengke, with streamlined operations driving improved efficiency and quality. Operational performance has seen a significant improvement.
- Focused on cultivating strategic industries such as hydrogen energy storage and transportation. **The hydrogen energy cylinders business** continued to maintain its leading position in the industry, with hydrogen storage cylinder market share and vehicle model announcements remaining as the leader of the industry.
- **Carbon Fiber business** has partnered with leading customers to jointly develop applications in the new energy sector, steadily increasing its market share in both "emerging and traditional" sectors. The 30,000-tonne carbon fiber project in Lianyungang progressed smoothly, actively utilizing clean energy sources such as nuclear steam and photovoltaic power generation to achieve a green transformation of the high-performance carbon fiber industry.

Management Discussion and Analysis *(Continued)*

Engineering Technology Services Segment

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

- The engineering technology services segment of the Group has continued to consolidate its full-industry-chain business advantages and full-lifecycle service capabilities. In the first half of the year, it successfully secured 13 overseas cement plant projects, maintaining its position as the world’s leading cement engineering services provider for 17 consecutive years;
- The Group has also vigorously advanced its global layout in high-end equipment manufacturing and expanded into new industries, with overseas equipment business revenue accounting for 51% of total revenue and revenue from new industries reaching 37%;
- Accelerating digital transformation to empower production and operational services, the Group has developed a comprehensive solution encompassing “smart factories + digital mines + expert systems”, providing operations and maintenance services for 71 cement production lines and 312 mine projects;
- It has led the industry’s green and low-carbon transformation by intensifying research and promotion of green technologies and equipment such as low-carbon cement, oxygen-enriched combustion, and fluidized bed calcination, and setting industry benchmarks for green and low-carbon applications through diverse application scenarios;
- The Group has deepened its global localized operations, with new overseas contracts increasing by 19% year-on-year, overseas revenue growing by 25% year-on-year.



DEEPEN REFORM AND ENHANCE THE EFFECTIVENESS OF TECHNOLOGICAL INNOVATION

• Further promote reform and empowerment

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

• Accelerating the integration of innovation chains and industrial chains

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

Management Discussion and Analysis (Continued)



DIGITAL TRANSFORMATION SYSTEM PROMOTION



Systematically promote the implementation of the blueprint



Empowerment applications continue to deepen



Gradient cultivation of intelligent benchmarks

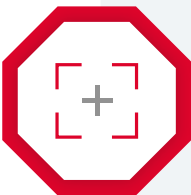
- “One Cloud” smoothly went live on 74 systems, completing overseas institutions’ research on the demand for a global “One Network”.

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

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



ACCELERATE THE IMPLEMENTATION OF GREEN AND LOW-CARBON TRANSFORMATION



• Comprehensively deepen green production

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



• Accelerate the implementation of dual carbon goals

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

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW

The unaudited revenue of the Group decreased by 0.2% from RMB83,470.6 million for the six months ended 30 June 2024 to RMB83,279.9 million for the six months ended 30 June 2025. The unaudited profit attributable to equity holders of the Company increased from RMB-2,017.6 million for the six months ended 30 June 2024 to RMB1,360.2 million for the six months ended 30 June 2025.

Revenue

Our revenue for the six months ended 30 June 2025 amounted to RMB83,279.9 million, representing a decrease of 0.2% from RMB83,470.6 million for the six months ended 30 June 2024. This was primarily due to a decrease of RMB3,589.9 million in the revenue of the Group's basic building materials segment, which was partially offset by an increase of RMB3,207.9 million in the revenue of the new material segment and an increase of RMB732.5 million in the revenue of the engineering technology services segment.

Cost of sales

Our cost of sales for the six months ended 30 June 2025 amounted to RMB67,300.0 million, representing a decrease of 4.2% from RMB70,217.1 million for the six months ended 30 June 2024. This was primarily due to a decrease of RMB5,966.6 million in the cost of sales of the Group's basic building materials segment, which was partially offset by an increase of RMB2,560.7 million in the cost of sales of the new materials segment and an increase of RMB1,155.5 million in the cost of sales of the engineering technical services segment.

Other income

Other income of the Group increased by 73.5% from RMB1,183.8 million for the six months ended 30 June 2024 to RMB2,053.9 million for the six months ended 30 June 2025. This was primarily due to a decrease of RMB597.2 million in net loss of the fair value change of financial assets at fair value through profit or loss, an increase of RMB104.3 million in VAT refunds and an increase of RMB74.7 million in gain on disposal of assets.

Selling and distribution costs

Selling and distribution costs increased by 1.9% from RMB1,892.8 million for the six months ended 30 June 2024 to RMB1,929.6 million for the six months ended 30 June 2025. This was primarily due to an increase of RMB36.5 million in labour costs.

Administrative expenses

Administrative expenses decreased by 9.9% from RMB9,913.7 million for the six months ended 30 June 2024 to RMB8,934.0 million for the six months ended 30 June 2025. This was primarily due to a decrease of RMB396.0 million in foreign exchange losses, a decrease of RMB229.6 million in research and development costs and a decrease of RMB176.9 million in labour costs.

Finance costs

Finance costs decreased by 6.4% from RMB2,441.9 million for the six months ended 30 June 2024 to RMB2,286.2 million for the six months ended 30 June 2025. This was primarily due to a decrease in borrowing costs of the Group.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

Share of profit of associates

The Group's share of profit of associates increased by 99.5% from RMB341.0 million for the six months ended 30 June 2024 to RMB680.2 million for the six months ended 30 June 2025, primarily due to an increase in the profit of China Jushi, one of the associates of the Group and an increase in profit of associates in basic building materials segment.

Provision under expected credit losses

Provision under expected credit losses increased by 121.4% from RMB195.7 million for the six months ended 30 June 2024 to RMB433.4 million for the six months ended 30 June 2025.

Income tax expense

Income tax expense increased by 87.3% from RMB619.5 million for the six months ended 30 June 2024 to RMB1,160.6 million for the six months ended 30 June 2025. This was primarily due to an increase in profit before tax.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased by 64.1% from RMB1,455.1 million for the six months ended 30 June 2024 to RMB2,387.9 million for the six months ended 30 June 2025. This was primarily due to the increases in operating profit of the basic building materials segment, new materials segment and engineering technology services segment of the Group.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased from RMB-2,017.6 million for the six months ended 30 June 2024 to RMB1,360.2 million for the six months ended 30 June 2025. Net profit margin increased from -2.4% for the six months ended 30 June 2024 to 1.6% for the six months ended 30 June 2025.

Basic building materials segment

Revenue

Revenue of basic building materials segment of the Group decreased by 8.8% from RMB40,780.6 million for the six months ended 30 June 2024 to RMB37,190.6 million for the six months ended 30 June 2025, mainly attributable to the decrease in the sales volumes of cement products and aggregate, as well as the decrease in the average selling price of commercial concrete and aggregate, which was partially offset by the increase in the average selling price of cement products.

Cost of sales

Cost of sales of basic building materials segment of the Group decreased by 16.0% from RMB37,186.1 million for the six months ended 30 June 2024 to RMB31,219.5 million for the six months ended 30 June 2025, mainly attributable to the decrease in the sales volumes of cement products and aggregate, and the decrease in coal price.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

Basic building materials segment *(Continued)*

Gross profit and gross profit margin

Gross profit of basic building materials segment of the Group increased by 66.1% from RMB3,594.5 million for the six months ended 30 June 2024 to RMB5,971.1 million for the six months ended 30 June 2025. Gross profit margin of the basic building materials segment of the Group increased from 8.8% for the six months ended 30 June 2024 to 16.1% for the six months ended 30 June 2025, mainly attributable to the increase in the average selling price of cement products, and the decrease in coal price.

Operating profit

Operating profit of basic building materials segment of the Group increased from RMB-1,858.7 million for the six months ended 30 June 2024 to RMB1,130.6 million for the six months ended 30 June 2025. Operating profit margin of the basic building materials segment of the Group increased from -4.6% for the six months ended 30 June 2024 to 3.0% for the six months ended 30 June 2025, mainly attributable to the increase in gross profit margin, the increase in net gain from change in fair value of financial assets at fair value through profit or loss, the decrease in research and development costs and the decrease in labour costs, which was partially offset by the decrease in government grants.

New materials segment

Revenue

Revenue of new materials segment of the Group increased by 13.6% from RMB23,548.5 million for the six months ended 30 June 2024 to RMB26,756.3 million for the six months ended 30 June 2025. This was mainly attributable to the increase in the sales volumes of fiberglass yarn, wind power blade, coating, waterproofing membrane and lithium battery separator and the increase in the average selling price of fiberglass yarn, which was partially offset by the decrease in the average selling price of gypsum board, wind power blade, coating, waterproofing membrane and lithium battery separator and the decrease in the sales volumes of gypsum board.

Cost of sales

Cost of sales of new materials segment of the Group increased by 14.3% from RMB17,961.4 million for the six months ended 30 June 2024 to RMB20,522.0 million for the six months ended 30 June 2025, mainly attributable to the increase in the sales volumes of fiberglass yarn, wind power blade, coating, waterproofing membrane and lithium battery separator, which was partially offset by the decrease in the prices of raw material and coals.

Gross profit and gross profit margin

Gross profit of new materials segment of the Group increased by 11.6% from RMB5,587.1 million for the six months ended 30 June 2024 to RMB6,234.3 million for the six months ended 30 June 2025. Gross profit margin of new materials segment of the Group decreased from 23.7% for the six months ended 30 June 2024 to 23.3% for the six months ended 30 June 2025, which was mainly attributable to the decrease in the average selling price of gypsum board, wind power blade, coating, waterproofing membrane and lithium battery separator, which was partially offset by the increase in the average selling price of fiberglass yarn and the decrease in the prices of raw material and coals.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

New materials segment *(Continued)*

Operating profit

Operating profit of new materials segment of the Group increased by 16.2% from RMB3,317.3 million for the six months ended 30 June 2024 to RMB3,854.1 million for the six months ended 30 June 2025. The operating profit margin of new materials segment of the Group increased from 14.1% for the six months ended 30 June 2024 to 14.4% for the six months ended 30 June 2025, mainly attributable to the increase in gross profit and the increase in VAT refunds, which was partially offset by the increase in labour costs and the increase in allowances for impairment of receivables.

Engineering technology services segment

Revenue

Revenue of engineering technology services segment of the Group increased by 3.6% from RMB20,573.3 million for the six months ended 30 June 2024 to RMB21,305.9 million for the six months ended 30 June 2025, mainly attributable to the increase in the numbers of production operating services completed for the current period.

Cost of sales

Cost of sales of engineering technology services segment of the Group increased by 6.9% from RMB16,738.4 million for the six months ended 30 June 2024 to RMB17,893.9 million for the six months ended 30 June 2025, mainly attributable to the increase in the numbers of production operating services completed for the current period.

Gross profit and gross profit margin

Gross profit of engineering technology services segment of the Group decreased by 11.0% from RMB3,834.9 million for the six months ended 30 June 2024 to RMB3,411.9 million for the six months ended 30 June 2025. Gross profit margin of engineering technology services segment of the Group decreased from 18.6% for the six months ended 30 June 2024 to 16.0% for the six months ended 30 June 2025, mainly attributable to the decrease in gross profit margin of engineering technology services, high-end equipment manufacturing and production operating services.

Operating profit

Operating profit of engineering technology services segment of the Group increased by 6.0% from RMB1,618.4 million for the six months ended 30 June 2024 to RMB1,716.3 million for the six months ended 30 June 2025. Operating profit margin of engineering technology services segment of the Group increased from 7.9% for the six months ended 30 June 2024 to 8.1% for the six months ended 30 June 2025, mainly attributable to the decrease in foreign exchange loss, the decrease in labour costs and the increase in gain on disposal of assets, which was partially offset by the decrease in gross profit margin and the increase in allowances for impairment of receivables.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and financial resources

As at 30 June 2025, the Group had unused banking facilities and bonds registered but not yet issued of approximately RMB383,190.00 million in total.

The table below sets out the Group's borrowings as at the dates shown below:

	30 June 2025	31 December 2024
	<i>(RMB in millions)</i>	
Bank loans	168,335.8	150,972.5
Bonds	36,400.0	40,500.0
Borrowings from non-financial institutions	944.6	438.0
Total	205,680.4	191,910.5

The table below sets out maturities of the Group's borrowings as at the dates indicated:

	30 June 2025	31 December 2024
	<i>(RMB in millions)</i>	
Borrowings are repayable as follows:		
Within one year or on demand	102,530.3	82,128.6
Between one and two years	36,982.8	35,209.6
Between two and three years	25,904.4	32,994.5
Between three and five years (inclusive of both years)	26,183.0	30,134.1
Over five years	14,079.9	11,443.7
Total	205,680.4	191,910.5

As at 30 June 2025, borrowings in the aggregate amount of RMB7,093.8 million were secured by assets of the Group with a total amount of RMB13,001.3 million.

As at 30 June 2025 and 31 December 2024, the debt to assets ratio of the Group, calculated by dividing borrowings by total of assets of the Group, were 40.7% and 38.8%, respectively.

Exchange risks

The Group conducts its domestic business primarily in RMB. However, overseas engineering projects and product export business are denominated in foreign currencies, primarily US dollars and Euro. Therefore, the Group bears the risks of fluctuations of exchange rate to a certain extent. Taking into account the foreign exchange risks that may arise from exchange rate fluctuations in the foreign exchange market, the Company will use financial instruments to cope with the impact of exchange rate fluctuations.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

Contingent liabilities

No contingent liabilities were incurred resulting from the Group's provision of guarantee to banks in respect of bank credits used by an independent third party.

Capital commitments

The following table sets out the Group's capital commitments as at the dates indicated:

	30 June 2025 (RMB in millions)	31 December 2024
Capital expenditure of the Company in respect of acquisition of property, plant and equipment (contracted but not provided for)	513.7	1,396.1

Capital expenditures

The following table sets out the capital expenditures of the Group for the six months ended 30 June 2025 by segment:

	For the six months ended 30 June			
	2025		2024	
	(RMB in millions)	% of total	(RMB in millions)	% of total
Basic building materials	6,410.4	45.6	5,897.0	45.3
Cement	5,372.7	38.2	4,559.6	35.0
Commercial concrete	163.8	1.2	207.0	1.6
Aggregate	873.9	6.2	1,130.4	8.7
New materials	4,318.5	30.7	6,889.6	52.9
Fiberglass	1,558.1	11.1	1,069.0	8.2
Gypsum board	437.0	3.1	400.0	3.1
Wind power blade	240.2	1.7	198.8	1.5
Coating	466.1	3.3	2,863.6	22.0
Waterproofing	102.1	0.7	69.0	0.5
Lithium battery separator	889.1	6.3	2,116.1	16.3
Others	625.9	4.5	173.1	1.3
Engineering technology services	110.7	0.8	226.2	1.8
Share repurchases	3,212.0	22.9	—	—
Total	14,051.6	100.0	13,012.8	100.0

Management Discussion and Analysis *(Continued)*

Material investment and material investment plans

As of the date of this report, the Company has no material investments and except for the plans which have been disclosed (to be invested by utilising funds including internal funds and external borrowings) in this report, there are no other future plans for material investments or capital assets.

Material acquisitions and disposals of subsidiaries, associated companies and joint ventures

During the reporting period, the Company did not engage in any material acquisitions or disposals of subsidiaries, associated companies, or joint ventures.

Cash flow from operating activities

Net cash inflow of the Group generated from operating activities decreased by RMB612.8 million from RMB2,994.8 million for the six months ended 30 June 2024 to RMB2,382.0 million for the six months ended 30 June 2025, which was primarily due to the year-on-year decrease in cash received by the Group from sales of goods and services provided and the year-on-year increase of various tax payments, partially offset by the year-on-year decrease of cash paid for purchase of goods and services rendered.

Cash flow from investing activities

Net cash outflow of the Group to investing activities decreased by RMB7,662.4 million from RMB11,278.8 million for the six months ended 30 June 2024 to RMB3,616.4 million for the six months ended 30 June 2025, which was primarily due to the year-on-year increase of cash received from investment recovery, and the year-on-year decrease of cash paid for purchase of property, plants and equipment and acquisition of subsidiaries by the Group.

Cash flow from financing activities

Net cash inflow of the Group from financing activities decreased by RMB2,166.4 million from RMB5,969.7 million for the six months ended 30 June 2024 to RMB3,803.2 million for the six months ended 30 June 2025, which was primarily due to the cash paid for share repurchases by the Group, partially offset by the year-on-year decrease in cash paid for interests and dividend.

Management Discussion and Analysis (Continued)

OUTLOOK FOR THE SECOND HALF OF 2025

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

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

1



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

2



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

3

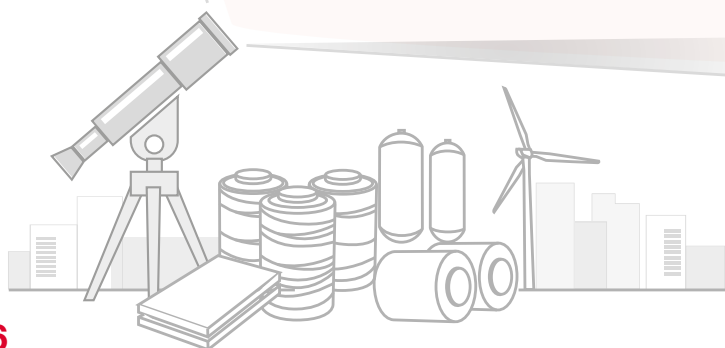


The Group will enhance the quality and effectiveness of reforms, complete the final phase of reform deepening and upgrading with high quality, further empowering operations through reforms. It will comprehensively complete the reform of the Supervisory Committee and the assumption of functions, and continue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

4



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



Significant Events

FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

At the annual general meeting of the Company held on 25 April 2025, the Company declared the distribution of a final dividend of RMB1,199,697,374.56 in total (tax inclusive) for the period from 1 January 2024 to 31 December 2024 for Shareholders whose names appear on the Company's register of members on 12 May 2025, representing RMB0.158 per share (tax inclusive).

INTERIM DIVIDEND

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

MATERIAL TRANSACTIONS

Share Acquisition in Carpoly

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

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

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

CONNECTED TRANSACTIONS

Continuing Connected Transactions

Particulars of related party transactions as set out in the accounting standards of the Company are set out in Note 27 to the interim financial statements. The Company had complied with the disclosure requirements under Chapter 14A of the Listing Rules for the relevant transactions. For details of the continuing connected transactions between the Group and the Parent Group and the relevant exemptions, please refer to the announcements dated 28 October 2022 and 19 December 2022, the circular dated 25 November 2022, and the 2022 annual report, the 2023 annual report and the 2024 annual report of the Company.

Significant Events *(Continued)*

CONNECTED TRANSACTIONS *(CONTINUED)*

Transactions with the Parent Group

For the six months ended 30 June 2025, the Group's expenses incurred from the acceptance of the provision of minerals from the Parent Group amounted to RMB5.89 million, representing approximately 0.01% of cost of sales of the Group for the same period. The Group's income from the provision of products and services to the Parent Group amounted to RMB864.95 million, representing approximately 1.04% of the total income of the Group for the same period. The Group's expenses incurred from the acceptance of the provision of products and services from the Parent Group amounted to RMB3,842.77 million, representing approximately 5.71% of cost of sales of the Group for the same period. The Group's expenses incurred from the acceptance of the provision of equipment from the Parent Group amounted to approximately RMB150.21 million, representing approximately 0.22% of cost of sales of the Group for the same period. The Group's income from the provision of construction services to the Parent Group amounted to RMB24.59 million, representing approximately 0.03% of the total income of the Group for the same period. The Group's expenses incurred from the acceptance of the provision of construction services from the Parent Group amounted to RMB2,733.86 million, representing approximately 4.06% of the cost of sales of the Group for the same period. The rental paid for leasing property from the Parent Group amounted to RMB1.41 million, representing approximately 0.002% of the cost of sales of the Group for the same period. The revenue from leasing property to the Parent Group amounted to RMB54.08 million, representing approximately 0.06% of the total income of the Group for the same period. The Company's maximum daily deposit balance deposited in China National Building Material Group Finance Co, Ltd. (a subsidiary of the Parent, "Finance Company") amounted to approximately RMB19,389.91 million. The Group's expenses in respect of other financial services provided by the Finance Company amounted to approximately RMB82,700.

Partially Exempt Connected Transactions

For the six months ended 30 June 2025 and up to the date of this report, the following transactions constitute connected transactions of the Company, which were exempt from circular and independent Shareholders' approval requirements and were only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Capital Contribution to CNBM Aviation

On 25 July 2025, Sinoma Science & Technology (a non-wholly-owned subsidiary of the Company), CNBM United Investment and China National Building Material (Shanghai) Aviation Technology Co., Ltd. ("CNBM Aviation") entered into a capital increase agreement, pursuant to which Sinoma Science & Technology and CNBM United Investment agreed to make a capital contribution totaling RMB500 million to CNBM Aviation. Among which, Sinoma Science & Technology subscribed for RMB200 million and CNBM United Investment subscribed for RMB300 million. Upon completion of the capital contribution, the registered capital of CNBM Aviation will be increased from RMB1,050 million to RMB1,550 million, and the respective shareholdings of the Group and CNBM United Investment, being 40% and 60%, remain unchanged.

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

For details of the capital contribution to CNBM Aviation, please refer to the announcement of the Company dated 25 July 2025. As of the date of this report, the transaction of capital contribution to CNBM Aviation has been completed.

Non-exempt Connected Transactions

For the six months ended 30 June 2025 and up to the date of this report, the Company has not commenced such connected transactions.

Significant Events *(Continued)*

CORPORATE GOVERNANCE CODE

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

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

SPECIAL COMMITTEES UNDER THE BOARD

The Strategic Steering Committee

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

Nomination Committee

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

Significant Events *(Continued)*

SPECIAL COMMITTEES UNDER THE BOARD *(CONTINUED)*

Nomination Committee *(Continued)*

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

Remuneration and Performance Appraisal Committee

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

Audit Committee

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

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

Environmental, Social and Governance Committee

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

Significant Events *(Continued)*

COMPLIANCE SUPERVISION, RISK MANAGEMENT AND INTERNAL CONTROL

In order to standardize daily operation, enhance risk control effectiveness, strengthen compliance management boundaries and realize legitimate operation and sustainable development, the Company has continuously explored the establishment of a coordinated operation mechanism for compliance management, risk management, internal control and legal management. At present, the Company has established a compliance management committee and an organization for construction and supervision of internal control systems. Through the dynamic improvement of the system and continuous optimization of management processes, the Company has established a systematic risk evaluation and supervision mechanism to create a closed-loop system of compliance management supervision and promote iterative upgrades of internal control and risk management mechanisms. Each department of the Company is the responsible and execution department for the daily monitoring, evaluation and supervision mechanism; the organization for construction and supervision of internal control systems and the Compliance Management Committee serve as the core coordinating entities, fulfilling organizational leadership, overall planning, and supervisory functions in daily management. The Audit Committee of the Board conducts independent evaluations of the Company's operational management activities, business development trends, and financial performance by regularly reviewing professional audit reports and internal audit results while assessing the effectiveness of strategic planning implementation, thereby enhancing the professionalism of compliance supervision, risk management, and internal control.

In accordance with code provision D.2.1 of the CG Code, the Board of Directors has listened to the Company's annual compliance management report, major risk assessment report and internal control system work report, and has also reviewed the effectiveness of the compliance supervision, risk management and internal control systems of the Company and its subsidiaries, which covered financial control, operation control, compliance control and risk management function control.

THE MODEL CODE

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

SHARE CAPITAL STRUCTURE

	As of 30 June 2025	
	Number of Shares	Percentage of Issued Share Capital (%)
Domestic Shares	3,876,624,162	51.06
H Shares	3,716,397,196	48.94
Total share capital	7,593,021,358	100

Significant Events *(Continued)*

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

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

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

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

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

MATERIAL LITIGATION AND ARBITRATION OF THE GROUP

During the Reporting Period, the Group was not involved in any litigation or arbitration which might have a significant impact on its production and operation, nor were any of the directors, supervisors and senior management of the Group involved in any material litigation.

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2025, the Group had approximately 133,517 employees.

The remuneration package of the Company's employees includes salary, bonuses and allowances. In accordance with relevant national and local labour and social welfare laws and regulations, the Group is required to pay on behalf of employees, a monthly social insurance premium covering pension insurance, injury insurance, medical insurance, unemployment insurance and housing reserve fund. The Company's remuneration policy for its staff is performance based, taking into account duties and responsibilities while bonus is linked to the overall economic efficiency of the Company.

When determining or recommending to the Board the emoluments payable to the independent non-executive Directors, the Remuneration and Performance Appraisal Committee will consider factors such as remuneration paid by comparable companies, the time and duties required from the Directors and senior management, employment conditions elsewhere within the Group and the desirability of performance-based remuneration in accordance with its terms of reference. Other than independent non-executive Directors, the other Directors will not receive remunerations in respect of their directorships in the Company. Some of the Directors receive employee remunerations for their role as senior management of the Company.

The Company endeavors to provide training to its employees. On-job training and continuous training plans include management skills and technical training, overseas exchange schemes and other courses. The Company also encourages employees to engage in self-study.

Significant Events *(Continued)*

JOINT COMPANY SECRETARIES

Ms. Lee Mei Yi ceased to serve as a joint company secretary of the Company (the “Joint Company Secretary”) and the process agent of the Company (an authorized representative for accepting the service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 19A.13(2) of the Listing Rules) (collectively the “Process Agent”) with effect from 1 August 2025. Mr. Chung Ming Fai has been appointed as a Joint Company Secretary and the Process Agent with effect from 1 August 2025. For details, please refer to the announcement of the Company dated 25 July 2025.

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Liu Yan resigned as an executive Director due to work adjustment and Mr. Xiao Jiaxiang resigned as a non-executive Director due to retirement on 16 January 2025. Ms. Miao Xiaoling was appointed as an executive Director upon approval at the extraordinary general meeting convened on 19 February 2025.

Saved as disclosed above, there were no changes of directors, supervisors and senior management of the Company during the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Changes in information of the Directors, Supervisors and chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Zhou Yuxian, an executive director and the chairman of the Board of the Company, has served as the chairman of the China Cement Association since May 2025; Mr. Sun Yanjun, an independent non-executive Director of the Company, has ceased to serve as a director of Yonghui Superstores Co., Ltd. since March 2025; Ms. Yu Yuehua, a staff representative Supervisor, the chief auditor and the general manager of the audit department of the Company, has served as a director of Tianshan Materials since February 2025, has ceased to serve as a director of Tianshan Materials since April 2025 and has ceased to serve as a supervisor of Qilianshan Holdings, BNBK and BBMG Corporation since June 2025. Ms. Du Guangyuan, a staff representative Supervisor and the general manager of the legal compliance department of the Company, has been a supervisor of Tianshan Materials since February 2025 and has ceased to serve as a supervisor of Tianshan Materials since July 2025.

DISCLOSURE OF INTEREST

With Parent, BNBK, CNBM Trading, Cinda and Building Materials Academy as Promoters, the Company was converted into a joint stock limited company on 28 March 2005. The Company's H Shares under the initial public offering were listed on the Stock Exchange on 23 March 2006 (Stock Code: 03323) and approximately 150 million H Shares, 300 million H Shares and 240 million H Shares were placed on 9 August 2007, 5 February 2009 and 14 September 2010, respectively. The Company issued bonus shares on 13 June 2011 on the basis of ten bonus shares for every ten shares held by the Shareholders. On 2 May 2018, the Company and Sinoma completed a merger by absorption through share exchange. On 12 March 2025, the Company completed the H Share Buyback Offer and cancelled the 841,749,304 H Shares repurchased by the Company. As of 30 June 2025, the Company has a total issued share capital of 7,593,021,358 Shares.

Significant Events *(Continued)*

DISCLOSURE OF INTEREST *(CONTINUED)*

1. Substantial Shareholders and persons who have an interest or short position disclosable under Divisions 2 and 3 of Part XV of SFO

So far as was known to the Directors or the Supervisors of the Company, as of 30 June 2025, the Shareholders (other than the Directors or the Supervisors of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or had otherwise notified the Company were as follows:

Name of Substantial Shareholders	Class of Shares	Long/short position/ Lending Pool	Capacity	Number of Shares held	Notes	Percentage of the relevant class of share capital (%) ¹	Percentage of total share capital (%) ¹
Parent	Domestic Shares	Long	Beneficial owner	628,592,008			
	Domestic Shares	Long	Interest of controlled corporations	2,984,713,973			
				3,613,305,981	2	93.21	47.59
	H Shares	Long	Beneficial owner	8,536,000			
	H Shares	Long	Interest of controlled corporations	175,428,000			
				183,964,000	2	4.95	2.42
BNBMG	Domestic Shares	Long	Beneficial owner	1,485,566,956	2	38.32	19.56
Sinoma Parent	Domestic Shares	Long	Beneficial owner	1,270,254,437	2	32.77	16.73
Taishan Finance	Domestic Shares	Long	Interest of controlled corporations	263,318,181	3	6.79	3.47
Taishan Investment	Domestic Shares	Long	Interest of controlled corporations	263,318,181	3	6.79	3.47
Finance Industry	Domestic Shares	Long	Beneficial owner	263,318,181	3	6.79	3.47
CNBM United Investment	Domestic Shares	Long	Beneficial owner	227,719,530	2	5.87	3.00
	H Shares	Long	Beneficial owner	168,628,000		4.54	2.22

Significant Events *(Continued)*

DISCLOSURE OF INTEREST *(CONTINUED)*

1. Substantial Shareholders and persons who have an interest or short position disclosable under Divisions 2 and 3 of Part XV of SFO *(Continued)*

Notes:

1. As at 30 June 2025, the Company's total number of issued shares comprises 7,593,021,358 Shares, including 3,876,624,162 Domestic Shares and 3,716,397,196 H Shares.
2. Of these 3,613,305,981 Shares, 628,592,008 Shares are directly held by the Parent, the remaining 2,984,713,973 Shares are deemed corporate interest indirectly held through BNBMG, Sinoma Parent, CNBM United Investment and Building Materials Academy. Sinoma Parent, CNBM United Investment and Building Materials Academy are wholly-owned subsidiaries of the Parent. BNBMG is a subsidiary of the Parent which directly and indirectly holds 100% of its equity interests, of which 70.04% is directly held and 29.96% is indirectly held through CNBM Trading. Under the SFO, the Parent is deemed to own the Shares directly held by BNBMG (1,485,566,956 Shares), Sinoma Parent (1,270,254,437 Shares), CNBM United Investment (227,719,530 Shares) and Building Materials Academy (1,173,050 Shares).
3. Finance Industry is a wholly-owned subsidiary of Taishan Investment, which in turn is a wholly-owned subsidiary of Taishan Finance. Under the SFO, Taishan Finance is deemed to own 263,318,181 Shares directly held by Finance Industry.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any persons who have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

2. Interests and Short Positions of Directors and Supervisors

As at 30 June 2025, as far as the Company is aware, none of the Directors nor Supervisors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO, or otherwise required to be notified by the Directors or Supervisors and the Stock Exchange pursuant to the Model Code nor have they been granted the right to acquire any interests in Shares or debentures of the Company or any of its associated corporations.

Report on Review of Condensed Consolidated Financial Statements



MOORE

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To The Board of Directors of China National Building Material Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China National Building Material Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 95, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34"), issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Financial Statements (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34.

Moore CPA Limited

Certified Public Accountants

Cheung Sai Kit

Practising Certificate Number: P05544

Hong Kong, 28 August 2025

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	5	83,279,904	83,470,594
Cost of sales		(67,299,968)	(70,217,099)
Gross profit		15,979,936	13,253,495
Investment and other income, net	6	2,053,943	1,183,823
Selling and distribution costs		(1,929,612)	(1,892,785)
Administrative expenses		(8,934,012)	(9,913,658)
Finance costs, net	7	(2,286,152)	(2,441,944)
Share of results of associates		680,218	340,979
Share of results of joint ventures		(5,510)	(6,990)
Impairment loss under expected credit loss model, net		(433,358)	(195,724)
Profit before income tax	8	5,125,453	327,196
Income tax expense	9	(1,160,642)	(619,549)
Profit/(loss) for the period		3,964,811	(292,353)
Profit/(loss) for the period attributable to:			
Owners of the Company		1,360,196	(2,017,616)
Holders of perpetual capital instruments		216,671	270,128
Non-controlling interests		2,387,944	1,455,135
Profit/(loss) for the period		3,964,811	(292,353)
Earnings/(loss) per share			
– Basic and diluted (RMB)	11	0.172	(0.239)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	12	205,214,534	204,239,365
Right-of-use assets	13	26,378,721	27,046,941
Investment properties		1,531,117	1,492,807
Goodwill	14	35,133,581	34,376,630
Intangible assets		31,793,862	31,290,814
Interests in associates	15	34,457,755	33,115,674
Interests in joint ventures		517,583	223,093
Financial assets at fair value through profit or loss	18	3,870,239	3,754,092
Financial assets at fair value through other comprehensive income		42,969	42,969
Deposits	16	2,149,508	2,577,030
Trade and other receivables	17	2,534,771	3,205,042
Deferred income tax assets		8,707,710	8,603,357
		352,332,350	349,967,814
Current assets			
Inventories		21,566,677	16,951,294
Trade and other receivables	17	95,270,468	87,592,581
Financial assets at fair value through profit or loss	18	4,391,338	9,423,632
Derivative financial instruments		670	1,448
Amounts due from related parties	27(b)	2,320,243	2,727,631
Pledged bank deposits	19	3,563,035	3,809,312
Cash and cash equivalents	19	26,295,467	23,533,564
		153,407,898	144,039,462

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Current liabilities			
Trade and other payables	20	90,359,713	91,379,837
Amounts due to related parties	27(b)	6,951,725	5,814,777
Borrowings – amount due within one year	21	102,530,326	82,128,645
Lease liabilities		385,590	418,137
Derivative financial instruments		2,066	4,689
Employee benefits payable	22	22,145	25,817
Current income tax liabilities		1,126,182	1,380,346
Dividends payable to non-controlling interests		336,128	311,080
		201,713,875	181,463,328
Net current liabilities		(48,305,977)	(37,423,866)
Total assets less current liabilities		304,026,373	312,543,948
Non-current liabilities			
Borrowings – amount due after one year	21	103,150,101	109,781,897
Deferred income		2,263,649	2,278,646
Lease liabilities		1,996,218	2,148,167
Employee benefits payable	22	327,624	329,186
Deferred income tax liabilities		3,511,842	3,478,167
		111,249,434	118,016,063
Net assets		192,776,939	194,527,885

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Capital and reserves			
Share capital	23(a)	7,593,021	8,434,771
Reserves		92,577,858	94,686,353
Equity attributable to:			
Owners of the Company		100,170,879	103,121,124
Holders of perpetual capital instruments	23(b)	16,199,516	16,322,353
Non-controlling interests		76,406,544	75,084,408
Total equity		192,776,939	194,527,885

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company											Total equity RMB'000
	Share capital RMB'000	Share Premium and redemption reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve fund RMB'000	Share-based payments reserve RMB'000	Hedging reserve RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Perpetual capital instruments RMB'000	Non- controlling interests RMB'000	
Balance at 1 January 2024 (audited)	8,434,771	1,788,736	9,688,148	15,552,992	48,063	(9,275)	(381,384)	70,203,431	105,325,482	17,838,445	70,350,160	193,514,087
(Loss)/profit for the period	-	-	-	-	-	-	-	(2,017,616)	(2,017,616)	270,128	1,455,135	(292,353)
Other comprehensive income/(expense), net of tax:												
Actuarial loss on defined benefit obligations	-	-	(427)	-	-	-	-	-	(427)	-	(443)	(870)
Currency translation differences	-	-	-	-	-	-	(56,952)	-	(56,952)	-	(6,865)	(63,817)
Share of associates' other comprehensive income	-	-	19,019	-	-	-	-	-	19,019	-	-	19,019
Change in the fair value on hedging instruments designated as cash flow hedges	-	-	-	-	-	6,305	-	-	6,305	-	4,374	10,679
Total comprehensive (expense)/income for the period (unaudited)	-	-	18,592	-	-	6,305	(56,952)	(2,017,616)	(2,049,671)	270,128	1,452,201	(327,342)
Dividends paid (Note 10)	-	-	-	-	-	-	-	(1,931,562)	(1,931,562)	-	-	(1,931,562)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,344,100)	(2,344,100)
Interest paid on perpetual capital instruments	-	-	-	-	-	-	-	-	-	(252,300)	-	(252,300)
Issue of perpetual capital instruments, net of issuance cost	-	-	-	-	-	-	-	-	-	998,340	-	998,340
Redemption of perpetual capital instruments	-	-	-	-	-	-	-	-	-	(996,940)	-	(996,940)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	112,905	112,905
Share of reserve in associates	-	-	6,860	-	-	-	-	-	6,860	-	-	6,860
Increase in non-controlling interests as a result of acquisition of subsidiaries (Note 24(a))	-	-	-	-	148,028	-	-	-	148,028	-	594,186	742,214
Decrease in non-controlling interests as a result of disposal of subsidiaries (Note 24(b))	-	-	-	-	-	-	-	-	-	-	1,311	1,311
Decrease in non-controlling interests as result of acquisition of additional interest in subsidiaries without change in control (Note 25(a))	-	-	991	-	-	-	-	-	991	-	(6,444)	(5,453)
Deemed partial disposal of interest in subsidiaries without losing control (Note 25(b))	-	-	20,950	-	-	-	-	-	20,950	-	517,073	538,023
Recognition of equity-settled share-based payment of subsidiaries	-	-	-	-	22,476	-	-	-	22,476	-	25,534	48,010
Transfer upon lapse of share awards of a subsidiary	-	-	-	-	(1,609)	-	-	-	(1,609)	-	-	(1,609)
Increase in non-controlling interests as a result of the effect of performance guarantee to a non-wholly owned subsidiary (Note 25(c))	-	-	(2,765,726)	-	-	-	-	-	(2,765,726)	-	2,765,726	-
Others	-	-	106,522	-	-	-	(32)	5,697	112,187	-	(453,105)	(340,918)
Balance at 30 June 2024 (unaudited)	8,434,771	1,788,736	7,076,337	15,552,992	216,958	(2,970)	(438,368)	66,259,950	98,888,406	17,857,673	73,015,447	189,761,526

Condensed Consolidated Financial Statements (Continued)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

	Attributable to owners of the Company											
	Share Premium and		Capital reserve	Statutory surplus reserve fund	Share-based payments reserve	Hedging reserve	Exchange reserve	Retained earnings	Total	Perpetual capital instruments	Non-controlling interests	Total equity
	Share capital	redemption reserve										
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025 (audited)	8,434,771	1,788,736	7,064,239	16,753,529	72,229	(3,405)	(492,510)	69,503,535	103,121,124	16,322,353	75,084,408	194,527,885
Profit for the period	-	-	-	-	-	-	-	1,360,196	1,360,196	216,671	2,387,944	3,964,811
Other comprehensive income/(expense), net of tax:												
Currency translation differences	-	-	-	-	-	-	18,125	-	18,125	-	67,364	85,489
Share of associates' other comprehensive income/(expense)	-	-	5,556	-	-	-	-	-	5,556	-	(7,012)	(1,456)
Change in the fair value on hedging instruments designated as cash flow hedges	-	-	-	-	-	797	-	-	797	-	1,149	1,946
Total comprehensive income for the period (unaudited)	-	-	5,556	-	-	797	18,125	1,360,196	1,384,674	216,671	2,449,445	4,050,790
Dividends paid (Note 10)	-	-	-	-	-	-	-	(1,199,697)	(1,199,697)	-	-	(1,199,697)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,942,827)	(1,942,827)
Interest paid on perpetual capital instruments	-	-	-	-	-	-	-	-	-	(242,100)	-	(242,100)
Issue of perpetual capital instruments, net of issuance cost	-	-	-	-	-	-	-	-	-	5,882,632	-	5,882,632
Redemption of perpetual capital instruments	-	-	-	-	-	-	-	-	-	(5,980,040)	-	(5,980,040)
Share repurchased and cancelled (Note 23(a))	(841,750)	(2,362,544)	-	-	-	-	-	-	(3,204,294)	-	-	(3,204,294)
Share of reserve in associates	-	-	(31,101)	-	-	-	-	-	(31,101)	-	-	(31,101)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,838	12,838
Increase in non-controlling interests as a result of acquisition of subsidiaries (Note 24(a))	-	-	-	-	-	-	-	-	-	-	697,636	697,636
Decrease in non-controlling interests as result of acquisition of additional interest in subsidiaries without change in control (Note 25(a))	-	-	(9,380)	-	-	-	-	-	(9,380)	-	(45,017)	(54,397)
Recognition of equity-settled share-based payment of subsidiaries	-	-	-	-	1,942	-	-	-	1,942	-	5,192	7,134
Distribution to non-controlling interests upon deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,140)	(1,140)
Others	-	-	120,561	-	-	-	-	(12,950)	107,611	-	146,009	253,620
Balance at 30 June 2025 (unaudited)	7,593,021	(573,808)	7,149,875	16,753,529	74,171	(2,608)	(474,385)	69,651,084	100,170,879	16,199,516	76,406,544	192,776,939

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Net cash generated from operating activities	2,382,001	2,994,816
Investing activities		
Purchases of property, plant and equipment	(4,845,543)	(9,746,995)
Payments for right-of-use assets	(200,616)	(400,530)
Purchases of intangible assets	(1,536,469)	(979,858)
Net cash outflows from acquisition of subsidiaries (Note 24(a))	(1,031,016)	(3,506,720)
Net cash inflows from disposal of subsidiaries (Note 24(b))	40,202	11,085
Acquisition of interests in associates	(1,145,248)	–
Purchase of financial assets at fair value through profit or loss	(11,609,181)	(10,166,274)
Proceeds on disposal of financial assets at fair value through profit or loss	16,425,625	13,269,008
Other investing cash inflows, net	285,836	241,472
Net cash used in investing activities	(3,616,410)	(11,278,812)
Financing activities		
Interest paid	(2,648,836)	(2,794,294)
Dividends paid to shareholders	(1,199,697)	(1,931,562)
Dividends paid to the non-controlling interests of subsidiaries	(1,917,779)	(2,535,252)
Payments on repurchase of shares (Note 23(a))	(3,204,294)	–
Repayment of borrowings	(48,562,891)	(47,766,936)
New borrowings raised	62,066,619	61,304,204
Repayment of lease liabilities	(277,236)	(236,157)
Payments for acquisition of additional interests in subsidiaries (Note 25(a))	(54,397)	(5,453)
Deemed partial disposal of interest in subsidiaries without losing control (Note 25(b))	–	538,023
Contributions from non-controlling interests	12,838	112,905
Issue of perpetual capital instruments, net of issuance cost (Note 23(b))	5,882,632	998,340
Redemption of perpetual capital instruments (Note 23(b))	(5,980,040)	(996,940)
Other financing cash outflows, net	(313,676)	(717,207)
Net cash from financing activities	3,803,243	5,969,671
Net increase/(decrease) in cash and cash equivalents	2,568,834	(2,314,325)
Cash and cash equivalents at 1 January	23,533,564	27,430,500
Effect of foreign exchange rate changes	193,069	(307,288)
Cash and cash equivalents at 30 June	26,295,467	24,808,887

The accompanying notes are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

China National Building Material Company Limited (the “Company” or “CNBM”) was established as a joint stock company with limited liability in the People’s Republic of China (the “PRC”) on 28 March 2005. On 23 March 2006, the Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited.

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

The Company’s immediate and ultimate holding company is China National Building Material Group Co., Ltd. (the “Parent”), a state-owned enterprise established on 3 January 1984 under the laws of the PRC.

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

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

The condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(CONTINUED)*

Application of amendments to IFRS Accounting Standards

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

Amendments to IAS 21

Lack of Exchangeability

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

3. ESTIMATES

The preparation of condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

4. FINANCIAL RISK FACTORS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk, liquidity risk and capital risk.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the risk management policies during the current period.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS *(CONTINUED)*

4.2 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 30 June 2025, the Group has net current liabilities and capital commitments of approximately RMB48,305.98 million (31 December 2024: approximately RMB37,423.87 million) and approximately RMB513.66 million (31 December 2024: approximately RMB1,396.08 million) (Note 26), respectively. The Group is exposed to liquidity risk as a significant percentage of the Group's funding is sourced through bank borrowings. The directors manage liquidity risk by monitoring the utilisation of borrowings, ensuring compliance with loan covenants and issuing new shares, domestic corporate bonds and debentures. In addition, the Group has obtained committed credit facilities from banks. As at 30 June 2025, the Group had unused banking facilities and bonds registered but not yet issued, of approximately RMB383,190.00 million (31 December 2024: approximately RMB393,067.55 million).

4.3 Fair value measurement of financial instruments

(a) Financial instruments that are measured at fair value on a recurring basis

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS *(CONTINUED)*

4.3 Fair value measurement of financial instruments *(Continued)*

(a) Financial instruments that are measured at fair value on a recurring basis *(Continued)*

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2025:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Derivative financial instruments	–	670	–	670
Financial assets at fair value through profit or loss	2,737,549	–	5,524,028	8,261,577
Financial assets at fair value through other comprehensive income	–	–	42,969	42,969
Total assets (unaudited)	2,737,549	670	5,566,997	8,305,216
Liabilities				
Derivative financial instruments	–	2,066	–	2,066
Total liabilities (unaudited)	–	2,066	–	2,066

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS *(CONTINUED)*

4.3 Fair value measurement of financial instruments *(Continued)*

(a) Financial instruments that are measured at fair value on a recurring basis *(Continued)*

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Derivative financial instruments	–	1,448	–	1,448
Financial assets at fair value through profit or loss	2,769,793	–	10,407,931	13,177,724
Financial assets at fair value through other comprehensive income	–	–	42,969	42,969
Total assets (audited)	2,769,793	1,448	10,450,900	13,222,141
Liabilities				
Derivative financial instruments	–	4,689	–	4,689
Total liabilities (audited)	–	4,689	–	4,689

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS *(CONTINUED)*

4.3 Fair value measurement of financial instruments *(Continued)*

(a) Financial instruments that are measured at fair value on a recurring basis *(Continued)*

During the six months ended 30 June 2025, there were no significant transfers between levels of the financial assets and financial liabilities.

During the six months ended 30 June 2025, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

The fair value of financial instruments traded in active market is based on quoted market prices at the end of the reporting period. A market is regarded as active if quotes prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The instruments included in Level 1 comprise primarily equity investments on the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange, which are classified as trading securities.

The fair values of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS (CONTINUED)

4.3 Fair value measurement of financial instruments (Continued)

(a) Financial instruments that are measured at fair value on a recurring basis (Continued)

Information about Level 3 fair value measurements:

Financial assets	Fair value at		Valuation technique(s) and key input(s)	Unobservable inputs to fair value
	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)		
Structured deposits in Mainland China with non-closely related embedded derivative	2,256,169	7,140,066	Discounted cash flows Key unobservable inputs are: Expected yields of 1.00% to 1.30% (31 December 2024: 0.85% to 2.87%) of money markets and debt instruments invested by banks and a discount rate that reflects the credit risk of the banks (Note (i))	The higher the expected yield, the higher the fair value The higher the discount rate, the lower the fair value
Unlisted equity investments classified as financial assets at fair value through profit or loss	1,056,048	1,045,804	Market approach: Price-to-Book (P/B) Ratio Key unobservable input: Discount for lack of marketability: 16.34% to 16.79% (31 December 2024: 16.34% to 16.79%) (Note (ii))	The higher the discount for lack of marketability, the lower the fair value
Unlisted funds classified as financial assets at fair value through profit or loss	2,211,811	2,222,061	Net assets value (Note (iii))	N/A
Unlisted equity investments classified as financial assets at fair value through other comprehensive income	42,969	42,969	Adjusted net assets approach (31 December 2024: With reference to recent transaction price)	N/A

Notes:

- (i) The management considers that the impact of the fluctuation in expected yields of the money market instruments and debt instruments to the fair value of structured deposits was insignificant as the deposits have short maturities, and therefore no sensitivity analysis is presented.
- (ii) If the fair value of unlisted equity investments held by the Group had been 5% higher/lower, the profit before income tax for the six months ended 30 June 2025 would have been approximately RMB52.80 million, higher/lower (the year ended 31 December 2024: loss before income tax would have been approximately RMB52.29 million, lower/higher).
- (iii) The unlisted fund is redeemable at a redemption price equals to the net assets value.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. FINANCIAL RISK FACTORS *(CONTINUED)*

4.3 Fair value measurement of financial instruments *(Continued)*

(a) Financial instruments that are measured at fair value on a recurring basis *(Continued)*

Reconciliation of Level 3 fair value measurements:

	Financial assets at fair value through profit or loss <i>RMB'000</i>	Financial assets at fair value through other comprehensive income <i>RMB'000</i>
At 1 January 2024 (audited)	10,688,597	18,969
Increase in fair value of financial assets at fair value through profit or loss, net	144,149	–
Additions	25,141,023	24,000
Disposals	(25,559,812)	–
Exchange re-alignment	(6,026)	–
At 31 December 2024 (audited)	10,407,931	42,969
Increase in fair value of financial assets at fair value through profit or loss, net	13,552	–
Additions	11,529,714	–
Disposals	(16,425,572)	–
Exchange re-alignment	(1,597)	–
At 30 June 2025 (unaudited)	5,524,028	42,969

(b) Financial instruments that are not measured at fair value on a recurring basis

The management of the Group considers that the carrying amounts financial assets and financial liabilities at cost or amortised cost were not materially different from their fair value.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION

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

Principal activities are as follows:

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

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

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

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

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

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

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

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

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

(b) As at 30 June 2025:

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(CONTINUED)*

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

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(CONTINUED)*

(d) As at 31 December 2024:

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(CONTINUED)*

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

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

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

6. INVESTMENT AND OTHER INCOME, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government subsidies:		
– VAT refunds (Note (a))	359,073	254,781
– Government grants (Note (b))	636,194	821,550
– Interest subsidy	1,737	7,668
Gain/(loss) on disposal of subsidiaries, net (Note 24(b))	16,425	(3,748)
Gain on partial disposal of interest in an associate	51,987	–
Gain/(loss) on disposal of other investments	75,068	(17,382)
Gain/(loss) on deregistration of a subsidiary	44,290	(12,672)
Increase/(decrease) in fair value of financial assets at fair value through profit or loss, net	104,954	(580,717)
Increase/(decrease) in fair value of derivative financial instruments, net	602	(23,309)
Net rental income from:		
– Investment properties	26,736	16,738
– Land and buildings	47,218	37,184
– Equipment	77,720	89,245
Gain on disposal of property, plant and equipment	60,365	5,454
Gain on disposal of intangible assets	35,099	15,329
Technical and other service income	393,045	374,986
Claims received	30,810	45,502
Waiver of payables	46,844	58,742
Others	45,776	94,472
	2,053,943	1,183,823

Notes:

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

7. FINANCE COSTS, NET

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

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

8. PROFIT BEFORE INCOME TAX

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

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

9. INCOME TAX EXPENSE

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

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

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

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

10. DIVIDENDS

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

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

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

For the six months ended 30 June 2025

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

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Construction In progress RMB'000	Land and buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Total RMB'000
Net book value					
At 1 January 2025 (audited)	28,079,261	99,027,880	75,710,681	1,421,543	204,239,365
Additions	4,654,730	387,912	1,085,754	87,087	6,215,483
Acquisition of subsidiaries (Note 24(a))	40,555	358,488	804,311	3,282	1,206,636
Depreciation charged and impairment loss recognised for the period	–	(1,879,433)	(3,951,469)	(120,663)	(5,951,565)
Disposals	(604)	(213,623)	(239,509)	(9,965)	(463,701)
Disposal of subsidiaries (Note 24(b))	–	(13,501)	(4,251)	(156)	(17,908)
Transfer from investment properties	–	9,292	–	–	9,292
Transfer to investment properties	–	(23,068)	–	–	(23,068)
Transfer from construction in progress	(5,032,886)	1,710,995	3,316,095	5,796	–
Transfer to construction in progress for reconstruction	132,826	(85,054)	(47,772)	–	–
Net book value at 30 June 2025 (unaudited)	27,873,882	99,279,888	76,673,840	1,386,924	205,214,534

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Construction In progress RMB'000	Land and buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Total RMB'000
Net book value					
At 1 January 2024 (audited)	22,912,016	97,231,410	76,380,820	1,483,629	198,007,875
Additions	15,339,650	1,617,097	1,084,579	166,825	18,208,151
Acquisition of subsidiaries	10,770	1,212,260	563,311	1,506	1,787,847
Depreciation charged and impairment loss recognised for the year	(462)	(3,940,266)	(7,596,931)	(205,099)	(11,742,758)
Disposals	(11,447)	(661,649)	(607,316)	(43,036)	(1,323,448)
Disposal of subsidiaries	(48,950)	(224,911)	(129,469)	(1,463)	(404,793)
Transfer from investment properties	–	18,713	–	–	18,713
Transfer to investment properties	(2,489)	(309,733)	–	–	(312,222)
Transfer from construction in progress	(11,109,976)	4,471,389	6,618,561	20,026	–
Transfer to construction in progress for reconstruction	990,149	(386,430)	(602,874)	(845)	–
Net book value at 31 December 2024 (audited)	28,079,261	99,027,880	75,710,681	1,421,543	204,239,365

At the end of the reporting period, the carrying amount of the Group's property, plant and equipment pledged to secure the borrowings granted to the Group is analysed as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Construction in progress	1,738,800	1,738,800
Land and buildings	906,161	956,265
Plant and machinery	58,141	60,507
Total	2,703,102	2,755,572

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

13. RIGHT-OF-USE ASSETS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Leasehold lands	21,545,745	21,540,227
Leased properties	2,872,293	3,018,467
Plant and machinery	1,817,603	2,338,984
Motor vehicles	143,080	149,263
	26,378,721	27,046,941

The Group leases various offices, plant and machinery and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 43 years (31 December 2024: 1 year to 43 years) with no extension and termination options. During the six months ended 30 June 2025, the Group recognised right-of-use assets and lease liabilities of approximately RMB250.95 million (2024: approximately RMB962.92 million).

As at 30 June 2025, the Group has pledged leasehold lands with a carrying amount of approximately RMB85.11 million (31 December 2024: approximately RMB90.40 million) to secure the borrowings granted to the Group.

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

14. GOODWILL

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
At the beginning of the period/year	34,376,630	32,243,664
Arising from acquisition of subsidiaries (Note 24(a))	740,508	2,238,791
Impairment loss recognised	–	(73,654)
Disposal of a subsidiary (Note 24(b))	(19,851)	–
De-registration of a subsidiary	–	(17,356)
Exchange re-alignment	36,294	(14,815)
At the end of the period/year	35,133,581	34,376,630

Goodwill is allocated to the cash-generating units that are expected to benefit from the business combination. The carrying amount of goodwill had been allocated as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Cement	26,036,021	25,663,812
Concrete	5,429,797	5,429,797
New materials	2,844,853	2,496,405
Engineering technology services	762,089	727,541
Others	60,821	59,075
	35,133,581	34,376,630

There was no impairment loss in related to goodwill recognised during the six months ended 30 June 2025. During the six months ended 30 June 2024, impairment loss of approximately RMB4.68 million in relation to goodwill allocated to the cash-generating units of concrete segment was recognised.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

15. INTERESTS IN ASSOCIATES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Cost of investments in associates		
– listed in the PRC (Note (i))	4,515,873	3,560,683
– listed in Hong Kong	740,095	740,095
– unlisted	12,407,755	12,237,671
Share of post-acquisition profit, net of dividend received	16,794,032	16,577,225
	34,457,755	33,115,674
Fair value of listed investments (Note (ii))	16,231,730	16,440,496
Share of results of associates	680,218	1,090,929

Notes:

- (i) During the six months ended 30 June 2025, the Company has acquired additional equity interest of 2.23% of the associate, China Jushi Co., Ltd. ("Jushi") with a total consideration of approximately RMB990.00 million and the Company's shareholding in Jushi increased from 26.99% to 29.22%.
- (ii) The fair value of the listed investments is determined based on the quoted market bid price multiplied by the quantity of shares held by the Group.

As at 30 June 2025, the cost of investments in associates included goodwill of associates of approximately RMB2,367.72 million (31 December 2024: approximately RMB2,168.32 million).

16. DEPOSITS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Investment deposits for acquisition of entities	65,782	151,799
Deposits paid to acquire property, plant and equipment	840,668	1,270,468
Deposits paid to acquire intangible assets	1,023,329	923,404
Deposits paid to acquire right-of-use assets	219,729	231,359
	2,149,508	2,577,030

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

17. TRADE AND OTHER RECEIVABLES

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

17. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

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

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

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

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

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Financial assets at fair value through profit or loss:		
– Equity shares listed outside Hong Kong Stock Exchange	2,135,306	2,273,537
– Equity shares listed on Hong Kong Stock Exchange	602,243	496,256
– Structured deposits (Note)	2,256,169	7,140,066
– Unlisted equity and fund investments	3,267,859	3,267,865
	8,261,577	13,177,724
Analysed for reporting purposes:		
Non-current portion	3,870,239	3,754,092
Current portion	4,391,338	9,423,632
	8,261,577	13,177,724

Note: During the six months ended 30 June 2025 and year ended 31 December 2024, the Group entered into certain investments with certain financial institutions. The investment, based on respective contracts, have maturity dates within 3 months.

19. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

As at 30 June 2025, the Group pledged bank deposit of approximately RMB3,563.04 million (31 December 2024: approximately RMB3,809.31 million), which is denominated in RMB, to secure the borrowings due within one year and the short-term banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant borrowings.

Bank balances and pledged bank deposits carry interest at market rates which ranging from 0.05% to 8.00% (the year ended 31 December 2024: ranging from 0.03% to 11.00%) per annum.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

20. TRADE AND OTHER PAYABLES

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

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

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

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

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

21. BORROWINGS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Bank borrowings	168,335,802	150,972,542
Bonds	36,400,000	40,500,000
Borrowings from other financial institutions	944,625	438,000
	205,680,427	191,910,542
Secured	7,093,819	4,549,237
Unsecured	198,586,608	187,361,305
	205,680,427	191,910,542
Analysed for reporting purposes:		
– Non-current portion	103,150,101	109,781,897
– Current portion	102,530,326	82,128,645
	205,680,427	191,910,542

The interest rates of the fixed-rate borrowings and variable-rate borrowings are ranging from 0.80% to 10.65% and 0.29% to 17.00% per annum during the period (the year ended 31 December 2024: ranging from 0.90% to 15.00% and 1.63% to 17.00% per annum) respectively.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

21. BORROWINGS *(CONTINUED)*

As at 30 June 2025, borrowings of approximately RMB8,930.82 million (31 December 2024: approximately RMB8,092.00 million) are provided by China Building Materials Group Finance Co., Ltd., an associate of the Group, carrying interest rates ranging from 2.00% to 3.45% (the year ended 31 December 2024: 2.00% to 3.45%) per annum.

As at 30 June 2025, the borrowings of approximately RMB7,093.82 million (31 December 2024: approximately RMB4,549.24 million) are secured by the following assets of the Group:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Property, plant and equipment (Note 12)	2,703,102	2,755,572
Right-of-use assets (Note 13)	85,110	90,401
Intangible assets	6,585,361	5,998,369
Pledged bank deposits (Note 19)	3,563,035	3,809,312
Bills receivable (Note 17)	64,730	81,553
	13,001,338	12,735,207

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

22. EMPLOYEE BENEFITS PAYABLE

The Group operates unfunded defined benefit plan for qualifying former employees. The Group paid supplemental pension subsidies or pension contributions to its employees in the PRC who retired prior to 31 December 2006. In addition, the Group is committed to make periodic benefits payments to certain former employees who were terminated or early retired in accordance with various rationalisation programmes adopted by the Group prior to 31 December 2006. The Group ceased to pay the supplemental pension subsidies and other post-employment medical benefits to its retired employees and early retired employees in the PRC who leave the Group after 31 December 2006.

The movements of employee benefits payable are as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
At the beginning of the period/year	355,003	332,331
Interest expenses	573	8,848
Remeasurements:		
– Adjustments for restrictions on the defined benefit asset	414	5,160
– Actuarial losses recognised in the period/year	–	32,829
– Past service cost, including (gain)/losses on curtailments	(485)	1,396
Benefits paid	(5,736)	(25,561)
At the end of the period/year	349,769	355,003
Analysed for reporting purposes:		
Non-current portion	327,624	329,186
Current portion	22,145	25,817
	349,769	355,003

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

23. SHARE CAPITAL AND PERPETUAL CAPITAL INSTRUMENTS

(a) Share capital

	Domestic share (Note (i))		H Shares (Note (ii))		Total capital RMB'000
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	
Registered and paid up shares of RMB1.0 each					
As at 31 December 2024, 1 January 2025	3,876,624,162	3,876,624	4,558,146,500	4,558,147	8,434,771
Shares repurchased and cancelled (Note (iv))	–	–	(841,749,304)	(841,750)	(841,750)
As at 30 June 2025	3,876,624,162	3,876,624	3,716,397,196	3,716,397	7,593,021

Notes:

- (i) Domestic shares are ordinary shares subscribed for and credited as fully paid up in RMB by PRC government and/or PRC incorporated entities only.
- (ii) H shares are ordinary shares listed in the Hong Kong Stock Exchange subscribed for, traded in and credited as fully paid up in HKD by persons other than PRC government and/or PRC incorporated entities only.
- (iii) Unlisted Foreign Shares are non-overseas listed ordinary shares subscribed for and credited as fully paid up in foreign currency by persons other than PRC government and/or PRC incorporated entities only.
- (iv) On 12 March 2025, the Company has completed the repurchase and cancellation of the Company's own ordinary shares listed on the Hong Kong Stock Exchange. 841,749,304 H shares were repurchased with aggregate consideration of approximately HK\$3,392.25 million (equivalent to approximately RMB3,187.54 million) and transaction costs of approximately RMB16.75 million. No subsidiaries of the Company purchased, sold or redeemed any of the Company's listed securities during the period.

Other than the specific requirements on the holders of the shares as set out in Notes (i), (ii) and (iii) the shares mentioned above rank pari passu in all respects with each other.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

23. SHARE CAPITAL AND PERPETUAL CAPITAL INSTRUMENTS *(CONTINUED)*

(b) Perpetual capital instruments

During the six months ended 30 June 2025, the Company issued the perpetual interest-bearing debentures in an aggregate principal amounts of RMB5,900.00 million (2024: RMB1,000.00 million) with coupon rates ranging from 1.90% to 4.28% (2024: 2.73% to 5.70%) per annum. The net proceeds after deducting the issuance cost amounted to approximately RMB5,882.63 million (2024: approximately RMB998.34 million). Unless a mandatory interest payment event has occurred, on each interest payment date of the perpetual interest-bearing debentures, the Company can elect to defer payment of interest due and all interest deferred pursuant to this term without any limitation on the number of times of such deferral. The aforesaid deferral of interest shall not constitute a default by the Company. Interest shall accrue on the deferred interest at the prevailing coupon rate over the period of deferral. The perpetual interest-bearing debentures have no maturity date and will continue indefinitely until redeemed by the Company in accordance with their terms. The Company is entitled to redeem the perpetual capital instruments at par value plus payable interest (including all deferred interest) on the third and each of the subsequent interest payment dates of the perpetual interest-bearing debentures. If the Company does not exercise the right of redemption, the coupon rate will be reset every three years from the third interest-bearing year onwards.

Besides, during the six months ended 30 June 2025, the Company redeemed the perpetual interest-bearing debentures in an aggregate principal amounts of RMB5,980.04 million (2024: RMB996.94 million) and settled the principals and interests amounted to approximately RMB6,222.14 million (2024: approximately RMB1,249.24 million) in aggregate.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries not under common control

During the six months ended 30 June 2025, the Group acquired three (2024: two) subsidiaries from independent third parties. The acquired subsidiaries are principally engaged in the production and sale of cement, and research and development, production and sales of coatings and related products.

These acquisitions have been accounted for using the acquisition method.

Summary of assets acquired and liabilities recognised in the transactions during the periods ended 30 June 2025 and 2024, and the goodwill arising, are as follows:

	2025 Fair value RMB'000 (Provisional)	2024 Fair value RMB'000
Net assets acquired:		
Property, plant and equipment (Note 12)	1,206,636	1,780,620
Right-of-use assets	143,001	478,531
Investment properties	18,731	–
Intangible assets	22,814	830,848
Interests in associates	19,934	17,639
Deferred income tax assets	6,982	57,001
Inventories	305,123	307,319
Trade and other receivables	590,340	1,201,233
Amounts due from related parties	397,604	10,987
Pledged bank deposits	22,686	6
Cash and cash equivalents	336,831	288,923
Trade and other payables	(635,325)	(946,754)
Current income tax liabilities	(23,927)	(32,596)
Amounts due to related parties	(207,816)	(16,081)
Borrowings	(223,939)	(285,760)
Lease liabilities	–	(4,687)
Deferred income	(1,156)	(1,611)
Deferred income tax liabilities	(21,925)	(262,751)
Net assets acquired	1,956,594	3,422,867
Non-controlling interests	(697,636)	(594,186)
Goodwill (Note 14)	740,508	2,238,791
Total consideration	1,999,466	5,067,472

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries not under common control (Continued)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Total consideration satisfied by:		
Cash	1,367,847	3,795,643
Other payables	378,433	1,271,829
Deposits	253,186	–
	1,999,466	5,067,472
Net cash outflows arising on acquisition:		
Cash consideration paid	(1,367,847)	(3,795,643)
Less: cash and cash equivalents acquired	336,831	288,923
	(1,031,016)	(3,506,720)

Notes:

The initial accounting for certain assets acquired in the above business combinations have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred income tax liabilities and goodwill may be adjusted accordingly.

The goodwill arising on the acquisition of these companies is attributable to the benefit of expected revenue growth and future market development, and the synergies in consolidating the Group's cement, concrete and new materials operations. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Included in the revenue and profit for the six months ended 30 June 2024 are approximately RMB1,478.24 million and RMB204.82 million respectively attributable to the additional business generated by these newly acquired companies.

Had these business combinations been effective at 1 January 2024, the revenue and loss for the six months ended 30 June 2024 of the Group would be approximately RMB83,867.19 million and RMB327.88 million respectively.

Included in the revenue and profit for the six months ended 30 June 2025 are approximately RMB742.81 million and RMB110.95 million respectively attributable to the additional business generated by these newly acquired companies.

Had these business combinations been effective at 1 January 2025, the revenue and profit for the six months ended 30 June 2025 of the Group would be approximately RMB83,349.28 million and RMB3,969.30 million, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Acquisition of subsidiaries not under common control *(Continued)*

Details of the Group's significant acquisitions during the six months ended 30 June 2025 are as follows:

Inner Mongolia Hengke New Material Co. Ltd (内蒙古恒科新材料科技有限公司) ('Inner Mongolia Hengke')

On 26 December 2024, China National Building Materials Graphite New Materials Co., LTD, a wholly owned subsidiary, entered into a sale and purchase agreement with several independent third parties to acquire approximately 54.80% equity interests of Inner Mongolia Hengke at a consideration of approximately RMB771.20 million. Inner Mongolia Hengke is principally engaged in research and development, production and sales of graphite and new materials, and was acquired with the objective of improving the Group's business in graphite. The transaction has been completed on 1 January 2025.

Société Les Ciments de Jbel Oust ("CJO")

On 26 July 2024, Sinoma Cement Co., Ltd., a partially owned subsidiary, entered into a sale and purchase agreement with an independent third party to acquire the entire equity interests of CJO at a cash consideration of approximately USD142.24 million (equivalents to approximately RMB1,021.08 million). CJO is principally engaged in production and sale of cement and aggregate and was acquired with the objective of improving the synergies of the Group's business. The transaction has been completed on 26 March 2025.

These transactions have been accounted for as acquisition of business using the acquisition method.

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries not under common control (Continued)

Net assets acquired in the transaction are as follows:

	CJO Fair value RMB'000 (Provisional)	Inner Mongolia Hengke Fair value RMB'000 (Provisional)
Net assets acquired:		
Property, plant and equipment	419,482	630,792
Right-of-use assets	6,972	67,456
Intangible assets	214	147
Deferred income tax assets	4,604	1,581
Inventories	117,724	142,866
Trade and other receivables	109,248	402,094
Amounts due from the related parties	–	397,604
Pledged bank deposits	–	19,393
Cash and cash equivalents	108,097	132,751
Trade and other payables	(108,096)	(443,960)
Current income tax liabilities	(12,348)	(6,958)
Amounts due to the related parties	–	(207,815)
Borrowings	–	(223,939)
Deferred income	(1,156)	–
Deferred income tax liabilities	(15,724)	(6,200)
Net assets acquired	629,017	905,812
Non-controlling interests	–	(476,574)
Goodwill	392,060	341,745
Total consideration	1,021,077	770,983

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Acquisition of subsidiaries not under common control *(Continued)*

	CJO RMB'000	Inner Mongolia Hengke RMB'000
Total consideration satisfied by:		
Cash	1,021,077	265,000
Other payables	–	337,275
Deposits	–	168,708
	1,021,077	770,983
Net cash outflow arising on acquisition:		
Cash consideration paid	(1,021,077)	(265,000)
Less: cash and cash equivalents acquired	108,097	132,751
	(912,980)	(132,249)

Notes:

The initial accounting for certain assets acquired in the above business combination have been determined on a provisional basis, awaiting the completion of professional valuations. The amounts of deferred income tax liabilities and goodwill may be adjusted accordingly.

The goodwill arising on the acquisition of the company is attributable to the benefit of expected revenue growth and future market development, and the synergies in consolidating the Group's new materials operations. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Included in the revenue and profit for the six months ended 30 June 2025 are approximately RMB606.96 million and RMB93.21 million respectively attributable to the additional business generated by the newly acquired company.

Had these business combinations been effective at 1 January 2025, the revenue and profit for the six months ended 30 June 2025 of the Group would be approximately RMB83,282.83 million and RMB3,965.67 million, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Acquisition of subsidiaries not under common control *(Continued)*

Details of the Group's significant acquisitions during the six months ended 30 June 2024 are as follows:

BNBM Carpoly Coating Group Company Limited (北新嘉寶莉塗料集團股份有限公司) ("BNBM Carpoly")

On 29 December 2023, BNBM, a partially owned subsidiary, entered into a sale and purchase agreement with several independent third parties to acquire approximately 78.34% equity interests of BNBM Carpoly at a cash consideration of approximately RMB4,073.82 million. BNBM Carpoly is principally engaged in research and development, production and sales of coatings and related products, and was acquired with the objective of improving the Group's business in coating new materials. The transaction has been completed on 29 February 2024.

Xinjiang Bohai Cement Co., Ltd. (新疆博海水泥有限公司) ("Xinjiang Bohai Cement")

On 28 March 2024, Xinjiang Tianfeng Investment Co., Ltd., a partially owned subsidiary, entered into a sale and purchase agreement with several independent third parties to acquire the entire equity interests of Xinjiang Bohai Cement at a consideration of approximately RMB993.65 million. Xinjiang Bohai Cement is principally engaged in production and sale of cement and concrete and was acquired with the objective of improving the synergies of the Group's business. The transaction has been completed on 31 March 2024.

These transactions have been accounted for as acquisition of business using the acquisition method.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(a) Acquisition of subsidiaries not under common control *(Continued)*

Net assets acquired in the transactions are as follows:

	BNBM Carpoly Fair value RMB'000	Xinjiang Bohai Cement Fair value RMB'000
Net assets acquired:		
Property, plant and equipment	1,193,411	587,209
Right-of-use assets	425,960	52,571
Intangible assets	654,957	175,891
Interests in associates	17,639	–
Deferred income tax assets	51,944	5,057
Inventories	279,703	27,616
Trade and other receivables	1,194,080	7,153
Amounts due from the related parties	–	10,987
Pledged bank deposits	–	6
Cash and cash equivalents	255,879	33,044
Trade and other payables	(865,934)	(80,820)
Current income tax liabilities	(20,349)	(12,247)
Amounts due to the related parties	–	(16,081)
Borrowings	(285,245)	(515)
Lease liabilities	(4,687)	–
Deferred income	(1,611)	–
Deferred income tax liabilities	(212,093)	(50,658)
Net assets acquired	2,683,654	739,213
Non-controlling interests	(594,186)	–
Goodwill	1,984,354	254,437
Total consideration	4,073,822	993,650

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries not under common control (Continued)

	BNBM Carpoly RMB'000	Xinjiang Bohai Cement RMB'000
Total consideration satisfied by:		
Cash	2,851,676	943,967
Other payable	1,222,146	49,683
	4,073,822	993,650
Net cash outflow arising on acquisition:		
Cash consideration paid	(2,851,676)	(943,967)
Less: cash and cash equivalents acquired	255,879	33,044
	(2,595,797)	(910,923)

Notes:

The goodwill arising on the acquisition of the company is attributable to the benefit of expected revenue growth and future market development, and the synergies in consolidating the Group's new materials operations. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Included in the revenue and profit for the six months ended 30 June 2024 are approximately RMB1,478.24 million and RMB204.82 million respectively attributable to the additional business generated by the newly acquired company.

Had these business combinations been effective at 1 January 2024, the revenue and loss for the six months ended 30 June 2024 of the Group would be approximately RMB83,867.19 million and RMB327.88 million, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES *(CONTINUED)*

(b) Disposal of subsidiaries

During the six months ended 30 June 2025 and 2024, the Group disposed its equity interests in certain subsidiaries to independent third parties. The net assets of these disposed subsidiaries at the date of disposal were as follows:

	2025 RMB'000	2024 RMB'000
Net assets disposed of:		
Property, plant and equipment (Note 12)	17,908	40,516
Right-of-use assets	3,404	30,634
Goodwill (Note 14)	19,851	–
Deferred income tax assets	–	294
Inventories	2,203	13,690
Trade and other receivables	288	8,693
Amounts due from related parties	–	7,597
Cash and cash equivalents	98	733
Trade and other payables	(175)	(84,412)
Amounts due to related parties	(19,702)	–
Current income tax liabilities	–	(1,198)
Borrowings	–	(619)
Lease liabilities	–	(1,673)
Net assets disposed of	23,875	14,255
Gain/(loss) on disposal of subsidiaries		
Consideration received	40,300	11,818
Non-controlling interests	–	(1,311)
Net assets disposed of	(23,875)	(14,255)
Gain/(loss) on disposal of subsidiaries, net (Note 6)	16,425	(3,748)
Net cash inflows arising from disposal of subsidiaries:		
Cash consideration	40,300	11,818
Cash and cash equivalents disposed of	(98)	(733)
Net cash inflows from disposal of subsidiaries	40,202	11,085

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

25. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of additional interests in subsidiaries without change in control

	2025 RMB'000	2024 RMB'000
Carrying amount of non-controlling interests acquired	45,017	6,444
Consideration paid to non-controlling interests	(54,397)	(5,453)
(Excess)/deficit of consideration paid recognised within equity	(9,380)	991

(b) Deemed partial disposal of interests in subsidiaries without losing control

	2025 RMB'000	2024 RMB'000
Carrying amount of equity interest obtained by non-controlling interests	–	(517,073)
Capital contributed by non-controlling interests	–	538,023
Excess of consideration received recognised within equity	–	20,950

Details of the Group's significant deemed partial disposal of interests in subsidiaries without losing control during the six months ended 30 June 2024 is as follows:

Sinoma Cement Co., Ltd. ("Sinoma Cement")

During the six months ended 30 June 2024, Tianshan Materials, a partially owned subsidiary of the Company, entered into a capital injection agreement with Sinoma International Engineering Co., Ltd. ("Sinoma International"), pursuant to which Sinoma International, a partially owned subsidiary of the Company, agreed to contribute an aggregated amount of approximately RMB821.19 million to Sinoma Cement, a wholly owned subsidiary of Tianshan Materials for the equity interest of 18.75% of Sinoma Cement. The non-controlling interests holding equity interest of 59.04% of Sinoma International have contributed RMB484.84 million to Sinoma Cement. After that, the Group's effective equity interests in Sinoma Cement were diluted from 75.26% to 67.10%. As a result, the Group recognised an increase in equity attributable to owners of the Company of approximately RMB22.87 million and an increase in non-controlling interests of approximately RMB461.97 million.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

25. TRANSACTIONS WITH NON-CONTROLLING INTERESTS *(CONTINUED)*

(c) Effect of performance guarantee to a non-wholly owned subsidiary

As stated in the Company's circular dated 4 March 2021, on 2 March 2021, the Company entered into an impairment compensation agreement with Tianshan Materials, a non-wholly owned subsidiary of the Company in 2021, in connection with the provision of impairment compensation to Tianshan Materials in respect of the equity interests in China United Cement Corporation* (中國聯合水泥集團有限公司), South Cement, Southwest Cement and Sinoma Cement disposed of by the Company to Tianshan Materials pursuant to the restructuring of cement assets of the Company.

Pursuant to the Impairment Compensation Agreement, the Company has compensated 1,552,931,120 shares of Tianshan Materials held by the Company to Tianshan Materials on 29 April 2024 upon approval of shareholders in annual general meeting. After that, the Group's effective interests in Tianshan Materials were diluted from 84.52% to 81.14%. As a result, during the six months ended 30 June 2024, the Group recognised a decrease in equity attributable to owners of the Company of approximately RMB2,765.73 million and increase in non-controlling interests of approximately RMB2,765.73 million. There was no outstanding performance guarantee as of 30 June 2024 and 30 June 2025.

Please refer to the Company's announcement dated 29 April 2024 for further details of the performance guarantee.

26. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Capital expenditure of the Group contracted but not provided in the condensed consolidated financial statements in respect of:		
– Acquisition of property, plant and equipment	513,656	1,396,082

Condensed Consolidated Financial Statements (Continued)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the condensed consolidated financial statements, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the period and balances as at the end of the reporting period.

(a) Transactions with related parties

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Provision of production supplies to		
– The Parent Group	702,812	501,792
– Associates	34,407	21,820
– Joint ventures	5,436	22,163
– Non-controlling interests of subsidiaries	1,148	15,919
	743,803	561,694
Provision of support services to		
– The Parent Group	67,617	140,374
– Associates	58,715	600
– Joint ventures	7,853	–
	134,185	140,974
Rental income from		
– The Parent Group	52,502	54,688
– Associates	1,442	1,514
– Joint ventures	102	–
	54,046	56,202
Rendering of engineering technology services to		
– The Parent Group	17,168	31,074
– Associates	9,997	260,691
– Joint ventures	249	1,991
– Non-controlling interests of subsidiaries	6,229	2,896
	33,643	296,652
Interest income received from the Parent Group	10,738	3,112

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(a) Transactions with related parties *(Continued)*

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Provision of production supplies by		
– The Parent Group	1,137,505	907,924
– Associates	10,797	25,899
– Joint ventures	55,048	9,116
– Non-controlling interests of subsidiaries	–	4,548
	1,203,350	947,487
Provision of support services by		
– The Parent Group	176,890	96,682
– Associates	11,294	1,139
– Joint ventures	–	615
– Non-controlling interests of subsidiaries	–	20,630
	188,184	119,066
Supplying of equipment by		
– The Parent Group	150,214	89,863
– Associates	–	12,778
– Joint ventures	–	80
	150,214	102,721
Interest expenses paid to		
– The Parent Group	63,337	57,162
– Non-controlling interests of subsidiaries	3,022	2,806
	66,359	59,968

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(a) Transactions with related parties *(Continued)*

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Provision of engineering services by		
– The Parent Group	191,494	342,120
– Associates	22,091	392
	213,585	342,512
Supply of raw materials (limestone and clay) by the Parent Group	5,887	43,247
Short term lease expenses paid to the Parent Group	1,407	39,240
Provision of other financial services by the Parent Group	83	33

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Amounts due from/to related parties

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Amounts due from related parties		
Trading in nature:		
– Fellow subsidiaries	837,975	1,102,035
– Associates	331,160	338,744
– Joint ventures	176,156	169,179
– Immediate holding company	240	506
– Non-controlling interests of subsidiaries	75,117	94,133
	1,420,648	1,704,597
Non-trading in nature:		
– Fellow subsidiaries	693,650	803,866
– Associates	113,413	116,944
– Joint ventures	36,463	24,165
– Immediate holding company	989	1,280
– Non-controlling interests of subsidiaries	55,080	76,779
	899,595	1,023,034
	2,320,243	2,727,631
Amounts due to related parties		
Trading in nature:		
– Fellow subsidiaries	2,366,667	1,891,101
– Associates	121,984	168,946
– Joint ventures	125,776	66,725
– Immediate holding company	6,061	7,974
– Non-controlling interests of subsidiaries	144,083	38,365
	2,764,571	2,173,111
Non-trading in nature:		
– Fellow subsidiaries	2,877,211	2,379,136
– Associates	31,044	7,942
– Joint ventures	133	260
– Immediate holding company	661,371	945,548
– Non-controlling interests of subsidiaries	617,395	308,780
	4,187,154	3,641,666
	6,951,725	5,814,777

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Amounts due from/(to) related parties *(Continued)*

The carrying amounts of amounts due from and to related parties approximate to their fair values. All amounts are unsecured and repayable on demand. The trading nature portion of amounts due from and to related parties is aged within one year.

As at 30 June 2025, amounts due from related parties of approximately RMB436.00 million (31 December 2024: approximately RMB511.56 million) carry fixed interest rate of 3.85% to 5.00% (31 December 2024: 4.30% to 5.00%) per annum. The remaining balances of amounts due from related parties are interest-free.

As at 30 June 2025, amounts due to related parties of approximately RMB1,207.98 million and RMB4.71 million (31 December 2024: approximately RMB641.94 million and RMB441.31 million) carry fixed interest rate of 2.07% to 3.08% (31 December 2024: 2.76% to 3.08%) per annum and variable interest rate of 1.50% to 4.53% (31 December 2024: 2.92% to 4.75%) per annum, respectively. The remaining balances of amounts due to related parties are interest-free.

(c) Transactions and balances with other state-owned enterprises in the PRC

During the six months ended 30 June 2025, the Group's significant transactions with other state-owned enterprises (excluding the Parent Group) are a large portion of its sales of goods and purchases of raw materials. In addition, substantially all bank deposits, cash and cash equivalents and borrowings as of 30 June 2025 and the relevant interest earned or paid during the period are transacted with banks and other financial institutions controlled by the PRC government. In establishing its pricing strategies and approval process for its products and services, the Group does not differentiate whether the counter-party is a state-controlled enterprise. In the opinion of the directors, all such transactions were conducted in the ordinary course of business and on normal commercial terms.

Condensed Consolidated Financial Statements *(Continued)*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(d) Remuneration to key management

The key management personnel compensations during the six months ended 30 June 2025 and 2024 are as follows:

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Short term benefits	3,102	5,470
Post-employment benefits	102	163
	3,204	5,633

28. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements set out on pages 38 to 95 have been approved and authorised for issue by the Board of Directors on 28 August 2025.

Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“BNBM”	北新集團建材股份有限公司 (Beijing New Building Materials Public Limited Company)
“BNBMG”	北新建材集團有限公司 (Beijing New Building Material (Group) Co., Ltd.)
“Board”	the board of directors of the Company
“Building Materials Academy”	中國建築材料科學研究總院有限公司 (China Building Materials Academy Co., Ltd.)
“Carpoly”	嘉寶莉化工集團股份有限公司 (Carpoly Chemical Group Co Ltd)
“Cement+”	to develop, optimize and expand cement, commercial concrete, aggregate businesses which are the extension of industry chain of cement-related products and the new focal point of profit growth
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China Certification Group”	中國建材檢驗認證集團股份有限公司 (China Building Material Test & Certification Group Co., Ltd.)
“China Composites”	中國複合材料集團有限公司 (China Composites Group Corporation Limited)
“China Jushi”	中國巨石股份有限公司 (China Jushi Co., Ltd.) (previously known as 中國玻纖股份有限公司 China Fiberglass Company Limited)

Definitions *(Continued)*

“China United Qingzhou”	青州中聯水泥有限公司 (China United Cement Qingzhou Co., Ltd.)
“Cinda”	中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.)
“CNBM Investment”	中建材投資有限公司 (CNBM Investment Company Limited) (previously known as 北新物流有限公司 BND Co., Limited)
“CNBM Trading”	中建材集團進出口有限公司 (China National Building Material Import and Export Co., Ltd.)
“CNBM United Investment”	中建材聯合投資有限公司 (CNBM United Investment Co., Ltd.)
“Company” or “CNBM”	中國建材股份有限公司 (China National Building Material Company Limited)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are subscribed for in RMB
“Finance Company”	中國建材集團財務有限公司 (China National Building Material Group Finance Co., Ltd.)
“Finance Industry”	泰安市財金產業發展有限公司 (Tai'an Finance Industrial Development Co., Ltd)
“Group”	the Company and, except where the context otherwise requires, all its subsidiaries
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$

Definitions *(Continued)*

“Independent Third Party(ies)”	person(s) or company(ies) which is (are) independent from the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Management of Three Delicacies”	lean operation, refined management and refined organization
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Ningxia Building Materials”	寧夏建材集團股份有限公司 (Ningxia Building Materials Group Co., Limited)
“North Cement”	北方水泥有限公司 (North Cement Company Limited)
“Parent”	中國建材集團有限公司 (China National Building Material Group Co., Ltd.*) (previously known as 中國建築材料集團有限公司 China National Building Materials Group Corporation)
“Parent Group”	the Parent and its subsidiaries
“PRC”	the People’s Republic of China
“Promoters”	the original promoters of the Company, namely the Parent, BNBMG, Cinda, Building Materials Academy and CNBM Trading
“Qilianshan”	甘肅祁連山水泥集團股份有限公司 (Gansu Qilianshan Cement Group Company Limited)
“Qilianshan Holdings”	甘肅祁連山建材控股有限公司 (Gansu Qilianshan Building Materials Holdings Company Limited)
“Reporting Period”	from 1 January 2025 to 30 June 2025
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC

Definitions *(Continued)*

“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Sinoma Cement”	中材水泥有限責任公司 (Sinoma Cement Co., Ltd.)
“Sinoma Graphite”	中建材石墨新材料有限公司 (CNBM Graphite New Materials Co., Ltd.)
“Sinoma International”	中國中材國際工程股份有限公司 (Sinoma International Engineering Co., Ltd.)
“Sinoma Investment”	中國中材投資(香港)有限公司 (Sinoma Investment (Hong Kong) Co., Ltd.)
“Sinoma Parent”	中國中材集團有限公司 (China National Materials Group Corporation Ltd.), a wholly-owned subsidiary of the Parent
“Sinoma Science & Technology”	中材科技股份有限公司 (Sinoma Science & Technology Co., Ltd.)
“South Cement”	南方水泥有限公司 (South Cement Company Limited)
“State” or “PRC Government”	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the Supervisory Committee
“Supervisory Committee”	the supervisory committee of the Company

Definitions *(Continued)*

“Taishan Finance”	泰安市泰山財金投資集團有限公司 (Taian Taishan Finance Investment Group Co., Ltd.)
“Taishan Investment”	泰安市泰山投資有限公司 (Taian Taishan Investment Co., Ltd.)
“Tianshan Materials”	天山材料股份有限公司（前稱新疆天山水泥股份有限公司） Tianshan Material Co., Ltd. (formerly known as Xinjiang Tianshan Cement Co., Ltd.)



CNBM

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