# Stock Code: 002271 Stock Name: Oriental Yuhong Announcement No.2025-016 BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO., LTD. ANNUAL REPORT 2024 (SUMMARY)

# Part I Important Notes

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is Summary is based on the full Annual Report of Beijing Oriental Yuhong Waterproof Technology Co., Ltd. (together with its solidated subsidiaries, the "Company", except where the context otherwise requires). In order for a full understanding of the mpany's operating results, financial position and future development plans, investors should carefully read the aforesaid full text, ich has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the CED CP).

). mpany's directors have attended the Board meeting for the review of this Report

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| Yes  $\boxtimes No$ The Board has approved a final dividend plan as follows: based on the total share capital of 2,388,669,116 shares, which is calculated from the existing total share capital of 2,436,315,528 shares after deducting 47,615,662 repurchased shares in the Company's repurchase account and 30,750 restricted shares from equity incentives that have not yet been repurchased and cancelled, a cash dividend of RMB18.50 (tax inclusive) per ten shares is to be distributed to the shareholders, with no bonus shares, and no

capitalization from capital reserves. Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period: Applicable Z Not applicable Part II Key Corporate Information 1. Stock Profile

Stock name	Oriental Yuhong S		ock code	002271		
Stock exchange for stock listing	Shenzh	Shenzhen Stock Exchange				
Contact information	Board Secretary	ecurities Representative				
Name	Zhang Bei					
Office address	Courtyard 19, 9th Kechuang Street, Beijing Eco technological Development Area, E-town, Beijin					
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 0107-59031997

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 2. Principal Operations or Products in the Reporting Period
 (1) The Company's Principal Operations

 In pursuit of high-quality and solid development, the Company is a construction materials, mortar and powder, building coating materials, energy-saving and heat preservation materials, adhesives, tube materials, building renovation, new energy, non-woven fabric, specialized film, emulsion, etc.

 The Company provides quality products and professional system services for buildings, high-speed railways, metro and urban landmarks such as the Chairman Mao Memorial Hall, the Great Hall of the People, the Bird's Nest, the CITIC Tower, the Beijing Daxing International Airport, the Hong Kong-Zhuhai-Macao Bridge, the Beijing-Shanghai high-speed railways, the Boutonesia's sylatra - Bandung High-Speed Railway, Indonesia's sylation project, the Singapore Metro, Pakistan's Karachi Nuclear Power Plant project, and the Forest City project in Malaysia. It provides high-quality system solutions for tens of thousands of major infrastructure project, sea well as industrial, residential and commercial buildings and constructions worldwide. The Company sees "for the motherland, for the society," as its corporate tenet, "serving the country by developing industry, benefing the people with good services" as its guideline, and "building a durable and safe environment for human beings and the society," as its corporate vision. In addition to the core business of building science and the preservation materials, Materials, Mudtar and powder, building coating Materials, Fudate (energy saving and heat preservation materials, Waterproofing), Hasion (waterproofing), the Company is also engaged in civil construction materials, mortar and powder, building coating, Alpina (building

for 36.39% of the Company' s total operating revenue, representing a higher percentage. (1) Civil Construction Materials Group During the Reporting Period, Civil Construction Materials Group, centred on user needs and industry trends, integrates consumer demands to achieve technological breakthroughs. It consistently delivers innovative, high-tech, and environmentally safe products, offering comprehensive system solutions for various residential buildings. These solutions cover six dimensions: waterproofing and moisture-proofing, wall coatings, tile paving, grouting, sealants, and tubing. It can fully meet the diversified needs of various construction scenarios in the process of home decoration and escort a beautiful home. In 2024, Civil Construction Materials Group registered operating revenue of RMB9.373 million, an increase of 14.58% year on year. 1) Brand development: Civil Construction Materials Group has adhered to a consumer-demand-centred approach and strengthened brand development. Online communication utilizes platforms such as WeChat, Douyin short videos, Xiaohongshu, etc., as media, effectively enhancing the brand and product's terminal coverage and visibility through differentiated content targeting different continuously strengthening ad placement in lower-tier markets. By constructions uniter studies and induct as while continuously strengthening ad placement in lower-tier markets. By constructing an integrated online and offline marketing ecosystem, a high-frequency interaction mechanism between the brand and consumers is established, thereby comprehensively improving brand awareness and reputation, and reinforcing the brand's mental positioning within the target consumer group.

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e-commerce platforms, such as short videos and live-streaming sales. At the same time, it further enhanced the brand influence of e-commerce channels and strengthen core competitiveness in the e-commerce sector by improving and reinforcing content marketing, traffic operations, and after-sales services.
 Memberhip operation: The group accelerate dhe building of the membership operation system. The goal was to establish a one-stop solution platform for foreman members, encompassing training certification, product purchasing, benefits acquisition, and activity empowement. Concurrently, it deeply bound regional exclusive stores nationswide, continuously organising skill competitions and training certification activities for foreman members.
 Product development: The group adways centred around the consumer, while meeting high environmental and physical performance standards for products, also focusing on improving product application performance. It continuously develops products that are sun-resistant, wear-resistant, oue-resistant, vuear-resistant, vuear-sistant puertor of conting of exposed areas, lightweight soundproof cenamic the product certification, endure the size expressinte scope and categories, and hunches high-strength water-resist

households, ensuring users peace or mind. (2) C -end service platform By the end of the Reporting Period, to integrate and improve retail service capabilities and service quality, and to more professionally and efficiently serve the C -end heavy renovation and maintenance market, the Company integrated its original Building Renovation Group's retail business "Yuhong Home Service" and the Civil Construction Materials Group's "Reliable Yuhong Service" to build a C -end service platform for the entire Group, managed uniformly by the Civil Construction Materials Group. Based on the core elements of "professional, efficient, guaranteed, and comprehensive," the platform aims to build a new retail service platform between the Company and consumers. Relying on the comprehensive advantages of the Civil Construction Materials Group, is channel network and other resources, and fully utilizing various online and diversified media channels, the Company conducts in – depth integration and systematic operation of online and offline resources to build an efficient service network, achieving wide and precise user reach. Moreover, the integrated C-end service platform will continue to focus on refining services, improving standardized service processes, carrying out systematic professional training for craftsmen, promoting standardized construction techniques, and other key tasks. The goal is to enhance the operational efficiency of the service system, further improve the service system construction, and strive to create an industry–leading brand in the C-end service field. (3) Retail of architectural coatings

(3) Retail of architectural coatings During the Reporting Period, with an aim to improve operational quality, the architectural coating retail business syste tically sorted out its organisational structure, brand operation, channel management, and service system, and achieved optimal allocation of resources and efficient synergies through learning from Civil Construction Materials Groupt's profound experience in retail management, rich customer resources, efficient channel coordination capability and strong brand influence, laying a solid foundation

channel of dealers for product marketing and provision of system services: Under direct marketing, the Company directly develops, sells products to and serves the final product users and customers. It has entered into strategic cooperation agreements or long-term supply agreements with many large quality business groups. Meanwhile, it has enhanced customers' confidence by coming into direct contact with them in professional market segments such as industrial constructions, energy construction, railway, highway, rail treats, tunneds and underground projects, projects that concern people's livelihood, among other things. Additionally, it has established a long-term and stable partnership in terms of material supply and system services. Direct marketing has provided substantial assurance for increasing the Company' svisibility in the industry. Under the channel of dealers, the Company directly develops, sells products to and serves the final product users and customers via channel partners such as dealers. There are engineering dealers and retail dealers. The Company has signed contracts with large numbers of dealers, and created a dealer network system that has a reasonable layout and controllable risk and is conomical, efficient and vibrant. Through constantly reinforcing systematic training and services for dealers, the dealer network has gradually developed into an essential sales channel for the Company to tap into the nationwide market. Presently, the Company has formed a multi–dimensional engineering marketing network combining direct marketing and channel of engineering dealers, as well as a marketing network for civil building materials centred on the channel of retail deales. 1. The engineering markets is handled by the integrated companies in various provinces under the Engineering Building Materials frough the Strategic Centralized Procurement Division, and the specialized companies and business divisions focused on professional market segments, such as railway, highway, rail transi, in (1) Key Financial Information (1) Key Financial Information of the Past Three Years Indicate by tick mark whether there is any retrospectively restated datum in the table below  $\Box$  Yes  $\Box$  No

Unit: RMB 31 December 2022 31 December 2024 31 December 2023 Change of 31 December 2024 over 31 December 2023 (%) 44.715.448.811.80 51.173.993.594.7 50,590,772,907.13 Fotal assets -12.62 quity attributable to the liste ompany's shareholders 24,934,259,584.7 28,374,014,507.5 -12.12 26,808,836,431.15 2023 2022 2024 2024-over-2023 change (% 32,822,528,108.42 28,055,609,124.88 31,213,835,246.24 -14.52perating rev Net profit attributable to the listed company's shareholders 108,173,220.94 2,273,331,266.8 -95.24 2,121,353,829.27 et profit attributable to the liste 123 619 631 71 1 840 724 194 0 -93.28 1 803 819 586 80 let cash generated from/used i 3,457,444,253.0 654,012,763.96 2,103,197,639. 64.39 rating activities Basic earnings per share (RMB/share 0.0435 0.910 -95.22 0.85 Diluted earnings per share (RMI 0.0430 0.9000 -95.22 0.84 0.41% 8.24% -7.83 7.97% Weighted average return on equity (%)

)	Key	Financial	Information	by	Quarte

(2)

				Unit: RMB
	Q1	Q2	Q3	Q4
Operating revenue	7,149,293,164.43	8,069,175,919.51	6,480,252,677.23	6,356,887,363.71
Net profit attributable to the listed company's shareholders	347,722,453.72	595,521,860.32	334,021,307.49	-1,169,092,400.59
Net profit attributable to the listed company's shareholders before exceptional items		525,865,994.12	262,674,204.19	-974,992,282.44
Net cash generated from/used in operating activities	-1,889,121,570.11	561,381,197.10	835,426,873.57	3,949,757,752.45

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.  $\Box$  Yes  $\Box$  No

4. Share Capital and Shareholder Information at the Period–End (1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top Ten Shareholders

							Unit: shar
Number of ordinary shareholders at the period- end	201,371	N u m b e r of ordinary shareholders at the month- end prior to the disclosure of this Report	196,144	Number of preferred shareholders with resumed v o t i n g rights at the period-end	0	Number of preferred shareholders with resumed voting rights at the month- end prior to the disclosure of this Report	C
	Т	op ten shareholde	rs (exclusive of sha	ures lent in refin	ancing)		
Name of shareholder	Nature of shareholder	Shareholding percentage		otal shares held at the Restricted shares held		Shares in pledge, marked frozen	
	Domestic						
Li Weiguo	natural person	21.79%		530,802,887	428,499,665	In pledge	422,406,200
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	14.00%		341,122,232	0	N/A	0
Xu Limin	Domestic natural person	2.97%		72,269,250	54,201,937	N/A	0
DCP Management, Ltd. – DCP USD Fund II	Foreign legal person	1.89%		45,969,375	0	N/A	0
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Fund	Other	1.38%	33,718,477		0	N/A	0
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Fund (Initiative Class)	Other	0.95%		23,221,353	0	N/A	0
National Social Security Fund Portfolio 403	Other	0.95%		23,176,169	0	N/A	0
Xiang Jinming	Domestic natural person	0.91%	22,169,323		16,626,992	In pledge	5,000,000
Abu Dhabi Investment Authority	Foreign legal person	0.69%		16,708,456	0	N/A	0
National Social Security Fund Portfolio 107	Other	0.67%		16,319,255	0	N/A	0
Related or acting-in-c among the shareholders abo	It is unknown whether there is any related party or acting-in-concert party as defined in the Measures for the Administration of the Takeover of Listed Companies among the shareholders above.						
Shareholders involved in s trading (if any)	ecurities margin	N/A					

shareholders holding more than 5% of shares, the top ten shareholders, and the top ten unrestricted circulating shareholders articipating in the securities lending business under the repurchase and reverse repurchase agreement. participating in the securities I ☑Applicable□ Not applicable

Construction values in the outsing structure, brain operation schemes, not comp on the tore requirement of improving business quarky, systematically reviewed its organizational structure, brain operations, channel management, and service systems. By positioning the "DWA" and "Alpina" brands, it built a comprehensive product line covering interior wall coatings, artistic coatings, exterior wall coatings, and base materials, while exploring new ecosystems and profit growth points for the research and development,

I coatings, and base materials, while exploring new ecosystems and profit growth points for the research and development, duction, sales, and technical services of coatings retail business. Dverseas first, accelerating global expansion ing the Reporting Period, the Company further strengthened is overseas market research, improved its overseas organizational aggement system, and enhanced its international supply chain layout and channel development. On the one hand, it solidified marketing and organizational capabilities of its overseas market teams, built and improved the regional personnel allocation organizational structure overseas, and continuously developed a talent system with international competitive advantages to ieve independent operations and efficient services in key markets. On the other hand, the Company actively established localized panies and has set up overseas subsidiaries or offices in multiple countries, actively building a global business network to lay a solid availance for bue oncarrisore the international supple subsidiaries or business.

and organizations and efficient services in key markets. On the other hand, the Company actively established localized companies and has set up overseas subsidiaries or offices in multiple countries, actively building a global business network to by a solid foundation for local operations of its overseas business. As of the disclosure date of this report, progress has been made in the construction of overseas production bases: the Oriental Yuhong Houston Production, R&D and Logistics Base Groundbreaking Ceremony and the Launch of the New Journey of Internationalisation, was held in Prairie View, Texas, USA, during the Reporting Period. This project is aimed at addressing the demand for TPO waterproof materials in the North American and global construction and building materials markets, as well as the Company' is international R&D technology development and application. The first phase plans to mainly build a TPO waterproof membrane production lines. This project is beneficial in shortening the transportation distance of TDF's non-woven fabric and other series of products soil between the Middle East, Europe, Africa, and Western Asia, making manufacturing costs more competitive and further attracting global customers and resources. The Oriental Yuhong Malaysia Production, R&D, and Logistics Base successfully completed its first trial production. The base is equipped with multiple advanced production lines covering products such as mortar and water-based coatings, introducing advanced production technologies and intelligent production and Application TEchnology Symposium; it exhibited multiple business segments at the 135th China Import and Export Fair, the 34th EXPO CHIAC, the 29th Building Forum, SNEC 17th (2024) International Pro-mixed Mortar Production and Application Technology Symposium; it exhibited multiple business segments at the 135th China Import and Export Fair, the 34th EXPO CHIAC, the 29th Building Forum, SNEC 17th (2024) International Production at the 2034 China International Ach

Intelligent manufacturing During the Reporting Period, the Company actively focused on key research and development areas such as "intelligent manufacturing, green low-carbon, and cutting-edge technology", effectively promoting the organic integration of industrial chain, innovation chain, and value chain through continuously strengthening basic and core technology breakthrough capabilities, innovation chain, and value chain through continuously strengthening basic and core technology breakthrough capabilities, innovation scientific research mechanisms throughout the entire chain, and establishing a comprehensive technology transformation system. Leveraging platforms such as the National Key Laboratory of Special Waterproof Materials, the Nationally Recognized Enterprise Technology Centre, postdoctoral research stations, and the North American R&D centre, the Company focuses on current industry needs and trends. Through the application of new materials, new technologies, and new processes, it improved product and service quality, reduced energy consumption, and decreased carbon emissions. Furthermore, the Company implemented lean production management and innovates in R&D technology and the conversion of scientific and technological achievements, striving to build a high-quality scientific research and innovation system. This forms a full lifecycle innovation ecological chain that integrated "fundamental research, technological breakthrough, commercialization of research findings and industrial integration" . The innovation-driven development strategy is integrated into system construction, scientific and technological research and development, the Company held a total of 1916 valid patents, including 1,897 valid domestic patents (comprising 420 invention patents), 1,187 utility models, and 290 design patents) and 19 valid oversea patents. During the Reporting Deriod, the Company focused on industry development, market demands, and solving "bottleneck" problems constraining industrial development, carrying out

and upgrading, and led sustamable industry development. (II) Industry Overview 1. Macroeconomic and industry indicators According to data from the National Bureau of Statistics, preliminary calculations show that in 2024, the Gross Domestic Product (GDP) reached RMB134,908.4 billion, growing by 5.0% compared to the previous year. The total value added of industrial enterprises above designated size nationwide increased by 5.8%, with the manufacturing sector growing by 6.1%. The total profit of industrial enterprises above designated size nationwide decreased by 3.3%, with the manufacturing sector growing by 3.9%, and the non-metallic mineral products industry falling by 45.1%. Nationwide fixed asset investment increased by 3.2%, with infrastructure investment growing by 4.4%, manufacturing investment up by 2.2%, and real estate development investment down by 10.6%. According to the China Building Materials Federation, the Building Materials Industry Properity Index for December 2024 was 10.11 points, down 1.3 points from the previous month, but up 0.2 points from the same month hast year. It remained above the critical point and in the prosperous range, indicating that the industry' seconomic performance remained stable. 2. Overview of the Industry competes in the waterproof construction material industry, a segment of the construction material industry. Waterproof materials are functional materials indispensable for modern architecture. As citics keep growing and as existing stock building structures gradually enter aging and maintenance cycles, waterproof construction materials will be applied to more and more areas with great growth potential.

areas with great growth potential. Currently, with low concentration, market fragmentation and unhealthy competition, the domestic construction waterproc

Currently, with row concentration, market inglimentation and unmeating competition, the construction waterproofing industry features "many small firms in a large industry". Among the many waterproofing firms, only a few can provide good services, while the many others are of small size with outdated technology and production technique. The market is flooded with counterfeit and shoddy products. And the industry is trapped in unhealthy competition. In recent years, with the rollout of regulating and industry policies and standards concerning quality inspection, anti–counterfeit, environment inspection, safe production and green and energy conservation, etc., in addition to a product structure upgrade, higher quality requirements of downstream customers, and increasing competitiveness of large waterproofing companies, the market is witnessing increasing concentration towards leading computing.

and industry policies and standards concerning quality inspection, anti-counterfeit, environment inspection, safe production and green and energy conservation, etc., in addition to a product structure upgrade, higher quality requirements of downstream customers, and increasing competitiveness of large waterproofing companies, the market is witnessing increasing concentration towards leading companies. In 2024, the waterproofing industry faces both opportunities and challenges. On one hand, the industry concentration has increased, and the implementation of the General Code for Waterproofing of Bulding and Municipal Engineering (GB 5503)–2022), along with the introduction of relevant supporting documents and measures by some provinces and rices, will bring improvements in quality and growth in the industry. In addition, the country's continued promotion of "dual-heavy" projects and "dual-new" policies, as well as the active expansion into international markets, will create numerous opportunities for the waterproofing industry. On the other hand, the industry will abo face several challenges due to factors such as the sustained high prices of upstream bulk raw materials, lower—thand, the industry base ben providing high—quality, integrated constructions at home and abroad. It is dedicated to solving construction safety problems caused by low–quality, untegrated constructions at home and abroad. It is dedicated to solving construction safety product competitiveness, production process and equipment, application technology, marketing model, professional system service capability, brand presence, etc., with strong competitiveness and growth. It is considered a prominent presence in the industry. **3.** Changes in relevant industry policies and specific impacts on the Contpary The State Council issued the 2024–2025 Energy Conservation and Co202 Reduction Plan, which requires the promotion of energy-aving and carbon reduction transformation in the building materials and advanced technology, jointly issued the Guiding Op

short-term supplementation of economic and social weak areas such as people's livelhood, advancing the construction of flood control, drainage, and disaster prevention infrastructure, and promoting the updating and technological transformation of various production and service equipment. It also emphasizes the renovation of old urban communities and the supply of affordable housing, steadily advancing rural reform and development, and implementing rural construction actions. The report actively promotes new urbanization, steadily implements urban renewal actions, advances the construction of "dual-purpose" public infrastructure, transforms urban villages, and accelerates the improvement of underground pipeline networks. The Decision of the Central Committee of the Communist Party of China on Further Decepting Reform and Promoting Chinese-style Modernization focuses on building a beautiful China, green and low-carbon development, creating new industries, new models, and new momentum, and developming productivity characterized by high technology, high efficiency, and high quality. It also calls for the coordinated development of new industrialization, new urbanization, and the comprehensive revitalization of rural areas. In addition, the General Office of the Ministry of Finance and the General Office of the Ministry of Natural Resources issued the Notice on Carrying out Urban Renewal Demonstration Work, the General Office of the Ministry of Natural Resources issued the Notice on Carrying out Urban Renewal Demonstration Work, the General Office of the Ministry of Natural Resources issued the Notice on Carrying out Urban Renewal Demonstration Work, the General Office of the Ministry of Natural Resources issued the Notice on Carrying out Urban Renewal Demonstration Work, the General Office of the Ministry of Natual Resources issued the Notice on Further Strengthening Planning and Land Policy Support for the Renovation and Renewal of Old Communities, and the Ministry of Housing and Urban–Rural Development and the Ministry of Finance jointly issued a notice to further deploy local efforts on urban village renovation. A series of policies have been introduced to provide market opportunities for the Company to expand into new fields and new tracks, achieving diversified, high–quality, and steady development. The Company will continue to leverage the implementation of the General Code for Waterproofing of Building and Municipal Engineering (GB 55030–2022) to further explore opportunities from markets such as dual–heavy and dual–new projects, old housing renovation, urban village renovation, urban renewal, "dual–purpose" public infrastructure construction, home decoration retail, industrial and commercial buildings, and international buisness, and will continue to increase efforts in technological innovation, optimize product structure, and expand application scenarios.

manging inclusion in resonant resonance, turkent mining recommission capacity and storing orang mining a solar commandom or the sustained and high-quality development of the architectural coating retail business. During the Reporting Period, the architectural coating retail business continued to improve in terms of branding and market synamion. By precisely positioning the two major brands "Caparol" and "Alpina", "Caparol" emphasised its core value of "functional coatings from Germany", showcasing its century-old quality, German crafismanship, and environmental innovation. "Alpina", with the concept of "Wall Care Is like Skin Care", commits to protecting what you love, see, dare, and imagine, epitomising German quality, redefining brand perception, and conveying meticulous care for the home environment. Together, the wo brands have built a comprehensive product line covering interior wall coatings, artistic coatings, exterior wall coatings, and basic uxiliary materials, achieving product performance upgrades and enhanced environmental standards, while offering differentiated basics throwing careers enviroe not major contrastion.

auxiliary indering product performance appared and enhanced environmental sandates, time entering enterinance choices through category expansion and service optimisation. During the Reporting Period, the architectural coating retail business concentrated on the primary products of coatings, closely aligning with market demands, continuously optimising product structure, and strengthening the rational layout of product lines to choices through category expansion and service optimisation. During the Reporting Period, the architectural coating retail business concentrated on the primary products of coatings, closely aligning with market demands, continuously optimising product structure, and strengthening the rational layout of product lines to ensure precise alignment with consumer needs. By deepening the fronte-end differentiation and back-end synergy of the "Caparol" and "Alpina" brands, the Company further expanded brand coverage and enhanced brand influence. In channel development, the business team not only strengthened channel control but also actively explored channel penetration in lower-tire markets and diversified development paths, fully utilising internal resources from Civil Construction Materials Group to achieve resource sharing and complementarity, effectively expanding sales channels and increasing market penetration. In membership operations, the Company built member customer profiles to precisely traget key customer groups and adopted diverse marketing strategies to enhance member loyalty. Additionally, it strengthened interaction with offline exclusive stores, creating a highly interactive, quality-enhancing, and profit-boosting customer ecosystem, injecting strong momentum into the long-term development of the business. 2. Engineering business: During the Reporting Period, the Company deepened the channel leadership. The integrated operation companies in all regions have deeply focused on local markets and spiccilized regional operations, fully integrated local customer and market channel resources, enhanced market coverage and penetration by developing and empowering various partners, and continuously eliminated blank and weak markets to increase market share. During the Reporting Period, the Company spared no effort in developing partners and continued to engineering channel continuously. The partner mechanism has been upgraded in an all-round manner. Relying on the comprehensive advantages of products, service tanticionary improvem une produce power any spacini as recomparisy, inscense, fait in the consolidated and exclosed of explanationar in a document of a second seco field of cor

cooperation with large quality business groups, and actively expanded and extended customer resources from depth and breadth. In diverse application fields and business scopes such as infrastructure, nurban emerging infrastructure, nubursti and mine warehousing and logistics, affordable housing, urban village transformation and urban renewal, it increased sales and promotion efforts. Besides, it upgraded the means of market management and control, and constantly improved market order by reinforcing means of internal sales control and product tracing.
3. New businesses. During the Reporting Period, the business segments operated by Mortar and Powder Technology and Hong Sheng New Energy, among others, made successful efforts to gather momentum.
(1) In 2024, Mortar and Powder Technology Group adhered to the business philosophy of "providing reliable products for customers" and stayed committed to becoming a service provider of one=-stop mortar and powder supply. The group has integrated a professional and lean production system for mortar and powder, promoted the implementation of industry category value chains with an R&D and application technology team based in Beijing, Shanghai and Ganagzhou, as well as based on a diversified channel layout, consolidated special mortar system products, vigorously expanded various product domains such as calcium-based powder new materials, general mortar, sund and gravel aggregates and their products, continually increasing its market share in the mortar and powder sarely heaving systems and wall coating systems, the group steadily explored and applied new technologies such as soil curing technology and sability studies on tile paving systems to market new products has a liability studies on tile paving systems. The meet the needs of customers for different application scenarios. The Mortar and Powder Technology Group, relying on the Company' a strong supply chain integration actanism to their value of customer's of customer's of customers of new product sadplit

Group added 14 new supply bases, achieving ague response and service, reducing transportation costs, and creating greater value for customers.
(2) Based on the accrued R&D achievements, advanced technologies, product systems, system services and extensive practical experience in the field of distributed photovoltaics ("PV"). Hong Sheng New Energy Technology Co., Ltd. (Hong Sheng New Energy), a subsidiary of the Company, integrates the PV-related business and the supply chain-related products of the PV industry. It is committed to becoming a provider of new energy roofing systems that are durable and safe. Hong Sheng New Energy has achieved a brand upgrade, enhancing brand communication and recognition; it has also upgraded its business systems to cover four major segments: commercial and industrial distributed PV, high-end residential green electricity, commercial and industrial energy storage, and PV product trade. Its business cover engineering, procurement and construction (EPC) services for industrial energy storage, and PV product trade. The business cover sengineering, procurement and construction (EPC) services for industrial energy storage, integrated services of PV power generation, power storage and power charging, as well as comprehensive energy support services. The distributed PV rojects, energy management contracting (EMC), investment, operation and maintenance, PV engineering on various types of roofs, and has been successfully applied in numerous projects such as automobile plants, data continuously expanding the domestic market, Hong Sheng New Energy and logistics bases. It has launched the Hong+ Villa Green Electricity System, entering the C-end villa PV-storage-charging track. While establishing a domestic channel system and Southeast Asia. Moving forward, Hong Sheng New Energy soft, sentor Maerica and Southeast Asia. Moving forward, Hong Sheng New Energy soft, and Sheng New Energy subsidiation and Southeast Asia. Moving forward, Hong Sheng New Energy Sheng New Energy soft, soft Asi solutions of new energy roofing, a strong brand presence, and excellent integrated service capabilities to accelerate the development of comprehensive energy business including wind, PV power and storage, thereby empowering green and sustainable development with

and type power generation and space of y-annuage test. The test are service capabilities to accelerate the development of comprehensive energy business including wind, PV power and storage, thereby empowering green and sustainable development with technologies. 4. Overseas business. During the Reporting Period, the Company continued to improve its overseas organizational management system, strengthen its international supply chain layout, and build channels. The Company has established overseas subsidiaries or offices in multiple countries, building and improving the regional personnel allocation and organizational structure overseas, consolidating the marketing and organizational capabilities of the overseas market teams, and actively construction g alobal business network to lay a solid foundation for localizing overseas business operations. The construction of overseas production bases has been advanced, and a global supply chain system is being built. The Oriental Yuhong Houston Production, R&D and Logistics Base Groundbreaking Ceremony and the Launch of the New Journey of Internationalisation, was held in Prairie View, Texas, USA, during the Reporting Period. The first phase plans to mainly build a TPO waterproof membrane production line and a North American R&D centre. The TDF Middle East Production Base Project in Dammam, Saudi Arabia, officially broke ground, with plans to build two fiberglas–reinforced polyester base fabric production lines. This project is beneficial in shortening the transportation distance of TDF 's non-woven fabric and other series of products sold between the Middle East, Europe, Africa, and Western Asia, making manufacturing costs more competitive and further attracting global customers and resources. The Oriental Yuhong Malaysia new product lounds: und primarily serving markets in Singapore and Malaysia. The Company actively conducted in first trial production. This production base is equipped with multiple advanced production lines, see successfully completed its first trial

and future market expansion directions in particular, a multi-layer marketing channel network integrating direct marketing and

Full name of shareholder	Opening balance of shares held in the regular accounts and margin accounts		Opening balance of shares lent under the securities lending business and not yet returned		Closing balance of shares held in the regular accounts and margin accounts		Closing balance of shares lent under the securities lending business and not yet returned	
	Shares	As % of total share capital	Shares	As % of total share capital	Shares	As % of total share capital	Shares	As % of total share capital
National Social Security Fund Portfolio 403	6,593,969	0.26%	82,200	0.00%	23,176,169	0.95%	0	0.00%
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Fund (Initiative Class)	5,585,953	0.22%	67,000	0.00%	23,221,353	0.95%	0	0.00%
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Fund	15,130,177	0.60%	107,800	0.00%	33,718,477	1.38%	0	0.00%
Industrial and Commercial Bank of China Limited - Hua Xia CSI 300 Exchange Traded Fund	3,584,720	0.14%	785,000	0.03%	15,433,020	0.63%	0	0.00%

The changes in the top ten shareholders and the top ten unrestricted circulating shareholders compared to the previous period were due to the lending/returning of shares under the securities lending business.

Application — Mumber of Preferred Shareholders and — Applicable ☑ Not applicable ☑ Not applicable ☐ when the present the pres reholders and Shareholdings of Top Ten of Them

(3) Ownership and Control B elati

een the Actual Controller and the Company



: Mr. Li Weiguo is the actual controller of the Company. And Mr. Li Xingguo is Li Weiguo's brother and acting—in—concert party.

# 5. Outstanding Bonds at the Date when this Report Was Authorized for Issue □ Applicable ☑ Not applicable □ Applicable Not applica Part III Significant Events

(I) Overview (I) Overview The Company remained dedicated to its strategic positioning of high-quality and more solid development, gave top priority to risk control, and insisted on sound operation and putting risk control in the first place to significantly enhance operational quality. During the Reporting Period, taking "Work Hard, Rise to Challenges, Stay Committed, Pursue a Better Future, and Move Forward Swiftly, Robusty and Ambitously" as the operational focus, as well as following the core philosophy and principles of the Basic Rules of Oriental Yuhong, the Company actively promoted business structure transformation and upgrading. Always being customer-oriented, the Company aims to accommodate various application scenarios and market changes. It has become a construction materials system service provider that focuses on building waterproofing and extends to diversified fields including civil construction materials, mortar and powder, architectural coatings, energy-saving and thermal insulation materials, adhesives, tubes, building renovation, new energy, non-woven fabrics, specialized films, and emulsions. 1. Focus on core business and continuously explore new growth curves The Company focused on consolidating the waterproofing core business and actively expand into infrastructure, industrial and mining warhenbusing logistics, public services such as science, education, culture, and health, as well as diversified application scenarios in affordable housing and civilian building materials. It strengthened efforts in the stock building market, developed businesses in odd house renovation, urban village transformation, and urban renewal. It leveraged research and technological advantages to enrich

mining warehousing logistics, public services such as science, education, culture, and health, six well as diversified application scenarios in affordable housing and civilian building materials. It strengthened efforts in the stock building market, developed businesses in old house renovation, urban village transformation, and urban renewal. It leveraged research and technological advantages to enrich product categories and upgrade the product system, promoted the development of new fields, new products, and new tracks, and strengthened the development of retail markets, non-housing markets, and lower-neire markets, further improving market share. Leveraging the customer resources accumulated based on the main business of waterproofing, the synergy of sales channels and a strong brand presence, the Company developed non-waterproofing businesses at a faster pace. Based on quality products and professional system services, the Company provided more refined one-stop construction material and system solutions to customers. With the synergistic advantage of the main waterproofing business's is national channel network, the non-waterproofing business, such as mortar and powder, achieved faster growth, providing a second growth curve for the Company's sustainable development in the future, and taking a solid step toward realizing the dual main businesses of waterproofing and mortar/powder. The Company has strengthened the foundation, accelerated the layout of overseas business, developed overseas markets, and strengthened international research and development. The Company has also established overseas fact, and exercising eaviers and acquisitions, established overseas actions, built overseas submited overseas thand eaviers and acquisitions, established overseas a topic phase, cultivated diversified business models in overseas trade, engineering, retail, and other sectors, providing a third growth curve for the Company's future sustainable development, and helping the Company become a global provider of building mate

grated retail operation model

# Retail first, str

rengthening the foundation of consumer building materials s retail business includes the Civil Construction Materials Group and C−end service platform, as well as the building The Company's retail business includes the Civil Construction Materials Group and C-end service platform, as well as the building coatings retail business segment. In 2024, the Company's retail business achieved operating revenue of RMB10,209 million, a year-on-year increase of 9.92%, accounting for 36.39% of total revenue, further increasing the share of retail business. Among them, the Civil Construction Materials Group, centred on users, combined industry development status with actual consumer needs to make technological breakthroughs, continuously providing consumers with innovative products with high technical content, environmental safety, and system solutions specially designed for various types of residential buildings. These solutions cover six key areas: waterproofing and moisture-proofing, wall coating, tile laying, joint beautification, sealants, and pipeline laying, meeting the diversified needs across various application scenarios. In 2024, the Civil Construction Materials Group achieved operating revenue of RMB9,373 million, a year-on-year increase of 14.58%. At the end of the Reporting Period, in order to integrate and enhance retail service capabilities and serve the C-end heavy renovation and maintenance markets more professionally and efficiently, the original retail business segment "Yuhong Home Service" under the Building Renovation Group was integrated with the "Reliable Yuhong Service" of the Civil Construction Materials Group, forming a unified C-end service platform managed by the Civil The Compan

scenarios. e to related policies, the Company has organized serious studies from policy research, product development, pr ent production and sales, standardized construction and training of construction workers, environmental prote In response to related policies, the Company has organized serious studies from policy research, product development, pro improvement, production and sales, standardized construction and training of construction workers, environmental protect measures, and other comprehensive areas. It explores paths for green and sustainable development, seizing opportunities, and f leveraging and expanding the Company's comprehensive competitive advantages in branding, product research and developm product quality, product categories, cost benefits, marketing networks, application technology, and system service. The Comp applies its high–quality products and professional system services to more global scenarios, driving industry sustainable developm through innovation, creating a quality human living environment, and enhancing the quality of life. 4. Periodicity, seasonality and regionality of the inductive and fully

. Periodicity, seasonality and regionality of the industry 1) Periodicity. Waterproof construction material industry is a fundamental industry in the field of building materials, without clear

periodicity. (2) Seasonality. Waterproof construction material industry has seasonality to a certain extent. In North China, the first quarter of each year is generally the slack season for the sales of waterproof building materials and engineering construction because of cold weather. In South China, the seasonality of waterproof building materials is mainly reflected in the reduction in construction in transy seasons. (3) Regionality. The economic transportation radius of waterproof building materials is approximately 500 kilometres, so this industry has certain regional characteristics. The enterprises in the industry are generally of small scale, and many of them limit the sales of waterproof materials to the regions where the materials are produced, further reinforcing the regional characteristics of the industry. Therefore, in order to grow bigger and stronger in the industry and increase market shares, it is all the more necessary for enterprises of this industry to build production bases at home and aborad and actively conduct cross-regional and international business.

of this industry to build production bases at home and abroad and actively conduct cross-regional and international business. The Company has built R&D centres for production and logistics in regions such as North China, East China, Northweat China, Central China, South China, Northwest China, and Southwest China. Additionally, it intends to build factories in Southeast Asia, the Middle East, North America progressively to cater to customers worldwide. Its production capacity is arranged extensively and rationally to ensure that its products can be sold to markets at lower warehousing and logistics costs, and that coordinated production and shipment are realized all over the country. Therefore, the Company enjoys competitive advantages unmatched by its competitors in respect of satisfying customers' diverse product demands and the supply requirements mationvide. 5. Main raw materials of products and their supply The main raw materials required for the Company's production include asphalt, SBS modifiers, polyester base fabric, emulsion, polyether, TDI, MDI, and TPO resin, among others. The supply remains sufficient and stable. Among these, asphalt is one of the Company's primary raw materials. During the Reporting Period, the prices of some raw materials, represented by asphalt, remained at high levels, exerting a certain impact on the Company's overall gross profit margin. With a mature and comprehensive raw material procurement system, the Company has leveraged its economies of scale to establish strategic partmerships with mairor unstream

event exercises a certain impaction that company's sovering global protein endspin, which a mature time comprise intervent with the protein the starting of the processing of the starting of the protein the protein the protein department of cosely monitors market threads and starting closely the processing of the protein department of cosely monitors market threads and starting closely the protein materials are protein the protein department of cosely monitors market threads and starting closely the protein the protein department of cosely monitors market threads and starting closely the protein the rial procure costs. The procurement department closely monitors market trends and strategically schedules the purchasing of critical materials. Various departments work efficiently together to control costs through technological advancements, centralized procurement of key raw materials, enhanced bargaining power, and economics of scale. Additionally, based on production and operational needs as well as industry market conditions, the Company adopts strategies such as off-season purchasing and opportunistic procurement to further lower procurement costs. To ensure the stable supply of certain critical raw materials and further optimize material costs, the Company has extended its industrial chain upstream to cover non-woven fabrics, specially films, VAE emulsions, and VAEP adhesive powders. These initiatives strengthen the Company' s resilience in procurement and enhance its cost advantages. (III) Business Plan for the Coming Year Based on an analysis of the macroeconomy and the Company' s core competitive advantages, and in accordance with the Company has the strengthen the Company' s tore competitive advantages.

Company's development strategy, the theme for 2025 is "Believe in the power of continuous effort, believe in the power of truth goodness, and beauty, believe in the power of the Company, the team, and partners, and have unconditional confidence". The main onal plans for the year are as follows:

ent and management system, co-create, share, and win with partner Upgrade channel developm

1. Upgrade channel development and management system, co-create, share, and win with partners Adhering to a partner-centred approach, focus on developing partners, the Company will continuously empower them, and enhance their operational capabilities in serving end customers. The Company will also strengthen the development, classification management, and order control of partners, upgrade partner services, manage channels by category, segmented tracks, and full-category coverage, upgrade the professional service capabilities of C-end service providers, and integrate online and offline full-category coverage, upgrade the professional service capabilities of C-end service providers, and integrate online and offline full-ink marketing in the Civit Construction Materials Group. The Industrial Construction Materials Group will match partners based on project attributes, resource development, and matching.
2. Fully control risks and improve operational quality
The Company will further upgrade and improve the partner credit policies, enhance the review of partner qualifications and credit status, stricity control bad debt risks, and continuously improve cash flow, making positive cash flow the main basis for operational management and decision-making. The Company will also upgrade contract management, strengthen process control, enhance receivables management, continue to prioritize collections, and fully build a specialized, sustainable collections team.
3. Persist in technological innovation, maintain quality standards, and sustain core competitiveness

status, strictly control bad deep trass, and contuniously improve cash nov, namely proven the set of the company will also upgrade contract management, strengthen process control, enhance receivables management, continue to prioritize collections, and fully build a specialized, sustainable collections team. 3. Persist in technological innovation, maintain quality standards, and sustain core competitiveness. The Company will maintain cost leadership through technological innovation, process innovation, management innovation, system innovation, and their interlinkages, build innovation platforms, accelerate key core technology breakthroughs and industrial upgrades, focus on market demands, and cross-field development of new structural raw materials, as well as new products with single or multiple functions, innovate the product system and create differentiated advantages through integrated and scenario-based solutions, and uphold quality standards, ensuring that quality remains at the core of the Oriental Yuhong brand value, and ensure product and service quality to maintain the core competitiveness of quality leadership. 4. Build three major platforms around sales and foster collaborative development across segments The Company will fully leverage the Civil Construction Materials Group's distribution network, service points, and other channel resources to create a domestic retail building materials sales platform, selling waterproof coatings, membranes, sand powder, architectural coatings, pipes, and other retail-collaborative development across-segment Management, subject and through selling materials sales platform, achieve channel integration, customer integration, technology integration, and production-delivery integration during threngthen regional autonomous decision-making power and respond quickly to market demands. The Company will maxime tha advance cases or expand intermationally. The Company Will maxime tradiscuster and set sexpand intermationally. The Company Will maxime chande layouu are, accrepting permanent and innovarice provide specify layout first products varies and containering promating in the same where sectors, the Company will further improve capacity layout first products in technology, products, and specify chain achieve cost leadership in all regions and product categories, leverage the Civil Construction Materials Group's sales and partner resources to grow variages to expand C-end business, and utilize the Industrial Construction Materials Group's sales and partner resources to grow advantages to expand C-end busi

advantages to expand C-end business, and utilize the Industrial Construction Materials Group<sup>7</sup> s sales and partner resource: B-end business, making sand powder a new growth engine for the Company. 6. Go all out to expand overseas and rapidly develop international business The Company will adopt an entrepreneurial mindset to explore and develop overseas markets, systematically and com advance the overseas strategy, focusing on competitive product categories, and aligning strategies for each product cat international expansion. The Company will also maintain parallel development of international trade and mergers and acc expand import and export trade categories, localize market layouts in target countries, build international channel networks, localized supply chains as appropriate, increase mergers and acquisitions, resources to enter overseas markets rapidly through acquisitions. 7. Improve operational efficiency through organizational transformation and elite management of Yuhong The Company will optimize its operational management system through organizational transformation, reduce communication and collaboration costs, enhance operational efficiency, eliminate management waste, and build an agile org committed to continuous hard work. The Company will also continuously adhere to professional, vocational, yout category

nagement waste, and build an agile organization committed to continuous hard work. The Company will also continuously adhere to professional, vocational, youthful, and international hiring standards, actively promote and cultivate a culture of "not adhering to authority, not adhering to formalities, but adhering to facts". In addition, the Company will focus on customers, results-oriented, eliminate the false and retain the true, let the spirit of freedom flourish, and encourage all employees to contribute ideas, making contributions to the Company's development.