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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 INTERIM RESULTS ANNOUNCEMENT

	For the six months ended 30 June		
	2025 (unaudited)	2024 (unaudited)	(Decrease)/ Increase
Turnover (RMB million)	10,205.6	10,311.7	(1.0)%
Profit attributable to owners of the Company (RMB million)	306.7	165.8	85.0%
Basic earnings per share	RMB0.044	RMB0.024	
Interim dividend per share	HK\$0.014	HK\$0.02	
	As at 30/6/2025 (unaudited)	As at 31/12/2024 (audited)	(Decrease)/ Increase
Total assets (RMB million)	71,921.9	71,963.1	(0.1)%
Equity attributable to owners of the Company (RMB million)	44,410.9	44,121.2	0.7%
Gearing ratio (note 1)	35.1%	34.6%	
Net assets per share – book (note 2)	RMB6.36	RMB6.32	0.7%
<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 relevant reporting period.			

The board (the “Board”) of directors (the “Directors”) of China Resources Building Materials Technology Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 June	
	Notes	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Turnover	3	10,205,584	10,311,717
Cost of sales		<u>(8,318,370)</u>	<u>(8,766,922)</u>
Gross profit		1,887,214	1,544,795
Other income		132,577	140,192
Selling and distribution expenses		(189,479)	(208,079)
General and administrative expenses		(1,250,450)	(944,363)
Exchange gain		1,421	2,821
Finance costs	4	(229,041)	(256,431)
Share of results of associates		(41,912)	(65,159)
Share of results of joint ventures		<u>21,208</u>	<u>24,111</u>
Profit before taxation	5	331,538	237,887
Taxation	6	<u>(160,568)</u>	<u>(102,667)</u>
Profit for the period		170,970	135,220
Other comprehensive income (expense):			
Item that will not be subsequently reclassified to profit or loss:			
Change in fair value of other investment		1,500	(2,542)
Items that will be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		31,314	(17,496)
Share of other comprehensive income (expense) of associates		<u>13,009</u>	<u>(5,132)</u>
Total comprehensive income for the period		<u>216,793</u>	<u>110,050</u>
Profit (loss) for the period attributable to:			
Owners of the Company		306,653	165,764
Non-controlling interests		<u>(135,683)</u>	<u>(30,544)</u>
		<u>170,970</u>	<u>135,220</u>
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		353,704	140,044
Non-controlling interests		<u>(136,911)</u>	<u>(29,994)</u>
		<u>216,793</u>	<u>110,050</u>
Basic earnings per share	7	<u>RMB0.044</u>	<u>RMB0.024</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
Non-current assets			
Fixed assets		30,532,059	31,153,445
Right-of-use assets		5,160,377	5,180,396
Other investment		15,017	13,762
Intangible assets		18,045,047	18,351,715
Interests in associates		5,192,685	5,296,366
Interests in joint ventures		1,760,093	1,738,709
Other non-current assets		1,326,124	1,445,777
Deferred tax assets		989,917	959,322
Long term receivables		237,052	246,710
Pledged bank deposits		499,445	478,559
		63,757,816	64,864,761
Current assets			
Inventories		2,154,503	1,762,724
Trade receivables	8	2,192,469	1,968,351
Other receivables		1,023,240	1,125,263
Taxation recoverable		12,063	6,828
Cash and bank balances		2,781,776	2,235,178
		8,164,051	7,098,344
Current liabilities			
Trade payables	9	2,882,400	3,260,380
Other payables		5,494,945	5,561,035
Taxation payable		164,250	196,097
Loans from non-controlling shareholders		199,132	194,182
Bank loans - amount due within one year		5,271,731	6,968,005
		14,012,458	16,179,699
Net current liabilities		(5,848,407)	(9,081,355)
Total assets less current liabilities		57,909,409	55,783,406

	As at 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
Non-current liabilities		
Bank loans - amount due after one year	9,134,095	7,099,707
Medium-term notes	1,000,000	1,000,000
Other long term payables	1,630,982	1,686,169
Deferred tax liabilities	287,832	300,690
	<u>12,052,909</u>	<u>10,086,566</u>
	<u>45,856,500</u>	<u>45,696,840</u>
Capital and reserves		
Share capital	617,812	617,812
Reserves	<u>43,793,115</u>	<u>43,503,404</u>
Equity attributable to owners of the Company	44,410,927	44,121,216
Non-controlling interests	<u>1,445,573</u>	<u>1,575,624</u>
Total equity	<u>45,856,500</u>	<u>45,696,840</u>

Notes:

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the revised standards effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

Amendments to HKAS 21	Lack of exchangeability
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The application of the above amendments to HKFRS Accounting Standards in the Period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

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

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

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

The information of the segment results is as follows:

For the six months ended 30 June 2025 (unaudited)

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

Inter-segment sales are charged at prevailing market prices.

RESULTS

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

For the six months ended 30 June 2024 (unaudited)

	Cement RMB'000	Concrete RMB'000	Aggregates and others RMB'000	Elimination RMB'000	Total RMB'000
TURNOVER– SEGMENT REVENUE					
External sales	6,891,141	1,736,957	1,683,619	-	10,311,717
Inter-segment sales	<u>267,633</u>	<u>979</u>	<u>195,844</u>	<u>(464,456)</u>	<u>-</u>
	<u>7,158,774</u>	<u>1,737,936</u>	<u>1,879,463</u>	<u>(464,456)</u>	<u>10,311,717</u>

Inter-segment sales are charged at prevailing market prices.

RESULTS

Segment results	<u>254,495</u>	<u>75,076</u>	<u>329,217</u>	<u>-</u>	658,788
Interest income					19,508
Exchange gain					2,821
Finance costs					(256,431)
Unallocated net corporate expense					(145,751)
Share of results of associates					(65,159)
Share of results of joint ventures					<u>24,111</u>
Profit before taxation					<u>237,887</u>

4. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interests on:		
Bank loans and medium-term notes	200,018	240,119
Loans from non-controlling shareholders	3,272	2,646
Provision for environmental restoration	13,795	15,149
Payable for acquisition of assets	25,355	23,835
Lease liabilities	2,701	5,960
	<u>245,141</u>	<u>287,709</u>
Less: Amount capitalized to fixed assets	<u>(16,100)</u>	<u>(31,278)</u>
	<u>229,041</u>	<u>256,431</u>

5. PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Total staff costs (including Directors' emoluments)	1,356,471	1,284,462
Impairment losses on trade receivables	17,075	37,223
Amortization of mining rights	306,454	226,828
Depreciation of fixed assets	1,035,720	990,155
Depreciation of right-of-use assets	120,108	119,213
Impairment of fixed assets	112,199	-
Short term lease payments	14,699	13,487
Variable lease payments - motor vehicles	162,389	173,578
Interest income	<u>(13,423)</u>	<u>(19,508)</u>

6. TAXATION

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current taxation		
Hong Kong Profits Tax	11,923	13,658
Chinese Mainland Enterprise Income Tax	191,565	247,408
	<u>203,488</u>	<u>261,066</u>
Deferred taxation		
Hong Kong	(1,490)	(974)
Chinese Mainland	(41,430)	(157,425)
	<u>(42,920)</u>	<u>(158,399)</u>
	<u>160,568</u>	<u>102,667</u>

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

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

7. EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Earnings attributable to the owners of the Company for the purpose of basic earnings per share	<u>306,653</u>	<u>165,764</u>
	For the six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
Number of share(s) of HK\$0.10 each in the share capital of the Company ("Share(s)")		
Weighted average number of Shares for the purpose of basic 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.

8. TRADE RECEIVABLES

	As at 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
Trade receivables from third parties	2,016,192	1,774,253
Trade receivables from related parties	176,277	194,098
	<u>2,192,469</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 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
0 to 90 days	1,438,812	1,351,716
91 to 180 days	206,982	191,731
181 to 365 days	323,309	203,805
Over 365 days	223,366	221,099
	<u>2,192,469</u>	<u>1,968,351</u>

9. TRADE PAYABLES

	As at 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
Trade payables to third parties	2,784,756	3,152,940
Trade payables to related parties	97,644	107,440
	<u>2,882,400</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 30/6/2025 RMB'000 (unaudited)	As at 31/12/2024 RMB'000 (audited)
0 to 90 days	2,315,916	2,952,591
91 to 180 days	206,226	120,700
181 to 365 days	214,696	73,842
Over 365 days	145,562	113,247
	<u>2,882,400</u>	<u>3,260,380</u>

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.014 per Share for the Period (2024: HK\$0.02). The interim dividend, which amounts to approximately HK\$97.8 million (2024: HK\$139.7 million), will be distributed on or about Friday, 24 October 2025 to shareholders whose names appear on the register of members of the Company after the close of business on Friday, 19 September 2025.

The interim dividend will be payable in cash to each shareholder in HK\$ by default. Shareholders will also be given the option to elect to receive all or part of the interim dividend in RMB at the exchange rate of HK\$1.0: RMB0.91054, being the benchmark exchange rate of HK\$ to RMB as published by the People's Bank of China on the date of the 2025 interim results announcement, i.e. Friday, 15 August 2025. If shareholders elect to receive the interim dividend in RMB, such dividend will be paid to shareholders at RMB0.01274756 per Share. To make such election, shareholders should complete the Dividend Currency Election Form which is expected to be dispatched to shareholders in late September 2025 as soon as practicable after the record date of Friday, 19 September 2025 to determine shareholders' entitlement to the interim dividend, and lodge it with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 October 2025.

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Friday, 24 October 2025 at the shareholders' own risk.

If no duly completed Dividend Currency Election Form in respect of the shareholder is received by the Company's share registrar by 4:30 p.m. on Tuesday, 14 October 2025, such shareholder will automatically receive the interim dividend in HK\$. All dividend payments in HK\$ will be made in the usual ways on Friday, 24 October 2025.

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

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 September 2025 to Friday, 19 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged not later than 4:30 p.m. on Friday, 12 September 2025 with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

BUSINESS ENVIRONMENT

In the first half of 2025, the Chinese government adhered to the general principle of pursuing progress while maintaining stability, completely, accurately and thoroughly implemented the new development philosophy, accelerated the construction of a new development paradigm, coordinated domestic economic work and international economic and trade conflicts, and effectively implemented more proactive and effective macroeconomic policies, enabling the national economy to withstand pressures and demonstrate resilience amid challenges, which had resulted in the overall stable operation of the economy with a positive trend. In the first half of 2025, the gross domestic product of China grew by 5.3% year-on-year to RMB66.1 trillion, and national fixed asset investments (excluding rural households) increased by 2.8% year-on-year to RMB24.9 trillion.

In terms of stabilizing investment, the Chinese government continued to improve the special bond management system and had been optimizing the whole-process management of “Borrow-Use-Manage-Repay” to better leverage the positive roles of special bonds in strengthening foundations, filling gaps, benefiting people’s livelihoods and expanding investments. In the first half of 2025, approximately RMB2.2 trillion of new local government bonds were issued nationwide, representing an increase of 45% year-on-year. In addition, the application scopes of special bonds had been further broadened and the sectors eligible for special bond funded project capital had been expanded from the original 17 industries to 22 industries. In the first half of 2025, approximately RMB191.7 billion of special bonds were issued for project capital use nationwide, representing an increase of 16% year-on-year.

In the first half of 2025, under the combined effects of continued policy guidance, structural adjustments to demand and in-depth transformation of the industry, the real estate market of China extended a recovery trend and achieved initial success in curbing the downturn and becoming stable. Positive signals had been emerging at the policy level, coupled with the acceleration of the construction of “Quality-focused Housing”, the real estate market is actively moving towards the stage of “quality enhancement”. According to the statistics published by the National Bureau of Statistics of China, in the first half of 2025, the floor space of new commodity housing sold in China decreased by 3.5% year-on-year to 460 million m² and the sales amount decreased by 5.5% year-on-year to RMB4.4 trillion. Real estate development investment in China decreased by 11.2% year-on-year to RMB4.7 trillion. Among which, the floor space of houses newly started construction decreased by 20.0% year-on-year to 300 million m² while the floor space of houses completed decreased by 14.8% to 230 million m². As of the end of June 2025, the floor space under construction by the real estate developers nationwide decreased by 9.1% year-on-year to 6,330 million m².

In 2025, the Chinese government initiated the expansion of effective investments. The organic integration of new-type urbanization and comprehensive rural revitalization would be promoted and urban-rural integrated development would be fostered by coordination of the construction of traditional and new infrastructure, development of traditional and emerging industries and solid advancement of the construction of major engineering projects. According to the statistics published by the Ministry of Housing and Urban-Rural Development of China, as of the end of June 2025, 17,000 old communities nationwide newly started renovation. In July 2025, the State Council of China unveiled the “Regulations on Rural Roads”, which focused on the coordinated development of rural roads and rural industries, and clearly required local municipal governments to take measures to promote the integrated construction of rural roads with supporting facilities, industrial parks and tourist attractions along the route, and build a development model that integrated rural roads with production and tourism to achieve resonance between rural road construction and rural industrial revitalization.

THE INDUSTRY

In the first half of 2025, according to the statistics published by the National Bureau of Statistics of China, the total cement production in China amounted to approximately 820.0 million tons, representing a year-on-year decrease of 4.3%. Cement production in Guangdong, Guangxi, Fujian, Hainan, Yunnan, Guizhou, Shanxi and Hunan were approximately 60.2 million tons, 42.5 million tons, 29.1 million tons, 6.2 million tons, 41.5 million tons, 22.6 million tons, 15.3 million tons and 30.0 million tons respectively, representing year-on-year changes of approximately 1.1%, -1.7%, -2.0%, -7.7%, -7.3%, -5.0%, -14.3% and -5.4% respectively.

During the Period, according to the statistics of the China Cement Association, there were 3 new clinker production lines nationwide with new annual clinker production capacity of approximately 4.9 million tons in total. Among which, in the major operating regions of the Group, there were no new annual clinker capacity.

In terms of cement industry policies, in July 2025, the Sixth Meeting of the Central Financial and Economic Affairs Commission mandated the regulation of low pricing and disorderly competition among enterprises in accordance with laws and regulations, guidance on enterprises to improve product quality, and promotion of the orderly exit of obsolete production capacity. In the same month, the China Cement Association issued the “Opinions on Further Promoting ‘Anti-Involution’ and ‘Stable Growth’ for the High-Quality Development in the Cement Industry”, which specified the optimization of industrial structure adjustments to further promote the “anti-involution” and “stable growth” of the cement industry to achieve high-quality development. In the same month, the National Development and Reform Commission of China and the State Administration for Market Regulation of China issued an announcement to solicit public opinions on the “Draft Amendment to the PRC Pricing Law (Draft for the Solicitation of Comment)”, which further specified the standards for identifying unfair pricing behaviours, improved the standards for identifying sales with predatory pricing, regulated market price order, and controlled “involutionary” competition.

The Chinese government continued to promote the construction of its “Beautiful China” initiative and safeguard the safety of ecological environment. 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 proposed the co-processing capacity of each newly built standalone centralized hazardous waste incineration facility to be over 30,000 tons per annum in principle. It guided hazardous waste co-processing facilities by use of cement kiln to better leverage its beneficial role in supplementing capabilities for utilizing and disposing hazardous waste, and to focus on handling vast amounts and homogeneous types of stored and landfill hazardous waste. The “Monitoring-Display-Reporting” of facilities with hazardous waste incineration and co-processing by use of cement kiln would be launched in an orderly manner. In April 2025, the “Regulations on Ecological and Environmental Protection Inspections” was issued. Compared to the previous “Inspection Work Regulations”, the “Regulations” issued this time carried a higher level and was more authoritative to further enhance the system and mechanism of ecological and environmental protection inspection work, require the strengthening of inspection rectification and application of results, enforce accountability in a strict, precise and effective manner in accordance with regulations, disciplines and laws, and launch supervision of key accountability issues to prevent ineffective accountability or generalization and simplification of accountability.

TRANSFORMATION AND INNOVATION

The Group incorporated green and low-carbon concepts into every aspect of its production and operation to contribute more efforts in building the “Beautiful China” initiative and achieving harmonious coexistence between human and nature. The Group leveraged on environment, health and safety management to deepen environmental management, actively build green factories, and continuously advance energy-saving and carbon-reduction technological transformation. In the first half of 2025, the Group had a total of 32 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 the first half of 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.

PRODUCTION CAPACITY

Changes to Production Plants

During the Period, the clinker, cement, aggregates and concrete production capacities of the Group remained unchanged.

Capacity Utilization

The utilization rates of the Group’s cement, concrete and aggregates production lines during the Period were 56.8%, 32.0% and 80.2% respectively, as compared with 64.2%, 27.1% and 75.1% respectively in the first half of 2024.

COST MANAGEMENT

Operational Management

In the first half of 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 the first half of the year. 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 equipment upgrades and renovations.

The Group actively responded to the national strategy of “carbon peaking and carbon neutrality”, promoted the implementation of operation management and control of basic building materials, steadily implemented the “Four-Year Action Plan for Energy Saving and Carbon Reduction” and continued to promote the use of alternative fuels. 16 production lines had reached the benchmark stipulated in the requirements of GB16780 “The Norm of Energy Consumption Per Unit Products of the Cement”, representing 44% of our production volume.

In terms of operational management of mines, the Group strengthened long-term mine planning and secondary mineral resource management, and enhanced the rational development and efficient utilization of resources. Cost management of mining processes was strengthened and abnormal indicators were monitored to formulate effective cost reduction measures. Management of production safety costs and land rehabilitation funds were reinforced to increase the efficiency of fund use. Centralized procurement model was adopted to upgrade engineering equipment and replace traditional diesel mining trucks with new energy mining trucks that are safer, more economical, greener and low-carbon.

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. Regular safety management inspections 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 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. Focus and optimization of the costs for the whole process of aggregates business were strengthened by adhering to external benchmarking to improve operational efficiency. Lean management on quality had been implemented to reinforce brand competitiveness. Evaluation standards for operation management were revised, and evaluation had been used to drive 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 the first half of 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 the first half of 2025, the coal market underwent deep adjustments under the triple pressure of high supply, weak demand and high inventory, and coal price at hub ports in North China continued to decline. During the Period, the Group purchased a total of approximately 3.0 million tons of coal (approximately 3.6 million tons in the first half of 2024), among which, approximately 64%, 31% and 5% were sourced from northern China, neighbouring areas of our production plants and overseas respectively (86%, 6% and 8% in the first half of 2024). The proportion of direct procurement from coal producers was approximately 72% (88% in the first half of 2024).

In the first half of the year, the Group implemented numerous measures to achieve substantial reduction in coal usage costs and procurement prices. In the future, the Group will deepen strategic cooperation with major domestic coal enterprises to continuously promote new models of imported coal cooperation and CIF delivery at southern ports, carefully select opportunities for procurement of self-operated imported coal, purchase low-priced spot market coal, and dynamically and flexibly adjust the channel structure of domestic strategic procurement channels, imported coal and market coal. At the same time, the Group will leverage on its advantages of “integrated logistics” to reduce the annual tonnage loss rate; expand direct sourcing from provincial mining origins and further diversify procurement channels; and implement strategic inventory management and control when appropriate to achieve inverse procurement price-inventory correlation throughout the year, thereby fully advancing for achieving targets of cost reduction.

In terms of mineral admixtures, first, the Group expanded procurement channels, enhanced the frequency and quality of market research and introduced cost-effective channels. Second, the Group developed direct procurement from the source, built up coordination mechanism for cross-organizational communications and introduced new sources for direct procurement. Third, the Group strengthened regional centralized procurement, sorted out the common needs within and across regions and formulated measures for improving the effectiveness and efficiency of centralized procurement. Fourth, the Group negotiated price adjustments for cost reduction, grasped the market conditions of various mineral admixtures and conducted price negotiations in a timely manner.

As aggregates constitute the primary raw materials for concrete production, the Group coordinated the expansion of aggregates flow collaboration to maximize integrated synergy advantages, and conducted procurement business benchmarking to effect dynamic price management. At the same time, the Group enhanced the depth and breadth of market research, continued to promote exploration of direct procurement from the source and supplier development in each region. In addition, according to fluctuations in market supply and demand, the Group optimized procurement strategies and flexibly introduced channels through a set of strategies to foster competition.

Logistics Management

In the first half of 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 the first half of 2025, the annual shipping capacity of the Group along the Xijiang River was approximately 47.0 million tons, which secured stable and continuous logistics capabilities for the Group's business development. The Group continuously optimized the layout of its silo terminals and occupied high-quality silo terminal resources. During the Period, the Group controlled the operation of 30 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 the first half of 2025, the Group continued to focus on the promotion of specialized products such as cement for nuclear power stations and Portland cement for roads to create our differentiated competitive advantages. 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 six highland hydropower station projects in the Sichuan-Tibet region.

Brand Building

In the first half of 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 the first half of 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 the first half of 2025, the Group did not commission any new aggregates projects.

As of 30 June 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 108.6 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 3.7 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 134.8 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 13.6 million tons.

Functional Building Materials

In the first half of 2025, the Group had completed the nationwide layout of its engineered stone business. Currently, the Group's annual production capacity of engineered stone is approximately 26.1 million m².

In the first half of the year, under the influences of the macroeconomic environment and the sluggish real estate market, the engineered stone market had been experiencing less demand, lower prices and intensified competition, which had resulted in low capacity utilization and increased operating pressure. The Group deepened cost reduction and efficiency enhancement of the engineered stone business, strived to reshape the sales system and developed new channels of customer resources, but there was still room for improvement in the operating conditions. Currently, the Group is in the process of formulating its "Fifteenth Five-Year Plan" strategic plan and will actively promote the optimal allocation of resources and enhance asset quality through increased sales and improved operations.

Digital Transformation

As a digital-intelligent benchmark enterprise of China Resources Group, the Company continued to promote the construction of digitalization and intelligentization, was committed to empowering the transformation and upgrade of traditional industries, and used advanced technology to enhance corporate management and operational efficiency.

In terms of intelligent factories, the Group increased the digitalization rate for key steps of cement business, summarized and promoted mature application cases in "Lighthouse Factory" such as advanced controls and intelligent equipment operation and maintenance to support refined management of production and operation. Production safety management system had achieved full coverage of cement and aggregates production plants, which had enhanced the Group's fundamental safety capabilities. Whole-process advanced control systems, energy management systems and quality management systems had been launched at selected cement production plants.

The Group actively explored the application of artificial intelligence in the building materials industry to improve business efficiency and maintain quality. Multiple pilot artificial intelligence application scenarios were launched, including the promotion of artificial intelligence control of alternative fuels at our Longyan production plant, which had reduced standard coal consumption. A pilot project for aggregates particle size testing was launched at our Fengkai Runxin production plant and a pilot project for 3D clinker silo stock-taking and belt monitoring was launched at our Tianyang production plant. The localized deployment of DeepSeek large language models was achieved to build a knowledge base for research and development of new concrete products.

The "Project for Identification Resolution and Application Demonstration of Industrial Internet Platform for Intelligent Factories in Typical Process Manufacturing" of the Group passed inspection and acceptance by the Guangdong Communications Administration and received financial subsidy in Guangdong. The Fengkai, Hepu, and Luoding cement production plants of the Group were recognized as national-level advanced intelligent factories, and the Wuxuan cement production plant was honoured as a "Smart Manufacturing Benchmark Enterprise in Guangxi Zhuang Autonomous Region".

Smart Logistics

In terms of smart logistics, the pilot construction of the Fengkai terminal shipping system was promoted to enhance terminal shipping efficiency and ship pick-up service standards and reduce latent safety hazards on waterways. 3 weighbridges were added at the Runsheng aggregates mine with Smart Code coverage. Smart Code upgrades were completed at the cement production plants in Shangsi, Changzhi, Shantou and Huizhou, which had reduced the failure rate, wear and tear of hardware, reduced hardware operating and maintenance costs, further simplified the process for drivers and enhanced the cargo handover experience.

Smart Marketing

In terms of smart marketing, the Group continued to steadily launch its logistics distribution and supply chain financing business on the platform in the first half of the year. As of the end of June 2025, the cumulative transaction volume of the e-commerce platform reached approximately 330.0 million tons, with approximately 49,000 registered users, 592 carriers and approximately 117,000 vehicles (vessels) settled cumulatively. At the same time, the cumulative distributed business volume of the platform reached 713,000 tons.

RESEARCH, DEVELOPMENT AND INNOVATION

Innovation is an important momentum to stimulate corporate vitality and motivate long-term corporate development. As of 30 June 2025, the Group had 525 technology talents, among whom, there were 4 China Resources Group-level scientific and technological leading talents, 4 company-level scientific and technological leading talents, and 7 company-level scientific and technological backbone talents. 104 employees were specialized in research and development, among whom, there were 9 professor-level senior engineers, 12 employees with doctorate degrees, and 34 employees with master's degrees.

In the first half of 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 with independent intellectual property rights, an alternative fuel demonstration factory was simultaneously built at the production plant in Hepu of Guangxi, which focused on developing the technical path of large-scale replacement of alternative fuels for offering 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 aggregates solid waste, high-quality manufactured gravel and low-carbon and high-performance concrete, actively embraced artificial intelligent technology, conducted research on technology 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 the first half of 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 training of scientific and technological talents. 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. A strategic cooperation agreement was entered into between the Group and the Jinan University to jointly construct a joint research institute for engineering technology. The Group was honoured with 3 awards from 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 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” were awarded the second prize of the Science and Technology Progress Award of the China Building Materials Federation. Third, the Group attached importance to intellectual property protection. As of 30 June 2025, the Company held a total of 393 valid patents, including 109 invention patents, 282 utility model patents and 2 exterior design patents, 21 new authorized patents were added and the number of new article submissions was 37. Fourth, the Group constructed innovative culture. In April 2025, the Group successfully hosted the “2025 Summit of Concrete and Cement Products Industry Technology Innovation Platforms”, where representatives from 17 industry technology innovation platforms had in-depth exchanges on topics such as emerging areas of industry development, precise definition of low-carbon concrete and full industry chain services.

EMPLOYEES

General Information

As at 30 June 2025, the Group employed a total of 16,837 employees, all of whom were full-time, among whom, 378 were based in Hong Kong and the remaining 16,459 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 30/6/2025	As at 31/12/2024
Management	490	498
Finance, administration and others	2,287	2,323
Production staff	8,990	9,216
Technical staff	4,237	4,220
Sales and marketing staff	833	773
Total	<u>16,837</u>	<u>17,030</u>

Among our 490 senior and middle-level managerial staff, 86% are male and 14% 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. In the first half of the year, the Group reshaped the human resources management system and optimized the remuneration and benefits system. The total staff costs (including Directors' emoluments) was approximately RMB1,356,471,000 during the Period (RMB1,284,462,000 in the corresponding period of 2024).

Based on the talent training plan during the Fourteenth Five-Year period, the Group focused on the "3+1" talent team cultivation, carried out special talent training step by step, designed and launched training programmes, and provided career guidance and follow-up training for young employees.

REVIEW OF OPERATIONS

Turnover

The consolidated turnover for the Period amounted to RMB10,205.6 million, representing a decrease of 1.0% from RMB10,311.7 million for the corresponding period last year. An analysis of segmental turnover by product is as follows:

	For the six months ended 30 June					
	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	25,309	246.9	6,248,989	28,963	237.9	6,891,141
Concrete	6,877	302.7	2,081,335	5,057	343.5	1,736,957
Aggregates	36,336	36.2	1,315,625	29,497	36.8	1,086,961
Others			559,635			596,658
Total			<u>10,205,584</u>			<u>10,311,717</u>

During the Period, our external sales volume of cement products, concrete and aggregates decreased by 3.7 million tons, increased by 1.8 million m³ and increased by 6.8 million tons respectively, representing a decrease of 12.6%, an increase of 36.0% and an increase of 23.2% respectively from the corresponding period last year. During the Period, approximately 82.1% of the cement products the Group sold were 42.5 or higher grades (83.4% for the corresponding period in 2024) and approximately 30.8% were sold in bags (29.3% for the corresponding period in 2024). Internal sales volume of cement for our concrete production was 1.4 million tons (1.1 million tons for the corresponding period in 2024), representing 5.7% of the total volume of cement sold (3.7% for the corresponding period in 2024).

The average selling prices of cement products, concrete and aggregates for the Period were RMB246.9 per ton, RMB302.7 per m³ and RMB36.2 per ton respectively, representing an increase of 3.8%, a decrease of 11.9% and a decrease of 1.6% respectively from the corresponding period last year.

Cost of Sales

The cost of sales of cement products of the Group comprised coal, electricity, materials and other costs, which represented 37.1%, 13.5%, 17.4% and 32.0% of their costs respectively for the Period (40.5%, 13.7%, 17.5% and 28.3% for the corresponding period in 2024 respectively). Materials cost is the major component of the cost of sales of concrete, representing 71.1% of the cost of sales of concrete for the Period (70.5% for the corresponding period in 2024).

The average price of coal the Group purchased for the Period was approximately RMB681 per ton, representing a decrease of 17.8% from the average price of RMB828 per ton for the corresponding period in 2024, while the average thermal value of coal increased by 3.0% to 5,341 kcal per kg. During the Period, our unit coal consumption decreased to 129.0 kg per ton of clinker produced from the average of 129.9 kg for the corresponding period last year. Our standard coal consumption increased to 98.2 kg per ton of clinker produced for the Period from the average of 97.2 kg for the corresponding period last year. As a result of the decrease in coal price, our average coal cost for the Period decreased by 18.4% to RMB87.7 per ton of clinker produced from RMB107.5 for the corresponding period in 2024.

Our average electricity cost decreased by 6.3% from RMB28.8 per ton of cement to RMB27.0 for the Period. During the Period, our electricity consumption was 68.4 kwh per ton of cement (68.1 kwh for the corresponding period in 2024). During the Period, our residual heat recovery generators generated 631.5 million kwh of electricity, representing a decrease of 7.4% over 682.1 million kwh for the corresponding period last year. The electricity generated during the Period accounted for approximately 28.1% of our required electricity consumption (28.6% for the corresponding period in 2024) and we achieved a cost saving of approximately RMB267.9 million for the Period (RMB324.1 million for the corresponding period 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 Period was RMB242.8 million, representing an increase of 16.1% from RMB209.1 million for the corresponding period in 2024.

Gross Profit and Gross Margin

The consolidated gross profit for the Period was RMB1,887.2 million, representing an increase of 22.2% from RMB1,544.8 million for the corresponding period in 2024 and the consolidated gross margin was 18.5%, representing an increase of 3.5 percentage points from 15.0% for the corresponding period in 2024. The increases in consolidated gross profit and consolidated gross margin for the Period were mainly attributable to the higher selling prices and the lower costs of sales of the Group's cement products during the Period as compared with the corresponding period in 2024, but which had been partially offset by the decreases in gross profit and gross margin of the Group's aggregates and others segment. The gross margins of cement products, concrete and aggregates for the Period were 20.1%, 14.0% and 25.3%, as compared with 12.1%, 12.6% and 39.4% respectively for the corresponding period in 2024.

Other Income

Other income for the Period was RMB132.6 million, representing a decrease of 5.4% from RMB140.2 million for the corresponding period in 2024.

Selling and Distribution Expenses

Selling and distribution expenses for the Period were RMB189.5 million, representing a decrease of 8.9% from RMB208.1 million for the corresponding period in 2024. As a percentage to consolidated turnover, selling and distribution expenses for the Period decreased to 1.9% from 2.0% for the corresponding period in 2024.

General and Administrative Expenses

General and administrative expenses for the Period were RMB1,250.5 million, representing an increase of 32.4% from RMB944.4 million for the corresponding period in 2024. During the Period, impairment of fixed assets of RMB112.2 million (Nil for the corresponding period in 2024) was charged to general and administrative expenses. As a percentage to consolidated turnover, general and administrative expenses increased to 12.3% for the Period from 9.2% for the corresponding period in 2024.

Share of Results of Associates

The associates of the Group contributed a loss of RMB41.9 million for the Period (a loss of RMB65.2 million in the corresponding period in 2024), of which a profit of RMB9.5 million, a profit of RMB0.4 million, a loss of RMB13.9 million and a loss of RMB27.0 million (a profit of RMB17.1 million, a loss of RMB18.8 million, a loss of RMB40.5 million and a loss of RMB12.4 million for the corresponding period in 2024) 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 RMB21.2 million for the Period (a profit of RMB24.1 million for the corresponding period in 2024).

Taxation

The effective tax rate of the Group for the Period was 48.4%, as compared with 43.2% for the corresponding period in 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 the Period would be 44.2% (36.0% for the corresponding period in 2024).

Net Margin

Net margin of the Group for the Period was 1.7%, which was 0.4 percentage point higher than that of 1.3% for the corresponding period last year.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2025, the Group's cash and bank balances and pledged bank deposits included the following amounts:

	As at 30/6/2025	As at 31/12/2024
	'000	'000
HK\$	151,665	85,793
RMB	3,141,999	2,632,989
US\$	127	181
	<u> </u>	<u> </u>

Bank and other borrowings of the Group as at 30 June 2025 and 31 December 2024 and their breakdown were as follows:

	As at 30/6/2025	As at 31/12/2024
	RMB'000	RMB'000
Bank loans	14,405,826	14,067,712
Medium-term notes	1,000,000	1,000,000
Loans from related parties	199,132	194,182
	<u> </u>	<u> </u>
	<u>15,604,958</u>	<u>15,261,894</u>

As at 30 June 2025, bank and other borrowings of the Group which carried interests at fixed and variable rates amounted to RMB1,981.6 million and RMB13,623.4 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 30/6/2025	As at 31/12/2024
	'000	'000
HK\$	2,300,000	2,300,000
RMB	13,507,470	13,132,008
	<u> </u>	<u> </u>

These borrowings are repayable as follows:

	As at 30/6/2025 <i>RMB'000</i>	As at 31/12/2024 <i>RMB'000</i>
Within one year	5,470,863	7,162,187
After one year but within two years	1,960,180	1,375,920
After two years but within three years	3,210,344	2,142,742
After three years but within four years	1,048,615	954,646
After four years but within five years	1,730,237	1,180,368
After five years	2,184,719	2,446,031

As at 30 June 2025, the Group's banking facilities amounted to HK\$2,300.0 million and RMB39,994.4 million, of which RMB27,686.1 million was unutilized and remained available for drawdown. As at 30 June 2025, bank loans of RMB152.9 million (Nil as at 31 December 2024) were secured by fixed assets and right-of-use assets of the Group.

Under the terms of certain agreements for total banking facilities of HK\$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 30 June 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 has completed the issuance in China of the 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. The proceeds have 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 30 June 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 30 June 2025 and 31 December 2024. As at 30 June 2025, non-RMB denominated debts accounted for 13% of the total debts of the Group (14% as at 31 December 2024).

The Group had net current liabilities of RMB5,848.4 million as at 30 June 2025. Taking into account the cash and bank balances, the unutilized banking facilities, the unutilized medium-term notes, the expected future internally generated funds, the new banking facilities and other sources of financing to be obtained, the Board is confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future.

CHARGES ON ASSETS

As at 30 June 2025, certain assets of a subsidiary of the Company with an aggregate carrying value of RMB129.6 million (Nil as at 31 December 2024) were pledged with banks for obtaining banking facilities utilized by that subsidiary.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had issued guarantees to banks in respect of banking facilities in the amount of RMB1,704.0 million (RMB1,936.5 million as at 31 December 2024) granted to associates and joint venture, of which RMB1,497.7 million (RMB1,289.4 million as at 31 December 2024) had been utilized.

FUTURE PLAN AND CAPITAL EXPENDITURE

As at 30 June 2025, the outstanding capital expenditure for the Group's expansion plans to be invested was approximately RMB3,204.0 million. Total payments for capital expenditure of the Group are expected to be approximately RMB2,118.5 million in the second half of 2025, which will be financed by borrowings and internally generated funds.

STRATEGIES AND PROSPECTS

In 2025, the international environment had been complex and volatile, the order of international economic and trade suffered severe damage, with increasing instability and uncertainty. The Chinese government adhered to the coordination of domestic economic work with international economic and trade conflicts, stepped up efforts to implement more proactive and effective macroeconomic policies, and focused on stabilizing employment, businesses, markets and expectations. The national economy had forged ahead and maintained stable operation despite pressure, and high-quality development had been solidly advanced. It will continue to strive for transforming methods, adjusting structures, improving quality and increasing efficacy and persistently consolidate the economic foundation in a positive trend in stability.

In terms of infrastructure construction, more proactive fiscal policy will be implemented in 2025. The government had proposed the plan to issue RMB1.3 trillion of ultra-long-term special government bonds and the plan to arrange RMB4.4 trillion of local government special bonds to provide greater support for “Two Major Initiatives” construction. The National Development and Reform Commission of China had allocated over RMB300 billion to support the third batch of “Two Major Initiatives” construction projects in 2025. The list of RMB800 billion “Two Major Initiatives” construction projects for this year had been fully issued.

In terms of real estate, in 2025, the Chinese government proposed to solidly and vigorously promote the construction of “Quality-focused Housing” and incorporate this into the urban renewal mechanism to strengthen work coordination and provide policy support in terms of planning, land, fiscal policy and finance. In June 2025, the Executive Meeting of the State Council of China emphasized on the requirement for adopting a multi-faceted approach to stabilize expectations, stimulate demand, optimize supply and mitigate risks, to strengthen efforts for promoting real estate market recovery and stabilization.

Looking ahead, the Group will focus on the annual management theme of “Deepening Reform, Embracing Renewal”, continue to strengthen and enhance the three main businesses of cement, aggregates and concrete, actively respond to the challenges attributable from the adjustments of industry capacity policies, seize the opportunities for high-quality development, deepen cost reduction across the entire value chain, unleash the advantages of integrated synergy and continuously enhance core competitiveness. The Group will accelerate the pace of upgrading traditional industries, intensify research and development in science and technology, promote the application of intelligent, green and high-end technologies, and develop new quality productivity according to local conditions. The Group will accelerate the layout of strategic emerging industries, continuously optimize resources allocation, lead digital and intelligent transformation, provide the public with high-quality products, services and systematic solutions, achieve a long-term foundation, and build a world-class building materials technology enterprise.

CORPORATE GOVERNANCE

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

As at 30 June 2025, the Company did not hold any treasury shares.

REVIEW OF INTERIM REPORT

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

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

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

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

Hong Kong, 15 August 2025

As at the date of this announcement, the executive Directors are Mr. JING Shiqing and Mr. XIE Ji; the non-executive Directors are Mr. ZHU Ping, Mr. YU Shutian, Mr. ZHOU Bo and Mr. DENG Ronghui; and the independent non-executive Directors are Mr. SHEK Lai Him Abraham, Mr. NG Kam Wah Webster, Madam YAN Bilan and Mr. TANG Yi Hoi.