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華潤建材科技控股有限公司

China Resources Building Materials Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

2025 ANNUAL RESULTS ANNOUNCEMENT

	2025	2024	Increase/ (Decrease)
Turnover <i>(RMB million)</i>	21,054.8	23,037.8	(8.6)%
Profit attributable to owners of the Company <i>(RMB million)</i>	479.4	210.9	127.3%
Basic earnings per share	RMB0.069	RMB0.030	
Proposed final dividend per share	HK\$0.024	HK\$0.01	
	As at 31/12/2025	As at 31/12/2024	Increase/ (Decrease)
Total assets <i>(RMB million)</i>	70,393.5	71,963.1	(2.2)%
Equity attributable to owners of the Company <i>(RMB million)</i>	44,508.7	44,121.2	0.9%
Gearing ratio <i>(note 1)</i>	30.7%	34.6%	
Net assets per share – book <i>(note 2)</i>	RMB6.37	RMB6.32	0.8%
<i>notes:</i>			
1. Gearing ratio is calculated by dividing the total bank borrowings, loans from related parties and medium-term notes by equity attributable to owners of the Company.			
2. Net assets per share – book is calculated by dividing equity attributable to owners of the Company by the number of issued shares at the end of the year.			

The board (the “Board”) of directors (the “Directors”) of China Resources Building Materials Technology Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Turnover	3	21,054,772	23,037,789
Cost of sales		<u>(17,533,359)</u>	<u>(19,237,454)</u>
Gross profit		3,521,413	3,800,335
Other income	4	419,465	310,100
Selling and distribution expenses		(421,371)	(425,026)
General and administrative expenses		(2,427,127)	(2,630,143)
Exchange (loss) gain		(760)	893
Finance costs	5	(446,908)	(536,215)
Share of results of associates		(98,371)	(114,301)
Share of results of joint ventures		<u>43,735</u>	<u>43,886</u>
Profit before taxation	6	590,076	449,529
Taxation	7	<u>(299,938)</u>	<u>(339,727)</u>
Profit for the year		<u>290,138</u>	<u>109,802</u>
Other comprehensive income:			
<i>Item that will not be subsequently reclassified to profit or loss:</i>			
Change in fair value of other investment		5,162	(4,781)
<i>Items that will be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation		49,731	(35,663)
Share of other comprehensive income of associates		<u>5,718</u>	<u>10,730</u>
Other comprehensive income for the year		<u>60,611</u>	<u>(29,714)</u>
Total comprehensive income for the year		<u>350,749</u>	<u>80,088</u>

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Profit for the year attributable to:			
Owners of the Company		479,357	210,863
Non-controlling interests		<u>(189,219)</u>	<u>(101,061)</u>
		<u>290,138</u>	<u>109,802</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		541,937	179,445
Non-controlling interests		<u>(191,188)</u>	<u>(99,357)</u>
		<u>350,749</u>	<u>80,088</u>
Basic earnings per share	8	<u>RMB0.069</u>	<u>RMB0.030</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Non-current assets			
Fixed assets		29,967,541	31,153,445
Right-of-use assets		5,346,162	5,180,396
Other investment		18,501	13,762
Intangible assets		17,859,425	18,351,715
Interests in associates		5,105,656	5,296,366
Interests in joint ventures		1,770,061	1,738,709
Other non-current assets		1,345,677	1,445,777
Deferred tax assets		1,001,012	959,322
Long term receivables		312,143	246,710
Pledged bank deposits		521,325	478,559
		<u>63,247,503</u>	<u>64,864,761</u>
Current assets			
Inventories		1,819,258	1,762,724
Trade receivables	10	1,860,585	1,968,351
Other receivables		1,040,965	1,125,263
Taxation recoverable		23,515	6,828
Cash and bank balances		2,401,672	2,235,178
		<u>7,145,995</u>	<u>7,098,344</u>
Current liabilities			
Trade payables	11	3,168,462	3,260,380
Other payables		5,601,461	5,561,035
Taxation payable		113,231	196,097
Loans from non-controlling shareholders		209,982	194,182
Bank loans - amount due within one year		2,658,746	6,968,005
		<u>11,751,882</u>	<u>16,179,699</u>
Net current liabilities		<u>(4,605,887)</u>	<u>(9,081,355)</u>
Total assets less current liabilities		<u>58,641,616</u>	<u>55,783,406</u>

	As at 31 December 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Non-current liabilities		
Bank loans - amount due after one year	7,790,759	7,099,707
Medium-term notes	3,000,000	1,000,000
Loans from non-controlling shareholders	2,982	-
Other long term payables	1,668,266	1,686,169
Deferred tax liabilities	279,394	300,690
	<u>12,741,401</u>	<u>10,086,566</u>
	<u>45,900,215</u>	<u>45,696,840</u>
Capital and reserves		
Share capital	617,812	617,812
Reserves	43,890,886	43,503,404
	<u>44,508,698</u>	<u>44,121,216</u>
Equity attributable to owners of the Company	44,508,698	44,121,216
Non-controlling interests	1,391,517	1,575,624
	<u>45,900,215</u>	<u>45,696,840</u>
Total equity	<u>45,900,215</u>	<u>45,696,840</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for equity investment designated at fair value through other comprehensive income and certain trade receivables, which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

The Group has adopted the following amended HKFRS Accounting Standards for the first time in the current year:

Amendments to HKAS 21	Lack of exchangeability
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The application of the revised standards has had no material impact on the consolidated financial statements.

The Group has not early applied the following new and amended HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Contracts referencing nature-dependent electricity ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and measurement of financial instruments ¹
Annual improvements to HKFRS Accounting Standards	Volume 11 ¹
HKFRS 18	Presentation and disclosure in financial statements ²
HKFRS 19	Subsidiaries without public accountability: disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for HKFRS 18. The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

3. TURNOVER AND SEGMENT INFORMATION

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

The Group’s operating and reportable segments are as follows:

Cement – manufacture and sale of cement and related products

Concrete – manufacture and sale of concrete and related products

Aggregates and others – manufacture and sale of aggregates, engineered stones, natural stones and other products

Turnover represents the amounts received and receivable for goods sold to outside customers.

Segment results represent the profits earned by each segment without allocation of central administration costs, Directors’ salaries, share of results of associates and joint ventures, interest income, finance costs and exchange differences.

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

The information of the segment results is as follows:

For the year ended 31 December 2025

	Cement <i>RMB'000</i>	Concrete <i>RMB'000</i>	Aggregates and others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
TURNOVER– SEGMENT REVENUE					
External sales	12,657,168	4,389,118	4,008,486	-	21,054,772
Inter-segment sales	<u>704,984</u>	<u>9,933</u>	<u>648,879</u>	<u>(1,363,796)</u>	<u>-</u>
	<u>13,362,152</u>	<u>4,399,051</u>	<u>4,657,365</u>	<u>(1,363,796)</u>	<u>21,054,772</u>

Inter-segment sales are charged at prevailing market prices.

RESULTS

Segment results	<u>921,603</u>	<u>348,606</u>	<u>244,582</u>	-	1,514,791
Interest income					27,732
Exchange loss					(760)
Finance costs					(446,908)
Unallocated net corporate expense					(450,143)
Share of results of associates					(98,371)
Share of results of joint ventures					<u>43,735</u>
Profit before taxation					<u>590,076</u>

For the year ended 31 December 2024

	Cement <i>RMB'000</i>	Concrete <i>RMB'000</i>	Aggregates and others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
TURNOVER– SEGMENT REVENUE					
External sales	15,039,498	4,161,956	3,836,335	-	23,037,789
Inter-segment sales	<u>683,703</u>	<u>2,384</u>	<u>585,364</u>	<u>(1,271,451)</u>	<u>-</u>
	<u>15,723,201</u>	<u>4,164,340</u>	<u>4,421,699</u>	<u>(1,271,451)</u>	<u>23,037,789</u>

Inter-segment sales are charged at prevailing market prices.

RESULTS

Segment results	<u>829,450</u>	<u>236,590</u>	<u>480,096</u>	-	1,546,136
Interest income					37,273
Exchange gain					893
Finance costs					(536,215)
Unallocated net corporate expense					(528,143)
Share of results of associates					(114,301)
Share of results of joint ventures					<u>43,886</u>
Profit before taxation					<u>449,529</u>

4. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government incentives	95,472	75,274
Interest income	27,732	37,273
Rental income	9,554	7,766
Compensation received from insurance	5,145	4,624
Compensation received from suppliers and customers	37,026	39,682
Gain on disposal of right-of-use assets	1,287	3,296
Gain on disposal of subsidiaries	110,052	2,626
Others	133,197	139,559
	<u>419,465</u>	<u>310,100</u>

5. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on:		
Bank loans and medium-term notes	384,546	487,148
Loans from non-controlling shareholders	6,033	7,807
Provision for environmental restoration	30,476	28,832
Lease liabilities	7,939	10,391
Payable for acquisition of assets	40,422	48,610
	<u>469,416</u>	<u>582,788</u>
<i>Less: Amount capitalized to fixed assets</i>	<u>(22,508)</u>	<u>(46,573)</u>
	<u>446,908</u>	<u>536,215</u>

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Directors' emoluments	5,374	5,160
Pension costs and mandatory provident fund contributions for staff, excluding Directors	257,268	249,769
Other staff costs	<u>2,525,957</u>	<u>2,574,814</u>
Total staff costs	<u>2,788,599</u>	<u>2,829,743</u>
Amortization of mining rights	659,040	527,909
Auditor's remuneration	5,200	5,000
Depreciation of fixed assets	2,003,742	2,069,777
Depreciation of right-of-use assets	245,348	240,338
Impairment of fixed assets	109,906	158,884
Impairment of goodwill	57,000	268,012
Provision of write down of inventories	46,044	65,699
Impairment losses on trade receivables	39,609	26,762
(Reversal of impairment) impairment losses on other receivables	(41,634)	16,282
Loss on disposal of fixed assets	16,657	18,879
Short term lease payments	27,663	25,838
Variable lease payments - motor vehicles	<u>414,594</u>	<u>398,662</u>

7. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current taxation		
Hong Kong Profits Tax	17,503	24,204
Chinese Mainland Enterprise Income Tax	<u>372,224</u>	<u>485,605</u>
	<u>389,727</u>	<u>509,809</u>
(Overprovision) underprovision in prior years		
Hong Kong Profits Tax	232	(339)
Chinese Mainland Enterprise Income Tax	<u>(27,694)</u>	<u>25,383</u>
	<u>(27,462)</u>	<u>25,044</u>
Deferred taxation		
Hong Kong	(1,316)	(3,601)
Chinese Mainland	<u>(61,011)</u>	<u>(191,525)</u>
	<u>(62,327)</u>	<u>(195,126)</u>
	<u>299,938</u>	<u>339,727</u>

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

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

8. EARNINGS PER SHARE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Earnings attributable to the owners of the Company for the purpose of basic earnings per share	<u>479,357</u>	<u>210,863</u>
	2025	2024
Number of share(s) of HK\$0.10 each in the share capital of the Company ("Share(s)")		
Weighted average number of Shares for the purpose of basic earnings per share	<u>6,982,937,817</u>	<u>6,982,937,817</u>

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

9. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends recognized as distribution during the year:		
2025 Interim - HK\$0.014 per share (2024: HK\$0.02 per share)	89,015	128,003
2024 Final - HK\$0.01 per share (2023: HK\$0.006 per share)	<u>63,993</u>	<u>38,147</u>
	<u>153,008</u>	<u>166,150</u>

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2025 of HK\$0.024 per share (HK\$0.01 per share in respect of the year ended 31 December 2024) has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting. The total amount of HK\$167,591,000 (2024: HK\$69,829,000) of the proposed final dividend, calculated based on the Company's number of shares issued at the date of this announcement, is not recognized as a liability in the consolidated statement of financial position.

10. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables from third parties	1,720,717	1,774,253
Trade receivables from related parties	<u>139,868</u>	<u>194,098</u>
	<u>1,860,585</u>	<u>1,968,351</u>

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

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	1,125,417	1,351,716
91 to 180 days	209,530	191,731
181 to 365 days	250,453	203,805
Over 365 days	<u>275,185</u>	<u>221,099</u>
	<u>1,860,585</u>	<u>1,968,351</u>

11. TRADE PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables to third parties	3,054,067	3,152,940
Trade payables to related parties	<u>114,395</u>	<u>107,440</u>
	<u>3,168,462</u>	<u>3,260,380</u>

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

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	2,767,003	2,952,591
91 to 180 days	223,102	120,700
181 to 365 days	98,380	73,842
Over 365 days	<u>79,977</u>	<u>113,247</u>
	<u>3,168,462</u>	<u>3,260,380</u>

BUSINESS ENVIRONMENT

In 2025, in the face of a complex environment, with “Stabilizing Growth, Expanding Domestic Demand, Transforming the Growth Model, and Preventing Risks” as its main focus, the Chinese government continued to deepen reform and opening up. With the goal of creating a market-oriented, law-based, and globalized first-class business environment, the Chinese government focused on the pain points and difficulties of corporate operations, introduced a series of precise policies, deepened the reform of “Streamlining Administration and Delegating Power, Improving Regulation, and Upgrading Services”, strengthened the protection of intellectual property rights, implemented taxation support policies, expanded institutional opening up, sought to ease the operational pressure on enterprises, continuously optimized government services and primary resource guarantees, and promoted a sustained improvement in the business environment. This laid solid micro-foundation for economic recovery and effectively stimulated the vitality of various market entities, which helped the economy achieve effective qualitative improvement and reasonable quantitative growth. In 2025, the gross domestic product of China grew by 5.0% year-on-year to RMB140.2 trillion, and national fixed asset investments (“FAI”) (excluding rural households) decreased by 3.8% year-on-year to RMB48.5 trillion.

In terms of stabilizing investment, in 2025, RMB5.4 trillion of new local government bonds were issued nationwide, among which, RMB4.6 trillion were new special bonds. The largest areas of investments were municipal and industrial park infrastructure, major cross-regional projects and livelihood guarantee projects, which provided solid funding support for infrastructure investment. Meetings of the Political Bureau of the Central Committee of the Communist Party of China and the Central Economic Work Conference deployed a package of incremental policies, strengthened the counter-cyclical and cross-cyclical adjustments of fiscal and monetary policies, enhanced the effectiveness of ultra-long-term special government bonds and special bonds, and simultaneously promoted cuts to reserve requirement ratio and interest rates, broadened the channels for private capital participation, and reformed both the supply and demand sides of the real estate market. Infrastructure investment withstood downward pressure and continued structural optimization. Special bonds, ultra-long-term special government bonds and the liquidity released by the central bank jointly worked in synergy to focus on municipal, transportation, livelihood infrastructure and strategic areas, and structurally strengthened the “Two Major Initiatives” construction such as railways, broadened the channels for private capital participation, and optimized the allocation of existing and new resources, which laid a solid foundation for high-quality economic development. According to the statistics published by the National Bureau of Statistics of China, in 2025, the national infrastructure investments (excluding the industries for production and supply of electricity, heat, gas and water) decreased by 2.2% year-on-year. According to the statistics published by the Ministry of Transport of China and the National Railway Administration of China, from January to November 2025, FAI on highways and waterways in China amounted to approximately RMB2.4 trillion, representing a decrease of 5.6% year-on-year. In 2025, FAI on railways amounted to approximately RMB900 billion, representing an increase of 6.0% year-on-year, which again set a new historical high for annual investment scale.

In 2025, China continued to deepen its real estate policy regulation, with coordinated efforts from multiple ministries to stabilize the market and promote transformation. Through precise policies, the market expectations had been stabilized and the industry was steered toward high-quality development. In January 2025, the National Development and Reform Commission designated halting the decline and achieving stability in the real estate market as a core task for risk mitigation in its annual planning, and strengthened regulation for both supply and demand. In March 2025, the Central Committee of the Communist Party of China and the State Council issued the “Special Action Plan for Boosting Consumption”, which incorporated housing consumption into bulk consumption upgrade initiatives. At the same time, the People’s Bank of China and the National Financial Regulatory Administration issued the “Notice on Optimizing Real Estate Credit Policies”, which continued the dynamic adjustment mechanism for first-home mortgage rates, lowered the down payment ratio for second homes, provided precise support for financing of high-quality real estate companies through special loans for ensuring delivery of buildings and a white list of real estate companies, and strictly controlled land acquisition by highly indebted real estate companies. Although the industry as a whole is still in a period of deep adjustment, multiple rounds of coordinated policy efforts have effectively alleviated the liquidity pressure on real estate companies, promoted the effective implementation of ensuring delivery of buildings, which had provided institutional safeguards for the steady transformation of the industry. According to the statistics published by the National Bureau of Statistics of China, in 2025, the floor space of new commodity housing sold in China decreased by 8.7% year-on-year to 880 million m² and the sales amount decreased by 12.6% year-on-year to RMB8.4 trillion. Real estate development investment in China decreased by 17.2% year-on-year to RMB8.3 trillion. Among which, the floor space of houses newly started construction decreased by 20.4% year-on-year to 590 million m² while the floor space of houses completed decreased by 18.1% to 600 million m². As of the end of December 2025, the floor space under construction by the real estate developers nationwide decreased by 10.0% year-on-year to 6,600 million m².

Guided by guiding policy documents and supported by precise measures, the Chinese government coordinated the advancement of urban renewal and the transformation of urban villages. In May 2025, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the “Opinions on Continuing to Promote Urban Renewal Action”, which specified the 2030 goals and eight key tasks, with special bonds and special government bonds tilted towards these efforts, supported with fixed-sum subsidies to cities from the central government. In 2025, 27,000 old communities nationwide newly started renovations, which benefited 4.99 million households.

THE INDUSTRY

According to the statistics published by the National Bureau of Statistics of China, in 2025, the total cement production in China amounted to approximately 1,690.0 million tons, representing a year-on-year decrease of 6.9%. During the year, cement production in Guangdong, Guangxi, Fujian, Hainan, Yunnan, Guizhou, Shanxi and Hunan were approximately 121.6 million tons, 89.0 million tons, 54.0 million tons, 13.6 million tons, 82.1 million tons, 49.9 million tons, 34.4 million tons and 68.1 million tons respectively, representing year-on-year changes of approximately -5.8%, -6.2%, -9.9%, -7.3%, -6.9%, -5.3%, -16.2% and -7.8% respectively.

During the year, according to the statistics of the China Cement Association, there were 5 new clinker production lines nationwide with new annual clinker production capacity of approximately 7.4 million tons in total. Among which, in the major operating regions of the Group, there were no new annual clinker capacity.

In terms of policies for the cement and aggregates industry, in 2025, multiple ministries coordinated efforts to introduce numerous special policies focusing on energy conservation, carbon reduction, capacity regulation and control, market standardization, and green transformation to promote the high-quality development in both major industries. In July 2025, as the Sixth Meeting of the Central Financial and Economic Affairs Commission proposed to address disorderly low-price competition, the China Cement Association issued the “Opinions on Further Promoting ‘Anti-Involution’ and ‘Stable Growth’ for the High-Quality Development in the Cement Industry”, and the National Development and Reform Commission and the State Administration for Market Regulation issued the “Draft Amendment to the Pricing Law of the People's Republic of China (Draft for the Solicitation of Comments)” to regulate market price order. In August 2025, six ministries, including the Ministry of Industry and Information Technology of China, jointly issued the “Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026)”, which strengthened the regulation and control of cement production capacity and ultra-low emissions transformation, utilized market-oriented means to accelerate the exit of inefficient production capacity, and achieved high-quality and stable growth in the industry by optimizing the industrial structure and tightening environmental constraints. In November 2025, the Ministry of Ecology and Environment of China issued the “2024 and 2025 National Carbon Emissions Trading Market Quota Totals and Allocation Plan for the Steel, Cement and Aluminum Smelting Industries”, which incorporated cement clinker production process into refined management and control, promoted the upgrade of the aggregates industry, and specified the inclusion of aggregates carbon emissions in the full lifecycle management of the industrial chain.

In terms of energy conservation and emission reduction, China has taken systematic measures to drive the green transformation of key industries, strengthened the coordinated mechanism for pollution reduction and carbon reduction, aiming to achieve dual control of pollutants and carbon emissions through source management such as industrial structure optimization and fuel substitution. The State Council incorporated ultra-low emissions transformation of the cement industry into top-level planning, with the issue of numerous supporting policies from multiple ministries in 2025. In February 2025, the Ministry of Ecology and Environment of China issued the “Guiding Opinions on Further Strengthening the Environmental Management of Hazardous Waste and Strictly Preventing and Controlling Environmental Risks”, which guided hazardous waste co-processing by use of cement kilns, specified the capacity standards for newly-built centralized incineration facilities for hazardous waste, and promoted the “Monitoring-Display-Reporting” of processing facilities. In August 2025, six ministries jointly issued the “Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026)”, which required 50% of cement clinker production capacity in key areas for air pollution prevention and management to have completed ultra-low emission transformation by the end of 2025, in order to leverage the role of comprehensive standards, phase out obsolete production capacity in accordance with laws, and encourage the gradual exit of enterprises with poor environmental performance.

In terms of green development, with the construction of a beautiful China as the core driving force, China had refined its ecological and environmental protection system and enhanced the quality and efficiency of ecological governance through specific policy adjustments such as upgrading the inspection mechanism, reforming the mining rights system and optimizing the comprehensive utilization of solid waste. In April 2025, the State Council issued the Regulations on Ecological and Environmental Protection Inspections, which carried a higher level of regulation and a higher authority than the previous versions, to further enhance the inspection mechanism, require precise enforcement of accountability, prevent ineffective, generalized or simplistic accountability thereby driving high-quality development of environmental protection work. In July 2025, the Mineral Resources Law of the People’s Republic of China officially came into effect, which established for the first time a dedicated chapter on ecological restoration of mining areas and reinforced the ecological restoration obligations of mining rights holders, thereby addressing the difficulties in mining land use.

In terms of energy consumption, leveraging on the deepened implementation of dual control mechanism for energy consumption in 2025, China had deepened the structural reform of industrial energy conservation, strictly enforced the requirements for dual control over total energy consumption and intensity, with a particular focus on the fossil energy reduction and energy efficiency enhancement in building materials industries such as cement and aggregates, and introduced various special supporting measures to strengthen management and control. In July 2025, the National Development and Reform Commission issued the “Measures for Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects”, which came into effect on 1 September 2025 to strengthen source management and control of high-energy-consuming projects and strictly control the expansion of high-energy-consuming production capacity in industries such as cement, thereby promoting the comprehensive green transformation of the industry.

In terms of “Dual Carbon”, China focused on key high-energy-consuming industries such as cement, with the refinement of the national carbon emission trading market system as the core measure. Through institutional innovations such as differentiated quota allocation and full-process trading management and control, a market-oriented emission reduction mechanism had been built to facilitate the implementation of low-carbon industrial transformation and formed a pattern of coordinated policy efforts. Since 2025, the construction of the carbon market had been continuously deepened. In March 2025, the General Office of the Ministry of Ecology and Environment of China issued the “Work Plan for the Inclusion of Steel, Cement and Aluminum Smelting Industries in the National Carbon Emission Trading Market”, which promoted the inclusion of the cement industry into the carbon market in two phases and specified the promotion roadmap and core objectives. In April 2025, the General Office of the Ministry of Ecology and Environment of China issued the “Notice on the Effective Implementation of Relevant Works of the National Carbon Emission Trading Market in 2025”, which detailed the milestones of the entire carbon trading process to safeguard the timely settlement of quotas for 2024 and ensure the stable operation of the carbon market. In November 2025, the “2024 and 2025 National Carbon Emission Trading Market Quota Totals and Allocation Plan for the Steel, Cement, and Aluminum Smelting Industries” was released, which specified the free allocation model of quotas within two years, with quota for 2024 to be allocated in equal amounts and intensity control for 2025 to be tightened. These measures enhance the incentives and constraints of market in emission reduction, and promote proactive carbon reduction in the cement industry.

In terms of industrial structure, China addressed the development bottlenecks of the cement and aggregates industries by prioritizing compliant management and control of production capacity, mining rights reform and green mine upgrades as core policy directions. Through the introduction of special documents and the refinement of standards, the industry had been driven to shift from “incremental expansion” to “inventory optimization” and accelerated the industry's intensive transformation. In July 2025, the Mineral Resources Law of the People's Republic of China officially came into effect, which codified the competitive transfer system of mining rights to law and specified the mining land policy for the first time to address the difficulties of mining land use and clear obstacles for the large-scale development of the aggregate industry. In August 2025, six ministries jointly issued the “Work Plan for Stabilizing Growth in the Building Materials Industry (2025-2026)”, which tightened the management and control of cement production capacity, strictly prohibited new cement clinker production capacity, and required enterprises to complete replacement of capacity in excess of approved levels by the end of the year, in order phase out obsolete production capacity in accordance with laws and promote cement production capacity compliance.

In terms of production safety, in 2025, China focused on key areas such as monitoring standards, hazard identification and water resource constraints. Various special legal regulations were introduced to strengthen stringent management and control, consolidate primary corporate responsibility, and promote the safe and compliant development of the industry. In October 2025, the State Council issued the first administrative regulation in the field of ecological and environmental monitoring in China, namely, the “Regulations on Ecological and Environmental Monitoring”, which systematically regulated the entire chain, from formulation of monitoring plans, equipment selection and online video networking, and legal liability, and reinforced the primary responsibility of enterprises for the authenticity and accuracy of monitoring data through rigid legal constraints. In November 2025, the Ministry of Ecology and Environment of China released the “Criteria for Determining Major Accident Hazards in Ecological and Environmental Protection”, which for the first time specified five specific criteria for determining major accident hazards, implemented multi-level and high-intensity comprehensive penalties applicable to both enterprises and directly responsible persons, and expanded the forms of penalties to consecutive daily fines, production restrictions, suspensions and even criminal liability.

TRANSFORMATION AND INNOVATION

The Group has always adhered to the direction of green and low-carbon development, deeply integrated ecological and environmental protection, energy conservation and carbon reduction requirements into the whole-process of production and operation, actively fulfilled the mission of building a beautiful China, and helped to achieve harmonious coexistence between man and nature. Based on the construction of an environmental, health and safety system, the Group continuously strengthened the environmental management of the whole-process, vigorously promoted the creation of green mines and green factories, and continuously increased investment in energy-conserving and carbon-reducing technological transformation and intelligent upgrade, and promoted through practical actions the green transformation and high-quality sustainable development of the industry. In 2025, the Group had a total of 38 mines that were registered as green mines of provincial-level or autonomous region (“AR”)-level, and 9 mines had passed the selection for national green mines.

In 2025, the Group’s unfailing efforts in technological innovation and corporate social responsibility work were recognized by the industry and the society. These include:

- In April 2025, the China Building Materials Federation and the China Ceramic Society jointly released the list of winners of the “2024 Building Materials Science and Technology Awards”, which included three scientific and technological achievements of the Group. Among which, the project of “Green and Low-Carbon Cement Preparation Technology and Engineering Application Based on Efficient Material Utilization” cooperated by the Company and the South China University of Technology won the first prize of technological progress, whereas the projects of “Research, Development and Engineering Application of Key Technologies for Multi-Stage Cement Calcination + Coupling Reconstruction of Heat Exchange” and “Complete Set of Technology and Application of One-Stop Utilization of Waste Rocks from Mines and Construction Solid Waste for the Production of Low-Carbon Building Materials”, both spearheaded by the Company, won the second prize of technological progress.

DISPOSALS

In November 2025, the Group sold 100% equity interests and loans of China Resources Cement (Yangjiang) Limited through tendering for a total consideration of RMB277.8 million.

In December 2025, the Group sold 100% equity interests and loans of China Resources Concrete (Fangshan) Limited through tendering for a total consideration of RMB13.7 million.

PRODUCTION CAPACITY

Changes to Production Plants

In terms of concrete, during the year, the Group had 5 new cooperation of concrete batching plants. The total annual production capacity of concrete increased by approximately 3.5 million m³ compared to the end of 2024.

Capacity Utilization

The utilization rates of the Group's cement, concrete and aggregates production lines in 2025 were 62.3%, 33.3% and 95.9% as compared with 69.2%, 33.9% and 85.9% respectively for 2024.

COST MANAGEMENT

Operational Management

In 2025, focusing on the management theme of “Deepening Reform, Embracing Renewal”, the Group deepened cost reduction actions across the entire cement value chain and achieved a significant decrease in clinker costs. In terms of coal procurement, by optimizing coal procurement management and promoting an integrated logistics model, the Group achieved substantial reduction in coal usage costs and procurement prices. In terms of refined management, electricity costs were saved through upgrades such as upgrading energy consumption levels of transformers and applying direct drive of permanent magnets.

The Group actively responded to the national strategy of “carbon peaking and carbon neutrality”, robustly advanced the operational management and control of basic building materials, and steadily implemented the “Four-Year Action Plan for Energy Saving and Carbon Reduction”. Through various measures including continuous promoting the use of alternative fuels and raw material grinding aids, strengthening comprehensive utilization of industrial waste resources, advancing process optimization and energy-saving equipment transformation, energy efficiency levels continued to improve. Currently, the Group had 17 production lines that reached the benchmark levels stipulated in the requirements of GB16780 “The Norm of Energy Consumption Per Unit Products of the Cement”, representing 45% of our production volume.

In terms of operational management of mines, the Group embraced “green waters and green mountains are gold mountains and silver mountains” as its actionable guiding principle. Mid-to-long-term mining plans and dynamic balance of secondary mineral reserves were optimized to ensure orderly resource transition and efficient excavation. Cost benchmarking analysis throughout the entire production process was strengthened, energy and material consumption in key processes were strictly controlled, and precise measures were implemented to reduce costs and increase efficiency. The investment of special funds for expenditure into production safety and ecological restoration was standardized to ensure compliant and efficient use. The intelligent upgrade of large-scale equipment was advanced and technologies such as unmanned driving and remote control were introduced to achieve a safer, more efficient and smarter mode of production.

In terms of project construction management, the Group ensured compliance and orderly implementation through whole-process management and control of project construction. The Group launched supervision and inspection on prominent issues, and offered practical solutions to actual on-site problems. The Group coordinated the launch of thorough review on licenses and risks assessment for each project, and expedited the processing of licenses. The implementation of defect elimination and deficiency rectification matters were proactively expedited and regular production safety hazard inspections and treatments are carried out for all projects under construction and aggregates production lines which had commenced production in recent years to ensure “no safety, no production”.

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

In terms of managerial improvement, the Group had rigorously implemented the “eight-step” lean management methodology and launched targeted initiatives to tackle pain points and difficulties in production process, which achieved substantial breakthroughs. In terms of operational excellence, the Company prioritized on promoting the construction of smart factories and the development and application of artificial intelligence large models, and had successfully built an intelligent production management and control system. China Resources Cement (Tianyang) Limited won the title of “Lighthouse Factory” for its leading intelligent practices.

In terms of aggregates business management, the Group adhered to the concept of “production-to-sales synchronization”. The Group focused on shortening the ramp-up period of major aggregates projects currently in operation, and pressed ahead with the release of production line capacity. Efforts were focused on eliminating defects and rectifying deficiencies in major aggregates projects currently in operation to strive to maximize aggregates production capacity. Cost reduction across the entire aggregates value chain was advanced to improve operational efficiency. Lean management on quality had been implemented to reinforce brand competitiveness. Operations management evaluation system was built for “standards revision, comprehensive evaluation and evaluation-driven reform” for comprehensive enhancement of the level of operational management.

In addition, the Group continued to strengthen cost reduction and efficiency enhancement of the engineered stone business. In 2025, the Group managed to save production costs and expenses through measures such as centralization of procurement channels, substitution of raw materials, optimization of formula and process adjustments.

Procurement Management

In 2025, domestic coal prices fluctuated significantly, characterized by an initial softening followed by a rally and a subsequent retreat, before a slight rebound at year-end, with a modest uptick in average price in the second half of the year. The Group purchased a total of approximately 5.8 million tons of coal (approximately 6.3 million tons in 2024), among which, approximately 55%, 38% and 7% were sourced from northern China, neighbouring areas of our production plants and overseas respectively (68%, 9% and 23% in 2024). The proportion of direct procurement from coal producers was approximately 67% (81% in 2024).

In 2025, the Group achieved supply chain stability and cost reduction amidst persistently inverted coal prices by flexibly switching between long-term contracts, imports and spot channels, and dynamically adjusting pricing mechanisms and settlement methods, thus firmly securing fuel supply for the efficient operation of production plants.

In the future, the Group will focus on building a diversified supply system for coal procurement, optimizing the coal type structure based on production needs, and ensuring that coal procurement prices will outperform market average. In terms of supply channels, the Group will stabilize primary supply channels, increase the proportion of Australian coal, and expand direct procurement from the source. We will also adhere to operational excellence for inventory strategy, clearly define the optimal model for logistics management and control, refine loss management, and strictly control weight and calorific value loss rates.

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

Logistics Management

In 2025, the Group adopted a series of measures to achieve an overall downward trend in logistics cost. In terms of shipping, the Group compressed shipping costs through multi-link initiatives such as continuously exploring lower shipping freight rates, promoting a downward trend in market freight rates during high-water season of the Xijiang River, optimizing shipping tender proposals, continuously improving the compatibility of ship types and reducing the demurrage of sea ships. In terms of truck transportation, the Group continued to compress logistics costs through measures such as continuously promoting two-way logistics of raw materials, building logistics chain for distribution and exploring new energy vehicle business.

In 2025, the annual shipping capacity of the Group along the Xijiang River was approximately 40.0 million tons, which secured stable and continuous logistics capabilities for the Group's business development. The Group continuously optimized the layout of its silo terminals and occupied high-quality silo terminal resources. During the year, the Group operated 31 silo terminals with total annual capacity of approximately 31.0 million tons, which are mainly located in the Pearl River Delta Region of Guangdong. This consolidates the Group's leading market position in Southern China.

SALES AND MARKETING

Product Promotion

In 2025, the Group continued to focus on promotion of specialized products such as cement for nuclear power stations, Portland cement for roads, and medium- and low-heat cement to create our differentiated competitive advantages. The Group supplied a total of approximately 1.0 million tons of specialized cement throughout the year, representing an increase of approximately 400,000 tons over the last year. In addition to continuing to supply cement for nuclear power stations to multiple nuclear power projects in Zhejiang, Fujian, Guangdong and Hainan, and the supply of pre-stressed cement to meet the special needs of nuclear island domes, the Group also relied on the advantages of provincial units and academia-enterprise cooperation to proactively promote “Runfeng Brand” Portland cement for roads, which had been successfully supplied in key airport construction projects such as Phase 2 of the Fuzhou Airport project and the pavement construction project of the new Xiamen Xiangan Airport, on the basis of the ongoing “Strong Transportation Nation” project jointly launched with Fuzhou University, China, and the application of the “Technical Guidelines for Wear-Resistant, Low Shrinkage and Crack-Resistant Pavement Cement” formulated by the Highway Administration Bureau Business Development Centre of Fujian Province. In addition, the Group continuously applied specialized products such as medium-heat and low-heat cement in large-scale national infrastructure projects in Southwest China, such as multiple key control engineering projects in the Sichuan and Tibet sections of the Sichuan-Tibet Railway and 10 highland hydropower station projects in the Sichuan-Tibet region. In Southern China, the Group had also successfully won bids for nuclear power plant projects such as Lufeng Phase 2, Taishan and Fangchenggang Bailong.

Brand Building

In 2025, the Group comprehensively deepened the brand building of “Runfeng” and “Runpin”, and focused on the construction of brand terminal penetration to comprehensively enhance brand terminal influence. The “Runfeng Brand Optimization Strategy”, “Runfeng Brand Visual Recognition System Manual (2025 Edition)”, and “Sub-Brand Application Plan” were released, which aimed at strengthening corporate endorsements and partially differentiating the application of sub-brands in specific markets in order to continuously enhance reputation for product and brand. Relying on the construction of terminal networks such as “Runpin” flagship stores and showrooms, the Group continued to deepen the construction of the “Runpin” brand in terminal markets. In addition, on 28 June 2025, the Group held the ninth consecutive brand anniversary celebration event across each of its business regions, leveraging on the event to further boost customer confidence and drive for extensive and intensive business development.

TRANSFORMATION AND INNOVATION

New Business Development

In 2025, the Group actively promoted the development of new businesses, fully utilized the integrated synergistic advantages between cement, aggregates and concrete, accelerated the construction and operation of aggregates projects, and continued to optimize business structure, with continuous increases in the proportions of assets and revenue of new businesses.

Aggregates

In December 2025, the Group commenced trial operation of the aggregates project with planned annual production capacity of approximately 9.7 million tons of aggregates (including 1.7 million tons of surrounding rock) in Shiniuling, Muzi Town, Gangnan District, Guigang City, Guangxi.

As of the end of 2025, based on its own existing cement mines, the Group's annual production capacity of aggregates in operation through its subsidiaries (inclusive of trial production) was approximately 115.2 million tons, and the total annual production capacities of aggregates attributable to the Group according to our equity interests of the associates located in Yunnan and Fujian were approximately 4.4 million tons. Upon completion of construction of all projects, the annual production capacity of aggregates controlled by the Group through its subsidiaries is expected to reach 125.9 million tons and the annual production capacity of aggregates attributable to the Group according to our equity interests of associates and joint ventures will reach approximately 11.3 million tons.

Functional Building Materials

In 2025, affected by the ongoing correction of the real estate industry, the functional building materials industry as a whole faced pressure and intensified competition. Centering on core categories such as engineered stone, the Group focused on optimizing channel structure, upgrading products and improving operational quality, which had driven steady business operations in a complex market environment with overall performance better than the industry average.

In terms of markets and channels, the Group continued to optimize sales product structure and proactively expand diversified channels such as engineering projects and self-operated foreign trade. Among which, sales volume through distribution channels outperformed the market, while engineering projects and self-operated foreign trade both recorded growth, with self-operated foreign trade sales volume increasing by approximately 30% year-on-year.

In terms of products and research and development, the Group increased investments in research and development of engineered slabs, functional and differentiated products, resulting in a manifold increase in revenue from new products and a significant increase in their share of total revenue. High-end products with distinctive patterns, luxury stone and functional products gradually formed effective support, contributing to the ongoing optimization of product structure.

In terms of operations and management, lean management and inter-plant collaboration were strengthened, cost reduction was systematically promoted across the entire value chain, achieving year-on-year decreases in major raw material costs and unit production costs, while steadily improving production capacity utilization and delivery efficiency.

Looking ahead, the Group will continue to focus on core product categories and key markets, steadily advance the upgrade of channels, product and management to bolster the foundation for the mid-to-long-term development of the functional building materials business on the basis of effectively controlling operational risks.

Digital Transformation

As a benchmark enterprise of China Resources Group in digitalization and intelligentization, the Company continued to advance the construction of digitalization and intelligentization, was committed to promoting the transformation and upgrade of traditional industries, and used advanced technology to help enhance corporate management and operational efficiency.

Intelligent Factories

In terms of intelligent factories, the Group fully utilized the “lighthouse factory” mechanism to accelerate the scaling of lighthouse application cases, encompassing eight major application systems including production safety management, equipment management systems and online equipment monitoring, which had further enhanced digital coverage of key business processes and advanced the evolution towards “lighthouse networks”. The transformation of production and operation management models was promoted, which successfully provided early warnings for multiple typical cases of equipment failures and latent hazards, reduced data entry work for quality inspection, achieved real-time carbon emission monitoring, improved the quality and efficiency of production management, and laid a solid foundation for the Company to fully achieve digitalized operations and intelligent decision-making.

In terms of artificial intelligence, the Group actively explored the application of artificial intelligence in the building materials industry to help bolster business efficiency and quality consistency. The “AI+” mapping methodology was scientifically formulated and multiple application scenarios were screened and mapped out AI scenario landscape. With “AI+” manufacturing as the key driver, the Group focused on exploring nine types of scenarios in the short term, including particle size identification for coarse aggregates, intelligent bag dust collection and intelligent concrete mix design, thereby systematically advancing the effective implementation of its “AI+” initiatives. The intelligent bag dust collection was successfully developed in Pingnan and promoted to multiple production plants, which achieved dual optimization of equipment operation and maintenance and energy consumption management and control, reduced compressed air usage, and achieved lower power consumption of dust collection fan. Intelligent concrete mix design was piloted and verified at the concrete batching plants in Fengkai and Jiangmen Luzhou, which reduced concrete costs. Adaptability of technical roadmap of particle size identification for coarse aggregates had been verified at Tianyang Industrial Park.

In 2025, four of the Group’s production plants were recognized as smart factories (Tianyang was recognized as an excellent-level smart factory, while Hepu, Fengkai and Luoding were recognized as advanced-level smart factories), the Wuxuan cement production plant was awarded the honour of “Smart Manufacturing Benchmark Enterprise in Guangxi Zhuang Autonomous Region”, and the project of industrial Internet identifier resolution innovation application of Guangdong Province had passed its acceptance review.

Smart Logistics

In terms of smart logistics, the Group completed the upgrade and promotion of the Smart Code at 9 production plants including Shangsi, Changzhi and Changjiang, which further reduced operating and maintenance costs of production plants, simplified the pick-up process for drivers, and enhanced pick-up efficiency and user experience. The launch of Fengkai Wharf shipping system had enabled online check-in and self-service seal issuance, improved overall scheduling efficiency and vessel pick-up service levels, while effectively assisting in waterway safety management. The concrete vehicle scheduling and monitoring system was successfully deployed at batching plants in Yangjiang, Gaozhou, Lingbei and Potou, which facilitated the centralized operation of concrete scheduling and improved the visualization and efficiency of concrete vehicle scheduling.

Smart Marketing

In terms of smart marketing, during the year, the Group's project for digital transformation of marketing model had been fully launched in the cement, aggregates, concrete and tile adhesives of each region with a coverage rate of 100%. The logistics distribution and supply chain financing business on the platform continued to launch steadily. As of the end of December 2025, the cumulative transaction volume of the e-commerce platform reached approximately 410.0 million tons, with approximately 54,000 registered users, 620 carriers and approximately 128,000 vehicles (vessels) settled cumulatively. At the same time, the cumulative distributed business volume of the platform reached 845,000 tons.

RESEARCH, DEVELOPMENT AND INNOVATION

Innovation is an important momentum to stimulate corporate vitality and motivate long-term corporate development. As of 31 December 2025, the Group had 709 technology talents, among whom, there were 4 China Resources Group-level scientific and technological leading talents, 7 company-level scientific and technological leading talents, and 19 company-level scientific and technological backbone talents. There were 194 technological research and development employees, among whom, there were 7 full senior-level engineers, 7 employees with doctorate degrees, and 36 employees with master's degrees.

In 2025, the Group actively promoted research, development and application of new products and new technologies. Based on the continuous improvement and optimization of rotary furnace technology at the production plant in Hepu, Guangxi, and simultaneously building a pilot plant for alternative fuels to focus on developing the technical path of large-scale replacement use with alternative fuels. The relevant technologies had passed the scientific and technological accreditation of the China Building Materials Association and had generally reached an international leading standard, which offered a practical model for the green industrial development. In terms of new building materials, technologies such as quartz powder modifiers and resin-reducing additives continued to be optimized and upgraded to achieve cost reduction and quality improvement of engineered stone products. In addition, the Group continuously promoted the implementation of projects such as refined aggregates, integrated utilization technology of solid waste, high-quality manufactured gravel and low-carbon and high-performance concrete, actively embraced artificial intelligent technology, conducted research on technologies such as artificial intelligent tests, grinding system optimization based on process simulation calculations, and intelligent analysis and improvement of clinker quality, which fostered the high-quality corporate development.

In 2025, the Group executed the following four measures to create an innovation paradigm that coordinated efforts between training of scientific and technological talents, industry-academic-research collaboration, intellectual property management and construction of innovation culture. First, the Group continued to promote cultivation of scientific and technological talents. In collaboration with Southeast University and Sichuan University, a part-time doctoral programme was launched and 4 individuals were recommended to pursue part-time doctoral studies. Second, the Group strengthened external cooperation and increased output of scientific and technological achievements. The Group participated in the joint construction of the National Key Laboratory for Major Infrastructure Engineering Materials spearheaded by the Southeast University, Jiangsu Subote New Materials Co., Ltd. and Jiangsu Institute of Building Science, and established the Green Engineering Materials Research Centre. A strategic cooperation agreement was entered with the Jinan University and the Southwest University of Science and Technology to cooperate in areas such as technological breakthroughs, technology commercialization and talent cultivation. The Group was honoured with 3 awards from first-class industry associations, among which, the project of “Green and Low-Carbon Cement Preparation Technology and Engineering Application Based on Efficient Material Utilization” was awarded the first prize of the Science and Technology Progress Award of the China Building Materials Federation, and the “Research, Development and Engineering Application of Key Technologies for Multi-Stage Cement Calcination + Coupling Reconstruction of Heat Exchange” and the “Complete Set of Technology and Application of One-Stop Utilization of Waste Rocks from Mines and Construction Solid Waste for the Production of Low-Carbon Building Materials” were awarded the second prize of the Science and Technology Progress Award of the China Building Materials Federation. The Group was granted approval for 1 provincial-level and 1 industry-level science and technology project. The project of “Research, Development and Demonstration Application of Key Technologies for Green High-Value Diversified Utilization of Basalt Tailings” jointly applied with others including Guangxi University was approved as a key research and development project of Guangxi AR in 2026. The project of “Key Technologies for Digital Intelligent Production of Ready-Mixed Concrete Based on AI Models” was approved to be enlisted on the fifth batch of top-notch projects through open competition by the China Building Materials Federation. Third, the Group attached importance to intellectual property protection. As of 31 December 2025, the Company held a total of 383 valid patents, including 123 invention patents, 258 utility model patents and 2 exterior design patents, 47 new authorized patents were added and the number of new article submissions was 92 in 2025. Fourth, the Group constructed innovative culture. In 2025, the Group successfully hosted important industry conferences such as the “2025 Summit of Concrete and Cement Products Industry Technology Innovation Platforms” and the “Fourth Meeting of the Sixth National Technical Committee on Cement Standardization and the 2025 Standards Review Meeting”, and participated in multiple important industry exchange activities to conduct in-depth and comprehensive discussions on cutting-edge issues in industry development.

EMPLOYEES

General Information

As at 31 December 2025, the Group employed a total of 16,825 employees, all of whom were full-time, among whom, 342 were based in Hong Kong and the remaining 16,483 were based in the Chinese Mainland (17,030, 385, 16,645 respectively as at 31 December 2024). A breakdown of our employees by function is set out as follows:

	As at 31 December	
	2025	2024
Management	492	498
Finance, administration and others	2,243	2,323
Production staff	8,792	9,216
Technical staff	4,425	4,220
Sales and marketing staff	873	773
	<hr/>	<hr/>
Total	16,825	17,030

Among our 492 senior and middle-level managerial staff, 85% are male and 15% are female, 86% possess university degrees or above, 13% have received post-secondary education and the average age of managerial staff is approximately 47 (498, 86%, 14%, 85%, 14%, 47 respectively as at 31 December 2024).

The Group has established a remuneration allocation mechanism based on job value and combined with performance contribution, personal ability and talent development, paid in form of cash bonuses. During the year, the Group reshaped the human resources management system and optimized the remuneration and benefits system. The total staff costs (including Directors' emoluments) of the Group was approximately RMB2,788,599,000 during the year (RMB2,829,743,000 in 2024).

In 2025, in line with the Company's "1211" talent development targets for the Fourteenth Five-Year Plan, we continued to advance the "3+1" talent team cultivation. Focusing on corporate operational management, we promoted the penetration of strategy, organization and culture across all levels, and strengthened the empowerment and training of our marketing and operations teams. Focusing on core personnel and young talents, we refined various special training programmes while reinforcing the quality of online learning to provide diverse resources and learning platforms for the development of our employees.

REVIEW OF OPERATIONS

Turnover

The consolidated turnover for the year ended 31 December 2025 amounted to RMB21,054.8 million, representing a decrease of 8.6% from RMB23,037.8 million for the last year. An analysis of segmental turnover by product is as follows:

	2025			2024		
	Sales volume '000 tons/m ³	Average selling price RMB per ton/m ³	Turnover RMB '000	Sales volume '000 tons/m ³	Average selling price RMB per ton/m ³	Turnover RMB '000
Cement products	55,421	228.4	12,657,168	61,714	243.7	15,039,498
Concrete	15,407	284.9	4,389,118	13,029	319.5	4,161,956
Aggregates	85,596	33.7	2,885,109	69,352	36.4	2,524,602
Others			1,123,377			1,311,733
Total			<u>21,054,772</u>			<u>23,037,789</u>

In 2025, our external sales volume of cement products, concrete and aggregates decreased by 6.3 million tons, increased by 2.4 million m³ and increased by 16.2 million tons, representing a decrease of 10.2%, an increase of 18.3% and an increase of 23.4% respectively over 2024. During the year, approximately 82.3% of the cement products we sold were 42.5 or higher grades (82.8% in 2024) and approximately 30.7% were sold in bags (29.7% in 2024). Internal sales volume of cement for our concrete production was 3.0 million tons (2.6 million tons in 2024), representing 5.4% of the total volume of cement sold (4.2% in 2024).

The average selling prices of cement products, concrete and aggregates in 2025 were RMB228.4 per ton, RMB284.9 per m³ and RMB33.7 per ton respectively, representing decreases of 6.3%, 10.8% and 7.4% respectively from 2024. The decreases in selling prices of the Group's products were mainly attributable to the downturn cycle of the construction industry in China.

Costs of Sales

The cost of sales of cement products of the Group comprised coal, electricity, materials and other costs, which represented 36.3%, 13.6%, 18.9% and 31.2% of their costs respectively for the year (39.4%, 13.8%, 18.0% and 28.8% in 2024 respectively). Materials cost is the major component of the cost of sales of concrete, representing 72.2% of the cost of sales of concrete for the year (71.7% in 2024).

The average price of coal we purchased in 2025 was approximately RMB670 per ton, representing a decrease of 16.5% from the average price of RMB802 per ton in 2024, while the average thermal value of coal increased by 2.4% to 5,372 kcal per kg. During the year, our unit coal consumption decreased to 127.6 kg per ton of clinker produced from the average of 130.0 kg in 2024. Our standard coal consumption increased to 97.8 kg per ton of clinker for the year from the average of 97.2 kg in 2024. As a result of the decrease in coal price, our average coal cost for the year decreased by 18.0% to RMB85.5 per ton of clinker produced from RMB104.3 in 2024.

Our average electricity cost decreased by 9.4% from RMB28.8 per ton of cement to RMB26.1 for the year. Our electricity consumption was 67.5 kwh per ton of cement for the year (68.3 kwh in 2024). Our residual heat recovery generators generated 1,301.6 million kwh of electricity for the year, representing a decrease of 8.1% over 1,415.6 million kwh in 2024. The electricity generated in 2025 accounted for approximately 27.2% of our required electricity consumption (28.1% in 2024) and we achieved a cost saving of approximately RMB540.4 million for the year (RMB669.8 million in 2024).

Other costs mainly comprised staff cost, transportation cost, depreciation, and repairs and maintenance cost. Repairs and maintenance cost included in the cost of sales of cement products for the year was RMB474.9 million, representing a decrease of 1.5% from RMB482.1 million in 2024.

Gross Profit and Gross Margin

The consolidated gross profit for 2025 was RMB3,521.4 million, representing a decrease of 7.3% from RMB3,800.3 million for 2024 and the consolidated gross margin was 16.7%, representing an increase of 0.2 percentage points from 16.5% for 2024. The gross margins of cement products, concrete and aggregates for 2025 were 17.1%, 14.3% and 23.8%, as compared with 15.1%, 12.2% and 35.1% respectively for 2024.

Other Income

Other income for 2025 was RMB419.5 million, representing an increase of 35.3% from RMB310.1 million for 2024. This was mainly attributable to the increase in income in gain on disposal of subsidiaries of RMB107.4 million as compared with 2024.

Selling and Distribution Expenses

Selling and distribution expenses for 2025 were RMB421.4 million, representing a decrease of 0.9% from RMB425.0 million for 2024. As a percentage to consolidated turnover, selling and distribution expenses for the year increased to 2.0% from 1.8% for 2024.

General and Administrative Expenses

General and administrative expenses for 2025 were RMB2,427.1 million, representing a decrease of 7.7% from RMB2,630.1 million for 2024. During the year, the impairment of goodwill of RMB57.0 million (RMB268.0 million in 2024) and impairment of fixed assets of RMB109.9 million (RMB158.9 million in 2024) were charged to general and administrative expenses for the year. As a percentage to consolidated turnover, general and administrative expenses increased to 11.5% for 2025 from 11.4% for 2024.

Share of Results of Associates

The associates of the Group contributed a loss of RMB98.4 million for the year (a loss of RMB114.3 million in 2024) of which a profit of RMB21.0 million, a loss of RMB19.6 million, a loss of RMB30.7 million and a loss of RMB51.3 million (a profit of RMB33.8 million, a loss of RMB37.6 million, a loss of RMB66.4 million and a loss of RMB23.8 million) were attributable to the Group's associates operating in Inner Mongolia, Fujian, Yunnan and Guangdong respectively.

Share of Results of Joint Ventures

The joint ventures of the Group contributed a profit of RMB43.7 million for the year (profit of RMB43.9 million in 2024).

Taxation

The effective tax rate of the Group for 2025 was 50.8%, as compared with 75.6% for 2024. Had the effect of the results of associates and joint ventures, the exchange difference, as well as the withholding tax in the Chinese Mainland for dividends and the deferred tax on the intended distribution profits from subsidiaries in the Chinese Mainland to a holding company in Hong Kong been excluded, the effective tax rate of the Group for 2025 would be 45.0% (63.9% in 2024).

Net Margin

Net margin of the Group for 2025 was 1.4%, which was 0.9 percentage points higher than that of 0.5% for 2024.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 December 2025, the Group's cash and bank balances and pledged bank deposits included the following amounts:

	As at 31 December	
	2025	2024
	'000	'000
HK\$	51,855	85,793
RMB	2,865,266	2,632,989
US\$	1,550	181
	<u> </u>	<u> </u>

Bank and other borrowings of the Group as at 31 December 2025 and 31 December 2024 and their breakdown were as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Bank loans	10,449,505	14,067,712
Medium-term notes	3,000,000	1,000,000
Loans from related parties	212,964	194,182
	<u> </u>	<u> </u>
	<u>13,662,469</u>	<u>15,261,894</u>

As at 31 December 2025, bank and other borrowings of the Group which carried interests at fixed and variable rates amounted to RMB4,090.1 million and RMB9,572.4 million respectively (RMB2,577.2 million and RMB12,684.7 million respectively as at 31 December 2024). These borrowings were denominated in the following currencies:

	As at 31 December	
	2025	2024
	'000	'000
HK\$	2,300,000	2,300,000
RMB	11,585,063	13,132,008

As at 31 December 2025, the Group's unsecured banking facilities amounted to HK\$2,300.0 million and RMB31,022.1 million, of which RMB22,650.0 million was unutilized and remained available for drawdown. As at 31 December 2025, bank loans of RMB1,603.7 million (Nil as at 31 December 2024) were secured by fixed assets, mining rights and right-of-use assets of the Group.

Under the terms of certain agreements for total banking facilities of HK\$2,300.0 million equivalent with expiry dates in March 2028, China Resources (Holdings) Company Limited is required to hold not less than 35% of the issued share capital in the Company. Under the terms of certain agreements for the total banking facilities of HK\$2,300.0 million equivalent, the net gearing ratio of the Company (calculated by dividing net borrowings by equity attributable to owners of the Company, and as may be adjusted to exclude certain non-tangible assets) shall not exceed 180%. The Group was in compliance with the above financial covenants as at 31 December 2025 and 31 December 2024.

On 28 September 2023, the Company was informed that the registration of medium-term notes of the Company in the amount of RMB15 billion had been accepted by the National Association of Financial Market Institutional Investors of PRC, valid for two years from the date of the approval notice (ref. no. Zhong Shi Xie Zhu [2023] MTN1065), i.e. 22 September 2023. On 22 April 2024, the Company completed the issuance in China of the 2024 first tranche of the medium-term notes in the amount of RMB1 billion at the coupon rate of 2.44% per annum for a term of three years. On 22 August 2025, the Company completed the issuance in China of the 2025 first tranche of medium-term notes in the amount of RMB2 billion at a coupon rate of 2.12% per annum for a term of three years. The proceeds had been applied for the repayment of domestic bank loans of the Company and its subsidiaries, being the intended use as disclosed in the relevant prospectuses. These medium-term notes are unsecured and remained outstanding at 31 December 2025.

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

The Group's business transactions were mainly carried out in HK\$ and RMB. The Group's exposure to currency risk was attributable to the bank balances and debts which were denominated in currencies other than the functional currency of the entity to which these bank balances and debts were related. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations. These will include hedging significant currency exposure and/or adjusting the proportion of the Group's borrowings denominated in other currencies. The Group was not engaged in any hedging contract as at 31 December 2025 and 31 December 2024. As at 31 December 2025, non-RMB denominated debts accounted for 15% of the total debts of the Group (14% as at 31 December 2024).

The Group had net current liabilities of RMB4,605.9 million as at 31 December 2025. Taking into account the cash and bank balances, the unutilized banking facilities, the expected future internally generated funds, the new banking facilities and other sources of financing to be obtained, the Board is confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future.

CHARGES ON ASSETS

As at 31 December 2025, certain assets of subsidiaries of the Company with an aggregate carrying value of RMB1,386.3 million (Nil as at 31 December 2024) were pledged with banks for obtaining banking facilities utilized by these subsidiaries.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had issued guarantees to banks in respect of banking facilities in the amount of RMB1,692.5 million (RMB1,936.5 million as at 31 December 2024) granted to associates and joint venture, of which RMB1,357.8 million (RMB1,289.4 million as at 31 December 2024) had been utilized.

FUTURE PLAN AND CAPITAL EXPENDITURE

As at 31 December 2025, the outstanding capital expenditure for the Group's expansion plans to be invested was approximately RMB2,708.5 million. Total payments for capital expenditure of the Group are expected to be approximately RMB3,246.0 million in 2026, which will be financed by borrowings and internally generated funds.

STRATEGIES AND PROSPECTS

In 2025, the international environment remained complex and challenging, the global economic and trade landscape underwent profound adjustments, and uncertainties continued to spread, which posed external challenges to the economic development of China. Based on the new stage of development, the Chinese government had coordinated both domestic and international overall situations, precisely implemented more proactive and effective macroeconomic control policies, focused on stabilizing growth, ensuring people's livelihoods and preventing risks, and continued to deepen reform and expand opening up. This has enabled the national economy to withstand downward pressure and achieve stable operation, and make solid progress in high-quality development. The overall macroeconomic situation remained stable and various core economic indicators gradually rebounded, which had further consolidated the foundation for long-term positive trajectory of the economy.

In terms of infrastructure construction, in 2025, China continued to strengthen the counter-cyclical adjustment role of fiscal policy and focused on sectors of “Two Major Initiatives” and “Two Renewals” to enhance the quality and efficiency of infrastructure investment and ensure effective implementation. As a key fiscal tool for the year, the issuance of RMB1.3 trillion of ultra-long-term special government bonds was successfully completed on 14 October 2025 and the actual scale of issuance reached RMB1.3 trillion, among which, RMB800 billion was used for supporting project construction for “Two Major Initiatives” and RMB500 billion was used for strengthening and expanding the scope of implementation of “Two Renewals” policies. Meanwhile, local government special bonds were issued efficiently and the actual total issuance of new special bonds amounted to RMB4.6 trillion for the year, mainly investing in major transportation, urban pipeline networks and ecological restoration. As at the end of September 2025, all RMB300 billion of central government funds allocated arranged the National Development and Reform Commission had been disbursed, including the fourth batch of RMB69 billion of ultra-long-term special government bonds dedicated to supporting trade-in of old consumer goods. The RMB800 billion list of construction projects for “Two Major Initiatives” for the year had also been fully issued, which effectively served as a critical pillar for stabilizing growth through infrastructure investment.

In terms of real estate, China adhered to the principle of “Residential Properties are Not for Speculation” in 2025, intensified efforts around “Stabilizing Expectations, Ensuring Delivery of Buildings, and Fostering Transformation” through continuous introduction of new policies. In December 2025, the National Housing and Urban-Rural Development Work Conference clarified that: policies should be tailored to local conditions to control growth, reduce inventory and optimize supply. The land supply structure should be optimized, the housing security system should be improved, the construction of “Quality-focused Housing” should be advanced, and relevant standards should be specified to promote market stabilization and rebound.

Looking ahead, with the “Fifteenth Five-Year” plan deployment initiated in 2025 as the foundation, centred on the annual management theme of “Strengthening Foundations and Mitigating Risks, Making Breakthroughs and Cultivating New Developments” and guided by the “Fifteenth Five-Year” strategic planning, the Group will deepen reforms, seek progress whilst maintaining stability, and take pragmatic measures to solve development challenges and create a new development horizon. The Group will anchor on its three main businesses of cement, aggregates and concrete, cultivate core markets, deepen cost reduction across the entire value chain, optimize market strategies, implement relevant operational measures to unleash the advantages of integrated synergy, thereby enhancing the quality of its main business assets and regional pioneer capabilities. The Group will intensify research and development in science and technology, improve the quality and effectiveness of research and development by focusing on “smart, green and integrated” technologies, develop new quality productivity according to local conditions, steadily launch new materials business, explore integrated building materials solutions and international development, and cultivate new business growth engines. The Group will optimize asset quality through orderly investment and divestment, mitigate major risks through stratification and classification, and establish regular prevention and control mechanism to promote business quality and efficiency improvement. The Group will adhere to organizational building as the guiding principle for high-quality development to deepen the reform of concepts, capabilities and work style, implement lean management and process re-engineering, enhance business operational level and organizational capabilities, striving to achieve an enduring prosperity and build a world-class building materials technology enterprise.

CORPORATE GOVERNANCE

During the year, the Company has complied with the applicable code provisions set out in Part 2 of Appendix C1 Corporate Governance Code to the Listing Rules (the “CG Code”) except that, during the period from 1 January 2025 to 5 January 2025, the roles of chairman and chief executive should not be performed by the same individual in respect of code provision C.2.1 of the CG Code. The Company has identified suitable candidates of the Chairman of the Board and the Chief Executive Officer with appropriate professional qualifications or relevant expertise, and announced on 6 January 2025 that Mr. JING Shiqing had been appointed as the Chairman of the Board and ceased to be the Chief Executive Officer, and Mr. XIE Ji had been appointed as the Chief Executive Officer and an executive Director. Hence, the Company has been in compliance with code provision C.2.1 of the CG Code since 6 January 2025.

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

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

As at 31 December 2025, the Company did not hold any treasury shares.

DIVIDEND

The Board recommends the payment of final dividend of HK\$0.024 per Share in cash for the year ended 31 December 2025 (2024: HK\$0.01 per Share).

The Board declared an interim dividend of HK\$0.014 per Share in cash for 2025 (2024: HK\$0.02 per Share) and the total distribution for the year ended 31 December 2025 will be HK\$0.038 per Share (2024: HK\$0.03 per Share).

The final dividend will be payable in cash to each shareholder in HK\$ by default. Shareholders will also be given the option to elect to receive all or part of the final dividend in RMB, at the benchmark exchange rate of HK\$ to RMB as published by the People’s Bank of China on the date of the annual general meeting, i.e. Friday, 29 May 2026. Procedures for electing to receive the final dividend in RMB will be set out in the Annual Report 2025 of the Company.

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Friday, 29 May 2026, all share transfer documents accompanied by the relevant share certificates must be lodged not later than 4:30 p.m. on Friday, 22 May 2026 with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Subject to the approval of shareholders of the Company at the forthcoming annual general meeting, the final dividend will be distributed on or about Wednesday, 22 July 2026 to shareholders of the Company whose names appear on the register of members of the Company after the close of business of the Company at 4:30 p.m. on Friday, 12 June 2026 and the register of members of the Company will be closed from Monday, 8 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates shall be lodged not later than 4:30 p.m. on Friday, 5 June 2026 with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

REVIEW OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results and annual report encompassing the consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee of the Company.

APPRECIATION

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

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

Hong Kong, 19 March 2026

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