CNBM

CHINA NATIONAL BUILDING MATERIAL COMPANY LIMITED*

(Stock Code: 03323)

2026 Interim Report

*For identification only

Contents

This Interim Report, in both Chinese and English versions, is available on the Company's website at http://www.cnbmltd.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 for the First Half of 2026

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

Financial information

Unit: RMB

Income	Net debt ratio	Profit attributable to equity holders	Capital expenditure
81,483 million	**99.7** %	**-829** million	**6,930** million

Three major Segments

Unit: RMB

Basic building materials segment

Income
30,980 million
accounting for 38%

Profit attributable to equity shareholder contributed
-3,425 million

New materials segment

Income
28,967 million
accounting for 36%

Profit attributable to equity shareholders contributed
2,324 million
year-on-year increase by 17.7%

Engineering technology services segment

Income
20,988 million
accounting for 26%

Profit attributable to equity shareholders contributed
388 million
year-on-year decrease by 44.4%

Major awards

Selected for four consecutive years in
S&P Global Sustainability Yearbook (China Edition)

The top 1%
of Chinese enterprises in the S&P Global CSA scoring

Shortlisted as the
"2026 ESG Leader of Chinese Enterprises"

Corporate Vision

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

Mission

Better materials, better world

Corporate Information

DIRECTORS:

Executive Directors

Wei Rushan *(President, authorised to exercise the powers of the Board chairman)*
Wang Bing
Miao Xiaoling

Non-executive Directors

Wang Yumeng
Chen Shaolong

Independent Non-executive Directors

Sun Yanjun
Liu Jianwen
Zhou Fangsheng
Li Jun
Xia Xue

SUPERVISORS:

Shareholder Representative Supervisor

Zhang Jianfeng

Independent Supervisors

Li Xuan
Wei Jianguo

Staff Representative Supervisor

Du Guangyuan

STRATEGIC STEERING COMMITTEE:

Wei Rushan *(Acting Chairman)*
Zhou Fangsheng

NOMINATION COMMITTEE:

Wei Rushan *(Acting Chairman)*
Sun Yanjun
Liu Jianwen

REMUNERATION AND PERFORMANCE APPRAISAL COMMITTEE:

Zhou Fangsheng *(Chairman)*
Sun Yanjun
Wei Rushan *(Acting Member)*

AUDIT COMMITTEE:

Li Jun *(Chairman)*
Liu Jianwen
Xia Xue

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE:

Wei Rushan *(Acting Chairman)*
Li Jun
Xia Xue

Note:

In accordance with the work arrangements, Mr. Zhou Yuxian resigned as the Chairman of the Board, an executive Director and members of the relevant Board Committees, with effect from 27 August 2026. On the same date, Mr. Wei Rushan has been authorised to exercise the powers of the Board chairman and relevant Board committee seats.

Corporate Information *(Continued)*

Secretary of the Board	:	Miao Xiaoling
Joint Company Secretaries	:	Miao Xiaoling Chung Ming Fai
Authorised Representatives	:	Wei Rushan Miao Xiaoling
Alternate Authorised Representative	:	Chung Ming Fai
Registered Address	:	Tower 2 (Building B), Guohai Plaza, No. 17 Fuxing Road, Haidian District, Beijing, The PRC
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 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	:	Global Law Office 15 & 20/F, Tower 1, China Central Place, No.81 Jianguo Road, Chaoyang District, Beijing, The PRC
Hong Kong Legal Advisers	:	Slaughter and May 47th Floor, Jardine House, 1 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.cnbmltd.com

Note:

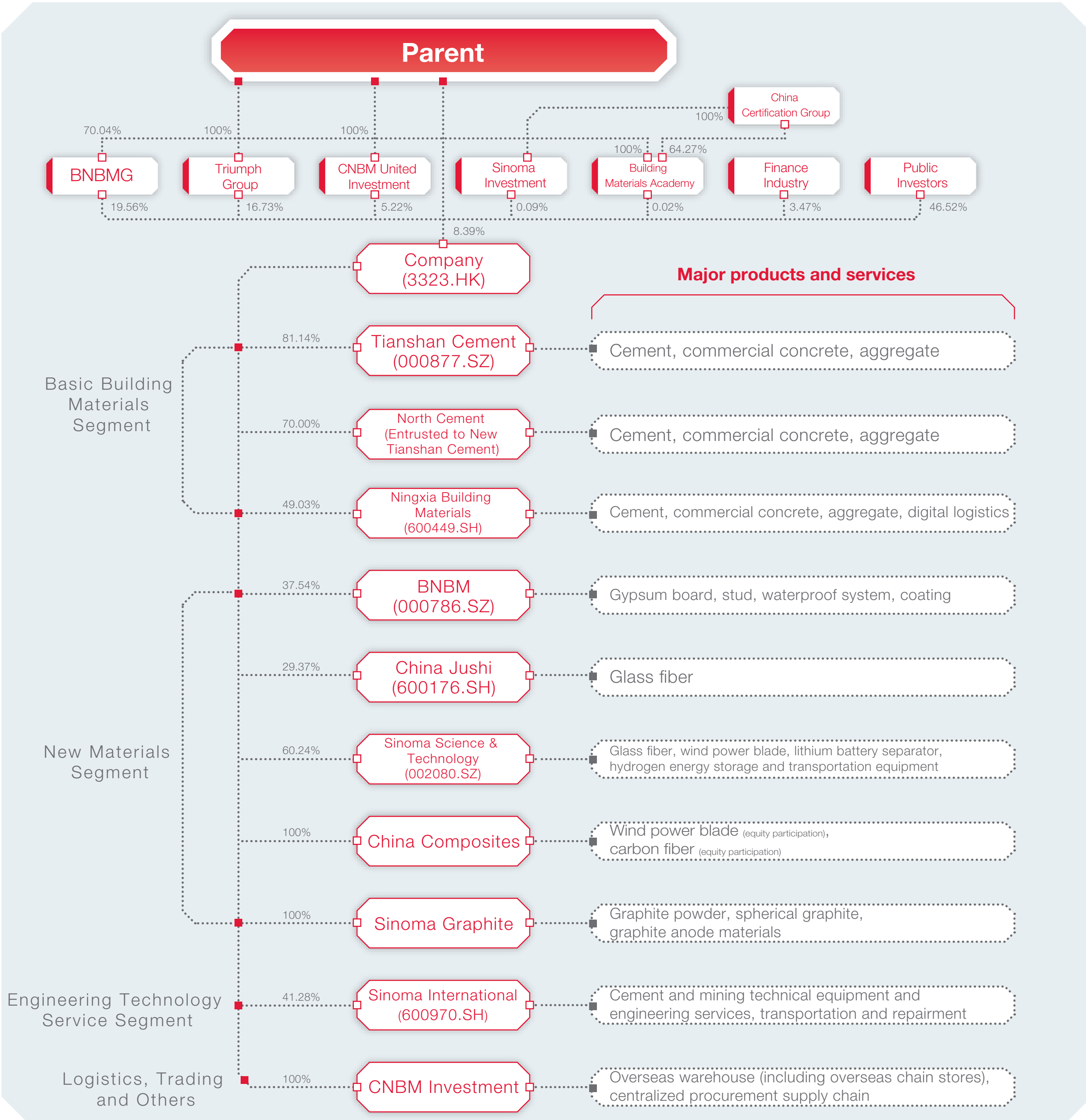
1. The Board has appointed Ms. Miao Xiaoling as the secretary of the Board of the fifth session of the Board and an authorised representative of the Company, with effect from 30 March 2026.

2. On 17 April 2026, Ms. Miao Xiaoling obtained the relevant waiver from the Stock Exchange and began assuming the role of joint company secretary.

3. In accordance with the work arrangements, Mr. Zhou Yuxian has ceased to serve as an authorised representative of the Company (the "**Authorised Representative**") under Rule 3.05 of the Listing Rules, with effect from 27 August 2026. On the same date, Mr. Wei Rushan has been appointed as an Authorised Representative.

Shareholding Structure of the Group

As of 30 June 2026:



Notes:

1. The aforementioned percentages are rounded to 2 decimal places. Due to rounding, the total percentage of shareholdings may be discrepant with the total amount.
2. The Company directly held 70% equity interest of North Cement and indirectly held 4.6% equity interest of North Cement through South Cement.
3. On 29 November 2025, the Company announced its plan to increase its holdings in China Jushi within 12 months from the date of the announcement, using its own funds through the Shanghai Stock Exchange system by way of centralized bidding trading. The total amount of the holdings increased shall be no less than RMB125 million and no more than RMB250 million. As of 16 May 2026, the Company had completed the share purchase, and had totally purchased 5,901,992 shares of China Jushi, representing 0.15% of China Jushi's total share capital, with a total amount of the holdings increased of RMB125,011,900. The Company's shareholding ratio in China Jushi increased from 29.22% to 29.37%.
4. On 18 June 2026, BNBM announced its plan to repurchase and cancel the total of restricted shares amounted to 4,412,068 shares granted to 398 incentive recipients that had not yet met the conditions for lifting the restriction on sale. Following the completion of the repurchase and cancellation, the Company's shareholding in BNBM will passively increase from 37.54% to 37.64%; however, as the cancellation process was still ongoing as at the date of disclosure, the Company's shareholding ratio in BNBM remained at 37.54%.
5. On 15 May 2026, Sinoma International repurchased and cancelled restricted shares amounted to 6,600 shares granted to 1 incentive recipient that had not yet met the conditions for lifting the restriction on sale, the Company's shareholding ratio in Sinoma International remained at 41.28%.
6. On 7 August 2026, the China Securities Regulatory Commission approved the registration of Sinoma Science & Technology's issuance of up to 503,437,075 A shares to raise gross proceeds up to RMB4,481.15 million. As of the date of this report, the issuance has not been completed.

Financial Highlights

The financial highlights of the Group as at 30 June 2026 and 30 June 2025 are summarized as follows:

	For the six months ended 30 June		
	2026 *(unaudited)*	2025 *(unaudited)*	Growth rate
		(RMB in thousands)	
Revenue	**81,482,841**	83,279,904	-2.2%
Gross profit	**13,218,434**	15,979,936	-17.3%
Profit after tax	**284,974**	3,964,811	-92.8%
(Loss)/profit attributable to equity holders of the Company	**-829,474**	1,360,196	–161.0%
Distribution made to the equity holders of the Company	**1,138,953**	1,199,697	-5.1%
(Loss)/earnings per share-basic *(RMB)* (1)	**-0.109**	0.172	–163.4%
Earnings before interest, taxes, depreciation and amortisation	**11,621,484**	15,338,880	-24.2%

Note:

(1) The calculations of basic (loss)/earnings per share are based on the (loss)/profit attributable to equity holders of the Company of each period and on the weighted average number of 7,918,559,763 shares for the six months ended 30 June 2025 and the weighted average number of 7,593,021,358 shares for the six months ended 30 June 2026.

	30 June 2026 *(unaudited)*	31 December 2025 *(audited)*	Growth rate
		(RMB in thousands)	
Total assets	**501,429,551**	489,542,509	2.4%
Total liabilities	**320,088,492**	303,128,115	5.6%
Net assets	**181,341,059**	186,414,394	-2.7%
Non-controlling interests	**74,779,614**	75,746,889	-1.3%
Equity attributable to equity holders of the Company	**92,614,528**	94,716,328	-2.2%
Net assets per share-weighted average *(RMB)* (1)	**12.20**	12.21	-0.1%
Debt to assets ratio (2)	**41.8%**	39.4%	Increased by 2.4 percentage points
Net debt ratio (3)	**99.7%**	90.8%	Increased by 8.9 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 7,754,452,731 in 2025 and the weighted average number of 7,593,021,358 for the six months ended 30 June 2026.

(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 business highlights of each segment of the Group for the six months ended 30 June 2026 and 30 June 2025 are set out below:

BASIC BUILDING MATERIALS SEGMENT

	For the six months ended 30 June		
	2026	2025	Growth rate
Sales volume – cement *(in thousand tonnes)*	**88,994**	87,268	2.0%
Sales volume – clinker *(in thousand tonnes)*	**8,999**	10,511	-14.4%
Total sales volume of cement and clinker *(in thousand tonnes)*	**97,993**	97,779	0.2%
Average selling price – cement *(RMB per tonne)*	**209.9**	253.5	-17.2%
Average selling price – clinker *(RMB per tonne)*	**189.8**	219.4	-13.5%
Average selling price of cement and clinker *(RMB per tonne)*	**208.1**	249.8	-16.7%
Sales volume – commercial concrete *(in thousand m^3)*	**33,361**	35,133	-5.0%
Average selling price – commercial concrete *(RMB per m^3)*	**254.1**	298.2	-14.8%
Sales volume – aggregate *(in thousand tonnes)*	**65,682**	62,965	4.3%
Average selling price – aggregate *(RMB per tonne)*	**32.2**	36.3	-11.3%

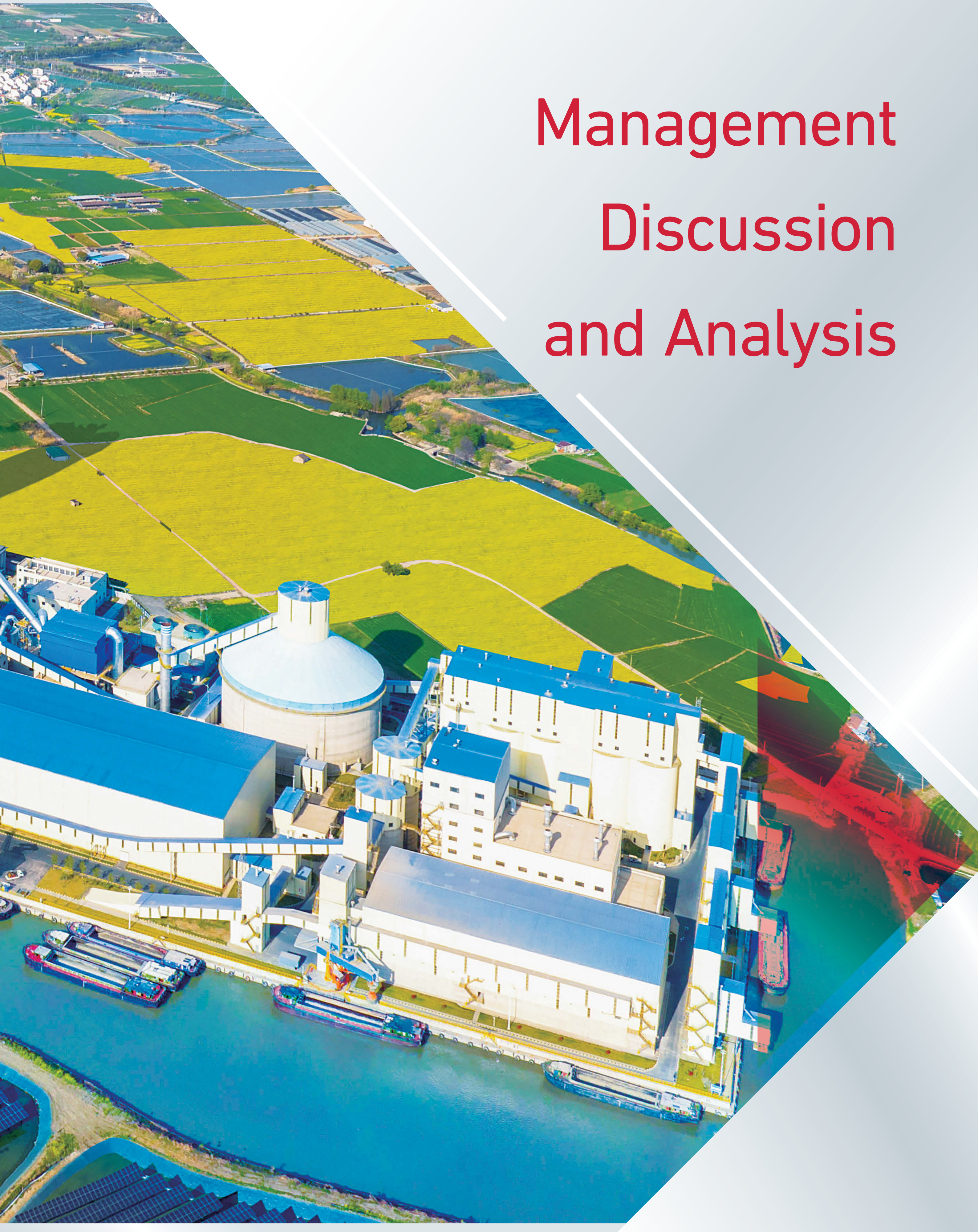
NEW MATERIALS SEGMENT

	For the six months ended 30 June		
	2026	2025	Growth rate
Fiberglass			
Sales volume *(in thousand tonnes)*	**2,208**	2,032	8.7%
Average selling price *(RMB per tonne)*	**4,761**	4,547	4.7%
Gypsum board			
Sales volume *(in million m^2)*	**980.9**	1,156.3	-15.2%
Average selling price *(RMB per m^2)*	**5.71**	5.61	1.8%
Wind power blade			
Sales volume *(MW)*	**15,519**	15,260	1.7%
Average selling price *(RMB per MW)*	**360,100**	340,777	5.7%
Coating			
Sales volume *(in thousand tonnes)*	**660.86**	594.26	11.2%
Average selling price *(RMB per tonne)*	**3,098**	3,380	-8.3%
Waterproofing membrane			
Sales volume *(in million m^2)*	**131.0**	126.8	3.3%
Average selling price *(RMB per m^2)*	**13.57**	13.57	0.0%
Lithium battery separator			
Sales volume *(in million m^2)*	**2,770.2**	1,299.7	113.1%
Average selling price *(RMB per m^2)*	**0.79**	0.71	11.3%
Carbon fiber			
Sales volume *(in thousand tonnes)*	**12.74**	10.43	22.1%
Average selling price *(RMB per tonne)*	**89,957**	86,890	3.5%

ENGINEERING TECHNOLOGY SERVICES SEGMENT

	For the six months ended 30 June		
	2026	2025	Growth rate
Engineering service income *(RMB in millions)*	**20,987.6**	21,305.9	-1.5%

Management Discussion and Analysis



Management Discussion and Analysis

DEVELOPMENT ENVIRONMENT

In the first half of 2026, the Chinese government implemented more proactive macroeconomic policies and promoted the development of new quality productive forces in accordance with local conditions. The economy continued to show an overall stable development trend, with momentum shifting towards new drivers and structure improving. GDP grew by 4.7% year-on-year, with new drivers contributing more than 40% directly to economic growth, laying a solid foundation for the achievement of the main annual targets, particularly the growth target. However, the international landscape remained complex and volatile, with global economic growth slowing overall and inflationary pressures rising significantly in most countries. Domestically, new challenges were intertwined with long-standing issues, whilst both investment and consumption in the domestic demand sector remained at low levels; as a result, the Chinese economy continued to face difficulties and challenges.

The Chinese government has accelerated the construction of a modern industrial system, with scientific and technological innovation and industrial innovation becoming deeply integrated. New quality productive forces were rapidly cultivated and expanded. The transformation and upgrading of traditional industries were accelerated. The pace of the green and low-carbon transformation continued to gather momentum. The new energy security strategy was implemented in greater depth. These brought new opportunities and challenges for the Company's sustainable development.

OPERATION IN THE FIRST HALF OF 2026

Basic building materials segment

In the first half of 2026, fixed asset investment nationwide decreased by 5.7% year-on-year, while real estate development investment fell by 18.0% year-on-year, with both indicators continuing to widen. Infrastructure investment growth turned from positive to negative, recording a year-on-year decrease of 2.4%. National cement output reached only 736 million tonnes, marking the lowest level for the same period in nearly 17 years, representing a year-on-year decrease of 8%, with the rate of decline widening by 3.7 percentage points compared with the same period last year. The industry has transitioned from a phase of competition for existing demand to one characterised by competition amid declining demand, with industry profitability turning negative.

The Group's basic building materials segment proactively responded to these operational challenges. **Externally**, we firmly led industry ecosystem development, promoted production in accordance with regulated capacity and normalized staggered peak production, and thoroughly implemented supply-side structural reform. **Internally**, we continued to enhance our operational competitiveness.

- **We are intensifying efforts to reduce costs, cut expenses, and control spending.** Comparable production costs for cement, commercial concrete, and aggregates decreased year-on-year by RMB12 per tonne, RMB41 per cubic meter, and RMB2 per tonne, respectively. We promoted standardised production capacity, deepened cooperation with strategic clients, supported major national infrastructure projects, optimised sales models and structures, and stabilised market share whilst adjusting our business structure.

- **We are actively advancing our transformation and upgrading efforts.** We are actively integrating internal resources and accelerating the construction of a specialised cement production base. The sales of offshore engineering cement have risen significantly year-on-year, whilst oil well cement has been exported to several countries. The sales of high-margin expansive agents have doubled year-on-year. We are also moving forward with projects involving fluidized-bed calcination, calcium aluminate powder, and lithium mica roasting.

- **Income from overseas continued to grow steadily.** The Tunisia project has seen a reduction in production costs, improved quality consistency and a steady rise in customer satisfaction. It has achieved a significant leap from market entry to deep localisation, whilst continuously enhancing its capabilities in cross-border operations and resource integration. The construction of the 3,500 tonnes-per-day clinker cement production line project in Kazakhstan is proceeding according to plan. The companies in Zambia and Tunisia are further developing business models integrating "cement + commercial concrete" and "cement + aggregates" overseas cement profit increased by 186% year-on-year.

Management Discussion and Analysis *(Continued)*

New materials segment

The Group's business segment structure continued to optimize, with the new materials segment achieving "double growth" in both revenue and profit.

Fiberglass

In the first half of 2026, the structural divergence within the fiberglass industry became more pronounced. Driven by robust demand from AI computing power and high-frequency communications, electronic-grade fiberglass yarn and electronic fabrics maintained a high level of profitability, emerging as the core drivers of industry growth. In terms of roving, downstream demand from new energy vehicles and exports provided support, with certain high-end market segments such as thermoplastic yarn achieving growth in both volume and price. Leading industry enterprises, leveraging their high-end product portfolios and global production capacity advantages, sustained their momentum for growth in profit.

- The Group's fiberglass business **strengthened its advantageous industrial clusters and enhanced its competitiveness in specialized segments**. Seizing the window of structural growth in demand, we captured the high-end market and consolidated our comprehensive leading advantages across technology, scale, cost, and quality. By solidifying the foundation for volume growth and price recovery in fiberglass roving and electronic substrates, the business achieved simultaneous increases in both volume and price.

- The Group **strengthened its technology leadership and accelerated technology-driven development**. Focusing on high-end product R&D, breakthroughs were achieved in the iteration of a number of key technologies and products, including high-strength high-modulus fiber, thermoplastic LFT yarn, low-dielectric, low-expansion, and ultra-low-loss variants. In terms of digital intelligence, the Group piloted the integration and upgrading of "AI + fiberglass". The Sinoma Science & Technology special fiber private placement project obtained approval for registration from the China Securities Regulatory Commission.

- The Group **continued to consolidate its industry leadership and accelerated the layout of mature and advantageous industries**. The production line project at Jushi Huai'an Zero-Carbon Smart Manufacturing Base, with an annual output of 100,000 tonnes of electronic-grade fiberglass yarn and 390 million metres of electronic fabric, commenced operations successfully. Construction preparations were initiated for the Huai'an production line project with an annual output of 50,000 tonnes of electronic-grade fiberglass yarn and 320 million metres of electronic fabric, as well as the Tongxiang base production line project with an annual output of 250 million metres of electronic fabric. Meanwhile, the Taishan Fiberglass Zoucheng low-dielectric fiberglass fabric project is progressing as scheduled.

Management Discussion and Analysis *(Continued)*

Gypsum board

In the first half of 2026, against a backdrop of continued strengthening of policies on green building materials and the steady expansion of the urban regeneration and old-property refurbishment markets, demand in the gypsum board industry remained at cyclical lows; small and medium-sized production capacities continued to be phased out; market concentration and business models underwent continuous optimisation and iteration; and the market influence of leading enterprises was further consolidated.

- **The Group's gypsum board business has further integrated operations across its business clusters.** It has comprehensively addressed bottlenecks in technology, production and marketing, strengthened joint channel development and sharing, and enhanced overall operational efficiency.
- **We will accelerate business expansion and transformation.** We will continue to deepen the "Four Transformations" strategy—"from commercial to residential fit-outs, from cities to counties and rural areas, from base materials to surface finishes, and from products to services"—accelerate the roll-out of our residential construction business, drive the expansion of our distribution network into county and rural markets, and further expand the coverage of our service outlets.
- **Lean management has driven a recovery in profitability.** We have continued to implement the "one cent" cost-saving programme in depth, maintained a dynamic balance between "price-cost-profit" and "volume-cost-profit", and promoted sustained price recovery through product innovation and alternative solutions.

Wind power blade

In the first half of 2026, the wind power industry experienced a phased decline against the high base of installation rush in 2025, with newly installed capacity decreasing year-on-year. Despite short-term pressure, the long-term positive outlook for the wind power industry remains unchanged, driven by policy support, market demand, and technological advancements. Offshore wind power and overseas markets are expected to bring incremental profits.

- The Group's wind power blade business **enhanced cooperation with leading customers and consolidated its global leadership position**. This business increased order volume, enhanced delivery and contract performance efficiency, implemented targeted customer plans, and consolidated and expanded its market share.
- The Group **focused on R&D and innovation, upholding self-reliance and self-strengthening in science and technology**. The independently developed and designed 103-metre next-generation high-performance blade for the international market successfully rolled off the production line. The development and manufacturing of the 20MW-147-metre offshore ultra-large blade was completed, with its installation and grid connection achieved.
- The Group **enhanced its presence in international markets and accelerated the layout of its two offshore bases**. The Brazil base operated steadily, while the construction of the Central Asia base project was accelerated to capture incremental overseas wind power installations.

Management Discussion and Analysis *(Continued)*

Other businesses

- **Coating business** adhered to a dual-engine growth strategy of "organic growth and external expansion", leveraging the combined efforts of product innovation and channel expansion to consolidate the foundations for organic growth; it also took forward the reorganisation of Sangruisi to enhance powder coatings supply capacity and realise synergies from external expansion, resulting in a steady improvement in the quality and efficiency of operations.

- **Waterproofing membrane business** accelerated its transition to a new "existing stock refurbishment + diversified growth drivers" model, actively expanding into new sectors and cultivating new business formats; it continued to deepen cooperation with leading key clients, broadening the scope and depth of these partnerships; it made solid progress in implementing the restructuring of Yuanda Hongyu, further strengthening its strategic market positioning in North China; and it drove comprehensive improvements in the scale, profitability and quality of its waterproofing operations.

- **Lithium battery separator business** maintained strategic focus, achieving year-on-year growth in sales volume, revenue, and total profit, whilst strengthening full-lifecycle cost reduction. We enhanced cooperation with key strategic customers and captured market share in the premium high-end segment, with sales of high-value-added 5μm ultra-thin base film products reaching 690 million square metres. In addition, we vigorously promoted new product development and accelerated equipment technology iteration, completing the development of separators for solid-liquid hybrid batteries and their customer-side cell testing and application.

- **The graphite new materials business** recorded steady growth in operating performance, achieving a total profit of RMB120 million in the first half of 2026, representing a year-on-year increase of 169%. Production and sales volumes of graphite powder grew in tandem, with production capacity reaching a new milestone of 150,000 tonnes, placing the Company amongst the top three in the industry; through the advancement of process upgrades and the strengthening of equipment lifecycle management, capacity utilisation rates for graphitisation and customised anode production rose significantly, with sales volumes increasing by 124% year-on-year, becoming a key driver of performance growth.

- **The hydrogen energy cylinders business** continued to maintain its industry leadership, with the number of hydrogen cylinder vehicle model announcements ranking first in the industry. The 70MPa large-volume Type IV hydrogen storage cylinders facilitated the successful maiden flight of the world's first megawatt-class hydrogen-fueled aviation engine.

- **Carbon Fiber business** achieved a major breakthrough in key technologies, successfully launching the SYT80 (T1200-grade) ultra-high-strength carbon fibre, a cutting-edge product. It became the first in the world to master the engineering technology for the production of ultra-high-strength carbon fibre on a 100-tonne scale, and this achievement was listed as a major innovation by the Ministry of Industry and Information Technology. At Lianyungang Shenying's 30,000-tonne facility, production lines for high-performance carbon fibres—including high-strength SYT70 (T1100 grade), high-modulus SYM40 grade and above, and 48K large-tow dry-jet-wet-spun fibres—were brought online simultaneously. This has effectively filled the gap in the high-value-added carbon fibre production capacity.

Engineering Technology Services Segment

In the first half of 2026, the global cement industry is undergoing profound transformation characterised by a reshaping of the industry landscape, adjustments to regulations and a shift in growth drivers. Tighter carbon constraints, the accelerating penetration of digitalisation and heightened regional market divergence are evident, while infrastructure projects in "Belt and Road" countries such as Africa, the Middle East and South-East Asia are driving new growth; in Europe, demand for low-carbon technologies, smart equipment and the circular economy continues to grow; capacity rationalisation in the domestic cement industry is accelerating, while demand is shifting towards the deep integration of digital and intelligent technologies with green transformation.

- The Group's engineering technology services segment **maintained its solid core business advantages**. Newly signed cement and mining engineering service contracts grew by 11% year-on-year. The segment secured a new full-line project in Canada, achieving a strategic breakthrough in the North American market. Leveraging its integrated one-stop services across the entire industrial chain and digital intelligence empowerment, newly signed production and operation service contracts increased by 22% year-on-year.
- The Group **continued to cultivate its "second curve" of growth** by optimizing the international and non-core industry deployment of the high-end equipment. Newly signed contracts in non-core industries grew by 18% year-on-year, with revenue from non-core industries accounting for 45%. We accelerated the development of a "large-scale mining" system, leveraging industrial chain extensions to achieve breakthroughs in overseas underground mining operations and mining operation and maintenance services for key international clients. Enhancing global local operations and industrial synergies in overseas expansion, newly signed overseas contracts grew by 12% year-on-year, with their proportion increasing to 70%, facilitating the accelerated implementation of the Group's "Overseas Re-engineering" strategy.
- The Group **continued to enhance its digital intelligence and green empowerment capabilities**. The Group vigorously promoted standardised technical solutions for intelligent operations and maintenance, achieving a 75% reduction in manual inspections at overseas pilot projects for intelligent operations and maintenance, and commissioned the green smart mine autonomous driving system at 4 sites. The cultivation of green productivity has accelerated, with newly signed overseas green energy and environmental protection engineering contracts increasing by nearly 1.9 times year-on-year. The Xuzhou Zhonglian "photovoltaic-storage integration" green demonstration project has officially commenced operations, establishing a complete "photovoltaic power generation + hybrid energy storage" green energy chain, whilst the supply of alternative fuels has nearly doubled year-on-year.

ENHANCING AND STRENGTHENING REFORM EMPOWERMENT

- The equity incentive plans of China Jushi and Sinoma Science & Technology received approval, with coverage of R&D personnel exceeding 50%;
- Sinoma International and Beijing Composite were rated as "Benchmark" enterprises in the "Science and Technology Reform and Double Hundred Action" assessments;
- The construction of world-class specialized leading enterprises progressed steadily, with BNBM, Sinoma International, and Sinoma Blade selected as "Cultivation Enterprises".

Management Discussion and Analysis *(Continued)*

ACCELERATING THE DELIVERY OF INNOVATION OUTCOMES

Strengthening the top-level design of technological innovation:

- Collaborated with the Parent to convene the Science and Technology Innovation Conference and the Science and Technology Committee Working Meeting to study and deploy key tasks for the "15th Five-Year Plan" period;
- Deeply integrated into the national innovation system, participated in the formulation of national science and technology innovation plans in relevant fields for the "15th Five-Year Plan".

Strengthening the supply of high-quality outcomes:

- T1200 grade ultra-high-strength carbon fiber was selected as one of the "Top Ten Landmark Achievements" of the source of innovation. Breakthroughs in specialty fiber composition design and ultra-low-loss fiberglass surface treatment reached internationally leading levels, while achievements such as kilometre-class composite pressure hulls reached internationally advanced levels;
- The Group received 1 second-class National Technological Invention Award and 2 China Patent Excellence Awards. A total of 452 new invention patents and 40 international patents were authorized, bringing the cumulative total of valid invention patents to over 6,200. The Group led the formulation of 1 international standard.

Strengthening the integration of technology and industrial innovation:

- Low-heat cement was supplied in the first batch for major national projects. Large-volume hydrogen storage cylinders supported the maiden flight of the world's first megawatt-class hydrogen-fueled aviation engine. High-temperature-resistant water-based coating technology for lithium battery separators was introduced to the market. Landmark achievements such as desulfurization gypsum resource utilization technology, wind power blade coatings, and gypsum fiberboard were accelerated in their transformation into industrial products and tangible productive forces;
- The Group added 2 new national-level key specialized and sophisticated "Little Giant" enterprises. Cumulatively, the Group now has 11 national "Champion Enterprises in a Niche Manufacturing Sector", 21 specialized and sophisticated "Little Giant" enterprises, and 262 national high-tech enterprises.

SYSTEMATICALLY ADVANCING DIGITAL TRANSFORMATION

- **Comprehensive advancement of the supporting system construction**

Defined economic targets and development initiatives for the digital services industry during the "15th Five-Year Plan" period; Focused on the "1254" digital transformation blueprint; Conducted initiatives to establish "production-sales-service" process systems for 251 processes across 3 subsidiary companies; Systematically advanced AI application implementation and forming an initial development path of "computing power + platform + application + ecosystem".

- **Enhancing the application of intelligent transformation and digital empowerment**

Tianshan Cement's "Project No.1" achieved the full rollout of its comprehensive platform; Shutong BNBM completed the construction of full-level business performance dashboards, with AI-driven coating formula R&D accuracy improving to 93.8%; Sinoma Intelligent Technology's intelligent operation and maintenance project in Iraq reduced manual inspection workloads by 75% and saved over 3% in electricity consumption; The autonomous driving system for green and intelligent mines of Sinoma Mining was officially launched; The Gradient Cultivation Plan for Smart Factories: cumulatively, 8 Excellent-level smart factories, 60 Advanced-level smart factories, and 103 Foundation-level smart factories have been completed.

Management Discussion and Analysis *(Continued)*

ACCELERATING THE IMPLEMENTATION OF GREEN AND LOW-CARBON TRANSITION

- **Comprehensively enhancing green production**

A cumulative total of 148 ultra-low emission clinker production lines have been completed; CO_2, NOx, and SO_2 emissions decreased by 2.49%, 14.49%, and 6.64% year-on-year, respectively; Installed capacity of waste heat power generation reached 1,744 MW, generating 2.583 billion kWh of electricity in the first half of the year, reducing CO_2 emissions by 830,000 tonnes; Newly added installed capacity from "Photovoltaic+" projects reached 51 MW, with cumulative installed capacity reaching 871 MW. Green power generation and consumption amounted to 497,259,200 kWh; 10 new green factories were added, bringing the cumulative total to 162 green mines, 285 green factories, and 28 zero-waste factories.

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

The proportion of cement clinker production capacity achieving Tier 1 energy efficiency reached 62%, an increase of 8 percentage points compared to the beginning of the year; The proportion of cement kiln production lines equipped with alternative fuel systems reached 61%, an increase of 3 percentage points compared to the beginning of the year; The alternative fuel thermal substitution rate for cement of 7.43%; an increase of 0.93 percentage points compared to the beginning of the year; Comprehensive energy consumption per unit of cement clinker decreased by 2.92% year-on-year; Ningxia Saima obtained the industry's first carbon footprint certification certificate for the cement industry; The photovoltaic power station of the Zambia Industrial Park's "Zero External Electricity Purchase" project was successfully connected to the grid for power generation.

FINANCIAL REVIEW

The unaudited revenue of the Group decreased by 2.2% from RMB83,279.9 million for the six months ended 30 June 2025 to RMB81,482.8 million for the six months ended 30 June 2026. The unaudited profit attributable to equity holders of the Company decreased from RMB1,360.2 million for the six months ended 30 June 2025 to RMB-829.5 million for the six months ended 30 June 2026.

Revenue

Our revenue for the six months ended 30 June 2026 amounted to RMB81,482.8 million, representing a decrease of 2.2% from RMB83,279.9 million for the six months ended 30 June 2025. This was primarily due to a decrease of RMB6,210.6 million in the revenue of the Group’s basic building materials segment and a decrease of RMB318.2 million in the engineering technology services segment, which was partially offset by an increase of RMB2,210.6 million in the revenue of the new materials segment and an increase of RMB2,521.1 million in the revenue of the other segments and eliminations.

Cost of sales

Our cost of sales for the six months ended 30 June 2026 amounted to RMB68,264.4 million, representing an increase of 1.4% from RMB67,300.0 million for the six months ended 30 June 2025. This was primarily due to an increase of RMB1,819.4 million in the cost of sales of the Group’s new materials segment and an increase of RMB2,410.3 million in the cost of sales of the other segments and eliminations, which was partially offset by a decrease of RMB3,001.4 million in the cost of sales of the basic building materials segment and a decrease of RMB263.9 million in the cost of sales of the engineering technical services segment.

Other income

Other income of the Group increased by 1.5% from RMB2,053.9 million for the six months ended 30 June 2025 to RMB2,084.4 million for the six months ended 30 June 2026. This was primarily due to an increase of RMB234.7 million in gain on disposal of assets and gain on disposal of associates, which was partially offset by a decrease of RMB212.9 million in government grants.

Selling and distribution costs

Selling and distribution costs decreased by 5.3% from RMB1,929.6 million for the six months ended 30 June 2025 to RMB1,826.9 million for the six months ended 30 June 2026. This was primarily due to a decrease of RMB34.6 million in sales service fees and a decrease of RMB26.7 million in repair fees.

Administrative expenses

Administrative expenses increased by 9.5% from RMB8,934.0 million for the six months ended 30 June 2025 to RMB9,781.5 million for the six months ended 30 June 2026. This was primarily due to an increase of RMB571.7 million in allowances for impairment of property, plant and equipment, an increase of RMB407.5 million in foreign exchange losses and an increase of RMB87.7 million in allowances for impairment of goodwill, which was partially offset by a decrease of RMB396.7 million in research and development costs.

Finance costs

Finance costs decreased by 13.6% from RMB2,286.2 million for the six months ended 30 June 2025 to RMB1,975.6 million for the six months ended 30 June 2026. 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 profits from associates increased from RMB680.2 million for the six months ended 30 June 2025 to RMB858.3 million for the six months ended 30 June 2026, representing an increase of 26.2%. This was primarily attributable to an increase in profit from China Jushi, an associate of the Group, which was partially offset by a decrease in profit from associates in the basic building materials segment.

Provision under expected credit losses

Provision under expected credit losses increased from RMB433.4 million for the six months ended 30 June 2025 to RMB1,119.5 million for the six months ended 30 June 2026, representing an increase of 158.3%.

Income tax expense

Income tax expense increased from RMB1,160.6 million for the six months ended 30 June 2025 to RMB1,163.8 million for the six months ended 30 June 2026, representing an increase of 0.3%.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased from RMB2,387.9 million for the six months ended 30 June 2025 to RMB946.2 million for the six months ended 30 June 2026, representing a decrease of 60.4%. This was primarily attributable to a decrease in operating profit across the Group's basic building materials segment, new materials segment, and engineering technology services segment.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company decreased from RMB1,360.2 million for the six months ended 30 June 2025 to RMB-829.5 million for the six months ended 30 June 2026. Net profit margin decreased from 1.6% for the six months ended 30 June 2025 to -1.0% for the six months ended 30 June 2026.

Basic building materials segment

Revenue

Revenue of the Group's basic building materials segment decreased from RMB37,190.6 million for the six months ended 30 June 2025 to RMB30,980.0 million for the six months ended 30 June 2026, representing a decrease of 16.7%. This was mainly attributable to a decrease in sales volume of commercial concrete and a decrease in the average selling price of cement products, commercial concrete and aggregate, which was partially offset by an increase in sales volume of aggregate.

Cost of sales

Cost of sales of the Group's basic building materials segment decreased from RMB31,219.5 million for the six months ended 30 June 2025 to RMB28,218.1 million for the six months ended 30 June 2026, representing a decrease of 9.6%. This was mainly attributable to a decrease in sales volume of commercial concrete.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

Basic building materials segment *(Continued)*

Gross profit and gross profit margin

Gross profit of the Group's basic building materials segment decreased from RMB5,971.1 million for the six months ended 30 June 2025 to RMB2,761.9 million for the six months ended 30 June 2026, representing a decrease of 53.7%. Gross profit margin of the Group's basic building materials segment decreased from 16.1% for the six months ended 30 June 2025 to 8.9% for the six months ended 30 June 2026, mainly attributable to a decrease in the average selling price of cement products, commercial concrete and aggregate.

Operating profit

Operating profit of the Group's basic building materials segment decreased from RMB1,130.6 million for the six months ended 30 June 2025 to RMB-2,437.5 million for the six months ended 30 June 2026. Operating profit margin of the Group's basic building materials segment decreased from 3.0% for the six months ended 30 June 2025 to -7.9% for the six months ended 30 June 2026, mainly attributable to a decrease in gross profit margin, an increase in impairment provisions for receivables, an increase in impairment provisions for property, plant and equipment, and an increase in impairment provisions for goodwill, which were partially offset by a decrease in research and development costs and an increase in gain on disposal of assets.

New materials segment

Revenue

Revenue of the Group's new materials segment increased from RMB26,756.3 million for the six months ended 30 June 2025 to RMB28,966.9 million for the six months ended 30 June 2026, representing an increase of 8.3%. This was mainly attributable to an increase in sales volume of fiberglass yarn, wind power blades, coatings, waterproofing membranes and lithium battery separators, as well as an increase in the average selling price of fiberglass yarn, gypsum board, wind power blades and lithium battery separators, which was partially offset by a decrease in the average selling price of coatings and a decrease in sales volume of gypsum board.

Cost of sales

Cost of sales of the Group's new materials segment increased from RMB20,522.0 million for the six months ended 30 June 2025 to RMB22,341.4 million for the six months ended 30 June 2026, representing an increase of 8.9%. This was mainly attributable to an increase in sales volume of fiberglass yarn, wind power blades, coatings, waterproofing membranes and lithium battery separators.

Gross profit and gross profit margin

Gross profit of the Group's new materials segment increased from RMB6,234.3 million for the six months ended 30 June 2025 to RMB6,625.5 million for the six months ended 30 June 2026, representing an increase of 6.3%. Gross profit margin of the Group's new materials segment decreased from 23.3% for the six months ended 30 June 2025 to 22.9% for the six months ended 30 June 2026, mainly attributable to a decrease in the average selling price of coatings, which was partially offset by an increase in the average selling price of fiberglass yarn, gypsum board, wind power blades and lithium battery separators.

Management Discussion and Analysis *(Continued)*

FINANCIAL REVIEW *(CONTINUED)*

New materials segment *(Continued)*

Operating profit

Operating profit of the Group's new materials segment decreased from RMB3,854.1 million for the six months ended 30 June 2025 to RMB3,694.1 million for the six months ended 30 June 2026, representing a decrease of 4.2%. Operating profit margin of the Group's new materials segment decreased from 14.4% for the six months ended 30 June 2025 to 12.8% for the six months ended 30 June 2026, mainly attributable to a decrease in gross profit margin, a decrease in government grants, a decrease in VAT refunds, and an increase in impairment provisions for receivables.

Engineering technology services segment

Revenue

Revenue of the Group's engineering technology services segment decreased from RMB21,305.9 million for the six months ended 30 June 2025 to RMB20,987.6 million for the six months ended 30 June 2026, representing a decrease of 1.5%. This was mainly attributable to a decrease in the volume of engineering technology services completed during the current period.

Cost of sales

Cost of sales of the Group's engineering technology services segment decreased from RMB17,893.9 million for the six months ended 30 June 2025 to RMB17,630.0 million for the six months ended 30 June 2026, representing a decrease of 1.5%. This was mainly attributable to a decrease in the volume of engineering technology services completed during the current period.

Gross profit and gross profit margin

Gross profit of the Group's engineering technology services segment decreased from RMB3,411.9 million for the six months ended 30 June 2025 to RMB3,357.6 million for the six months ended 30 June 2026, representing a decrease of 1.6%. The gross profit margin of the Group's engineering technology services segment for the six months ended 30 June 2026 was 16.0%, remaining flat as compared with the same period last year.

Operating profit

Operating profit of the Group's engineering technology services segment decreased from RMB1,716.3 million for the six months ended 30 June 2025 to RMB982.8 million for the six months ended 30 June 2026, representing a decrease of 42.7%. Operating profit margin of the Group's engineering technology services segment decreased from 8.1% for the six months ended 30 June 2025 to 4.7% for the six months ended 30 June 2026, mainly attributable to an increase in foreign exchange losses and a decrease in gain on disposal of assets.

FINANCIAL REVIEW *(CONTINUED)*

Liquidity and financial resources

As at 30 June 2026, the Group had unused banking facilities and bonds registered but not yet issued of approximately RMB391,400.00 million in total.

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

	30 June 2026	31 December 2025
	(RMB in millions)	
Bank loans and borrowings from Finance Company	**164,379.1**	156,134.0
Bonds	**44,200.0**	35,500.8
Borrowings from other financial institutions	**1,161.1**	1,409.3
Total	**209,740.2**	193,044.1

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

	30 June 2026	31 December 2025
	(RMB in millions)	
Borrowings are repayable as follows:		
Within one year or on demand	**94,805.2**	90,626.6
Between one and two years	**34,928.4**	36,952.6
Between two and three years	**35,185.3**	26,839.3
Between three and five years (inclusive of both years)	**27,018.8**	24,475.0
Over five years	**17,802.5**	14,150.6
Total	**209,740.2**	193,044.1

As at 30 June 2026, borrowings in the aggregate amount of RMB10,386.3 million were secured by assets of the Group with a total amount of RMB13,545.7 million.

As at 30 June 2026 and 31 December 2025, the debt to assets ratio of the Group, calculated by dividing borrowings by total of assets of the Group, were 41.8% and 39.4%, 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 2026	31 December 2025
	(RMB in millions)	
Capital expenditure of the Company in respect of acquisition of property, plant and equipment (contracted but not provided for)	**406.9**	102.6

Capital expenditures

The following table sets out the capital expenditures of the Group for the six months ended 30 June 2026 by segment:

	For the six months ended 30 June			
	2026		2025	
	(RMB in millions)	*% of total*	*(RMB in millions)*	*% of total*
Basic building materials	**3,582.0**	**51.7**	6,410.4	45.6
Cement	**2,995.3**	**43.2**	5,372.7	38.2
Commercial concrete	**179.8**	**2.6**	163.8	1.2
Aggregate	**406.9**	**5.9**	873.9	6.2
New materials	**3,103.7**	**44.8**	4,318.5	30.7
Fiberglass	**1,383.6**	**20.0**	1,558.1	11.1
Gypsum board	**314.7**	**4.5**	437.0	3.1
Wind power blade	**123.1**	**1.8**	240.2	1.7
Coating	**416.8**	**6.0**	466.1	3.3
Waterproofing	**62.3**	**0.9**	102.1	0.7
Lithium battery separator	**405.4**	**5.8**	889.1	6.3
Others	**397.8**	**5.8**	625.9	4.5
Engineering technology services	**203.8**	**2.9**	110.7	0.8
Share repurchases			3,212.0	22.9
Others	**40.7**	**0.6**		
Total	**6,930.2**	**100.0**	14,051.6	100.0

FINANCIAL REVIEW *(CONTINUED)*

Material Investment Plans

As of the date of this report, the Group does not have other future plans for material investments or capital assets. All investments, if any, will be funded by internal funds and external borrowings.

Cash flow from operating activities

Net cash outflow generated from operating activities of the Group for the six months ended 30 June 2026 was RMB2,212.3 million, representing an increase in outflow of RMB4,594.3 million as compared to net cash inflow of RMB2,382.0 million for the six months ended 30 June 2025. This was primarily due to the year-on-year increase in cash paid by the Group for purchase of goods and receipt of labour services, as well as the year-on-year increase in various tax payments, which were partially offset by the year-on-year increase in cash received for sales of goods and provision of labour services.

Cash flow from investing activities

Net cash outflow of the Group generated from investing activities for the six months ended 30 June 2026 was RMB381.0 million, representing a decrease of RMB3,235.4 million as compared to RMB3,616.4 million for the six months ended 30 June 2025. This was primarily due to the year-on-year decrease in cash paid by the Group for purchase of property, plant and equipment and acquisition of subsidiaries.

Cash flow from financing activities

Net cash inflow of the Group generated from financing activities for the six months ended 30 June 2026 was RMB7,917.5 million, representing an increase of RMB4,114.3 million as compared to RMB3,803.2 million for the six months ended 30 June 2025. This was primarily due to the year-on-year decrease in cash paid for share repurchases by the Group and the year-on-year increase in net cash received by the Group from borrowings, which were partially offset by the year-on-year decrease in cash paid for interest and dividends.

Management Discussion and Analysis *(Continued)*

OUTLOOK FOR THE SECOND HALF OF THE YEAR

From an international perspective, the global economic recovery remains sluggish, with uncertainties such as geopolitical conflicts and trade barriers on the rise. However, the accelerated intelligent, green, and integrated transformation of global industrial chains has created favorable conditions for advantageous industries to expand into emerging markets. On the domestic perspective, as more proactive and effective policies are implemented and begin to deliver tangible results, the conditions and support for achieving the annual economic growth targets are falling into place. From an industry standpoint, the consensus and policy push against "involution" have further progressed. The industry is steadily transitioning into a new phase of structural differentiation and optimization-driven upgrading, where the window for industrial transformation coincides with a cycle of technological iteration. Traditional building materials are accelerating their shift from volume-driven to quality-driven growth, while high-growth segments within the new materials sector are well-positioned to sustain their upward momentum.

We must face our difficulties squarely while maintaining strategic focus, and take a balanced and dialectical view of the challenges and opportunities ahead. The Group will leverage the implementation of the "15th Five-Year Plan" as its overarching framework to drive continuous improvements in value creation, industrial optimization, innovation-driven growth, reform empowerment, and value realization, as we strive to build a world-class materials enterprise.

1

With a strengthened goal orientation, we will give our best to stabilize operations and enhance both quality and efficiency. We will uphold quality first and efficiency priority, closely tracking macroeconomic conditions, industry trends, market dynamics, and price movements. We will enhance the development of the industry ecosystem, rigorously implement measures to improve quality, boost efficiency, and sustain growth, relentlessly tap into internal potential, dynamically fine-tune business strategies, and comprehensively strengthen our value creation capabilities. In doing so, we aim to effectively mitigate the impact of various uncertainties and cyclical fluctuations.

2

Through a multi-pronged approach to optimizing our business portfolio and structural mix, we will sharpen the core competitiveness of our industries. We will forge a new paradigm for value enhancement in basic building materials, dynamically optimize resource allocation, reinforce synergies across the industrial chain, and enhance differentiated competitiveness by expanding into new business frontiers. We will accelerate the scaled development of emerging pillar industries, increase resource input to consolidate the industry foundation, strengthen our leading industrial clusters, and sharpen our edge in specialized market segments. Our engineering technology services business will further strengthen its commercial mindset, excel in global operation and maintenance and aftermarket value-added services, and accelerate its transition into a comprehensive service provider covering the entire industrial chain. We will drive high-quality international expansion, empower the global expansion of basic building materials through coordinated efforts, and accelerate the overseas deployment of our mature and competitive industries.

3

We will continue to reinforce technological innovation and expedite the digital, green, and low-carbon transition. We will improve diversified and multi-tiered funding mechanisms, bolster original innovation and breakthroughs in core technologies, accelerate the deep integration of the innovation and industrial chains, and systematically enhance the innovation ecosystem. In addition, we will enhance the application and security safeguards of "AI+" empowerment, refine our green manufacturing system, intensify energy structure adjustments, and accelerate the development of our dual-carbon core competitiveness.

4

Remaining committed to reform-driven empowerment, we will effectively unlock vitality and efficiency. We will improve market-oriented operating mechanisms and formulate and implement a new round of reform task lists with high quality. Moreover, we will expand medium- and long-term incentive schemes with a particular focus on technological innovation. Meanwhile, we will continue to elevate corporate governance standards, proactively build a governance system that champions development, enables efficient decision-making, and delivers value-added benefits, while further improving the modern enterprise system with Chinese characteristics.

5

We will strengthen value management to solidify the framework for market value realization. Building on value creation, we will continuously refine our market value management mechanisms and enhance returns to investors. In addition, we will further reinforce the strategic role of ESG, develop a science-based "15th Five-Year Plan" sustainable development strategic action plan, and elevate our ESG governance and practices to a higher level.

Significant Events

FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

At the annual general meeting of the Company held on 29 April 2026, the Company declared the distribution of a final dividend of RMB1,138,953,203.70 in total (tax inclusive) for the period from 1 January 2025 to 31 December 2025 for Shareholders whose names appear on the Company's register of members on 12 May 2026, representing RMB0.15 per share (tax inclusive).

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026.

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 Company's announcement dated 28 August 2025, the circular dated 26 September 2025, and the 2025 annual report of the Company.

Transactions with the Parent Group

For the six months ended 30 June 2026, the Group's expenses incurred from the acceptance of the provision of minerals from the Parent Group amounted to RMB5.41 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 RMB582.78 million, representing approximately 0.70% 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 RMB2,716.72 million, representing approximately 4.04% of cost of sales of the Group for the same period. The Group's income from the provision of equipment to the Parent Group amounted to RMB8.62 million, representing approximately 0.01% of the total income 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 RMB70.17 million, representing approximately 0.10% 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 RMB219.80 million, representing approximately 0.26% 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 RMB115.99 million, representing approximately 0.17% of the cost of sales of the Group for the same period. The rental paid for leasing property from the Parent Group amounted to RMB1.35 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 RMB28.74 million, representing approximately 0.03% of the total income of the Group for the same period. The Company's maximum daily deposit balance deposited in Finance Company amounted to approximately RMB16,789.42 million. The Group's expenses in respect of other financial services provided by the Finance Company amounted to approximately RMB700,000.

Ningxia Building Materials Entered into a Fund Lending Framework Agreement with Saima IoT

References are made to the announcements of the Company dated 28 August 2025 and 22 October 2025, and the circular dated 26 September 2025, regarding the transaction in which Ningxia Building Materials, a subsidiary of the Company, entered into a fund lending framework agreement with Saima IoT Technology (Ningxia) Co., Ltd. ("Saima IoT"), a connected subsidiary of the Company in which the Parent indirectly holds 10% equity interest.

Significant Events *(Continued)*

CONNECTED TRANSACTIONS *(CONTINUED)*

Ningxia Building Materials Entered into a Fund Lending Framework Agreement with Saima IoT *(Continued)*

From 1 January 2026 up to the date of this report, Ningxia Building Materials has not provided any loans to Saima IoT under the fund lending framework agreement; the outstanding balance of the loan is nil.

Partially Exempt Connected Transactions

For the six months ended 30 June 2026 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.

Connected Transaction in Relation to Capital Contribution in Sinoma Advanced

On 14 August 2026, Sinoma Advanced Materials Co., Ltd.* ("Sinoma Advanced", an associated company of the Company and an indirect non-wholly owned subsidiary of the Parent) entered into the Capital Contribution Agreement and the Supplemental Agreement with the Company, BNBM, Building Materials Academy, CNBM United Investment and other Party B Shareholders, Party C Shareholders and Party D Shareholders. Pursuant to the Capital Contribution Agreement, the Participating Party B Shareholders, Party C Shareholders and Party D Shareholders agreed to make a capital contribution (either by way of cash contribution or through contribution of equity interests) to Sinoma Advanced on a basis of RMB10.07/share and at total consideration of approximately RMB990.27 million for subscribing the registered capital of approximately RMB98.34 million, among which the consideration payable by the Company is RMB55 million for subscribing the registered capital of approximately RMB5.46 million in Sinoma Advanced. Upon completion of the Capital Contribution, the registered capital of Sinoma Advanced will increase from approximately RMB502.98 million to approximately RMB601.31 million, and Sinoma Advanced will continue to be an associated company of the Company and an indirect non-wholly owned subsidiary of the Parent.

The Capital Contribution is in line with the Company's development strategy under the 15th Five-Year Plan. The target sector is of high quality with strong growth potential, and the 2026 Capital Contribution will also help Sinoma Advanced maintain robust operations and strengthen the funding support for its future development.

For details of the connected transaction in relation to capital contribution in Sinoma Advanced, please refer to the announcement of the Company dated 14 August 2026 and the supplementary information as set out in the interim results announcement dated 27 August 2026. As the date of this report, the connected transaction in relation to capital contribution in Sinoma Advanced has been completed.

Non-exempt Connected Transactions

For the six months ended 30 June 2026 and up to the date of this report, the Company has not commenced such connected transactions.

CORPORATE GOVERNANCE CODE

Except for Code Provisions B.2.2, B.3.5 and C.2.1 of the CG Code as set out in Appendix C1 to the Listing Rules, the Company complied with all other code provisions of the Code since 1 January 2026 up to the date of this report. 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. In order to ensure the smooth continuation of the senior management of the Company and to facilitate the proposed amendments to the Articles of Association in accordance with the new Chinese Company Law, 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 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 for 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 of the Company 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. On 21 October 2025, the Company received the resignation of Mr. Shen Yungang. As China Cinda no longer holds any shares in the Company, Mr. Shen Yungang has resigned as a non-executive Director. Mr. Zhou Yuxian resigned as the Chairman of the Board and an executive Director of the Company with effect from 27 August 2026.

Code provision B.3.5 of the CG Code requires that the Company should appoint at least one director of a different gender to the nomination committee. However, as at the date of the report, the nomination committee of the Company comprises three Directors, Mr. Wei Rushan, Mr. Sun Yanjun and Mr. Liu Jianwen. Leveraging on the existing nomination and diversity policies, the Board considered the current nomination committee could effectively reduce cognitive biases and expand the committee's pipelines for recruitment so as to promote greater diversity in the Board.

The Board will regularly consider if the appointment of one director of a different gender to the nomination committee is necessary by reviewing the effectiveness of the nomination committee and the relevant policies.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Zhou Yuxian as the chairman of the Board and an executive Director of the Company with effect from 27 August 2026, Mr. Wei Rushan, the President of the Company, has been authorised to exercise the powers of the Board chairman with effect from the same date. Accordingly, Mr. Wei concurrently performs the roles of the President and is authorised to exercise the powers of the Board chairman, which constitutes a deviation from Code provision C.2.1 of the CG Code. However, this arrangement is intended to be temporary. The Company believes that vesting powers of both roles in Mr. Wei during this interim period will not adversely affect the implementation of the Group's business strategies or its operational efficiency. Accordingly, the Board considers that the deviation from Code provision C.2.1 of the CG Code is appropriate in the circumstances.

Significant Events *(Continued)*

SPECIAL COMMITTEES UNDER THE BOARD

The Strategic Steering Committee

The Company has established a strategic steering committee. The Strategic Steering Committee of the Company comprises two Directors, including one executive Director 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 2026, the proposal on Company's 2026 budget, 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 issue debt financing instruments, 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 for internal borrowing, the operation of the Company for the year of 2025, the proposals relating to the working arrangement in 2026, and the proposal in relation to the amendment to the 2026 investment plan of the Company.

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. Save as disclosed above, 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 appointment of the secretary of the Board and the joint company secretary of the Company.

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.

SPECIAL COMMITTEES UNDER THE BOARD *(CONTINUED)*

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.

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 proposals regarding the determination of audit fees for the year 2025, the appointment of auditors for the year 2026 and the 2026 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 summary of the Company for the year 2025 and the internal audit work plan of the Company for the year 2026, by the legal compliance department on the report of Company's major operation risk forecast and assessment report for the year 2026, the compliance management report for the year 2025 and the internal control system work report for the year 2025, by the auditors on the audit of the financial report for 2025, and by the management on the operation report for the year 2025.

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 2025, discussed the development trends of ESG and been briefed on the progress of specific measures taken in response to the new regulations during their first year of implementation and 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, clarify compliance management boundaries and safeguard 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 continuous and dynamic improvement of the system and optimization of management processes, the Company has established a systematic risk evaluation and supervision mechanism to create a closed-loop compliance management and supervision system, and promote iterative upgrades of internal control and risk management system. As the departments responsible for and executing these mechanisms, each department of the Company undertake daily monitoring, evaluation and oversight duties; the Compliance Management Committee and the organization for construction and supervision of internal control systems 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, business development 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 2026	
	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

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

During the six months ended 30 June 2026, the Company and its subsidiaries had no purchase, sale or redemption of listed securities (including sale or transfer of treasury shares) ("securities" and "treasury shares", having the meanings ascribed by the Listing Rules) of the Company. As at 30 June 2026, the Company did not have any treasury shares.

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 2026, the Group had approximately 122,769 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.

JOINT COMPANY SECRETARIES

On 30 March 2026, due to work adjustments, Ms. Pei Hongyan has resigned as the joint company secretary of the Company. On the same day, Ms. Miao Xiaoling was appointed by the Board as the joint company secretary of the Company, with her term of office commencing upon obtaining the relevant waiver from the Stock Exchange and running concurrently with that of the fifth session of the Board. On 17 April 2026, Ms. Miao Xiaoling obtained the relevant waiver from the Stock Exchange and began assuming the role of joint company secretary.

The Company's external joint company secretary is Mr. Chung Ming Fai of SWCS Corporate Services Group (Hong Kong) Limited. The key contact person between the Company and Mr. Chung Ming Fai is Ms. Miao Xiaoling (the joint company secretary of the Company).

Significant Events *(Continued)*

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 30 March 2026, due to work adjustments, Ms. Pei Hongyan has resigned as the secretary of the Board of the Company. On the same day, Ms. Miao Xiaoling was appointed by the Board as the secretary of the Board of the Company. Mr. Cai Guobin resigned as a vice president of the Company due to work adjustment with effect from 30 March 2026.

In accordance with the work arrangements, Mr. Zhou has resigned as the Chairman of the Board and an executive Director of the Company with effect from 27 August 2026. On the same date, Mr. Wei Rushan was appointed as the Acting Chairman of the Board.

Saved as disclosed above, there were no changes of directors, supervisors and senior management of the Company since the date of publication of the 2025 annual report of the Company and up to the date of this report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Since the date of publication of the 2025 annual report of the Company and up to the date of this report, there are no 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.

DISCLOSURE OF INTEREST

With Parent, BNBMG, CNBM Trading, China 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 2026, the Company has a total issued share capital of 7,593,021,358 Shares.

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 2026, 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:

Substantial shareholder	Class of shares	Long position/ short position	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		4.95	2.42
BNBMG	Domestic Shares	Long	Beneficial owner	1,485,566,956	2	38.32	19.56
Triumph Group	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 2026, the Company's total issued share capital comprised 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, and the remaining 2,984,713,973 Shares are deemed corporate interests indirectly held through BNBMG, Triumph Group, CNBM United Investment and Building Materials Academy. Triumph Group, CNBM United Investment and China 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 China National Building Material Import and Export Co., Ltd. Under the SFO, the Parent is deemed to own the Shares directly held by BNBMG (1,485,566,956 Shares), Triumph Group (1,270,254,437 Shares), CNBM United Investment (227,719,530 Shares) and China 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 2026, 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 2026, 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 37 to 89, which comprise the condensed consolidated statement of financial position as of 30 June 2026 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 2026 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, 27 August 2026

Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Revenue	5	**81,482,841**	83,279,904
Cost of sales		**(68,264,407)**	(67,299,968)
Gross profit		**13,218,434**	15,979,936
Investment and other income, net	6	**2,084,391**	2,053,943
Selling and distribution costs		**(1,826,911)**	(1,929,612)
Administrative expenses		**(9,781,478)**	(8,934,012)
Finance costs, net	7	**(1,975,588)**	(2,286,152)
Share of results of associates		**858,286**	680,218
Share of results of joint ventures		**(8,850)**	(5,510)
Impairment loss under expected credit loss model, net		**(1,119,470)**	(433,358)
Profit before income tax	8	**1,448,814**	5,125,453
Income tax expense	9	**(1,163,840)**	(1,160,642)
Profit for the period		**284,974**	3,964,811
(Loss)/profit for the period attributable to:			
Owners of the Company		**(829,474)**	1,360,196
Holders of perpetual capital instruments		**168,280**	216,671
Non-controlling interests		**946,168**	2,387,944
Profit for the period		**284,974**	3,964,811
(Loss)/earnings per share			
– Basic and diluted (RMB)	11	**(0.109)**	0.172

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**284,974**	3,964,811
Other comprehensive (expense)/income, net of tax:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(236,123)**	85,489
Share of associates' other comprehensive expense	**(125,746)**	(1,456)
Changes in fair value on hedging instruments designated as cash flow hedges	**–**	1,946
Other comprehensive (expense)/income for the period, net of tax	**(361,869)**	85,979
Total comprehensive (expense)/income for the period	**(76,895)**	4,050,790
Total comprehensive (expense)/income attributable to:		
Owners of the Company	**(1,038,121)**	1,384,674
Holders of perpetual capital instruments	**168,280**	216,671
Non-controlling interests	**792,946**	2,449,445
Total comprehensive (expense)/income for the period	**(76,895)**	4,050,790

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 *RMB'000* (Unaudited)**	31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	12	**193,804,869**	201,214,614
Right-of-use assets	13	**24,685,389**	25,541,993
Investment properties		**1,342,968**	1,385,297
Goodwill	14	**31,715,577**	31,829,274
Intangible assets		**38,305,696**	33,239,810
Interests in associates	15	**34,096,880**	33,690,425
Interests in joint ventures		**462,021**	530,267
Financial assets at fair value through profit or loss	18	**4,025,156**	3,692,657
Financial assets at fair value through other comprehensive income		**42,906**	42,906
Deposits	16	**1,929,209**	2,177,808
Trade and other receivables	17	**3,890,528**	2,436,008
Deferred income tax assets		**9,259,721**	9,283,654
		343,560,920	345,064,713
Current assets			
Inventories		**21,577,638**	18,053,972
Trade and other receivables	17	**97,226,594**	90,499,100
Financial assets at fair value through profit or loss	18	**3,684,097**	6,502,508
Derivative financial instruments		**382**	1,076
Amounts due from related parties	27(b)	**2,967,363**	2,340,909
Pledged bank deposits	19	**3,343,918**	3,188,476
Cash and cash equivalents	19	**29,024,049**	23,842,002
		157,824,041	144,428,043
Assets classified as held for sale		**44,590**	49,753
		157,868,631	144,477,796

Condensed Consolidated Financial Statements *(Continued)*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Notes	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current liabilities			
Trade and other payables	20	**95,440,465**	93,602,946
Amounts due to related parties	27(b)	**5,443,464**	5,997,446
Borrowings – amount due within one year	21	**94,805,169**	90,626,589
Lease liabilities		**295,806**	396,976
Employee benefits payable	22	**31,262**	22,454
Current income tax liabilities		**969,612**	1,348,034
Dividends payable to non-controlling interests		**474,514**	593,001
		197,460,292	192,587,446
Net current liabilities		**(39,591,661)**	(48,109,650)
Total assets less current liabilities		**303,969,259**	296,955,063
Non-current liabilities			
Borrowings – amount due after one year	21	**114,935,040**	102,417,559
Deferred income		**2,215,629**	2,350,352
Lease liabilities		**1,758,055**	1,934,278
Employee benefits payable	22	**296,223**	321,851
Deferred income tax liabilities		**3,423,253**	3,516,629
		122,628,200	110,540,669
Net assets		**181,341,059**	186,414,394

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Notes	**30 June 2026 *RMB'000* (Unaudited)**	31 December 2025 *RMB'000* (Audited)
Capital and reserves			
Share capital	23(a)	**7,593,021**	7,593,021
Reserves		**85,021,507**	87,123,307
Equity attributable to:			
Owners of the Company		**92,614,528**	94,716,328
Holders of perpetual capital instruments	23(b)	**13,946,917**	15,951,177
Non-controlling interests		**74,779,614**	75,746,889
Total equity		**181,341,059**	186,414,394

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company											
	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*	Total equity *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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2026

	Attributable to owners of the Company											
	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 interest *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2026 (audited)	7,593,021	(581,524)	6,788,513	17,677,426	20,113	(2,902)	(497,109)	63,718,790	94,716,328	15,951,177	75,746,889	186,414,394
(Loss)/profit for the period	-	-	-	-	-	-	-	(829,474)	(829,474)	168,280	946,168	284,974
Other comprehensive income/(expense), net of tax:												
Currency translation differences	-	-	-	-	-	-	(112,773)	-	(112,773)	-	(123,350)	(236,123)
Share of associates' other comprehensive expense	-	-	(95,874)	-	-	-	-	-	(95,874)	-	(29,872)	(125,746)
Total comprehensive (expense)/income for the period (unaudited)	-	-	(95,874)	-	-	-	(112,773)	(829,474)	(1,038,121)	168,280	792,946	(76,895)
Dividends paid (Note 10)	-	-	-	-	-	-	-	(1,138,953)	(1,138,953)	-	-	(1,138,953)
Dividends declared to the non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,008,783)	(2,008,783)
Interest paid on perpetual capital instruments	-	-	-	-	-	-	-	-	-	(176,660)	-	(176,660)
Redemption of perpetual capital instruments	-	-	(4,120)	-	-	-	-	-	(4,120)	(1,995,880)	-	(2,000,000)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	154,000	154,000
Share of reserve in associates	-	-	9,571	-	-	-	-	-	9,571	-	-	9,571
Increase in non-controlling interests as a result of acquisition of subsidiaries (Note 24(a))	-	-	-	-	-	-	-	-	-	-	106,764	106,764
Recognition of equity-settled share-based payment of subsidiaries	-	-	-	-	2,934	-	-	-	2,934	-	2,781	5,715
Release of restricted shares of a subsidiary	-	-	1,517	-	(20,113)	-	-	-	(18,596)	-	18,596	-
Others	-	-	85,485	-	-	-	-	-	85,485	-	(33,579)	51,906
Balance at 30 June 2026 (unaudited)	7,593,021	(581,524)	6,785,092	17,677,426	2,934	(2,902)	(609,882)	61,750,363	92,614,528	13,946,917	74,779,614	181,341,059

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 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash (used in)/generated from operating activities		**(2,212,273)**	2,382,001
Investing activities			
Purchases of property, plant and equipment		**(2,743,291)**	(4,845,543)
Payments for right-of-use assets		**(70,016)**	(200,616)
Purchases of intangible assets		**(6,228,191)**	(1,536,469)
Net cash inflows/(outflows) from acquisition of subsidiaries	24(a)	**243,620**	(1,031,016)
Net cash inflows from disposal of a subsidiary	24(b)	**–**	40,202
Acquisition of interests in associates		**(154,013)**	(1,145,248)
Proceeds from disposal of property, plant and equipment		**4,677,984**	437,568
Proceeds from disposal of interest in associates		**216,456**	12,971
Purchase of financial assets at fair value through profit or loss		**(8,022,587)**	(11,609,181)
Proceeds from disposal of financial assets at fair value through profit or loss		**10,663,758**	16,425,625
Other investing cash inflows/(outflows), net		**1,035,245**	(164,703)
Net cash used in investing activities		**(381,035)**	(3,616,410)
Financing activities			
Interest paid		**(2,404,873)**	(2,648,836)
Dividends paid to shareholders		**(1,138,953)**	(1,199,697)
Dividends paid to the non-controlling interests of subsidiaries		**(2,127,270)**	(1,917,779)
Payments for repurchase of shares	23(a)	**–**	(3,204,294)
Repayment of borrowings		**(50,167,488)**	(48,562,891)
New borrowings raised		**66,855,830**	62,066,619
Repayment of lease liabilities		**(592,033)**	(277,236)
Payments for acquisition of additional interests in subsidiaries	25(a)	**–**	(54,397)
Contributions from non-controlling interests		**154,000**	12,838
Issue of perpetual capital instruments, net of issuance cost	23(b)	**–**	5,882,632
Redemption of perpetual capital instruments	23(b)	**(2,000,000)**	(5,980,040)
Other financing cash outflows, net		**(661,708)**	(313,676)
Net cash from financing activities		**7,917,505**	3,803,243
Net increase in cash and cash equivalents		**5,324,197**	2,568,834
Cash and cash equivalents at 1 January		**23,842,002**	23,533,564
Effect of foreign exchange rate changes		**(142,150)**	193,069
Cash and cash equivalents at 30 June		**29,024,049**	26,295,467

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 2026 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 2025, 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 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 2026 for the preparation of the Group's condensed consolidated financial statements:

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

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 2025.

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 2025.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 2026, the Group has net current liabilities and capital commitments of approximately RMB39,591.66 million (31 December 2025: approximately RMB48,109.65 million) and approximately RMB406.86 million (31 December 2025: approximately RMB102.60 million) (Note 26), respectively. The Group is exposed to liquidity risk as a significant percentage of the Group's funding is sourced through short-term bank borrowings. The management of the Group manages liquidity risk by monitoring the utilisation of borrowings, ensuring compliance with loan covenants and issuing new shares, domestic corporate bonds and debentures. The Group has obtained committed credit facilities from banks. As at 30 June 2026, the Group had unused banking facilities and bonds registered but not yet issued, of approximately RMB391,400.00 million (31 December 2025: approximately RMB405,600.00 million). In addition, the Group is maximizing sales performance through accelerated sales of existing inventory, pursuing new orders, and implementing comprehensive policies to further increase operating cash flow.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

4. FINANCIAL RISK FACTORS *(CONTINUED)*

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)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2026:

	Level 1 *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
Assets				
Derivative financial instruments	**–**	**382**	**–**	**382**
Financial assets at fair value through profit or loss	**2,339,447**	**–**	**5,369,806**	**7,709,253**
Financial assets at fair value through other comprehensive income	**–**	**–**	**42,906**	**42,906**
Total assets (unaudited)	**2,339,447**	**382**	**5,412,712**	**7,752,541**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025:

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Assets				
Derivative financial instruments	–	1,076	–	1,076
Financial assets at fair value through profit or loss	2,650,143	–	7,545,022	10,195,165
Financial assets at fair value through other comprehensive income	–	–	42,906	42,906
Total assets (audited)	2,650,143	1,076	7,587,928	10,239,147

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 2026 and 2025, there were no significant transfers between levels of the financial assets and financial liabilities.

During the six months ended 30 June 2026 and 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 quoted 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 are 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 30 June 2026 *RMB'000* (unaudited)	Fair value at 31 December 2025 *RMB'000* (audited)	Valuation technique(s) and key input(s)	Unobservable inputs to fair value
Structured deposits	Bank deposits in Mainland China with non-closely related embedded derivative: RMB2,017,970	Bank deposits in Mainland China with non-closely related embedded derivative: RMB4,454,982	Discounted cash flows Key unobservable inputs are: Expected yields of 1.0% to 1.30% (31 December 2025: 0.3% to 2.55%) 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 discount rate, the lower the fair value The higher the expected yield, the higher the fair value
Unlisted equity investments classified as financial assets at fair value through profit or loss	Unlisted equity investments: RMB827,358	Unlisted equity investments: RMB838,509	Market approach: Price-to-Book (P/B) Ratio Key unobservable input: Discount for lack of marketability: 21.24% to 21.54% (31 December 2025: 21.24% to 21.54%) (Note (ii))	The higher the discount rate, the lower the fair value
Unlisted funds classified as financial assets at fair value through profit or loss	Unlisted funds of RMB2,524,478	Unlisted funds of RMB2,251,531	Net asset value (Note (iii))	N/A
Unlisted equity investments classified as financial assets at fair value through other comprehensive income	Unlisted equity investments: RMB42,906	Unlisted equity investments: RMB42,906	Net asset value	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) The fair value of unlisted equity instruments is determined using the price/earnings ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2026, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 5% would have increased/decreased the Group's profit or loss by approximately RMB8.84 million (2025: approximately RMB8.84 million).

(iii) The unlisted funds are redeemable at a redemption price equal to the net asset value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 *RMB'000*	Financial assets at fair value through other comprehensive income *RMB'000*
At 1 January 2025 (audited)	10,407,931	42,969
Decrease in fair value of financial assets at fair value through profit or loss/other comprehensive income, net	(22,128)	(990)
Additions	21,253,432	927
Disposals	(24,083,550)	–
Exchange re-alignment	(10,663)	–
At 31 December 2025 (audited)	**7,545,022**	**42,906**
Increase in fair value of financial assets at fair value through profit or loss, net	**455,393**	**–**
Additions	**8,021,599**	**–**
Disposals	**(10,642,321)**	**–**
Exchange re-alignment	**(9,887)**	**–**
At 30 June 2026 (unaudited)	**5,369,806**	**42,906**

(b) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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, net other income, certain administrative expenses, unallocated 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. Management views the combination of these measures, in combination with other reported measures, as providing a better understanding for management and investors of the operating results of its business segments for the year under evaluation compared to relying on one of the measures.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. SEGMENT INFORMATION *(CONTINUED)*

(a) For the six months ended 30 June 2026:

	Cement	Concrete	New materials	Engineering technology services	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Condensed consolidated statement of profit or loss							
Revenue							
External sales							
At a point of time	22,079,741	8,447,689	28,657,157	3,568,015	3,619,931	–	66,372,533
Over time	–	–	253,617	14,856,691	–	–	15,110,308
	22,079,741	8,447,689	28,910,774	18,424,706	3,619,931	–	81,482,841
Inter-segment sales (Note)	423,853	28,721	56,147	2,562,918	3,701,774	(6,773,413)	–
	22,503,594	8,476,410	28,966,921	20,987,624	7,321,705	(6,773,413)	81,482,841
Adjusted EBITDA/(LBITDA) (unaudited)	3,278,294	504,335	5,994,574	1,292,903	(424,613)	–	10,645,493
Depreciation and amortisation	(5,130,032)	(459,791)	(2,135,446)	(339,565)	(107,468)	–	(8,172,302)
Unallocated other income, net							126,555
Unallocated administrative expenses							(24,780)
Share of results of associates	20,479	1,808	69,797	80,388	685,814	–	858,286
Share of results of joint ventures	(6,124)	–	(2,726)	–	–	–	(8,850)
Finance costs, net	(1,334,606)	(358,155)	(207,051)	129,466	(325,607)	–	(2,095,953)
Unallocated finance costs, net							120,365
Profit before income tax							1,448,814
Income tax expense							(1,163,840)
Profit for the period (unaudited)							284,974

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. SEGMENT INFORMATION *(CONTINUED)*

(b) As at 30 June 2026:

Segment assets include all tangible assets, intangible assets and current assets with the exception of other 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	222,453,607	41,602,147	100,849,889	43,116,253	7,367,563	415,389,459
Interests in associates	5,005,723	501,544	3,271,789	2,745,611	22,572,213	34,096,880
Interests in joint ventures	429,035	–	32,986	–	–	462,021
Unallocated assets						51,481,191
Total consolidated assets (unaudited)						501,429,551
Liabilities						
Segment liabilities	143,526,878	20,601,410	47,856,193	36,234,050	7,216,511	255,435,042
Unallocated liabilities						64,653,450
Total consolidated liabilities (unaudited)						320,088,492

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. SEGMENT INFORMATION *(CONTINUED)*

(c) 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	2,308,977	2,290,520	–	67,803,615
Over time	–	–	420,950	15,055,339	–	–	15,476,289
	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, net							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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. SEGMENT INFORMATION *(CONTINUED)*

(d) As at 31 December 2025:

	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	222,434,915	43,780,629	92,877,884	41,303,286	6,727,827	407,124,541
Interests in associates	5,125,021	499,736	3,312,029	2,713,886	22,039,753	33,690,425
Interests in joint ventures	435,160	–	95,107	–	–	530,267
Unallocated assets						48,197,276
Total consolidated assets (audited)						489,542,509
Liabilities						
Segment liabilities	134,405,562	20,791,722	41,979,527	34,354,859	6,954,731	238,486,401
Unallocated liabilities						64,641,714
Total consolidated liabilities (audited)						303,128,115

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Adjusted EBITDA for reportable segments	**11,070,106**	14,386,278
Adjusted (LBITDA)/EBITDA for other segments	**(424,613)**	126,220
Total segments profit	**10,645,493**	14,512,498
Depreciation of property, plant and equipment	**(6,052,149)**	(5,936,502)
Depreciation of right-of-use assets	**(1,071,641)**	(1,013,843)
Amortisation of intangible assets	**(1,048,512)**	(950,528)
Corporate items	**101,775**	125,272
Operating profit	**2,574,966**	6,736,897
Finance costs, net	**(1,975,588)**	(2,286,152)
Share of results of associates	**858,286**	680,218
Share of results of joint ventures	**(8,850)**	(5,510)
Profit before income tax	**1,448,814**	5,125,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. INVESTMENT AND OTHER INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Discount on acquisition of interests in subsidiaries (Note 24(a))	**16,475**	–
Government subsidies:		
– VAT refunds (Note (a))	**302,687**	359,073
– Government grants (Note (b))	**423,330**	636,194
– Interest subsidy	**3,365**	1,737
Gain on disposal of a subsidiary (Note 24(b))	**–**	16,425
Gain on disposal of interest in an associate	**22,173**	–
Gain on disposal of partial interest in an associate	**61,048**	51,987
Gain/(loss) on disposal of investment property, net	**92,176**	(133)
(Loss)/gain on disposal of other investments	**(57,603)**	75,068
Gain on lease modification	**30,378**	–
Increase/(decrease) in fair value of financial assets at fair value through profit or loss, net	**189,423**	(10,120)
(Decrease)/increase in fair value of derivative financial instruments, net	**(2,102)**	602
Dividend income from financial assets at fair value through profit or loss	**49,510**	115,074
Net rental income from:		
– Investment properties	**25,004**	26,736
– Land and buildings	**18,603**	47,218
– Equipment	**82,948**	77,720
Gain on disposal of property, plant and equipment	**31,239**	60,365
Gain on disposal of intangible assets	**15,436**	35,099
Technical and other service income	**381,306**	393,045
Claims received	**34,969**	30,810
Waiver of payables	**38,335**	46,844
Sale of carbon emission allowances (Note (c))	**62,283**	306
Transfer of cement clinker production quota (Note (d))	**160,019**	–
Others	**103,389**	89,893
	2,084,391	2,053,943

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. INVESTMENT AND OTHER INCOME, NET *(CONTINUED)*

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.

(c) During the six months ended 30 June 2026, certain subsidiaries of the Group disposed of their surplus carbon emission allowances at a consideration of approximately RMB62.28 million (2025: RMB0.30 million) through China's national carbon emission trading market.

(d) During the six months ended 30 June 2026, certain subsidiaries of the Group transferred their cement clinker production quota by way of public listing, giving rise to a net gain of approximately RMB160.02 million (2025: RMBnil).

7. FINANCE COSTS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses:		
– Interest on bank borrowings	**1,710,978**	1,877,673
– Interest on lease liabilities	**66,217**	57,835
– Interest on bonds and other borrowings	**687,290**	812,321
Less: interest capitalised to construction in progress	**(107,847)**	(152,909)
	2,356,638	2,594,920
Interest income:		
– Interest on bank deposits	**(171,757)**	(203,624)
– Interest on loans receivables	**(209,293)**	(105,144)
	(381,050)	(308,768)
Finance costs, net	**1,975,588**	2,286,152

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

8. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of:		
Property, plant and equipment	**6,052,149**	5,936,502
Investment properties	**24,780**	26,402
Right-of-use assets	**1,071,641**	1,013,843
	7,148,570	6,976,747
Amortisation of intangible assets	**1,048,512**	950,528
Total depreciation and amortisation	**8,197,082**	7,927,275
Impairment loss on goodwill*	**87,709**	–
Impairment loss on property, plant and equipment*	**586,749**	15,063
Impairment loss on intangible assets*	**24,028**	–
Cost of inventories recognised as expenses	**52,568,881**	54,405,964
Staff costs	**10,655,504**	10,312,502
Loss on goodwill from deregistration of a subsidiary	**3,968**	–
Write down/(reversal of write down) of inventories, net	**107,800**	(31,643)
Net foreign exchange loss/(gain)	**251,868**	(155,628)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

8A. IMPAIRMENT ASSESSMENT

Cement

Some production lines of cement segment of the Group have been suspended during the six months ended 30 June 2026 or to be suspended in the near future. The management of the Group performed impairment assessments on property, plant and equipment, right-of-use assets, intangible assets and goodwill allocated to certain cash-generating units ("CGUs"). Moreover, during the six months ended 30 June 2026, losses have been incurred by certain CGUs of cement segment. The management of the Group assessed the recoverable amounts of these CGUs with reference to calculations of fair value less costs of disposal determined by the management with the assistance of independent professional valuers not connected with the Group.

The recoverable amounts of these CGUs are less than their respective carrying amounts as at the end of the reporting period prior to the recognition of impairment loss for the period. The Group recognised impairment loss of approximately RMB87.71 million (2025: RMBnil) in relation to goodwill allocated to the CGUs of cement segment. Impairment loss on property, plant and equipment of approximately RMB507.16 million (2025: RMBnil) had been recognised for the period ended 30 June 2026 in respect of those assets.

New materials

During the six months ended 30 June 2026, the Group has identified certain property, plant and equipment and intangible assets of new materials segment with impairment indicators, and the recoverable amounts of these assets are less than their respective carrying amounts as at the end of the reporting period prior to the recognition of impairment loss for the period. Impairment loss on property, plant and equipment of approximately RMB7.89 million (2025: RMB15.06 million) and intangible assets of approximately RMB24.03 million (2025: RMBnil) had been recognised for the period ended 30 June 2026 in respect of those assets respectively.

Engineering technology services

During the six months ended 30 June 2026, the Group has identified certain property, plant and equipment of engineering technology services segment with impairment indicators and the recoverable amounts of these assets are less than their respective carrying amounts as at the end of the reporting period prior to the recognition of impairment loss for the period. Impairment loss on property, plant and equipment of approximately RMB71.70 million (2025: RMBnil) had been recognised for the period ended 30 June 2026 in respect of those assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax expense	**1,238,245**	1,266,671
Deferred income tax credit	**(74,405)**	(106,029)
	1,163,840	1,160,642

PRC income tax is calculated at 25% (2025: 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% (2025: 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 2026 and 2025 at the rates of taxation prevailing in the countries in which the Group operates.

10. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends	**1,138,953**	1,199,697

During the six months ended 30 June 2026, dividend of RMB0.150 per share amounting to approximately RMB1,138.95 million in aggregate (2025: RMB0.158 per share amounting to approximately RMB1,199.70 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 2026 (2025: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss)/profit attributable to owners of the Company	**(829,474)**	1,360,196
Effect of dilutive potential ordinary shares:		
– share options granted by a subsidiary	**(3)**	–
(Loss)/profit for the purpose of diluted (loss)/earnings per share	**(829,477)**	1,360,196

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares in issue	**7,593,021**	7,918,560

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 2026 (audited)	**19,446,500**	**97,339,550**	**83,089,926**	**1,338,638**	**201,214,614**
Additions	**1,669,680**	**625,621**	**1,278,939**	**73,823**	**3,648,063**
Acquisition of subsidiaries (Note 24(a))	**67**	**158,259**	**69,598**	**806**	**228,730**
Depreciation charged and impairment loss recognised for the period	**(52,735)**	**(2,118,459)**	**(4,343,645)**	**(124,059)**	**(6,638,898)**
Disposals	**(2,518,031)**	**(679,830)**	**(1,428,510)**	**(20,373)**	**(4,646,744)**
Transfer from investment properties	**–**	**99**	**–**	**–**	**99**
Transfer to investment properties	**–**	**(995)**	**–**	**–**	**(995)**
Transfer from construction in progress	**(3,080,244)**	**791,043**	**2,285,048**	**4,153**	**–**
Transfer to construction in progress for reconstruction	**54,643**	**(4,552)**	**(49,651)**	**(440)**	**–**
Net book value at 30 June 2026 (unaudited)	**15,519,880**	**96,110,736**	**80,901,705**	**1,272,548**	**193,804,869**

	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	9,261,688	941,639	2,505,853	203,043	12,912,223
Acquisition of subsidiaries (Note 24(a))	52,801	379,754	845,214	6,364	1,284,133
Depreciation charged and impairment loss recognised for the period	(37,526)	(6,166,522)	(9,392,022)	(270,896)	(15,866,966)
Disposals	(60,884)	(594,385)	(597,249)	(44,362)	(1,296,880)
Disposal of a subsidiary (Note 24(b))	–	(13,501)	(4,250)	(157)	(17,908)
Transfer from investment properties	–	87,732	–	–	87,732
Transfer to investment properties	–	(86,609)	–	–	(86,609)
Transfer from construction in progress	(18,189,774)	3,887,021	14,279,650	23,103	–
Transfer to construction in progress for reconstruction	340,934	(93,148)	(247,786)	–	–
Reclassified as held for sale	–	(30,311)	(10,165)	–	(40,476)
Net book value at 31 December 2025 (audited)	19,446,500	97,339,550	83,089,926	1,338,638	201,214,614

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

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

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Construction in progress	**527,369**	1,738,800
Land and buildings	**1,087,801**	942,429
Plant and machinery	**149,132**	400,192
Total	**1,764,302**	3,081,421

13. RIGHT-OF-USE ASSETS

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Leasehold lands	**20,931,180**	21,196,816
Leased properties	**2,700,223**	2,806,695
Plant and machinery	**966,504**	1,400,009
Motor vehicles	**87,482**	138,473
	24,685,389	25,541,993

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 2025: 1 year to 43 years) with no extension and termination options. During the six months ended 30 June 2026, the Group recognised right-of-use assets and lease liabilities of approximately RMB381.93 million (2025: approximately RMB250.95 million).

As at 30 June 2026, the Group has pledged leasehold lands with a carrying amount of approximately RMB151.57 million (31 December 2025: approximately RMB152.87 million) to secure bank and other borrowings granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

14. GOODWILL

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
At the beginning of the period/year	**31,829,274**	34,376,630
Arising from acquisition of subsidiaries (Note 24(a))	**–**	599,511
Impairment loss recognised (Note 8A)	**(87,709)**	(3,091,472)
Disposal of a subsidiary (Note 24(b))	**–**	(19,851)
De-registration of a subsidiary	**(3,968)**	(88,367)
Exchange re-alignment	**(22,020)**	52,823
At the end of the period/year	**31,715,577**	31,829,274

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 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Cement	**23,060,142**	23,147,851
Concrete	**5,158,870**	5,162,838
New materials	**2,773,464**	2,773,462
Engineering technology services	**664,534**	682,993
Others	**58,567**	62,130
	31,715,577	31,829,274

During the six months ended 30 June 2026, impairment loss of approximately RMB87.71 million in relation to goodwill allocated to the cash-generating units of cement segment was recognised. There was no impairment loss in relation to goodwill recognised during the six months ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

15. INTERESTS IN ASSOCIATES

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Cost of investments in associates		
– listed in the PRC	**4,832,304**	4,770,604
– listed in Hong Kong	**740,095**	740,095
– unlisted	**12,304,485**	12,327,876
Share of post-acquisition profit, net of dividend received	**16,219,996**	15,851,850
	34,096,880	33,690,425
Fair value of listed investments (Note)	**96,213,835**	31,882,004
Share of results of associates	**858,286**	853,468

Note: 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 2026, the cost of investments in associates included goodwill of associates of approximately RMB2,560.45 million (31 December 2025: approximately RMB2,485.14 million).

16. DEPOSITS

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Investment deposits for acquisition of entities	**–**	125,441
Deposits paid to acquire property, plant and equipment	**771,900**	853,880
Deposits paid to acquire intangible assets	**998,316**	1,015,625
Deposits paid to acquire right-of-use assets	**158,993**	182,862
	1,929,209	2,177,808

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

17. TRADE AND OTHER RECEIVABLES

	30 June 2026 **RMB'000** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Trade receivables, net of allowance for credit losses (Note (a))	**52,698,098**	46,669,054
Bills receivable	**11,781,033**	12,978,294
Contract assets	**9,967,410**	9,943,462
Other receivables and deposits	**16,336,824**	15,195,189
Prepayments	**10,333,757**	8,149,109
	101,117,122	92,935,108
Analysed for reporting purposes:		
Non-current portion	**3,890,528**	2,436,008
Current portion	**97,226,594**	90,499,100
	101,117,122	92,935,108

Note:

(a) 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, where credit periods normally ranging from 1 to 2 years.

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

	30 June 2026 **RMB'000** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Within two months	**14,153,357**	9,619,765
More than two months but within one year	**18,452,535**	18,645,524
Between one and two years	**10,396,782**	9,400,382
Between two and three years	**5,070,152**	4,750,883
Over three years	**4,625,272**	4,252,500
	52,698,098	46,669,054

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

As at 30 June 2026, bills receivable with carrying amounts of approximately RMB222.36 million (31 December 2025: approximately RMB397.10 million) are pledged to secure borrowings granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Financial assets at fair value through profit or loss:		
– Equity shares listed outside Hong Kong	**1,666,264**	2,047,663
– Equity shares listed in Hong Kong	**673,183**	602,480
– Structured deposits (Note)	**2,017,970**	4,454,982
– Unlisted equity and fund investments	**3,351,836**	3,090,040
	7,709,253	10,195,165
Analysed for reporting purposes:		
Non-current portion	**4,025,156**	3,692,657
Current portion	**3,684,097**	6,502,508
	7,709,253	10,195,165

Note: During the six months ended 30 June 2026 and year ended 31 December 2025, the Group entered into certain investments with certain reputable financial institutions. The investments, based on the respective contracts, have maturity dates within 3 months.

19. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

As at 30 June 2026, the Group pledged bank deposit of approximately RMB3,343.92 million (31 December 2025: approximately RMB3,188.48 million), which is denominated in RMB, to secure the bank and other 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 bank and other borrowings.

Bank balances and pledged bank deposits carry interest at market rates which ranging from 0.05% to 7.00% (the year ended 31 December 2025: ranging from 0.03% to 11.00%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

20. TRADE AND OTHER PAYABLES

The ageing analysis of trade and other payables, based on invoice date, is as follows:

	30 June 2026 *RMB'000* (unaudited)	31 December 2025 *RMB'000* (audited)
Within two months	**15,745,547**	14,485,438
More than two months but within one year	**19,998,836**	20,475,091
Between one and two years	**6,087,108**	5,202,905
Between two and three years	**2,219,455**	1,841,271
Over three years	**3,343,836**	2,725,472
Trade payables	**47,394,782**	44,730,177
Bills payable	**13,438,493**	16,063,208
Contract liabilities	**13,076,526**	11,186,645
Other payables	**21,530,664**	21,622,916
	95,440,465	93,602,946

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

21. BORROWINGS

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Bank borrowings	**153,631,339**	142,987,489
Borrowings from an associate (Note)	**10,747,790**	13,146,537
Bonds	**44,200,000**	35,500,800
Borrowings from other financial institutions	**1,161,080**	1,409,322
	209,740,209	193,044,148
Secured	**10,386,309**	11,130,869
Unsecured	**199,353,900**	181,913,279
	209,740,209	193,044,148
Analysed for reporting purposes:		
– Non-current portion	**114,935,040**	102,417,559
– Current portion	**94,805,169**	90,626,589
	209,740,209	193,044,148

Note: As at 30 June 2026, borrowings provided by China Building Materials Group Finance Co., Ltd., an associate of the Group, carry interest rates ranging from 2.00% to 3.00% (the year ended 31 December 2025: 2.00% to 3.45%) per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

21. BORROWINGS *(CONTINUED)*

The effective interest rates of the fixed rate borrowings and variable rate borrowings are ranging from 0.56% to 10.65% and 1.00% to 4.51% per annum during the six months ended 30 June 2026 (the year ended 31 December 2025: ranging from 1.00% to 10.65% and 1.00% to 8.00% per annum) respectively.

As at 30 June 2026, the bank and other borrowings of approximately RMB10,386.31 million (31 December 2025: approximately RMB11,130.87 million) are secured by the following assets of the Group:

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
Property, plant and equipment (Note 12)	**1,764,302**	3,081,421
Right-of-use assets (Note 13)	**151,572**	152,866
Intangible assets	**8,063,549**	6,415,337
Pledged bank deposits (Note 19)	**3,343,918**	3,188,476
Bills receivable (Note 17)	**222,363**	397,098
	13,545,704	13,235,198

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

22. EMPLOYEE BENEFITS PAYABLE

The Group operates unfunded defined benefit plans 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 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
At the beginning of the period/year	**344,305**	355,003
Interest expenses	**375**	8,476
Remeasurements:		
– Adjustments for restrictions on the defined benefit asset	**361**	3,623
– Actuarial gains recognised in the period/year	**–**	(16,006)
– Past service cost, including losses on curtailments	**–**	199
Benefits paid	**(17,556)**	(25,219)
Acquisition of subsidiaries	**–**	18,229
At the end of the period/year	**327,485**	344,305
Analysed for reporting purposes:		
Non-current portion	**296,223**	321,851
Current portion	**31,262**	22,454
	327,485	344,305

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

23. SHARE CAPITAL AND PERPETUAL CAPITAL INSTRUMENTS

(a) Share capital

	Domestic share (Note (i))		H Shares (Note (ii))		
	Number of shares	Amount *RMB'000*	Number shares	Amount *RMB'000*	Total capital *RMB'000*
Registered and paid up shares of RMB1.0 each					
As at 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 31 December 2025, 1 January 2026 and 30 June 2026	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 RMB24.47 million. No subsidiaries of the Company purchased, sold or redeemed any of the Company's listed securities during the current 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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

(b) Perpetual capital instruments

During the six months ended 30 June 2026, the Company did not issue perpetual interest-bearing debentures (2025: in an aggregate principal amount of RMB5,900.00 million with coupon rates ranging from 1.90% to 4.28% per annum). The net proceeds after deducting the issuance cost for the six months ended 30 June 2025 amounted to approximately RMB5,882.63 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. The discretionary coupon rate will be reset every two to three years from the third to fourth interest-bearing year onwards.

Besides, during the six months ended 30 June 2026, the Company redeemed the perpetual interest-bearing debentures in an aggregate principal amounts of RMB2,000.00 million (2025: RMB5,980.04 million) and settled the principals and interests amounted to approximately RMB2,172.54 million (2025: approximately RMB6,222.14 million) in aggregate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries not under common control

During the six months ended 30 June 2026, the Group acquired three (2025: three) subsidiaries and certain assets through acquisition of subsidiaries from independent third parties. The acquired subsidiaries and business are principally engaged in the production and sale of new materials.

These acquisitions have been accounted for using the acquisition method.

Summary of net assets acquired in the transactions during the six months ended 30 June 2026 and 2025, and the goodwill on acquisition arising, are as follows:

	2026 **Fair value** ***RMB'000*** **(Provisional)**	2025 Fair value *RMB'000*
Net assets acquired:		
Property, plant and equipment (Note 12)	**228,730**	1,206,636
Right-of-use assets	**43,234**	143,001
Investment properties	**–**	18,731
Intangible assets	**1,989**	22,814
Interests in associates	**–**	19,934
Deferred income tax assets	**17,651**	6,982
Inventories	**87,146**	305,123
Trade and other receivables	**340,636**	590,340
Amounts due from related parties	**–**	397,604
Pledged bank deposits	**–**	22,686
Cash and cash equivalents	**243,620**	336,831
Trade and other payables	**(349,488)**	(635,325)
Current income tax liabilities	**–**	(23,927)
Amounts due to related parties	**–**	(207,816)
Borrowings	**(7,719)**	(223,939)
Lease liabilities	**(2,730)**	–
Deferred income	**(1,343)**	(1,156)
Deferred income tax liabilities	**(8,952)**	(21,925)
Net assets acquired	**592,774**	1,956,594
Non-controlling interests	**(106,764)**	(697,636)
Goodwill (Note 14)	**–**	740,508
Discount on acquisition of interests in subsidiaries (Note 6)	**(16,475)**	–
Total consideration	**469,535**	1,999,466

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Total consideration satisfied by:		
Cash	**–**	1,367,847
Other payables	**344,094**	378,433
Deposits	**125,441**	253,186
	469,535	1,999,466
Net cash inflows/(outflows) arising on acquisition:		
Cash consideration paid	**–**	(1,367,847)
Less: cash and cash equivalents acquired	**243,620**	336,831
	243,620	(1,031,016)

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 discount arising on the acquisitions is attributable to the consideration having been agreed by reference to the appraised values of the companies acquired at the valuation date, while the identifiable net assets acquired are measured at fair value at the later acquisition date. The Group reassessed the identification and measurement of the identifiable net assets acquired and the consideration transferred, and the resulting excess has been recognised in profit or loss as a bargain purchase gain. None of the discount arising on the acquisitions is subject to tax.

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 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.

Included in the revenue and profit for the six months ended 30 June 2026 are approximately RMB330.97 million and RMB63.38 million respectively attributable to the additional business generated by these newly acquired companies.

Had these business combinations been effective at 1 January 2026, the revenue and profit for the six months ended 30 June 2026 of the Group would be approximately RMB82,003.96 million and RMB345.07 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 2026, nor is it intended to be a projection of future results.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 2026 are as follows:

Yuandahongyu (Tangshan) Waterproof Material Co., Ltd. (遠大洪雨(唐山)防水材料有限公司) ("Tangshan Yuandahongyu") and Yuandahongyu (Suzhou) Building Material Technology Co., Ltd. (遠大洪雨(宿州)建材科技有限公司) ("Suzhou Yuandahongyu")

On 27 November 2025, Beijing New Building Material Public Limited Company, a partially owned subsidiary, entered into two sale and purchase agreements with an independent third party to acquire 80.00% equity interests of Tangshan Yuandahongyu and Suzhou Yuandahongyu (collectively, "Yuandahongyu") at an aggregate consideration of approximately RMB418.14 million. The two companies were acquired in a single transaction and have accordingly been accounted for as a business combination. Tangshan Yuandahongyu and Suzhou Yuandahongyu are principally engaged in the production and sales of new materials, and were acquired with the objective of improving the Group's business in new materials. The transaction has been completed on 28 February 2026.

This transaction has been accounted for as acquisition of business using the acquisition method.

Net assets acquired in the transaction are as follows:

	Yuandahongyu Fair value ***RMB'000*** **(Provisional)**
Net assets acquired:	
Property, plant and equipment	**161,282**
Right-of-use assets	**40,413**
Deferred income tax assets	**17,641**
Inventories	**61,137**
Trade and other receivables	**325,808**
Cash and cash equivalents	**235,617**
Trade and other payables	**(296,825)**
Borrowings	**(715)**
Lease liabilities	**(241)**
Deferred income	**(1,343)**
Deferred income tax liabilities	**(8,952)**
Net assets acquired	**533,822**
Non-controlling interests	**(106,764)**
Discount on acquisition of interests in subsidiaries	**(8,921)**
Total consideration	**418,137**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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

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

	Yuandahongyu *RMB'000*
Total consideration satisfied by:	
Other payables	**292,696**
Deposits	**125,441**
	418,137
Net cash inflow arising on acquisition:	
Cash consideration paid	**–**
Less: cash and cash equivalents acquired	**(235,617)**
	(235,617)

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 discount arising on the acquisitions is attributable to the consideration having been agreed by reference to the appraised values of the companies acquired at the valuation date, while the identifiable net assets acquired are measured at fair value at the later acquisition date. The Group reassessed the identification and measurement of the identifiable net assets acquired and the consideration transferred, and the resulting excess has been recognised in profit or loss as a bargain purchase gain. None of the discount arising on the acquisitions is subject to tax.

Included in the revenue and profit for the six months ended 30 June 2026 are approximately RMB295.34 million and RMB60.38 million respectively attributable to the additional business generated by the newly acquired company.

Had these business combinations been effective at 1 January 2026, the revenue and profit for the six months ended 30 June 2026 of the Group would be approximately RMB81,906.45 million and RMB348.08 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 2026, nor is it intended to be a projection of future results.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 (內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 RMB770.98 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 USD141.18 million (equivalents to approximately RMB1,013.50 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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*	Inner Mongolia Hengke Fair value *RMB'000*
Net assets acquired:		
Property, plant and equipment	**342,047**	**622,434**
Right-of-use assets	**164,799**	**121,009**
Intangible assets	**1,049**	**35,220**
Deferred income tax assets	**4,605**	**726**
Inventories	**115,591**	**145,632**
Trade and other receivables	**115,199**	**372,792**
Amounts due from the related parties	**–**	**413,356**
Cash and cash equivalents	**108,102**	**152,144**
Trade and other payables	**(95,309)**	**(357,034)**
Current income tax liabilities	**(8,577)**	**(7,755)**
Amounts due to the related parties	**–**	**(276,978)**
Borrowings	**–**	**(223,939)**
Lease liabilities	**(324)**	**–**
Deferred income	**(1,364)**	**–**
Employee benefits payable	**(18,229)**	**–**
Deferred income tax liabilities	**(31,263)**	**(19,162)**
Net assets acquired	**696,326**	**978,445**
Non-controlling interests	**–**	**(480,834)**
Goodwill	**317,172**	**273,372**
Total consideration	**1,013,498**	**770,983**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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	**1,013,498**	**393,992**
Other payables	**–**	**82,783**
Transferred from deposits	**–**	**168,708**
Amounts due to related parties	**–**	**125,500**
	1,013,498	**770,983**
Net cash outflow arising on acquisition:		
Cash consideration paid	**1,013,498**	**393,992**
Less: cash and cash equivalents acquired	**(108,102)**	**(152,144)**
	905,396	**241,848**

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 cement 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 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 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 RMB83,282.83 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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

(b) Disposal of a subsidiary

During the six months ended 30 June 2026, the Group did not dispose of its equity interests in any subsidiaries (2025: 1 subsidiary) to independent third parties. During the six months ended 30 June 2025, the net assets of the disposed subsidiary disposed at the date of disposal were as follows:

	2025 *RMB'000*
Net assets disposed of:	
Property, plant and equipment (Note 12)	17,908
Right-of-use assets	3,404
Goodwill (Note 14)	19,851
Inventories	2,203
Trade and other receivables	288
Cash and cash equivalents	98
Trade and other payables	(175)
Amounts due to related parties	(19,702)
Net assets disposed of	23,875
Gain on disposal of a subsidiary	
Consideration received	40,300
Net assets disposed of	(23,875)
Gain on disposal of a subsidiary (Note 6)	16,425
Net cash inflows arising from disposal of a subsidiary:	
Cash consideration	40,300
Cash and cash equivalents disposed of	(98)
Net cash inflows from disposal of a subsidiary	40,202

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

25. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

	2026 **RMB'000**	2025 RMB'000
Carrying amount of non-controlling interests acquired	–	45,017
Consideration paid to non-controlling interests	–	(54,397)
Excess of consideration paid recognised within equity	–	(9,380)

26. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 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	**406,855**	102,601

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Provision of production supplies to		
– The Parent Group	**252,177**	702,812
– Associates	**111,737**	34,407
– Joint ventures	**45,836**	5,436
– Non-controlling interests of subsidiaries	**1,205**	1,148
	410,955	743,803
Provision of support services to		
– The Parent Group	**256,126**	67,617
– Associates	**96,034**	58,715
– Joint ventures	**15,599**	7,853
	367,759	134,185
Rental income from		
– The Parent Group	**25,133**	52,502
– Associates	**2,114**	1,442
– Joint ventures	**374**	102
	27,621	54,046
Rendering of engineering technology services to		
– The Parent Group	**213,285**	17,168
– Associates	**30,792**	9,997
– Joint ventures	**–**	249
– Non-controlling interests of subsidiaries	**500**	6,229
	244,577	33,643
Interest income received from the Parent Group	**18,028**	10,738

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Provision of production supplies by		
– The Parent Group	**379,071**	1,137,505
– Associates	**47,759**	10,797
– Joint ventures	**161,338**	55,048
– Non-controlling interests of subsidiaries	**111,638**	–
	699,806	1,203,350
Provision of support services by		
– The Parent Group	**25,442**	176,890
– Associates	**25,400**	11,294
	50,842	188,184
Supplying of equipment by		
– The Parent Group	**22,131**	150,214
Interest expenses paid to		
– The Parent Group	**56,629**	63,337
– Non-controlling interests of subsidiaries	**2,983**	3,022
	59,612	66,359
Provision of engineering technology services by		
– The Parent Group	**30,397**	191,494
– Associates	**5,971**	22,091
	36,368	213,585
Supply of raw materials by the Parent Group	**372,203**	633,722
Supply of raw materials (limestone and clay) by the Parent Group	**5,407**	5,887
Short term lease expenses paid to the Parent Group	**–**	1,407
Provision of other financial services by the Parent Group	**70**	83

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Amounts due from/to related parties

	30 June 2026 ***RMB'000*** **(unaudited)**	31 December 2025 *RMB'000* (audited)
Amounts due from related parties		
Trading in nature:		
– Fellow subsidiaries	**949,802**	602,846
– Associates	**610,057**	468,704
– Joint ventures	**1,663**	373
– Immediate holding company	**264**	1,543
– Non-controlling interests of subsidiaries	**39,842**	59,860
	1,601,628	1,133,326
Non-trading in nature:		
– Fellow subsidiaries	**1,024,061**	1,067,030
– Associates	**128,415**	83,703
– Immediate holding company	**–**	511
– Non-controlling interests of subsidiaries	**213,259**	56,339
	1,365,735	1,207,583
	2,967,363	2,340,909
Amounts due to related parties		
Trading in nature:		
– Fellow subsidiaries	**1,994,557**	1,978,755
– Associates	**360,992**	359,286
– Joint ventures	**6,301**	10,401
– Immediate holding company	**104**	28,556
– Non-controlling interests of subsidiaries	**38,069**	66,082
	2,400,023	2,443,080
Non-trading in nature:		
– Fellow subsidiaries	**974,714**	2,263,440
– Associates	**8,170**	6,350
– Immediate holding company	**1,736,980**	625,494
– Non-controlling interests of subsidiaries	**323,577**	659,082
	3,043,441	3,554,366
	5,443,464	5,997,446

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

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 are both unsecured.

The trading nature portion of amounts due from and to related parties is interest-free and aged within one year.

The non-trading portion of amounts due from and to related parties is repayable on demand.

As at 30 June 2026, amounts due from related parties of approximately RMB815.17 million carry fixed interest rate of 3.00% to 5.00% per annum (31 December 2025: approximately RMB787.30 million carry fixed interest rate of 4.30% to 5.00% per annum). The remaining balances of amounts due from related parties are interest-free.

As at 30 June 2026, amounts due to related parties of approximately RMB1,908.39 million and RMB382.00 million (31 December 2025: approximately RMB1,887.68 million and RMB399.51 million) carry fixed interest rate of 1.74% to 2.90% (31 December 2025: 2.07% to 2.92%) per annum and variable interest rate of 4.75% to 5.00% (31 December 2025: 4.75% to 5.00%) 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 2026, 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 2026 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

27. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(d) Remuneration to key management

The key management personnel compensations during the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Short term benefits	**2,937**	3,102
Post-employment benefits	**103**	102
	3,040	3,204

28. EVENT AFTER THE REPORTING PERIOD

On 7 August 2026, the China Securities Regulatory Commission approved the registration of Sinoma Science & Technology Co., Ltd. ("Sinoma Science & Technology")'s issue of up to 503,437,075 A shares to raise gross proceeds up to RMB4,481.15 million. As of the date of this report, the issue has not been completed. Assuming the maximum number of shares is issued in full, the Company's equity interest in Sinoma Science & Technology will be diluted from 60.24% to 46.34%. With consideration of the Group's practical ability to direct the relevant activities of Sinoma Science & Technology unilaterally, the directors concluded that the Group will still have sufficiently dominant voting interest to direct the relevant activities of Sinoma Science & Technology and therefore the Group will still maintain control over Sinoma Science & Technology after the private placement.

29. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements set out on pages 37 to 89 have been approved and authorised for issue by the Board of Directors on 27 August 2026.

Definitions

"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.)
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China Certification Group"	中國國檢測試控股集團股份有限公司 (China Testing & Certification International Group Co., Ltd.)
"China Composites"	中國複合材料集團有限公司 (China Composites Group Corporation Limited)
"China Cinda"	中國信達資產管理股份有限公司 (China Cinda Asset Management Co., Ltd.)
"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)
"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.) A subsidiary of the Parent
"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

Definitions *(Continued)*

"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 HKD
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"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)
"Promoters"	the original promoters of the Company, namely the Parent, BNBMG, China Cinda, Building Materials Academy and CNBM Trading
"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" or "China"	the People's Republic of China
"Reporting Period"	from 1 January 2026 to 30 June 2026
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"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 Science & Technology"	中材科技股份有限公司 (Sinoma Science & Technology Co., Ltd.)

Definitions *(Continued)*

"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
"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 Cement"	天山材料股份有限公司 (Tianshan Material Co., Ltd.) (previously known as 新疆天山水泥股份有限公司 Xinjiang Tianshan Cement Co., Ltd.)
"Triumph Group"	凱盛科技集團有限公司 (Triumph Technology Group Company Limited*)

* *For identification purposes only*

CNBM

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