thermal insulation), Fudatec (energy-saving and thermal insulation), Oriental Yuhong Building Renovation (building renovation), TDF (non-woven fabrics), Golden Wrapping (specialty films), Hongshi (fine and specialty chemicals), Zhong Ke Jian Tong (ground improvement and engineering repair), Yuhong Vocational School (vocational skills training), Ningxia Architectural Design and Research Institute, OYH (international construction mater

placements such as high-speed rail and landmark advertising, the Company continuously expanded outdoor storefront coverage, with the first supermarket store, community store, and headquarters-operated flagship store opening nationwide, deepening the binding of consumer pain points in lower-tier markets. On the channel front, the Company vigorously developed its brand social media matrix, empowering partners to embrace new media through dealer livestreaming and township market promotion events such as Explore the Townships , enhancing partners ability to convert business. By building an omni-channel marketing ecosystem integrating online, offline, and channel resources, the Company established a high-frequency interaction mechanism among the brand, partners, and consumers, reinforcing brand mindshare among target consumer segments.

2) Channel development: The Group continued to advance channel penetration into lower-tier markets through refined category positioning and strengthened terminal coverage, building a more

product operations based on user needs to improve conversion and coverage, coordinating efficiently with the supply chain, and connecting online traffic generation with offline service fulfillment, the Group supported continued brand value enhancement and steady performance growth.

3) Membership operation: The Group continued to deepen its membership operations system centered on the Honggehui platform, enriching the forms of terminal promotional activities on the Honggehui platform and vigorously promoting member livestreaming through events such as the 9th-Day Member Day livestream, Hong Ge You Yue livestream, and HONEDS tools online discount livestream, directly reaching members and effectively improving member engagement and retention. The member mall added a hardware tools category to optimize the member shopping experience. The Group also launched a micro and small partner entrepreneurship support program, establishing a core member hometown entrepreneurship platform to actively support capable members in returning to their hometowns in township areas to develop business, enhancing member loyalty and a sense of belonging, and promoting channel penetration into lower-tier and underserved markets.

4) Product development: With a focus on the dual core businesses of waterproofing and mortar, the Group accelerated the development of new product categories and expanded into the fast-installation repair segment and lower-tier township markets. Products continued to be innovated along dimensions of high performance, extended service life, and fast-drying and rapid installation, consistently addressing consumer pain points and improving user experience. Innovations included a series of differentiated products targeting C-end consumers: single-coat thick-application, fast-drying, exposed-surface compatible, trafficable, lightweight acoustic insulation, intelligent color-mixing, formaldehyde-purifying, children s safety-certified, move-in-ready, and enhanced mold-resistant products. The Group also advanced the buildout of new categories including latex paint, kitchen and bathroom hardware, and base and auxiliary materials, as well as the penetration of texture coating product lines into lower-tier markets such as townships, accelerating full-category expansion to provide users with comprehensive one-stop renovation and repair system solutions.

(2) C-end service platform

During the Reporting Period, the Company officially launched its C-end professional service brand — Yuhong . Built on the core values of professionalism, efficiency, reliability, and comprehensiveness, the Yuhong service offering encompasses a one-stop service system covering 6 major business segments and 13 service scenarios. In active response to the national call to build quality homes that satisfy consumers, Yuhong Service launched a series of themed marketing campaigns under the banner Serving the People, Zero Tolerance for Leakage , dedicated to

providing consumers with comprehensive delivery solutions, rapid response mechanisms, professional on-site services, and dependable after-sales support. During the Reporting Period, the platform cumulatively served 120,000 households.

Leveraging the Company s brand influence, professional technical expertise, and continuously improving service capabilities, Yuhong Service has solidified its core competitive advantages. On one hand, it draws on the Company s well-established standardized construction system and conducts personnel training through a combination of online and offline methods. On the other hand, it delivers scenario-based services through a four-dimensional linkage of products, stores, offline, and online channels, while continuously refining its end-to-end standardized service protocols. Yuhong Service remains committed to providing consumers with a robust home protection solution through professional expertise and rapid responsiveness, empowering partners and responding to the national call with concrete action to create safe, healthy, and environmentally responsible quality living environments for millions of families.

(3) Retail of architectural coatings

During the Reporting Period, the architectural coatings business — including its retail segment — was fully consolidated into the former Mortar and Powder Technology Group, leveraging supply chain synergies to drive cost reduction and efficiency improvement. Through process integration and coordinated market expansion, and building on the Company s established brand and channel advantages in the domestic wall auxiliary materials market, the Group adopted a strategy of using powder materials to drive coatings sales, further releasing the potential for synergistic development.

During the Reporting Period, the architectural coating retail business continued to improve in terms of branding and market expansion. By precisely positioning the two major brands Caparol DAW and Alpina , Caparol DAW emphasised its core value of functional coatings from Germany , showcasing its century-old quality, German craftsmanship, and environmental innovation. Alpina , with the concept of Wall Care Is like Skin Care , commits to protecting what you love, see, dare, and imagine, epitomising German quality, redefining brand perception, and conveying meticulous care for the home environment. Together, the two brands have built a comprehensive product line covering interior wall coatings, artistic coatings, exterior wall coatings, and basic auxiliary materials, achieving product performance upgrades and enhanced environmental

means of market management and control, and constantly improved market order by reinforcing means of internal sales control and product tracing.

3. Mortar and powder business: During the Reporting Period, the Company integrated the former Mortar and Powder Technology Group with Caparol (China) Ltd. and other business units to establish the Coatings, Mortar and Powder Technology Group. The new group encompasses organizational structures including the DAW division, the Vasa division, the sand, stone and powder division, the mining division, and the supply chain management center. Through deep resource integration and efficient ecosystem synergy, the Group consolidates the full industry chain elements spanning mineral resources, coatings, and auxiliary materials to provide customers with one-stop supply solutions, continuously expanding business coverage and market penetration.

The mortar and powder business has continued to integrate and build a professional lean production system, driving the realization of industry category value chains. Leveraging R&D and application technology teams based in Beijing, Shanghai, and Guangzhou as core hubs, and building on a diversified channel network, the business has continuously reinforced the core competitive advantages of its specialty mortar system products while aggressively expanding into multiple product areas including calcium-based powder new materials, general mortar, sand and gravel aggregates, and related products, steadily increasing market share in the mortar and powder sector and enhancing brand influence. While maintaining the tile laying system and wall coating system as the core pillars of the business and solidifying its fundamental base, the mortar and powder business has rapidly advanced the implementation of its strategy of expand product categories, extend channels, strengthen services, and share profits . New products launched include lightweight tile adhesive, anti-crack mortar series, waterproof mortar series, worry-free flooring systems and their complementary products. The business has also explored R&D and application of new technologies such as shield tunneling support mortar, soil solidification technology, and stability research on tile laying systems, in order to meet the diverse needs of customers across different application scenarios.

The Coatings, Mortar and Powder Technology Group leverages the Company s powerful supply chain integration capabilities, with cost, quality, and new product incubation as its core priorities. The Group continuously enriches its product portfolio, advances product value chain and supply chain execution, builds new product core competitiveness by assembling specialized teams, focuses on developing professional clients, and effectively drives new product sales growth. At the same time, by strategically positioning production and supply bases, the Group achieves agile responsiveness and service delivery, reduces overall logistics costs, and continuously creates greater value for customers.

4. Overseas business. During the Reporting Period, the Company strengthened international exchange and cooperation, continuously refined its overseas organizational management system, and enhanced its international supply chain layout and channel development.

The Company has established overseas subsidiaries or offices in multiple countries, building and improving the regional personnel allocation and organizational structure overseas, consolidating the marketing and organizational capabilities of the overseas market teams, and actiedyco.

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Development Group Co., Ltd. and OYH International Trade (Shanghai) Co., Ltd. acquired 100% equity interest in the Chilean building materials supermarket company Construmart S.A., with the aim of continuously exploring and establishing international building materials retail channels, enhancing the Company s international sales capabilities, global influence, and brand recognition. The Company s wholly-owned subsidiary OYH Brazil Ltd. (OYH BRAZIL LTDA.) acquired a 60% equity interest in Novakem Indústria Química Ltda., a Brazilian supplier of cement admixtures and concrete additives, fully leveraging its comprehensive advantages in the admixture product segment to support the Company in establishing a foothold in Brazil and expanding across the Latin American market, further refining its overseas business footprint. The Company s wholly-owned subsidiary Hong Kong Oriental Yuhong Investment Company Limited acquired The Universal Hardware & Plastic Factory Limited, a Hong Kong plastic piping s30(e)9sK( )-107(suppl)-2(ier)5d, interati(g)-159manuf

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2025, the 137th China Import and Export Fair (Canton Fair), the São Paulo International Building Materials Exhibition in Brazil, the 8th Vietnam Waterproofing Festival, the 2025 China International Coatings Exhibition, the 2025 China International Roofing and Building Waterproofing Technology Exhibition, and the 23rd Vietnam International Building Materials Exhibition.

(II) Sales Models

Based on different product uses and users, the Company has established, taking into account the characteristics of the existing markets and future market expansion directions in particular, a multi-layer marketing channel network integrating direct marketing and channel of dealers for product marketing and provision of system services:

Under direct marketing, the Company directly develops, sells products to and serves the final product users and customers. It has entered into strategic cooperation agreements or long-term supply agreements with many large quality business groups. Meanwhile, it has enhanced customers confidence by coming into direct contact with them in professional market segments such as industrial constructions, energy construction, railway, highway, rail transit, tunnels and underground projects, projects that concern people s livelihood, among other things. Additionally, it has established a long-term and stable partnership in terms of material supply and system services. Direct marketing has provided substantial assurance for increasing the Company s visibility in the industry. Under the channel of dealers, the Company directly develops, sells products to and serves the final product users and customers via channel partners such as dealers. There are engineering dealers and retail dealers. The Company has signed contracts with large numbers of dealers, and created a dealer network system that has a reasonable layout and controllable risk and is economical, efficient and vibrant. Through constantly reinforcing systematic training and services for dealers, the dealer network has gradually developed 5to an essential sales channel for the Company to tap 5to the tionwide market. Presently, the Company has formed multi -dimensional engineering marketing network combining direct marketing and channel of engineering dealers, as well as a marketing network for civil building materials centred on the channel of retail dealers.

1. The engineering market is handled by the integrated companies in various provinces under the Engineering Building Materials Group, the Strategic Centralized Procurement Division, and the specialized companies and business divisions focused on professional market segments, such as railway, highway, rail transit, industrial construction, energy construction, and underground projects. Specifically, the companies of integrated operation in each region are responsible for sales and services of the Company s products in the local engineering markets. Through concentrating on local markets, special operation of regions, channel sinking, as well as developing and empowering various partners, they have enhanced local market coverage and penetration, improving local market share.

	person					
DCP Management, Ltd. DCP USD Fund II	Overseas legal entity	1.92%	45,969,375			

Shareholders involved in securities margin trading (if any)	N/A

5% or greater shareholders, top 10 shareholders and top 10 unrestricted shareholders involved in refinancing shares lending:

□ Applicable Not applicable

□ Applicable Not applicable

(2) Number of Preference Shareholders and Shareholdings of Top 10 of Them

□ Applicable Not applicable

No preference shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company

5. Outstanding Bonds at the Date when this Report Was Authorized for Issue

□ Applicable Not applicable

Part III Significant Events

(I) Overview

The Company remained dedicated to its strategic positioning of high-quality and more solid development, gave top priority to risk control, and insisted on sound operation and putting risk control in the first place to significantly enhance operational quality. During the Reportinntly eportinntly the unr88

overseas channels as part of the international strategic layout. In addition, the Company has achieved diversified business models in overseas trade, engineering, retail, and other sectors, and the overseas business has achieved rapid growth, providing a third growth curve for the Company s future sustainable development, and helping the Company become a global provider of building materials and systems services.

2. Upgrading channel development and management systems, and deepening the cultivation of channel growth

latex paint and hardware to address diverse consumer needs and create safe, healthy, and environmentally responsible quality living environments for millions of families. In 2025, the Civil Construction Materials Group generated revenue of RMB9.126 billion. During the Reporting Period, the architectural coatings business — including its retail segment — was fully consolidated into the former Mortar and Powder Technology Group, leveraging supply chain synergies, process integration, and coordinated market expansion, as well as the Company s established brand and channel advantages in the domestic wall auxiliary materials market, to use powder materials to drive coatings sales and further release the potential for synergistic development. The architectural coatings retail business focused on its core coating products and, using the dual-brand positioning of Caparol DAW and Alpina as its entry point. It built a comprehensive product line covering interior wall coatings, artistic coatings, exterior wall coatings, and base materials, while exploring new ecosystems and profit growth points for the research and development, production, sales, and technical services of coatings retail business.

4. Overseas first, accelerating global expansion

During the Reporting Period, the Company further strengthened its overseas market research, improved its overseas organizational management system, and enhanced its international supply chain layout and channel development. On the one hand, it solidified the marketing and organizational capabilities of its overseas market teams, built and improved the regional personnel allocation and organizational structure overseas, and continuously developed a talent system with international competitive advantages to achieve independent operations and efficient services in key markets. On the other hand, the Company accelerated the buildout of its overseas supply chain and channel networks, actively constructing a global business network to lay a solid foundation for the localized operation of its overseas business: through the development of overseas production bases, the Company progressively initiated a global capacity footprint, adhering to a market-oriented and cost-leadership strategy to further strengthen local supply capabilities, improve product delivery efficiency, respond rapidly to international markets, and enhance global supply chain competitiveness; through overseas M&A, the Company advanced the internationalization of building materials product sales capabilities, global influence, and brand recognition, fully leveraging channel resource advantages to build an international building materials sales network and supporting the Company s penetration of international markets; through international exchange and cooperation, including hosting overseas new product launches, opening overseas specialty stores, pursuing international strategic cooperation in business domains, and participating in international trade

exhibitions, the Company enhanced its brand influence and accelerated the advancement of its global footprint.

(II) Industry Overview

1. Macroeconomic and industry indicators

2025 marked the concluding year of the 14th Five-Year Plan. According to data from the National Bureau of Statistics, preliminary estimates indicate that China s gross domestic product (GDP) reached RMB140.1879 trillion in 2025, representing an increase of 5.0% year-over-year. The value added of industrial enterprises above the designated size increased by 5.9% year-over-year, with the manufacturing sector growing 6.4%. Full-year profits of industrial enterprises above the designated size increased by 0.6% year-over-year, while the non-metallic mineral products industry declined by 1.7%. Fixed asset investment (excluding rural households) decreased by 3.8% year-over-

rollout of regulating and industry policies and standards concerning quality inspection, anti-counterfeit, environment inspection, safe production and green and energy conservation, etc., in addition to a product structure upgrade, higher quality requirements of downstream customers, and increasing competitiveness of large waterproofing companies, the market is witnessing increasing concentration towards leading companies.

In 2025, the building waterproofing industry faced both the challenges of structural adjustment and the opportunities of high-quality development. On one hand, the industry confronted numerous headwinds from the confluence of persistently elevated prices for certain upstream bulk raw materials and weaker-than-expected downstream demand. On the other hand, industry participants took the initiative to break through constraints by pursuing diversified business portfolios, expanding into new market segments, and undertaking international transformation, focusing on incremental markets such as infrastructure construction and urb

continuously refined, and initial results will be achieved in the transformation of the urban development and construction model. The *Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting High-Quality Urban Development* set forth requirements on optimizing the modern urban system and cultivating and expanding new drivers of urban development, with the aim of driving the transformation of urban development toward improving quality and efficiency of existing stock.

The national standard *Code for Residential Projects* issued by the Ministry of Housing and Urban-Rural Development took effect on May 1, 2025, stipulating requirements including the design service life of waterproofing works, and mandating that the construction, use, and maintenance of urban residential projects must comply with this standard, which is expected to promote quality upgrades across the industry. The Office of the Ministry of Housing and Urban-Rural Development issued the *Notice on Carrying Out Focused Rectification of Quality Issues in Urban Residential Construction Projects*, specifying that rectification efforts would be concentrated on quality issues such as sound insulation, odor transfer, and leakage in urban residential construction, with waterproofing and other design aspects designated as key review items for construction drawing design documents. The Office of the Ministry of Finance and the Office of the Ministry of Housing and Urban-Rural Development issued the *Notice on Carrying Out the 2025 Central Government Fiscal Support for Urban Renewal Actions*, under which the central government provides fixed subsidies to cities implementing urban renewal actions on a regional basis, supporting the development of model urban renewal projects and institutional capacity building. The Ministry of Finance and two other ministries jointly issued the *Notice on Further Expanding the Implementation Scope of the Government Procurement PolicSuat3 3Tf1e8Of)5n7 3TB5 8C)-2()-1M(PraTmi)-2(2d)-1 o Sc-8ion)*

Specifications for Building Waterproof Membranes (GB 45320 – 2025) and *Safety Technical Specifications for Building Waterproof Coatings* (GB 45671 – 2025), as well as the recommended national standard *Green Product Evaluation — Waterproofing and Sealing Materials* (GB/T 35609 – 2025), were all formally implemented in 2025.

These policies and standards positively encourage construction material companies to fully implement the principles of quality development, green development, and low-carbon development. They foster a transformation towards green and sustainable development through their own scientific and technological innovation, process improvements, smart manufacturing, and green construction. With the issuance and implementation of policies related to peak carbon emissions and carbon neutrality, high-energy-output and environmentally friendly benchmark enterprises in the construction materials industry will benefit, while outdated, non-energy-saving, and non-environmentally friendly enterprises will be phased out more quickly. On the other hand, this may also expand the market space for related industrial chain products and system services.

2026 marks the opening year of the 15th Five-Year Plan. *The Government Work Report* indicated plans to issue ultra-long-term special government bonds to continuously support the Two Priorities construction and Two New initiatives. The report called for high-quality advancement of urban renewal, steady implementation of renovation of aging urban residential communities and urban villages, and concerted efforts to stabilize the real estate market through city-specific policies to manage new supply, reduce inventory, and optimize supply, exploring multiple channels to revitalize existing commercial housing stock and encouraging the acquisition of existing commercial housing primarily for affordable housing purposes. The report also called for accelerating the renovation of dilapidated and aging housing, advancing in an orderly manner the development of safe, comfortable, green, and smart quality homes , and implementing housing quality improvement and property service quality enhancement programs. It further called for high-quality advancement of high-standard farmland development, high-quality co-development of the Belt and Road

Company to expand into new sectors and new market segments, and to achieve diversified, high-quality, and sustainable growth. The Company will continue to leverage the opportunities arising from the implementation of relevant policies to further tap into opportunities in the Two Priorities and Two New initiatives, older housing renovation, urban village renovation, urban renewal, dual-use (routine and emergency) public infrastructure development, home decoration retail, commercial and industrial buildings, and international business markets, and will continue to step up technological innovation, optimize its product mix, and expand application scenarios.

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

4. Periodicity, seasonality and regionality of the industry

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

(2) Seasonality. Waterproof construction material industry has seasonality to a certain extent. In North China, the first quarter of each year is generally the slack season for the sales of waterproof building materials and engineering construction because of cold weather. In South China, the seasonality of waterproof building materials is mainly reflected in the reduction in construction in rainy seasons.

(3) Regionality. The economic transportation radius of waterproof building materials is approximately 500 kilometres, so this industry has certain regional characteristics. The enterprises in the industry are generally of small scale, and many of them limit the sales of waterproof materials to the regions where the materials are produced, further reinforcing the regional characteristics of the industry. Therefore, in order to grow bigger and stronger in the industry and increase market shares, it is all the more necessary for enterprises of this industry to build production bases at home and abroad and actively conduct cross-regional and international business.

The Company has built R&D centres for production and logistics in regions such as North China, East China, Northeast China, Central China, South China, Northwest China, and Southwest China. Additionally, it intends to build factories in overseas regions including Southeast Asia and North

America progressively to cater to customers worldwide. Its production capacity is arranged extensively and rationally to ensure that its products can be sold to global markets at lower warehousing and logistics costs, and that coordinated production and shipment are realized. Therefore, the Company

1. Upgrade and optimize the channel development and management system; achieve co-creation, shared success, and mutual benefit with partners

The Company will upgrade and optimize its partner development and management mechanisms, maintaining a partner-centric approach, dedicating full effort to developing diverse types of partners, delivering targeted empowerment and support, and comprehensively enhancing partners overall operational capabilities to serve end markets. The Company will deepen channel development, implement classified management, standardize market order, upgrade partner service guarantees, and continuously explore tiered and classified approaches to partner management.

2. Maintain risk control as the top priority; improve the internal control system; and continuously enhance operational quality

The Company will consistently uphold risk control as its top priority and improve operational quality. It will continuously upgrade its partner credit policies, strengthen partner qualification review

enterprises. The Company will focus on the orderly expansion of overseas business, ensure the smooth commissioning and ramp-up of overseas production bases, and accelerate the development and implementation of overseas digitalization projects to empower high-quality overseas business development through digital capabilities.

8. Adhere to elite governance of Oriental Yuhong; focus on